



2010 ANNUAL REPORT

“Our Poverty, Our Responsibility”



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A SNAPSHOT OF AFARD'S ACHIEVEMENTS IN 2010



Community solidarity is being rebuilt

Poverty had driven many people into individualistic survival strategies. People hardly shared labor. However, the collective approach to work in the groups – village associations, Post Test Clubs, Women Forum, etc - has rekindled the traditional pooling of labor for a common purpose. Households reunited are now leaning on each other during labor peak seasons. Their cohesion has set an impetus for building sustainable social and economic insurance systems from which household members are benefiting.



Many households eat 3 decent meals a day without any discrimination

The common struggle for one meal a day had made many people malnourished. Marital instability was the norm. Families were also too greedy to eat with their extended family members. The provision of improved agro-inputs with trainings in crop and livestock management and nutrition saw 90%, instead of 26% before, eating 3 decent meals a day. Now women and girls also eat with men and they also eat eggs and chicken that were before traditionally forbidden. Men are also eating “silver fish” that they had ignored before that now they know its nutrition values.



Many individuals are enabled to use their entrepreneurial skills

The lack of access to capital tied many people into subsistence farming. Through the promotion of locally capitalized loan funds (UGX 930 million raised), 81% instead of 24% of households set up and are operating small businesses. It is now common to see small businesses of produce marketing, artisan, fish mongering, and general merchandize kiosks within the project areas. With these, asset accumulation to buffer shocks and stresses have been ignited. Nine percent of the households already have cash savings of UGX 1 million besides buying assets; something they call a dream come true when compared to only 1% in 2008.



There is better safe water and sanitation chain management

Malaria and gastro intestinal infections had for long been the main causes of sickness and death in West Nile. Ignorance made some people to point fingers that they were being bewitched. Through the training of Community Health Frontline Advisors (CHFAs) as community educators, drilling boreholes and distributing long lasting insecticide treated mosquito nets, now many homes are using mosquito nets (100%), safe water (75%) and pit latrines (95%). Consequently, malaria declined from 65% to 40% and 25% among children and adults respectively. There is therefore increased economic productivity for women and education participation for girls. Women are also less stressed as fewer children are suffering from malaria. In many households, reduction in medical costs (time, money) was also reported.



Community prevention and mitigation of HIV/AIDS is ignited

AFARD beneficiary villages are no longer waiting for health education from government systems only. The CHFAs are on a crusade to ensure that the knowledge gap is plugged. They are also linking their villages with VCT service centers (and 47% of members have tested their HIV status). Importantly, the groups are also supporting 286 PLWAs to mandatorily access ART services monthly using own UGX 134 million loan fund. Likewise, 308 OVCs are supported to remain in schools.



More children are in schools with hope for the future

Lack of adequate food and money had withdrawn many children out of school. This was even worse where classes were conducted under trees and teachers lived far from schools. Committed to a secure future, AFARD apart from agricultural support also constructed classrooms. As such, 96% of all school-age children are in schools. The Community Education Fund under pilot sponsored 10 children in secondary education in the year.



Women are getting empowered

By targeting outreach to 'the kitchen', WENDI has raised women's status away from when projects and their benefits were controlled by men. Women have taken more than 30% of group leadership positions. They also have a say on what crops they need to ensure food and income security. In addition, their access to loans has greatly improved their community engagement outside the "kitchen borders".



Decentralized governance is being engendered, with special focus on women

The provision of capacity building for civic engagement among women leaders has sparked pursuance of human and women's rights. Women leaders established themselves into Women Forum as avenues for building women alliance, identifying critical women's needs and lobbying government leaders to plan and budget for those needs. In this way, women have gained women-based projects and entry into local governance. Their acquired skills have also enabled them to join the multi-party political campaigns. Meanwhile the reawakening of their roles has compelled many to join functional adult literacy classes.



Village Associations are maturing into viable hubs for development

That many people wanted to work alone, left the few village groups more family- or elite- controlled with opportunistic drives to tap any "funding opportunity". AFARD has focused on ensuring that its beneficiary groups are transparently and collectively managed for a shared common goal. No doubt, the trainings, mentoring, and exchange visits are yielding fruits. The groups have raised, on their own, UGX 800 million. They were also able to contribute UGX 2 billion as co-funding towards their supported project (both in-kind and in cash). They are also now working closely with local government.



Transparency and accountability is indispensable

Trust building requires all actors to be aware of what is taking place besides being part of it. AFARD has enlisted a multi-stakeholder participation not just in planning and implementation but also in monitoring of activities. District and lower local government officials' mandates are respected by supporting their field visits and commissioning of infrastructures. They are also provided with work plans, budgets, disbursement details, and quarterly reports. This deepening accountability has helped build leverage with the various district sectors. It has also enhanced the legitimacy and visibility of both AFARD and its donors.



AFARD's ideas are being replicated already

The cost-efficient, output-effective and positive impacts-oriented strategies AFARD uses in implementing its programme have attracted attention from local government and peer NGOs in the region. For instance, the training of CHFAs and their armament with community sanitation policing byelaws was reason to celebrate the massive gains in safe sanitation and hygiene practices. Likewise, the enactment of an education byelaw under the Community Education Fund has given community self-policing of education participation of children. These are byelaws that local governments have started replicating.



AFARD's visibility and sustainability building is in force

AFARD is strategic hub for development promotion in West Nile. Its indisputable results have given it credibility and visibility that in 2010 were heightened by the completion of its phase 1 of office block. Likewise, to produce enduring results, AFARD has remained committed to supporting staff capacity development as well as ensuring that it has enabling working environment.

ABOUT AFARD

The Agency for Accelerated Regional Development (AFARD) is a local professional, not-for-profit, non-denominational non-governmental organization (NGO) formed in July 2000 by professional sons and daughters of West Nile. With its regional headquarters in Nebbi Town, AFARD is currently operating in the five districts of Nebbi, Zombo, Yumbe, Arua, and Moyo in the West Nile sub-region of Uganda.

AFARD is registered with the NGO Board under the NGO-Registration Statute, 1989 as an NGO (Reg. No. S.5914/3753) and with the Registrar of Companies under Companies Act as a Company Limited by Guarantee (Reg. No. 45170). AFARD is also a member of many networks, namely: Uganda Water Integrity Network (UWIN); Uganda National NGO Forum; Participatory Ecological Land Use and Management – Uganda Chapter (PELUM); Uganda Water and Sanitation NGO Network (UWASNET); Uganda National AIDS Services Organizations (UNASO); District NGO Forum in Nebbi, Yumbe, and Moyo Districts; and Nebbi AIDS Services Organization Network (NASON).

AFARD has a commitment towards capacity building for sustainable livelihoods guided by:

Vision: “A Prosperous, Healthy, and Informed People of West Nile”

Mission: “To contribute to the molding of a region in which the local people, including those who are marginalized, are able to participate effectively and sustainably and take a lead in the development of the region”

Ethical values/principles:

- Respecting human dignity, equality, justice, and freedom.
- The enshrinement of the empowerment approach to development ;
- Local ownership by beneficiaries of whatever initiatives they are involved in;
- Use of participatory methodologies;
- Reliance on local resources including ITK, human and physical resources;
- Localising research aimed at generating local area sensitive interventions;
- Genuine partnership based on mutual trust, respect and honesty;
- Linkage and collaboration with like-minded stakeholders; and
- Transparency and accountability.

Philosophy:

- People know their problems better;
- It takes hard work to live a better life;
- Donors are friends *en route* to beneficiaries’ desired ends;
- Poor people lead holistic livelihoods and support to them should be cognizant of this fact;
- Change is gradual; requires time, hard lessons, openness, and flexibility; and
- Capacity building can neither be rushed nor pre-determined.

FROM THE BOARD CHAIR



The Agency for Accelerated Regional Development (AFARD) envisions active citizens, households, and organizations able to equitably and sustainably enjoy: Food Security; Income/Economic Security; Health Security; Education security; and good governance. These provide the central point for the empowerment of largely rural marginalized and vulnerable communities for sustainable livelihoods and self-reliance.

Thus, the year 2010 witnessed a marked improvement in both the quantity and quality of our service delivery. At AFARD level, the first phase of constructing the headquarters was accomplished and His Grace Henry Luke Orombi commissioned its use. In the region, AFARD was able to reach out to 14% of the 2.2 million people of West Nile with different but innovative development programmes. No doubt, by the end of the year, 83% of smallholder farming households in the project areas was able to eat three decent meals a day as a family; 75% had access to safe water; and 95% had and used own pit latrines. Income levels also improved as 9% of the households saved

hard cash of at least UGX 1 million besides procuring a number of valuable assets – cows, bicycles, beds with mattresses, etc. Malarial disease declined to a dismal 20% as consistent and comprehensive use of insecticide treated mosquito nets became the norm. Enrolment in schools surged to 96%. Finally, the various partner community groups had self-financed credit schemes worth over UGX 930 million. Through the involvement of district and lower local governments as well as engaging professional audit firm (KPMG), transparency and accountability improved markedly especially in groups.

As a Board, we therefore acknowledge the unreserved support of the district local governments of Nebbi, Zombo, Yumbe, Arua and Moyo. We are equally grateful to the donors – gorta, European Commission, Civil Society Fund, Royal Netherlands Embassy, Kampala, and Manos Unidas as well as sub-contractors – FAO in Uganda and Ministry of Health - for the precious support accorded to AFARD in 2010. It is also our humble hope that your continued support will help deepen the achievements so far attained as a way of embedding sustainable livelihoods and dignified life in this poverty stricken West Nile region.

On a sad note, in May 2010, we lost our dear Chairman, Rev. Fr. Geoffrey Ocamgiu (RIP). May his soul rest in eternal peace!

Finally, in the year the Board appointed three new members, namely: Lady Justice Flavia Anglin, Rt. Rev. Dr. Sabino Ocan Odoki and Ms. Gloria Royce Andrua. To Ms Grace Freedom Kwiyoocwiny and Ms Marion Kyomuhendo who left the organization we are grateful for your dedication and professional service. To the new team, you are most welcome to serve the people of West Nile.

Mr. Vasco Kura
Chair, Board of Directors

MANAGEMENT OVERVIEW

The expansion plan that was ignited in 2009 witnessed an increased outreach in 2010 into 5 districts and 25 lower local governments. Equally the number of beneficiaries doubled to over 300,000 people. New and old project partners had different development needs and gaps as well as operational demands. Juxtaposing these divergences compelled us to conduct a strategic multi-stakeholder learning/ reflection meeting with representatives of local governments and beneficiary community groups. This meeting led to the harmonization of the impact-driven planning framework and revision of the monitoring, reporting, accounting, and learning (MRAL) tools. In this way, the 2010 focus was candidly clear hence partners and staff found it easy to work within the agreed-upon framework ensuring that programming, implementation, monitoring and reporting were based on results and lessons learnt.

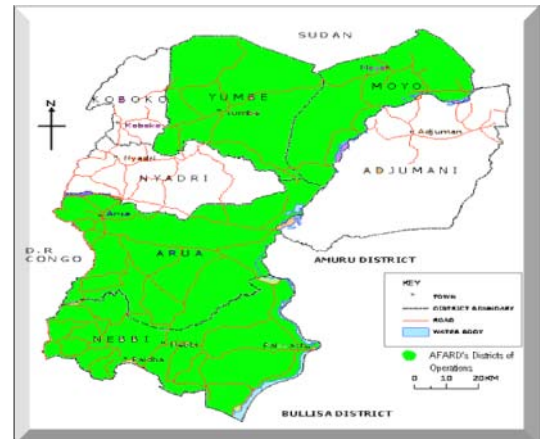


Figure 1: AFARD's Geographical Outreach, 2010

Yet, another challenge was the global economic recession that meant drastic budget cuts. For instance, while WENDI 2009 provided budget support worth €1.5 million for only 51 groups, WENDI 2010 had only €1.1 million for 82 groups. This necessitated innovative strategies. In the year, resource mobilization strategies had to be redirected more towards local resources – land, labour, and members contributions, etc as a way to optimize household production. Second, building local ownership and sustainability became pertinent in order to plant in the beneficiaries the realization that donor support is “only top-up support” meant to catalyze local initiatives towards the fight against local poverty – i.e. owning up our poverty reduction efforts. Third, it inspired gorta and AFARD to jointly seek funding from Irish Aid. Indeed we won more than €1 million for 3 years. Finally, AFARD was pressured to rethink its financial sustainability question that had been shelved 2 years earlier.

Nonetheless, 2010 was a year of sharpening our learning curve and agility to rural development challenges. Through the concerted efforts of all stakeholders, AFARD's footprints are evident, notably in stabilizing food security, building income and economic resilience to livelihood shocks, increasing access to safe water and sanitation, strengthening community care and support for persons living with HIV/AIDS and orphans and vulnerable children; enabling poor households to benefit from government's policy of universal primary and secondary education; and finally strengthening good governance right from the households, through the community groups into the public arena of local governments.

Finally, the year provided more lessons towards harnessing the efforts of poor marginalized men and women for their own development. It demonstrated that poor people have the zeal to fight their vulnerability to livelihood shocks and stresses with all they have – collective actions in voicing their concerns to government leaders and policing their community safety, among others. Well nurtured, with strategic catalysts, such commitments provide a critical mass for building community owned sustainable development.

Alfred Lakwo, Ph.D
Programme Director

2010 IN PERSPECTIVE

AFARD's Outreach and Projects

The West Nile region has about 2.2 million people. AFARD in 2010 reached out to 314,956 people representing about 14% of the total population. These people are located in the 5 districts of Nebbi, Zombo, Arua, Yumbe and Moyo within 30 Lower Local Governments. The outreach sites, identified with local government leaders, are extremely rural and marginalized areas where local governments' programmes are hard-to-reach due to financial constraints and isolation.

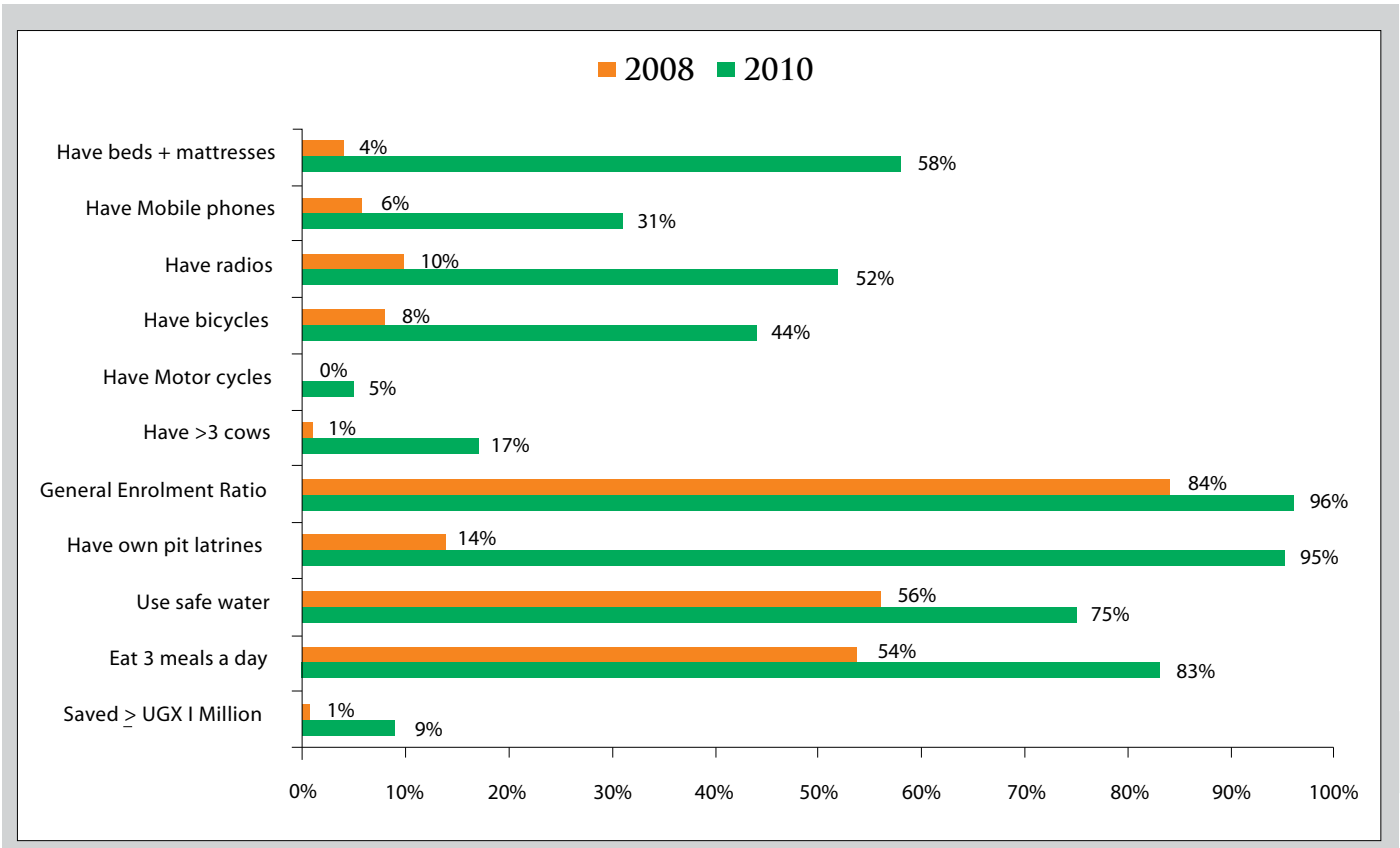
AFARD's programme outreach in 2010

Project Name	Funding agency	Goal	Beneficiaries
West Nile Development Initiative (WENDI) Programme	gorta (Grant # UGA/1982/10)	Empowering rural marginalized communities for the attainment of secure and self-sustaining livelihoods'	5 districts (Nebbi, Zombo, Arua, Yumbe and Moyo), 24 lower local governments, and 82 beneficiary Communities (with 10,828 households and 73,958 people and 6,000 non-BO member households).
Fisher Community Anti-AIDS Project (FiCAP)	Civil Society Fund (Uganda AIDS Commission) (grant # RFA08-001)	Reduction of sexual transmission of HIV among fishing communities	Panyimur and Pakwach sub county with 50,230 people.
Engendering Decentralized Poverty Resources Management Project	Delegation of the European Commission in Uganda (grant # DCI-NSAPVD/2008/169-745)	Lower Local Governments (LLGs) provide gender sensitive and equitable services to the community	2 districts (Nebbi and Yumbe) in 6 lower local governments targeting 189,563 women.
Jangokoro Food Security Project	Manos Unidas (Jaca city), Spain (grant # UGA 58871 AFARD)	Benefiting households are food secure.	Zombo district, Jangokoro lower local government targeting 2 BOs with 596 members.
Murusi Safe water and sanitation Project	Royal Netherlands Embassy, Kampala (grant # KAM/S2/272/09)	Improved health and social status.	Nebbi district, Akworo lower local government targeting 636 members in Munduryema village.
Distribution of mosquito nets	Global Fund R7, Ministry of Health, Uganda	Contributing to the rollback of malaria in the country	Nebbi and Zombo district with 136,203 households with 661,530 people
Nebbi Inclusive Development Project (NIDP)	INclusion, The Netherlands	A dignified and income secure life for all people, free from the injustice of poverty and exclusion	400 people in Kucwiny
Mainstreaming rights to food in Sub-national plans and strategies	FAO (grant # GCP/INT/087/GER)	Building capacity of district, sub-county and parish authorities to formulate, manage and monitor respective development plans with priorities that strongly feature food security and nutrition.	30 LLGs in Nebbi, Zombo and Yumbe districts

FULFILLMENT OF BENEFICIARIES' ASPIRATIONS

In line with AFARD's vision of a prosperous, healthy, and informed people of West Nile, the annual impact-based planning approach set a basis for grassroots' effort mobilization for "people's aspirations – what they want to achieve to make dignified living". A snapshot in the figures below presents some of our achievements in 2010. Overall, it shows that gradually there is greater improvement in the quality of life of the people. There is noticeable human and social development. Likewise, economic stability is being achieved at the household level. People formerly labeled lazy and poor now have some disposal cash and material assets, a situation that for long they never dreamt of. Such assets include bicycles, radios, mobile phones, mattresses, and chairs with cushions.

Figure 2: Changes in the households of WENDI Beneficiaries



These improvements in the quality and dignity of life are well summarized by the following reflection, narrated by Mr. Lui Silveri, the head of one of the member households. It is a brief highlight on what were achieved in the various programme themes AFARD is implementing.

Case Study 1: WENDI and Better Living: Mr. Lui Silveri



Before becoming a member of the WENDI programme, life in this village was too hard to bear. In my home, we used to have only one meal a day of whatever we could lay our hands on. We ate to see the next day alive but not to be healthy and productive. This was because we only grew poor varieties of crops (cassava and beans) on very small land size (0.4 acres).

Not only was food scarce but money too was something one would not

dream about. If anybody asked me for money, I felt like I was insulted. To earn money we used to make and sell woven bamboo baskets. Each basket would take up to 3 days to finish. Yet, it was only sold for UGX 500. Given that it was only me who knew how to make the basket, imagine how even earning UGX 5,000 in a week was not only difficult but a nightmare for my household! Not surprising, of our five children, only one was in school because we could not afford the cost of scholastic materials as well as uniforms for all of them. We could hardly care about our health.

In our ignorance, one house was good enough for us. This house doubled as a kitchen and a bedroom. This bedroom was also shared with our children and visitors. We had no pit latrine and would always hide in the nearby bush when nature called. Our clothes were washed and hanged either on the roof or on nearby grass where they would often harbour worms and/or ticks. Due to lack of bath shelter, we would not bath during the day even after garden work. We had to wait for nightfall in order to bath.

After Kuligamba WENDI Group was formed in our village following the mobilization and address by AFARD officials in the presence of our Sub county leaders, I enrolled my household as a group member. Through the group, AFARD continuously enriched us with knowledge and skills. We were also made to know what gorta programme strives to achieve – adequate good food, money and good health. All children were required to be in school as a way of building a prosperous future. Equally, AFARD brought us goats, hoes, improved cassava stalks and bean seeds which I planted on 2 acres of land. In doing all these, my life is not the same, anymore. I am a proud member because:

- a) I have one acre of land planted with healthy cassava. I have high hope in its yield because I have seen in other areas that this type of cassava is quick maturing and high yielding. I also have another acre planted with beans and other crops. This hope gives me more courage to work harder.
- b) I can now raise UGX 5,000 per week without much problem unlike before. Our household is involved in fish mongering. My wife runs the business. The loan scheme of the group provided the initial capital. After every stock sale, we jointly discuss how much should go into loan repayment and other requirements such buying food and scholastic materials.
- c) Now all our five children are in school. We are able to buy for them uniforms and scholastic materials using the profits from our loan-funded business.
- d) We are living in a clean home. I constructed a kitchen as well as a sleeping house for the children, a bath shelter and utensil drying rack. In the home there is also a pit latrine with a hand washing facility.

As a new group member, I am optimistic that the future is bright for my family.

STABILIZING FOOD SECURITY



Funders/Beneficiaries: gorta's West Nile Development Initiative (UGA/1986/10) for 10,828 households and Manos Unidas (Jaca City) for Jangokoro Food Security Project (UGA 58871 AFARD) for 90 households.

In 2010, two critical challenges formed the focus of sustainable agriculture enhancement. First, the uptake of 36 new community groups meant an engagement with subsistence, food insecure farmers without any access to improved inputs and skills. Second, challenges from 2009 had to be addressed: low adherence to technical advice; slower gains with respect to nutrition; low adoption of seed banking; and high death rate of goats (especially kids) as well as untimely sales of goats at lower prices.

The interventions

- A firm decision was made and effected to ensure seeds and planting materials were provided to only new groups (with the exceptions for old groups that suffered from drought). Thus, new groups were provided with key inputs that could promote food security. These included cassava cuttings (21,577 bags), beans (54,044 kg), soya beans (9,969 kg), groundnuts (8,389 kg), simsim (8,311 kg), maize (14,618 kg), rice (1,680 kg), and sorghum (1,329 kg), hand hoes (8,791 pieces), 8,571 local goats, and 26 Boer (exotic) goats. While the crops were high-yielding, drought-resistant, non-GMO and marketable crop varieties, the Boer goats were heavy weight quick maturing goats.
- Skills training in better and sustainable agronomic and livestock management practices accompanied the inputs provision to enable effective use of and optimal returns from, the new varieties/breeds. Cash fines were imposed on training defaulters to ensure conformity.
- Nutrition education was conducted in all new groups targeting couples with the aim of promoting effective utilization of locally available food varieties, equitable food sharing practices and enhancing diversification of

foods eaten (balanced diet).

The results

The beneficiary household survey and group reviews found out the following changes:

- More acreage of land was opened both at group (6-10 acres) and household (1-3 acres) levels. Exceptionally, groups with animal traction technology overall had more acreage per household (4 acres) as compared to an acre for those without the technology.
- Increased adoption of modern recommended agronomic practices (e.g. early primary tillage, proper spacing, timely pest/disease control in the field and post harvest.)
- Better yields were attained for all food security crops - cassava, beans, sorghum, and groundnuts.
- More than 50% of the groups set up own seed banking systems either through seed loan or seed bulking.
- Each of the beneficiary farming households had, on average 5 goats of which 6% were cross breeds. Meanwhile in the year 5% of the goats were sold at a fair market price (average UGX 66,965) for UGX 160.6 million and 7% was used on social issues saving households about UGX 232.4 million.
- Overall, 83% of the total households (and 98% of old members' households) reported eating 3 decent meals in a day. Members also noted that they shared food as a family and some women reported that they have stated eating hitherto culturally forbidden foods like eggs and chicken.

BUILDING ECONOMIC RESILIENCE



Funders/Beneficiaries: gorta's West Nile Development Initiative (UGA/1986/10) for 10,828 households and Manos Unidas (Jaca City) for Jangokoro Food Security Project (Ref. # UGA 58871 AFARD) for 90 households.

Income/economic insecurity is a fact of life in West Nile. The long period of political instability wrecked havoc on many households and subsistence farming (the main source of livelihood in the region) had for long failed to secure livelihoods. Diversification of livelihood activities was curtailed by financial exclusion. In Uganda, 62% of the people are financially excluded.¹ AFARD's outreach areas are neither attractive to formal financial services providers nor do they have the demonized moneylenders. Only 24.1% of the households in 2009 had informal enterprises. As a result, in 2009 Community Microfinancing was introduced in order to enable households save, access credit, and venture into microenterprises. The scheme, however, faced numerous challenges including: different lending strategies, inadequate loan portfolio, and inappropriate investments of money borrowed making repayment problematic.

The interventions

To solve the above challenges as well as ensuring that new groups started on a sound footing, in 2010:

- A harmonized lending operation guideline was developed and groups inducted in its use to ensure conformity and comparability over time.
- Local resource mobilization targets were agreed upon at UGX 5 million for new groups and UGX 10 million for old groups to ensure that loan portfolio ably absorb more members. To meet such targets, groups were encouraged to diversify their resource mobilization strategies.
- Training in business selection, planning and management was conducted in 84 groups.

¹ Johnson, S. and Nino-Zarazua, M. (Feb. 2009) Financial access and exclusion in Kenya and Uganda. Bath Papers in International Development no. 1. The Centre for Development Studies, University of Bath.

The results

As at December 15, 2010, all member-based groups were running Community Microfinancing Schemes. The total loan portfolio increased from UGX 506 million (€188,492) in 2009 to over UGX 930 million (€295,238) in 2010. On average, each BO had UGX 11.2 million (€3,557) as loan fund. As a result, 81% of members' households set up and were operating income generating activities as opposed to only 69% in 2009. Nine percent saved at least UGX 1 million in cash. Meanwhile, many members secured assets (cows (17%), goats (26%), bicycles (44%), mobile phones (31%) beds with mattresses (58%), among others and were able to meet basic life cycle needs such as paying school dues and medical bills.

SAFE WATER AND SANITATION ALSO MEANS INCREASED PRODUCTIVITY AND SOCIAL HARMONY



Funders/Beneficiaries: gorta's West Nile Development Initiative (UGA/1986/10) for 4,515 households; the Royal Netherlands Embassy in Uganda towards Murusi Safe Water and Sanitation Project (Ref.# KAM/S2/272/09) for 139 households; and Ministry of Health's National Malaria Programme for 136,203 households.

Safe water and sanitation is often lopsidedly considered as mainly, a health issue. Little consideration is taken to map out its full outcomes. No doubt, many planners have pre-occupied themselves with water for home consumption and water for production; an approach that disconnects the symbiotic relationship between the two facets.

From our experience, it has come out that safe water and sanitation reduces the health burden while increasing the household productivity and contributes substantially to social harmony. This realization emerged from a series of group meetings. Asked why despite having access to large land for farming labor productivity was low, many people pointed beyond poor agro-technologies to limited labor to till the land due to frequent sicknesses and deaths most of which had a witchcraft label in the community. Mr. Olama said, *"Although I have 10 acres of land, I only open what we can effectively use. If I open 2 acres and planted them with seeds yet my wife and daughters would not be there to partake of their socially ascribed gender roles, what a waste that would be! I cannot weed and harvest because it is the work of women"*. The end result was that women and girls had their labour shared in a household need but with reduced farm productivity. In addition, it was pointed out in the beneficiary communities of Anyegele and Ovoukaku that water scarcity in the dry seasons saw annually many women migrating back to their natal homes leaving behind many men in search for 'side dishes' [meaning extra marital relations], Mr. Ashiraf lamented. And when the women are back during rainy seasons, trouble would be eminent since the men would not abandon their 'side dishes'.

A follow-up quantitative baseline survey rightly found out that only 33% of beneficiary households had access to safe water sources amidst poor vector control and safe home hygiene practices. Less than 50% of the households used mosquito nets; and (shared) latrine coverage was 76%. Hand washing with detergent was only 33% and on average 37% of the people fell sick from unsafe water and sanitation related diseases in the month preceding the survey wherefrom households lost on average 8 productive days to sicknesses and UGX 16,470 on medical bills. Besides, 10% of adults were found to have casual sexual partners.²

From the various cases above, it is clear that limited access to safe water and sanitation leads not only to health problems (disease burden) but also to low household productivity (lost days and medical bills) and poor social cohesion (from conflicts) both within the household and the community.

The interventions

In the year, AFARD provided 13 safe water sources (boreholes) under established facility management committees to water scarce areas. To ensure sustainable functionality, all water sources were compelled and they responded by opening bank accounts with a minimum of UGX 200,000 in respect of each borehole.

On its own, AFARD procured and comprehensively distributed 20,940 Long Lasting Insecticide-treated Mosquito Nets (LLINs). Under the Global Funds Round 7 (GFTAM), we also distributed 228,708 of the 228,750 nets received from the central store.³

Community Health Frontline Advisors (CHFAs) were trained as local change agents responsible for community mobilization, education, and compliance policing. After the training, they embarked on a vigorous (sanitation and HIV/AIDS) education campaigns, home surveillance, and local court enforcements.

The results

In 2010, the following were achieved:

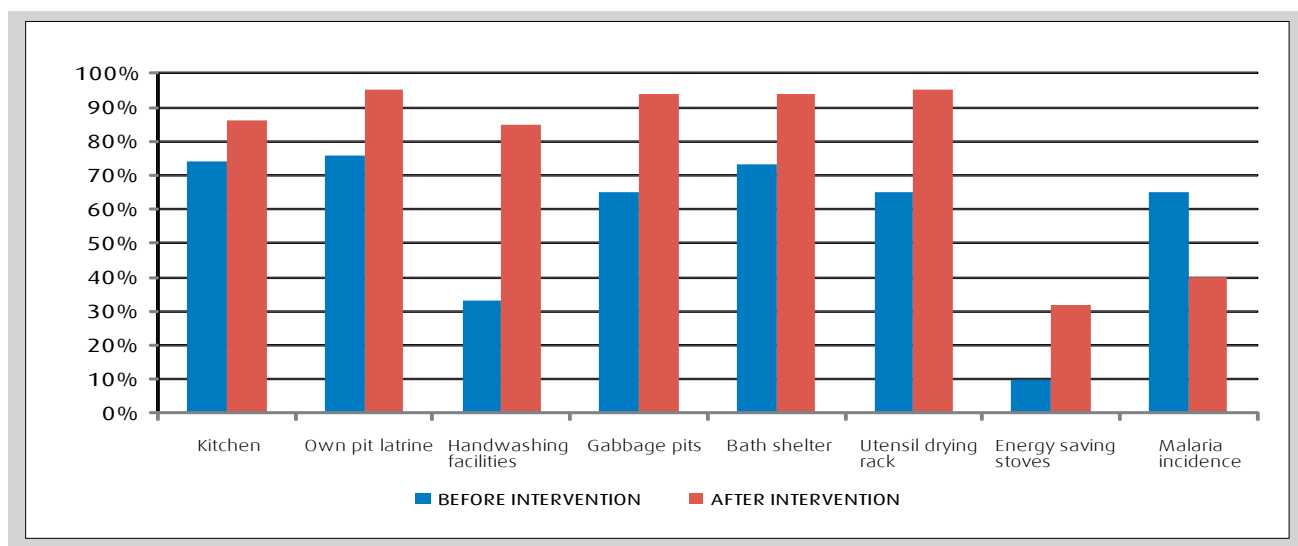
- All old and new boreholes have functional Facility Management Committees who, apart from effectively managing water sources, collect monthly user fees. They have so far collected UGX 8.9 million (an average of UGX 287,000 per source).
- Sanitation education was extended to 36% of the beneficiary household population and most households now have erected safe sanitary facilities. Malaria incidence also declined. While nationally only 41% of the population use mosquito nets, 100% of AFARD beneficiaries use mosquito nets. Thus, compared to malaria contributing to 52% of sickness nationally, malaria in 2010 affected only 25% and 40% of WENDI beneficiary population and children respectively (see the figure below).⁴ Meanwhile, cholera is no more along L. Albert and R. Nile. But importantly, the ability to distinguish a sickness as malaria, for instance, reduced family conflict as allegations of witchcraft reduced.

² Lakwo, A., and Cwinyai, A. (2009) WENDI Baseline Study Report. AFARD.

³ This contract by Ministry of Health (National Malaria Control Programme) is scheduled in two phases to rollback malaria in Nebbi and Zombo district. In this reporting period, the phase targeted children under 5 year's old and pregnant mothers. The contract is jointly implemented with Uganda Health Marketing Group, PACE, District Health Team, and other district and lower local government officials.

⁴ Important to note is that while in the past households shared latrines. Under WENDI every benefiting household is required to mandatorily have its own latrines.

Figure 3: Status of safe sanitation facilities



- Easy access (within short distances) also meant that more girl children were able to attend school regularly given that both girls and boys find it easy and fun to go fetch water from the boreholes. This has also broken the gender borders that hitherto ascribed the role of fetching water to females.
- Marital harmony is gaining roots. Women have reported that “now we have longer time of sleep” unlike in the past when they had to wake up as early as 3.00 am to go in search of water. Mr. Ashiraf once again noted that “marital infidelity is declining” because he knew of no woman in the last two years who went back to their natal home during the dry season.
- Mr. Olama reported that “last season alone he was able to plant an acre of simsim, half an acre of cow peas, and an acre of cassava” because his wife and daughter were always available to work with him in the garden. From this, they had adequate food and were able to raise UGX 1,500,000; something he described as “unimaginable” since he had not held such an amount of money at once in his lifetime. His wife Mrs. Zuweda also hinted that with the water source just 20 minutes away, ***“I have ample time to actively participate in my family farming as well as in our village group. I pay no frequent fine for failing to join my fellow group members anymore.”***

From the above it can be said that the narrow and skewed cost-benefit analysis assessment of the benefit of access to safe water and sanitation negatively impacts on resource allocation. It has led to the perpetual underfunding of the water and sanitation sector in the national budget. In Uganda, for instance, in the 2009/10 FY, water and environment received a negligible 3.4% of the national budget; too insufficient to meet the MDG target for the sector. One can thus imagine the number of missed development opportunities.

COMMUNITY-DRIVEN HIV/AIDS PREVENTION AND MITIGATION



Funders/Beneficiaries: gorta's West Nile Development Initiative (UGA/1986/10) for 10,828 households and Civil Society Fund towards Fisher Community Anti-AIDS (Ref. # RFA08-001) for 11,823 households.

Although Uganda has made a remarkable achievement, through an open approach, to reduce HIV/AIDS prevalence rate from 20% in the 1990s to 6.5% in 2005, currently only 20% of Ugandans have tested and know their HIV status and the number of most at risk populations (MARPS) is on the rise. Singla fishing village on L. Albert in Nebbi district is a good example of MARPS concentration. Fisher folks have shown over 10% voluntary counseling and testing (VCT) sero-positivity rate.

To address this huge challenge posed by the high HIV/AIDS prevalence rate, in 2010, JOYODI was supported to reach out to the population of the 48 villages of Pakwach Town Council with a multi-channel communication approach. Further, 225 Community Health Frontline Advisors (CHFAs), 71 Village Volunteers and 60 peer educators-cum-counselors (PECs) were trained to deliver HIV/AIDS education. In addition, 109 mobile Voluntary Counseling and Testing visits were conducted in collaboration with the District Medical Offices and financial support was extended to the Post Test Clubs of Dei, Lokokura, and JOYODI.

As a result, 36,152 people (20,465 females) were educated and 7,838 people (4,637 females) tested their HIV status. Of those who tested, 287 (166 females) turned HIV positive. In the year, the number of Post Test Clubs increased from 7 to 11. These Post Test Clubs have a membership of 764 people and are supporting 286 Persons Living with HIV/AIDS and 308 Orphans and vulnerable children from their loan portfolio of UGX 134 million (averaging about UGX 12.2 million per PTC) as is shown in the table below.

AFARD Post Test Club's membership, Loan portfolio and average financial support

Name of Fishing Village	Year formed	Number of satellite villages	Post Test Club Membership			Number of PLWAs			Number of OVCs supported	Loan portfolio (UGX)	Average monthly support to PLWA & OVC (UGX)
			Male	Female	Total	Male	Female	Total			
Dei	2004	5	30	87	117	12	25	37	148	46,955,791	350,000
Lokokura	2005	3	21	59	80	11	48	59	100	42,622,500	300,000
Kayonga	2009	6	22	43	65	5	14	14	4	5,001,500	45,000
Angumu	2009	4	27	33	60	10	28	28	4	5,213,000	65,000
	2009	6	37	41	78	3	12	13	20	10,913,450	30,000
Wangkadu	2009	6	30	43	73	9	26	26	3	5,231,450	50,000
Mututu	2009	6	48	68	116	26	57	57	29	8,998,050	100,000
Mukale	2010	3	5	12	17	2	2	4	0	408,000	-
Mangele	2010	4	13	20	33	3	2	5	0	210,000	-
Povona	2010	2	10	6	16	2	1	3	0	190,000	-
JOYODI	2010	48	42	67	109	8	32	40	0	9,240,000	-
Total		93	285	479	764	91	247	286	308	134,983,741	940,000

The excerpt below from Lokokura Singla Post Test Club (PTC) following an interview between Ms. Jennifer Fitzsimons and the PTC Coordinator, Mr. Ronald Jawoko demonstrates the commitment and support PTC members have in preventing HIV/AIDS and mitigating its effects in their communities.

Ms. Jennifer: Could you tell me why you formed the PTC

Mr. Jawoko: Just 3 years ago, there was no information in the community about HIV/AIDS. People did not know its modes of transmission, symptoms, prevention, and living positively if tested. Myths about the disease were rife. For instance, many associated the disease with witchcraft. Some even labeled it as a sickness of the rich, old, and/or educated people. To the youth, condoms were already “infected with the virus by Americans”. All of this meant that people were living high risk lifestyles. Unsafe sex involving multiple rotational partners (sometimes transactional and intergenerational) was common practice. Children started sex before 18 years and married couples had extra-marital affairs in the sex-for-fish transaction. Worse still, very few people knew their HIV status as no testing service existed nearby. Many of those who tested positive, due to stigma, failed to declare their status. The result was alarmingly bad. [Re]-infections were common and many HIV positive people died sooner than would have been the case if they had been assisted in time. The Lokokura Singla Post Test Club (PTC) emerged, thanks to AFARD support, to help solve this problem.

Ms. Jennifer: What is the membership of the PTC? And what do you do?

Mr. Jawoko: The PTC now has 88 individual members, 66 of whom were HIV+. With 21 members trained by AFARD as Peer Educators-cum-Counselors (PECs), the Club embarked on community sensitization using a peer-to-peer (P2P) approach. This was followed by mobilizing people for HIV testing as well as follow-up counseling. AFARD funded the VCT services. However, with the high number of HIV+ people, came the need for community care and support since Anti-retroviral Treatment (ART) is free. Adherence to ART was curtailed by access problem as few people could afford transport and upkeep cost to far-off hospitals (>30 Kms) that provide the treatment. In response, the PTC established a loan fund for the members. The loan is provided at different interest rates. HIV – members pay higher interest rate than HIV+ members.

The interest income is spent on ensuring mandatory access to ART services by HIV+ members. This financial support is provided monthly and on a cost-sharing basis. As a result, no member has dropped out from ART access. Further, for members who passed-away, part of the fund is used to meet their descent burial expenses. Their loan debts are

also cancelled (bad debt). Finally, from this income 100 orphans and vulnerable children are receiving primary and secondary education support in the forms of uniforms and scholastic materials.

Ms. Jennifer: *What positive changes have you seen from your work in the community?*

Mr. Jawoko: On changes that the community has attained, the following are important to note. With education, positive behavior changes are visible. Abstinence and faithfulness are taking roots. Condom use has also increased. The loan also helped many people to set up small businesses with which they are able to fend for their families. HIV+ people find it easy to buy nutritious food, as ART is futile without a healthy diet. From the testing and post-test counseling, many people have declared their HIV status and are living openly while sharing their experiences to curtail further spread of the disease. PLWA know that they are accepted and cared for.

STIMULATING EDUCATION PARTICIPATION UNDER UNIVERSAL EDUCATION POLICY



Funder/Beneficiaries: gorta's West Nile Development Initiative (UGA/1986/10) for 10,828 households.

The average adult literacy rate in West Nile is a dismal 59% as compared to 69% nationally. This 10% point gap is attributed to the "lost period" from the political instabilities that characterized West Nile from 1979 up to 2003. Many children then, now adults, living as refugees in DR Congo and Southern Sudan missed out on formal education even when they returned to Uganda. Worst still, for many young boys and girls the opportunity to participate in the universal education policy at both primary and secondary levels is limited due to food insecurity, income poverty, lack of attractive infrastructures, and limited motivation among parents to support education. Adult literacy classes have also remained inadequate. To bridge the gap, AFARD adopted a multi-pronged approach as are shown below.

The interventions

- Household food and income security were promoted so that households were able to feed their children and meet education cost (see page 7 and 8 of this report).
- Basic infrastructure support was provided especially in Okuvuru village where there was the construction and furnishing of a 4 classroom block with the head teachers' office, a store, a 10,000 liter rainwater harvesting tank, a 5- stance VIP latrine and 15 trees under the supervision of the District Engineer of Yumbe.
- A Community Education Fund was piloted under Murusi Community Education Fund in Akworo Sub County. The scheme was reviewed and seen to be capable of sponsoring five additional students in 2011.
- Community sensitization was integrated in all management visits to ensure that parents fully supported education of their children, and that, all eligible children in benefiting households were in school without any bias against girls.

The results

- Of the 26,248 school age children in WENDI programme areas, 96% were enrolled in schools (105% boys and 95% girls). Parents also spent UGX 2.5 billion (averaging UGX 98,553 per child) on education.
- Ten children are being sponsored in secondary schools from Murusi Community Education Fund.
- In the WENDI constructed schools, enrolment surged abnormally. In Oruku there were 268 pupils in P1 class alone and 80 pupils in P2 as compared to only 98 and 25 pupils respectively before construction. Meanwhile in Gottembe, enrolment rose from less than 200 to 625 pupils.
- Members of the groups have become role models of development and are being elected on school management committees.

Case Study 2: *WENDI & Education: Ms. Grace Lamunu, Oruku WENDI Programme*

Before joining Oruku WENDI programme, life was unbearable. With the famine that struck in 2006, getting food was through sales of firewood and labor. Still this would provide insufficient food. Many men also resorted to drinking local potent gin as they could hardly bear the shame of being unable to fend for their children. Children could hardly go to school due to hunger.

All these have changed in my household now. The two years of my membership in the Group gave me access to seeds, a classroom block within the village, and loan fund. Food is no longer scarce. Instead of plain hot water with coffee before, now we have tea with boiled cassava in the morning. We eat decent lunch and supper. My children no longer have reasons for not going to school unlike in the past when they would cry of hunger. From the loan we are also able to provide for their education needs. I have neither failed to buy books, pens, uniforms nor pay required school dues.

If things continue like this, I am sure that my children will be able to attend secondary education. This is my main dream for the children because my parents gave me the hand hoes which have not been of much help for my progress in a village. I want to give them education so that they can compete with others in the wider Uganda and the world at large.

STRENGTHENING WOMEN LEADER'S POLITICAL CAPABILITIES



Funder/Beneficiaries: The Delegation of European Commission in (DCI- NSAPVD/2008/169-745) for 6 lower local governments.

In 2010, AFARD continued with year two of the Engendering Decentralized Poverty Resource Management Project in the 6 Sub Counties of Drajini in Yumbe district and Akworo, Panyimur, Pakwach, Nyaravur, and Jangokoro in Nebbi district. The project seeks to promote an empowered society through building the capacity of local communities for social accountability and poverty resource monitoring and of the lower local governments for downward accountability to strive to make decentralization pro-poor generally and beneficial to women in particular.

To achieve this goal, in the year the project was able to:

1.Strengthen effective participation of women in local government planning and budgeting through:

The production and distribution of 10,000 advocacy posters and 2,500 brochures to sub county leaders, women leaders at Sub County and parish levels, and women at village levels; Holding 8 radio programs to voice community concerns to leaders on issues of decentralized development and women's rights; Facilitating 180 Sub County and 699 Parish Women Forum members to prioritize key women's specific development needs; Supporting 150 women advocates to engage with local government officials in sector committee meetings; and the promotion of exchange learning visits among 143 women and local government leaders.

2. Improve local governments' transparency and accountability to their constituencies in general and to women in particular through:

Developing and disseminating 600 copies of popular version plans and budget in the local languages; Conducting budget analysis and participatory plan and budget tracking of the LLG approved plans and budgets for gender responsiveness; holding information sharing meetings for 699 women and LLG leaders in 23 parishes; and holding 6 local government advocacy meetings that sought solutions to issues related to biased mobilization against women and poor feedback to the women constituency, among others.

The results

In the year, there was better alliance among Women Councilors and Women Council Executives as champions in advocating for women's needs. This gain led to the formation of 6 Women Forum, improved participation of women leaders in the identification and prioritization of and advocacy for strategic women's needs that in turn won more women-driven projects. For instance, in Jangokoro, the Women Forum was given an office space by the Sub county authorities. Drajini allocated improved seeds worth UGX 4 million for Women Forum and UGX 800,000 for training 30 women leaders on family planning issues. Likewise, 460 women leaders enrolled for Functional Adult Literacy classes in order to learn to read and write. Among the project trainees, 12 Women Council Executives were contesting for Women Councilor positions in the on-going multi-party elections. Finally, local government leaders improved on their transparency and accountability on government policies and funds (22% point gains). Women leaders were also rated effective in executing their mandated roles (7% point gains).

NURTURING SUSTAINABILITY AND OWNERSHIP OF DEVELOPMENT IN COMMUNITY GROUPS



Funders/Beneficiaries: gorta's West Nile Development Initiative (UGA/1986/10) for 82 groups, Manos Unidas (Jaca City) towards Jangokoro Food Security Project (Ref. # UGA 58871 AFARD) for 2 groups, and Civil Society Fund for 8 Post Test Clubs.

The centrality of community groups both in the implementation of AFARD programmes and projects and building local ownership and sustainability requires that beneficiary groups are technically and organizationally sound. Building on lessons learned on goal-based and context specific capacity building, in 2010, a number of customized interventions were implemented.

The interventions

To enhance group capacities, leaders and members were trained in participatory leadership, financial management, performance monitoring and reporting, and resource mobilization. Member participation was improved by putting in place training registers, imposing fines for dodging training, meetings, and group work. Field and home visits became the norm to ascertain training efficacy. Monthly meetings were a must. A number of committees were also put in place so that group work would not rest entirely on the shoulders of executives, but shared as a 'learning by doing' strategy. Finally, bi-quarterly District Network meetings were conducted to plan and review performance as well as to learn from each other after individual group review meetings.

The results

The following were attained in the year:

- Transparent and accountable leadership was exhibited in many groups, as members preferred collective responsibility than allowing leaders to do as they wished in the past. Many conflicts were also solved by members without much involvement of AFARD or local government. For instance, in Siringmba the Chairperson who failed to repay his loan and thus demotivated many members from promptly repaying their loans was demoted to a vice chair position.
- Engagement with local governments improved as 72% of group members reported participating in local government planning processes. Groups also welcomed visits and mentoring by government officials, something they resented in the past.
- Groups were able to generate about UGX 800 million averaging UGX 9 million per group although the majority had more than UGX 15 million towards their financial sustainability building.
- Groups also made increased local contributions towards their projects worth over UGX 2 billion both in cash (9%) and in kind.

ENTRENCHING MULTI-STAKEHOLDER TRANSPARENCY AND ACCOUNTABILITY



Funders/Beneficiaries: gorta towards West Nile Development Initiative (UGA/1986/10) and AFARD in all partner groups.

Often accountability is wrongly seen as a one-way traffic. It is expected come from government officials to their constituencies (downward accountability). Little effort, if any, is put in ensuring that grassroots communities too and beyond demanding for public goods and services, account to their local governments. In this way, accountability is the obligation of duty bearers while right holders are boxed into the “demand quagmire”. AFARD opts for a mid-point approach where both actors must account to each other. Why? AFARD supports local governments to deliver services where they were constrained before. This support is however delivered directly through beneficiary communities – for cost efficiency and empowerment reasons.

Thus, to promote a two-way (top down and bottom-up) accountability process:

- a) At the community level, beneficiary groups:
 - Invite local government officials to participate in their annual planning processes.
 - Declare their approved plans and budgets to their members and government officials.
 - Openly discuss in their meetings about whatever funds they have generated.
 - Work through committees as a check and balance strategy to ensure member honesty and commitment.
 - Monthly, report on their progress - activities as well as funds.
 - Quarterly, share their progress reports with their local governments.
- b) At AFARD level, efforts are geared towards ensuring that the accountability chain actors bond, learn, and take responsibilities for their (in)-actions. In so doing:

- Annual approved plans and budgets are shared with grassroots communities, local governments, NGO Forum, and donors.
 - Quarterly District Network meetings are conducted to bring together representatives from beneficiary communities and local governments. This meeting provides an avenue for reporting on performance, learning lessons as well as advocating for support from local governments.
 - Periodic reports are shared with grassroots communities, local governments, NGO Forum, and the donor.
 - Whistle-blowing is encouraged should members suspect that their leaders are opaque or corrupt.
- c) At the district and lower level local governments, initiatives are in place to:
- Integrate AFARD's annual plan and budget in those of the various local governments'.
 - Monitor and mentor beneficiary communities to ensure that projects meet set objectives, are in line with government and AFARD policies and are transparently managed.
 - Mediate where gross conflicts or abuse may have occurred.

In this way, a synergy for transparency and accountability is being built. Beneficiary communities are not relegated to only demand for services. They are also obliged to account for resources within their means and the results therefrom. Government officials are also tasked to explain why certain services are provided or not. Finally, AFARD, the midwife, ensures effective coordination of plans, budgets, results, challenges, and lessons; a role government needs to emulate, overtime.

AFARD'S ORGANIZATIONAL DEVELOPMENT



Organizational Growth

In order to strengthen the capacity of Civil Society Organizations in Uganda, the National NGO Forum and DENIVA developed the National NGO Quality Assurance Mechanisms (QuAM) in 2006. The QuAM provides the Code of Honour for NGO certification. Using the indicators designed, annually AFARD undertakes to assess itself internally in order to (i) gauge its compliance status with the generally accepted principles of NGOs in Uganda; and (ii) to identify core areas of weakness that need improvements.

From 2008 when the annual internal assessment started, AFARD has continued to make impressive in-roads in its compliance status. For instance, while in 2008 there were deficits of 11 indicators (43/54 score) indicating a compliance status of 80%, in 2009 the number of deficit scores declined to only 4 indicators (50/54) representing a compliance status of 93%. In 2010, this status improved with a further reduction in deficit scores to only 2 indicators (52/54) representing a compliance status of 96%.

Human Resources Development

In line with its commitment to professionalism and quality service delivery, AFARD encourages its staff to be conversant with current development policies, research and practice. Thus, in 2010, AFARD was able to co-support the following trainings:

STAFF	TRAINING	LOCATION	FUNDER
Dr. A. Lakwo Mr. W. Cwinyaai	Community-driven Disaster Risk Management	Arusha	gorta
Mr. W. Cwinyaai	Value Chain for NGO	Jinja	gorta
Mr. W. Cwinyaai	Farmer Entrepreneurship Policy Development, Analysis and Advocacy	Kampala Kampala	PELUM PELUM
Mr. W. Cwinyaai Mr. K.O. Pimundu	Watershed Management	Mukono	gorta
Ms. E. Manano	Seed Security	Kampala	PELUM
Mr. K.O. Pimundu	Sustainable Farming	Kampala	PELUM
Mr. Chonga J.B Franklyn	Monitoring and Data Management	Arua/Lira	CSF
Ms. F. Candiru Mr. N. Oyirwoth Ms. A. Anecho	Tally Accounting	Nebbi	AFARD

AFARD also co-funded further formal education of its staffs, as follows:- Ms. Florence Candiru to pursue CPA Stage 1 in the Institute of Certified Public Accountants of Uganda in Kampala; Mr. Norbert Oyirwoth to complete his Bachelors of Commerce (Accounting) in Makerere University; Ms. Edna Manano to pursue ABA Sustainable Agriculture in Uganda Martyrs University; Mr. Kemiss O. Pimundu to complete ABA Sustainable Agriculture in Uganda Martyrs University; Mr. Alex Bakole to complete ABA Sustainable Agriculture in Uganda Martyrs University; and Ms. Gladys Biwinjere to start a Diploma course in Secretarial Services in Uganda College of Commerce, Pakwach.

Additional support was also provided for internal staff trainings in: Value Chain approach to development conducted by SNV; Right to Food and Good Governance under FAO-led Mainstreaming Right to Food in Sub-national Plans and Strategies; Data management for Community Monitoring, Reporting, Accounting and Learning Tool; Case study writing; and Computer application (using Excel spreadsheet). Besides, there was learning from internship placement of university students into AFARD. In the year, AFARD hosted Ms. Jennifer Fitzsimons from University of Cork, Ireland and Ms. Abunia Brenda from Uganda Christian University, Uganda. Weekly reviews and planning meeting, quarterly District Network meetings, and participation in local government sector working groups, local research and field excursions were some of the other learning avenues.

All the above were done alongside the provision of medical insurance cover for all the staffs with AAR and full adherence to the mandatory pension scheme under the National Social Security Fund.

Asset acquisition and management

In thae year, we finalized phase 1 of establishing AFARD offices, connected broadband internet and intercom and with a fully furnished conference room. We also procured a 4WD double cabin motor vehicle for Yumbe office, 50 m-cycles, 35 mobile phones, 4 laptop computers, and 2 digital cameras.

Networking for development

AFARD has retained its membership in a number of networks listed below in order to further its contributions to and cross-learn from other stakeholders. The main networks are with:

- NGO Fraternity with Uganda National NGO Forum and District NGO Forum in Nebbi, Yumbe, and Moyo.
- Sustainable agriculture with PELUM – Uganda Chapter.
- HIV/AIDS with Uganda National AIDS Service Organizations (UNASO) and Network of AIDS Service Organizations in Nebbi.
- Safe water and sanitation with Water Integrity Network (WIN- Uganda Chapter) and Uganda Water and Sanitation NGO Network (UWASNET).

Key Publications

- AFARD 2009 Annual Report
- Alfred Lakwo (January 2010) West Nile Development Initiative (WENDI) Community Microfinancing Policies and Operation Guidelines. AFARD
- Norbert Oyirwoth, Flavia Vuni Julie, and Alfred Lakwo (April 2010) Starter Kit for Economic Security Enhancement through Entrepreneurship skills Development. AFARD
- Alfred Lakwo (April 2010) West Nile Development Initiative (WENDI) Annual Report April 2009 – March 2010. AFARD
- AFARD (May 2010) West Nile Development Initiative (WENDI) Annual Plan and Budget June – December 2010. AFARD
- Alfred Lakwo, Wilfred Cwinyai, and Franklyn J.B. Chonga (May 2010) Fisher Community Anti-AIDS Project (FiCAP): Project Completion Report April 2008 – March 2010. AFARD
- Alfred Lakwo (August 2010) Jangokoro Food Security Project: End of Project Report (August 2009 – July 2010). AFARD
- Alfred Lakwo, Wilfred Cwinyai, and Franklyn J.B. Chonga (October 2010) Fisher Community Anti-AIDS Project (FiCAP): Pakwach Sub county Baseline Survey Report. AFARD
- Alfred Lakwo (June 2010) "Local Resources: Great Capital." Farming Matters: Money For Farming. (26)2: 10-13.
- Leo de Haan and Alfred Lakwo (2010) "Rethinking the Impact of Microfinance in Africa: 'Business Change' or Social Emancipation" European Journal of Development Research (22):529-545.

FINANCIAL PERFORMANCE

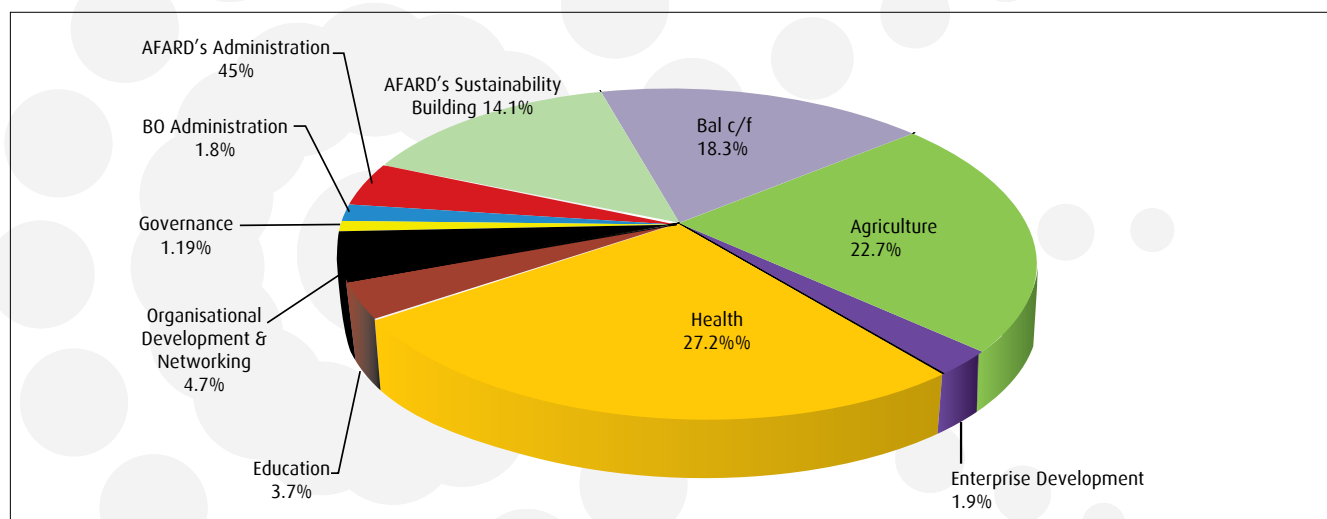
Income and Expenditure Statement

In 2010, AFARD raised a total income of UGX 5,355,003,238. Of this income, % came from grants and donations meanwhile only % was raised locally. This dependence on donor funds, in the wake of global economic recession, explains why the Board reawakened the “AFARD sustainability question” in the course of the year so as to explore legally feasible financial sustainability options.

AFARD'S INCOME AND EXPENDITURE STATEMENT FOR THE MONTH ENDED DECEMBER 31, 2010		
Income by source:	Total	%
Grants & Donations	5,069,405,689	94.7
Members contributions	276,034,749	5.1
Other incomes	9,562,800	0.2
Total	5,355,003,238	100
Expenditures		
AFARD's Administrative cost	240,047,587	4.5
Sustainable agriculture	1,213,085,237	22.7
Microenterprise development	103,108,500	1.9
Health	1,455,999,479	27.2
Education	200,528,756	3.7
Institutional development/networking	253,257,900	4.7
BO administration	96,497,180	1.8
Good governance	57,776,600	1.1
AFARD sustainability building	756,023,647	14.1
Balance carried forward ⁵	978,678,352	18.3
Total	5,355,003,238	100

As figure 4 below presents, most of funds (93.7%) were spent on projects, with a marginal 6.3% on management (administration and personnel) costs at both AFARD and partner levels. Health alone consumed 27.2% and agriculture 22.7%. This expenditure pattern was because of the strong interlink between the three focal areas, as catalyst of sustainable and self-reliant community development.

Figure 4: Expenditure center in 2010



⁵ This sizeable balance carried forward of 18.3% was due to two main reasons: first, Irish Aid fund was disbursed during the Christmas break; and second, thrifty spending management saw huge savings at beneficiary organizations' level.

Beneficiary Organizations' Financial Management

Given that more than 40% of the annual income was spent by beneficiary organizations, the need for prudent financial management by these organizations was inevitable. A simplified financial management system has been developed and partners were re-trained on its use. Periodic mentoring-support from AFARD Finance team and the Field Officers were also provided together with quarterly audits to ensure that funds were spent in accordance with the partnership agreement (with strict adherence to budget lines, transparent transactions, and use of guidelines, among others).

The annual beneficiary organizations' financial audit, conducted by the finance team, found out that the general financial management performance improved from 63% at the start of the year to 77% (average 70%). The main setback has been the high illiteracy rate in many of the community groups. For instance, in Angaba, there is only one senior two graduate who doubles as a secretary and treasurer. Praiseworthy about the groups is that the members handle financial matters honestly.

Independent donor audits

In the course of the year, the following independent audits were conducted by our donors:

- CSF hired Carr Stanyer Sims & Co. to audit its funds. The audit proposed the use of timesheet by AFARD staff; something that has since been introduced from April 2010 in all projects.
- EC fund verification was conducted in October 2010 by KPMG. The report identified the gap in voucher numbering in our Tally Accounting system; something that has also been rectified.

REPORT OF THE INDEPENDENT AUDITORS TO THE BODs OF AFARD ON THE FUND ACCOUNTABILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

Report on the Financial Statements

We have audited the accompanying fund accountability statement of AFARD, which comprise the income and expenditure statement for the year ended 31 December 2010 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the fund accountability statement which present fairly in all material respects, the state of affairs of AFARD, the receipts and payments in accordance with obligations of AFARD as per the Memoranda of Understanding with the donors and Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the fund accountability statement based on our audit. We conducted the audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall fund accountability statement presentation. The fund accountability statement is prepared on a modified cash basis and is not intended to be in conformity with the International Financial Reporting Standards (IFRS).

Opinion

In our opinion the fund accountability statement, which has been prepared on the basis of the accounting policies, present a true and fair view, in all material respects, the financial position of AFARD at 31 December 2010 and its receipts and expenditure for the year then ended.

KPMG

Certified Public Accountants
P O Box 3509 Kampala, Uganda

Date: February 2011

A SCAN INTO 2011

To deepen and expand the gains in 2010, AFARD will in 2011 undertake to increase its outreach and venture into innovative projects. These are briefly highlighted below.

Planned Outreach

Projects	Males	Females	Total
Jangokoro Food Security Project	705	718	1,423
West Nile Development Initiative (WENDI) Programme	35,612	37,573	73,185
Engendering Decentralized Poverty Resources Management Project (EDPRMP)	-	189,563	189,563
Fisher Community Anti-AIDS Project (FiCAP)	35,612	37,573	73,185
Nebbi Inclusive Development Programme (NIDP)	200	200	400
Payera Community Development Project	2,768	2,999	5,767
TOTAL	74,897	268,625	343,523

Note: Total excludes 432,822 people to be reached under Global Fund Round 7 Distribution of Mosquito nets funded by Ministry of Health and 1,320 leaders to be reached under FAO's mainstreaming of rights to food in Sub-national plans and strategies.

The above figure when compared to 2010 shows 8% increase. This is because of the increase in the number of beneficiary groups under Jangokoro Food Security Project and the new entry of NIDP and Payera projects.

Key focus of 2011

AFARD has over the years experienced impressive growth in its financial portfolio (from UGX 1.3 million in 2000 to UGX 5.3 billion in 2010); geographical outreach from one district into five districts; logistical capacity, and full-time staff. This expansion has been largely donor-funded. The dawn of 2008 economic recession triggered the long-term worry of "which way forward for AFARD's sustainability?"

Thus, in 2011, AFARD focus will be on:

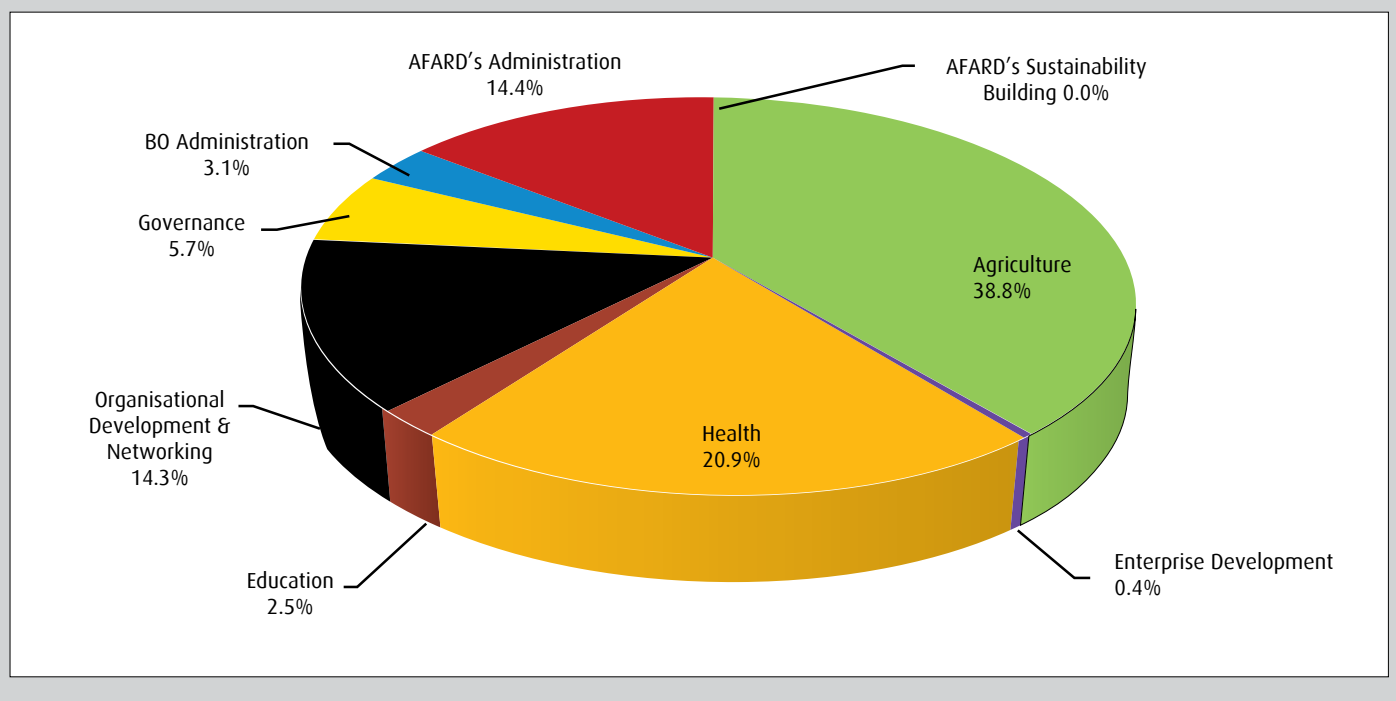
- Ensuring a stable food security that is gender and nutrition sensitive.
- Harmonizing group credit schemes through guideline review and reduction in interest rate and production for the market to increase household income.
- Providing additional safe water points to water scarce areas.
- Ensuring CHFA's capacity to support post testing is enhanced. Mobile VCT will also be supported.
- Sensitizing households on the value of education and children's rights especially of girl to education. Solar Energy for Education and Environment Conservation (S4EE) will be piloted.
- Strengthening women leaders' capacity to advocate for women's development needs.
- Partner groups' re-orientation in the areas of production-for-market, better leadership and governance, planning, monitoring, reporting and accountability.
- Stabilizing staffing level, staff remuneration and operational logistics in Yumbe sub-office.
- Strengthening the current networking between AFARD, beneficiary groups and local governments.
- AFARD sustainability building through creating a niche in the oilseed subsector (production and marketing).

Budget Projection

The overall projected budget for 2011 is UGX 5.1 billion. Of this budget, 84% is already earmarked for on-going approved projects/programme by **gorta**, Civil Society Fund, European Commission and FAO in Uganda. The remaining 16% are projects under discussions with Manos Unidas, Ministry of Health, INclusion, and African Evangelistic Enterprise-Uganda.

Efforts will also be invested in additional resource mobilization. However, production for the market, by provision of improved farm inputs and extension services plus market improvement through the construction of a warehouse in Yumbe, and setting up a start-up fund to buy from those who cannot wait to bulk, will consume much of the budget followed by health and organizational development (see figure 5 below).

Figure 5: Projected Expenditure in 2011





For more information please contact:

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