

VOTE: 162 Uganda Microfinance Regulatory Authority

I. VOTE MISSION STATEMENT

The Authority's vision is To be a world class regulator by promoting stability of the microfinance sector to achieve financial inclusion

The Authority's mission is To support the sustainable growth of Tier 4 Microfinance Institutions and Moneylenders through effective regulation, licensing and supervision

II. STRATEGIC OBJECTIVE

1 To enhance regular supervision, regulation and licensing of Tier IV microfinance institutions and Money lenders

2 To enhance strategic partnerships and improve capacity for Tier IV microfinance Institutions and Money lenders

3 To put in Management Information System for the Tier IV sector

4 To strengthen Institutional development of UMRA to undertake its mandate

III. MAJOR ACHIEVEMENTS IN 2022/23

1. Issued Self-help groups guidelines after consultative meetings with the objective of improving the safety of savings and public confidence.
2. UMRA conducted a number of supervision trainings of its staff; To ensure a smooth supervision, regulation and a productive workforce.
3. Part of the organizers for the First Annual Microfinance and Saving Groups Conference that attracted both national and International Microfinance players with a theme driver for sustainable microfinance and savings groups.
4. UMRA as part of the Private Sector Development under the National Development Plan III contributed to the growth of the sector through more regularized institutions that have increased access to finance in the underserved bottom pyramid.
5. Re-engineered business processes on licensing for the Authority through the simple information management system procured.
6. Reviewed 1050 Applications for licensing as a requirement.
7. Carried on-site premise inspections for new boarded 400 institutions to identify their physical locations.
8. Complaints resolved were 70 from the licensed institutions which enabled the borrowers redeem their properties, excess monies charged and a fair charge.
9. Licensed 1002 institutions after fulfilling the requirements, 600 MLs, 55NDTs, 45 SACCOs who have continuously contributed to social economic transformation through job creation, including the underserved in the money economy.
10. 500 reports for money lenders, NDT and SACCOs were reviewed as part of off-site supervision to ascertain their performance and compliance.
11. Data collected from 659 money lenders, NDT and SACCOs analysed for the performance of the institutions.
12. 2 Quarterly reports prepared on licensing status and on performance of the Authority.
13. Inspected 70 branches after verification of head office compliance to authorize their operations.
14. Carried out pre-identifying across the country spot checks where over 200 institutions were identified and instructed to regularize their businesses for protection and attraction of investors in Uganda.
15. Held one Training on Credit Reference Bureau after gazette of the financial institutions Credit reference bureau amendments, 2022 by Bank Uganda which opened the space for all credit providers in the sector to ascertain the credit history of different borrowers.
16. Conducted seminars and workshops that targeted over 450 institutions on licensing requirements for SACCOs, compliance requirements and SIMPO for URSB.

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17. Carried out Sensitization workshops in collaboration with Microfinance Support Centre to prepare Emyooga SACCOs for licensing in all regions, Western, Eastern, Kigezi sub region, Northern of the country.

19. Conducted media campaigns at sensitizing the public on the mandate of the Authority county wide on T. Vs and Radios like NTV, NBS, UBC, SPARK, smart 24, Parisa FM, Elgon FM in Mbale, Big FM in Mbale city, Signal FM in Mbale, Rainbow FM in Nebbi, Voice of Toro, Hope Fm Kabale, Endigito FM in Mbarara, Mega FM in Gulu, Unity FM in Lira, Voice of Lango in Lira , Crane Radio in Ishaka, Tropical Fm in Mubende, and Liberty radio in Hoima District.

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IV. MEDIUM TERM BUDGET ALLOCATIONS

Table 4.1: Overview of Vote Expenditure (Ushs Billion)

	2022/23		2023/24	MTEF Budget Projections				
	Approved Budget	Spent by End Dec	Budget Estimates	2024/25	2025/26	2026/27	2027/28	
Recurrent	Wage	2.171	0.981	2.171	2.279	2.507	2.758	2.758
	Non-Wage	7.519	1.568	6.935	7.074	8.489	11.460	11.460
Devt.	GoU	5.450	0.000	0.500	0.500	0.600	0.840	0.840
	Ext Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total		15.140	2.549	9.606	9.853	11.596	15.058	15.058
Total GoU+Ext Fin (MTEF)		15.140	2.549	9.606	9.853	11.596	15.058	15.058
Arrears		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Budget		15.140	2.549	9.606	9.853	11.596	15.058	15.058
Total Vote Budget Excluding Arrears		15.140	2.549	9.606	9.853	11.596	15.058	15.058

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Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)

<i>Billion Uganda Shillings</i>	Draft Budget Estimates FY 2023/24	
	Recurrent	Development
Programme:07 Private Sector Development	9.106	0.500
SubProgramme:01 Enabling Environment	9.106	0.500
Sub SubProgramme:01 General Administration and Support Services	6.211	0.500
001 Finance and Administration	6.211	0.500
Sub SubProgramme:02 Supervision and Regulation	2.895	0.000
001 Supervision	2.895	0.000
Total for the Vote	9.106	0.500

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V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

Table 5.1: Performance Indicators

Programme: 07 Private Sector Development

SubProgramme: 01 Enabling Environment

Sub SubProgramme: 01 General Administration and Support Services

Department: 001 Finance and Administration

Budget Output: 000001 Audit and Risk Management

PIAP Output: A short term development credit window for MSMEs set up.

Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000	3750	200	4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663	829	3328

Budget Output: 000005 Human Resource Management

PIAP Output: A short term development credit window for MSMEs set up.

Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000			4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663	829	3328

Budget Output: 000006 Planning and Budgeting services

PIAP Output: A short term development credit window for MSMEs set up.

Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000			4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663	829	3328

VOTE: 162 Uganda Microfinance Regulatory Authority**Sub SubProgramme: 01 General Administration and Support Services****Department: 001 Finance and Administration****Budget Output: 000007 Procurement and Disposal Services****PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000			4687
No. of tier 4 institutions licensed	Number	2021-22	2130			3328

Budget Output: 000010 Leadership and Management**PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000	3750	200	4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663	829	3328

Budget Output: 000011 Communication and Public Relations**PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000			4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663	829	3328

Budget Output: 000012 Legal and Advisory Services**PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

VOTE: 162 Uganda Microfinance Regulatory Authority**Sub SubProgramme: 01 General Administration and Support Services****Department: 001 Finance and Administration****Budget Output: 000012 Legal and Advisory Services****PIAP Output: A short term development credit window for MSMEs set up.**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000			4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663	829	3328

Budget Output: 000014 Administrative and Support Services**PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000	3750	200	4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663	829	3328

Budget Output: 000019 ICT Services**PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000			4687
No. of tier 4 institutions licensed	Number	2021-22	2130			3328

Budget Output: 560010 Accounting and Financial Management Policy**PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000	3750	829	4687

VOTE: 162 Uganda Microfinance Regulatory Authority**Sub SubProgramme: 01 General Administration and Support Services****Department: 001 Finance and Administration****Budget Output: 560010 Accounting and Financial Management Policy****PIAP Output: A short term development credit window for MSMEs set up.**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No. of tier 4 institutions licensed	Number	2021-22	2130			3328

Project: 1776 Retooling of Uganda Microfinance Regulatory Authority**Budget Output: 000003 Facilities and Equipment Management****PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000			4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663		3328

Sub SubProgramme: 02 Supervision and Regulation**Department: 001 Supervision****Budget Output: 000023 Inspection and Monitoring****PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
No of registered institutions sensitized on compliance regulations.	Number	2021-2022	3000	3750	200	4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663	829	3328

Budget Output: 000039 Policies, Regulations and Standards**PIAP Output: A short term development credit window for MSMEs set up.****Programme Intervention: 070502 Increase access to affordable credit largely targeting MSMEs**

VOTE: 162 Uganda Microfinance Regulatory Authority**Sub SubProgramme: 02 Supervision and Regulation****Department: 001 Supervision****Budget Output: 000039 Policies, Regulations and Standards****PIAP Output: A short term development credit window for MSMEs set up.**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
An MIS system for tier4 sector	Number	2021-22	Needs Assessment			0
No of registered institutions sensitized on compliance regulations.	Number	2021-22	3000			4687
No. of tier 4 institutions licensed	Number	2021-22	2130	2663	829	3328

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VI. VOTE NARRATIVE

Vote Challenges

1. Limited funding for UMRAs operations.
2. Limited financial and human resource capacity to effectively regulate, license and supervise MFIs.
3. Low visibility and awareness of UMRAs mandate by its customers and the public.
4. Emerging MFIs such as Islamic MFIs, which will require specialist skills to regulate, license and supervise.
5. High defaults and loan provisions across the sector because of multiple borrowing by MFI clients.
6. Competing mandates of institutions such as UMRA and MTIC, UCA and UCUSCU.
7. High cost of borrowing for MFIs leading to interest rates charged on loans.
8. No comprehensive database of MFIs in Uganda making it difficult for UMRA to effectively regulate licenses and supervise MFIs.

Plans to improve Vote Performance

1. Effective stakeholder management and strategic partnerships, ensuring the right level of advocacy and clear communications with key stakeholders for example, Ministry of Finance, Planning and Economic Development, Ministry of Trade, Industries and Cooperatives, the public, development partners, private sector, given the level of stakeholder support technical and financial required to ensure success of the plan.
2. An organizational structure and governance framework that drives effective teamwork, segregation of duties and accountability across UMRA.
3. Effective training and development program to ensure that UMRA has a productive workforce that is efficiently organized and appropriately skilled to drive optimal performance.
4. Effective employee engagement to ensure that UMRA builds relationships with employees so as to foster a sense of connection and commitment to the organizations mission and vision; create a harmonious workplace and increase employee engagement levels.
5. An effective MIS with accurate organizational, customer, sector and stakeholder information to guide data driven decision making at all governance levels including management and Board

VII. Off Budget Support and NTR Projections

Table 7.1: Off Budget Support by Project and Department

N/A

VOTE: 162 Uganda Microfinance Regulatory Authority**Table 7.2: NTR Collections (Uganda Shillings Billions)**

Revenue Code	Revenue Name	FY2022/23	Projection FY2023/24
114526	Other licenses	0.000	974,500,000.000
142225	Other Licence fees	885,750,000.000	0.000
Total		885,750,000.000	974,500,000.000

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VIII. VOTE CROSS CUTTING POLICY AND OTHER BUDGETARY ISSUES

Table 8.1: Cross- Cutting Policy Issues

i) Gender and Equity

OBJECTIVE	Gender response supervision and licensing of Tier microfinance institutions and money lenders
Issue of Concern	Tier 4 microfinance institutions and money lenders that are run by both men and women and supporting economic activities for all genders.
Planned Interventions	Data collection on client composition of licensed institutions
Budget Allocation (Billion)	2,500,000.000
Performance Indicators	Gender disaggregated report of Tier 4 microfinance institutions and money lenders that are run by both men and women

ii) HIV/AIDS

OBJECTIVE	More awareness of HIV/AIDS, support and implementation of COVID-19 SOPs amongst the Tier IV microfinance institutions and money lenders
Issue of Concern	More awareness of HIV/AIDS, support and implementation of COVID-19 SOPs.
Planned Interventions	Awareness creation on handling and support activities of persons living with HIV/AIDS
Budget Allocation (Billion)	3,000,000.000
Performance Indicators	Report on Tier 4 microfinance institutions and money lenders trained in handling and supporting activities of persons living with HIV/AIDS.

iii) Environment

OBJECTIVE	Awareness about environment management and climate change
Issue of Concern	Tier microfinance institutions and money lenders that may be involved in activities that degrade the environment such as illegal logging and felling of trees.
Planned Interventions	Sensitization of Tier 4 microfinance institutions and money lenders about sustainable environmental management, the effects of climate change and how to avert them.
Budget Allocation (Billion)	3,000,000.000
Performance Indicators	Awareness training Report

iv) Covid

OBJECTIVE	Awareness on SOPs and vaccination drive among the Tier IV microfinance institutions and money lenders
Issue of Concern	Vaccination levels of staff against COVID-19.
Planned Interventions	Encouraging all staff to fully vaccinate against Covid-19 and adhere to the SOPs put in place at all times.
Budget Allocation (Billion)	2,000,000.000

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Performance Indicators	Number of staff fully vaccinated.
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IX. PERSONNEL INFORMATION**Table 9.1: Staff Establishment Analysis**

Title	Salary Scale	Number of Approved Positions	Number of filled Positions
MANAGER	UMRA3	1	0
OFFICER	UMRA5	3	0

VOTE: 162 Uganda Microfinance Regulatory Authority**Table 9.2: Staff Recruitment Plan**

Post Title	Salary Scale	No. Of Approved Posts	No. Of Filled Posts	No. Of Vacant Posts	No. Of Posts Cleared for Filling FY2023/24	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
MANAGER	UMRA3	1	0	1	1	12,000,000	144,000,000
OFFICER	UMRA5	3	0	3	3	5,600,000	100,800,000
Total					4	17,600,000	244,800,000

