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Rural Financial Services Strategy and Development of Financial Cooperatives in Soroti District: A Case Study of Moruapesur Savings and Credit Cooperative

This study that aimed at finding out the effect of the Rural Financial Strategy on development of Financial Cooperatives was carried out in the Moruapesur Savings and Credit Cooperative (SACCO) in Soroti district. Specifically, the study examined the effect of training, supervision and access to financial credit services on the development of financial cooperatives in Soroti district using the case study of Moruapesur SACCO in Soroti municipality. The study adopted a descriptive case study design in which structured questionnaires and face-to-face interviews were used to collect data from 53 respondents out of the targeted 63. These included SACCO staff, beneficiaries of the SACCO, and members of the local leadership and opinion leaders from Soroti municipality. The sampling of respondents was done purposively, conveniently and by simple random sampling. The study found out that training has been done and in particular, the training received was relevant to the development of the SACCO (mean response value was 3.21 implying very high effect); that training has helped members to keep records of their financial transactions and business engagements that have led to the development of the SACCO; and that the trainings have helped improve members' management of their finances and investment in IGAs (mean response value of 2.21 implies a high effect. On the other hand, it was found out that supervision has had a high positive effect to the development of Moruapesur SACCO (mean response value was 2.37). In particular, supervision was found to have had a high effect (mean value of 2.23) through regular checking on management of the financial cooperatives and the fact that UCSCU officials have given technical support to the SACCOS (mean value of 2.15). It was found out that the mean level of access to credit services by Moruapesur SACCO was high (mean response value was 2.30). This implies that the SACCO has received funding to provide credit services to the members of the Moruapesur SACCO. The study concludes that the Rural Financial Strategy has had a relatively moderate positive effect on the development of financial cooperatives in Soroti district. It has also influenced development of financial cooperatives by at least 57%, other factors contributing 43%. The study recommends among other things, the Rural Financial Strategy should continue to be used in supporting SACCOS as this will in the long run lead to the development of financial cooperatives not only in Soroti district but in other parts of Uganda as well.

Key words: Financial, Rural, Cooperatives, Development