Wazalendo celebrates 10 years

By Billy Rwothungeyo

It is there a better way to showcase the love you have for your country than to join the army, the Uganda People’s Defence Forces (UPDF)?

Well, definitely, the Savings and Credit Co-operative Society (SACCOS) of UPDF officers is named Wazalendo, which is a Swahili word meaning “patriots”;


and soldiers are indeed the ultimate definition of patriotism.

A SACCOS is owned, governed and managed by its members who have a common objective. Usually, it is formed by people working for the same company, belonging to the same institution or just people living in the same community.

Registered in September 2005, the Wazalendo SACCOS, which is affiliated to Uganda Co-operative Alliance (UCA), and Uganda Savings and Credit Union Ltd (UCSCU) and Uganda Co-operative Alliance (UCA), is set to hold its first Annual General Meeting (AGM) after turning 10 years.

“The major aim of starting Wazalendo was to improve the welfare of soldiers, which we are proud of. The occasion of the Annual General Meeting (AGM) will also be used to mark the 10th anniversary of the SACCOS,” Captain Charles Kabona, the public relations officer of the SACCOS, said.

This year’s AGM will take place at the Uganda Military Engineering College in Lugazi.

So, who qualifies to be part of Wazalendo?

UPDF personnel, their families, Reserve Forces and Staff of Ministry of Defence qualify to be part of arguably the most successful SACCOS in Uganda.

“Joining the SACCOS is voluntary. We convince people to join, and since they have seen how the lives of their colleagues have been transformed, they join,” explains Kabona.

He attributes the success and immense growth of the Wazalendo to the innovative products that they keep churning out.

“We have loans for businesses, school fees, asset financing and those for emergency. Because we are not about making profits, we have very low rates. When we deduct from your salary because of the loan, we make sure we do not go beyond 40% of your salary. We do not want your families to suffer.”

THE SACCOS DEOS NOT ONLY GIVE OUT LOANS, BUT ALSO UNDERTAKES FINANCIAL LITERACY. THEY ADVISE MEMBERS ON WHERE TO INVEST THEIR MONEY

New home

As the SACCOS celebrates 10 years of existence, it has grown from occupying space at Rombo Barracks to acquiring their own headquarters.

“We have acquired a new head office in Kiwatule, after the Naalya roundabout (in Kampala). We have been in the barracks, but now we have moved to our own home. We also have 38 branches countrywide,” explains a delighted Kabona.

One of the issues we agreed upon in the last AGM was to acquire a headquarter, which we have done.”

Transforming lives

What brings the most pride to the visionaries who started Wazalendo is when they see the members undertaking projects to improve their livelihoods.

“I have colleagues who got loans to start piggery, poultry projects and others to open up retail shops. You cannot believe how these loans have transformed their lives and those of their families,” says Kabona.

Before getting a loan at the Wazalendo SACCOS, there is always an official to talk to.

“We do not only give out loans, but also undertake financial literacy. We advise our members on where to invest money.”

For those who are taking loans for projects that require close supervision every day and yet the nature of the work that the soldiers do means they can be moved from one station to another, Kabona says such members are encouraged to bring members on board.

“We encourage members to bring on board their family members. We believe that when you start a project, your family should be in the know, so that they can supervise the project, for example, if it is construction of a house, even when you are away, on duty.”

Strong governance practices

No institution can survive long without good corporate governance practices.

Kabona says Wazalendo has succeeded because it is accountable to its members.

“What matters most in our SACCOS when it comes to management is professionalism. Our staff members are trained and highly motivated. Our core values are transparency, integrity, professionalism and accountability.”

UCU’s annual report for the financial year 2012/2013 listed poor leadership and governance, poor financial management practices, employment of unqualified staff, inadequate liquidity to transact business, lack of enforcement of byelaws, policies and procedures as the major challenges facing SACCOS in the country.

Kabona says they adhere to the principle of the co-operative movement that is called the democratic control. Wazalendo is owned by members, so, during the Annual General Meeting (AGM) meeting, delegates elect board members who are tasked with coming up with policies.

“This is why we have the AGM. We have to tell our members how much money is in the SACCOS and account for it. The delegates at the AGM come from different units. The members decide who governs the SACCOS and how we do it,” he explains.

Kabona also points to the fact that the top officials in the army always keep a close eye on the activities in the SACCOS so that nothing goes amiss.

The SACCOS even provides ATM services for its members, and is looking to providing mobile solutions in the near future. Such innovations have seen the SACCOS win awards on the international stage.

Prof. Emmanuel Tumusiime-Mutebi, the Governor of Bank of Uganda, in his remarks at the National Microfinance Conference, last year, said he hoped large SACCOS, like Wazalendo, can evolve into Microfinance Deposit-taking Institutions (MDIs).

He made the remarks in light of the difficulty there is, of the Central Bank in supervising all the SACCOS in the country because they are many.

“SACCOS undoubtedly play an important role in extending financial services to the unbanked. The 2013 FINSCOPE survey revealed that 622,000 adults, about 4% of the adult population, held accounts in SACCOS in 2013, a fivefold increase since 2009. Although SACCOS are registered with a public agency – the Registrar of Co-operatives – they are not subject to any prudential regulation, and hence there are no safeguards for members’ savings,” he said.

Mutebi added: “Consequently, the approach we have adopted at the BOU is to try and encourage some of the larger SACCOS, graduate to the status of Microfinance Deposit-Taking Institutions (MDIs), and thus become subject to the MDI Act.”