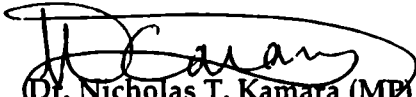


**PARLIAMENT OF UGANDA**

**KIGEZI SUB-REGION STATUS REPORT  
ON  
PRESIDENTIAL  
INITIATIVE ON WEALTH AND JOB CREATION**

**EMYOOGA**

**PRESENTED BY:**

  
**Dr. Nicholas T. Kamara (MP)**  
Kabale Municipality, Kabale District

## 1.0. BACKGROUND

Rt. Hon. Speaker and Honourable Members,

In accordance with powers given to Committees under Article 90 of the Constitution and Rule 208 of the Rules of Procedure of the Parliament of Uganda, legislators were tasked to appraise the impact of Emyooga funds in their constituencies with the following Terms of Reference;

- (i) How much money was released to each District?
- (ii) What are the criteria for distributing Emyooga funds?
- (iii) Who qualifies for the funds?
- (iv) Which Saccos? Groups were registered?
- (v) What are the accountability measures for the beneficiaries? Do they exist?
- (vi) What Safeguards have been put in place to ensure that funds disbursed are paid back so that others can also benefit since this is a revolving fund?
- (vii) Was there extortion from the public involved?
- (viii) What Bank Accounts exist?

The Kigezi Sub region team of Members of Parliament is comprised of;

Name	Constituency
1. Hon. Dr. Nicholas Thadeus Kamara	Kabale Municipality
2. Hon. Wilfred Niwagaba	Ndorwa East
3. Hon. David Bahati	Ndorwa West
4. Hon. Ndamira Catherine Atwakire	Women's MP- Kabale District
5. Hon. Ndyomugenyi Roland	Rukiga County
6. Hon. Caroline Kamusiime	Women's MP- Rukiga District
7. Hon. Henry Aliganyira Musasiizi	Rubanda East
8. Hon. Moses Mwongyera Kamuntu	Rubanda West
9. Hon. Prossy Akampurira	Women's MP- Rubanda District
10. Hon. James Nsaba Buturo	Bufumbira East
11. Hon. John Nizeyimana Kamara	Bufumbira North
12. Hon. Alex Niyonsaba Seruganda	Bufumbira South
13. Hon. Eddie Wagahungu Kwizera	Bukimbiri
14. Hon. Paul Buchana Kwizera	Kisoro Municipality
15. Hon. Sarah Mateke Nyirabashitsi	Women's MP- Kisoro District
16. Hon. Chris Baryomunsi	Kinkizi East
17. Hon. James Niringyimana Kaberuka	Kinkizi West
18. Hon. Patience Nkunda Kinshaba	Women's MP- Kanungu District
19. Hon. Naboth Namanya	Rubabo
20. Hon. Jim Muhwezi Katugugu	Rujumbura
21. Hon. Elisa Rutahigwa	Rukungiri Municipality
22. Hon. Medius Kaharata Natukunda	Women's MP- Rukungiri District



## 2.0. GENERAL OVERVIEW

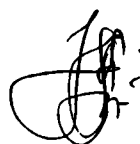
*“Emyooga”* is The Presidential Initiative on Wealth and Job Creation, a government initiative centered on various categories of skills-based enterprises (*Emyooga*) covering majority of Ugandans. The overall goal of *Emyooga* was to contribute to the socio-economic transformation of 68% of Uganda’s households from the subsistence sector to the money economy and market-oriented production. The objectives were meant to be met through enabling organized associations of people clustered around a specific skill (*Omwooga*) access financial support to establish or boost income generation activities.

In the past, the Government has made several attempts to impact livelihoods of the common person through *Entandikwa credit scheme, Plan for Modernization of Agriculture (PMA), Boona Bagagawale, NAADS, Operation Wealth Creation (OWC), the Youth Livelihood Fund (YLF) and Uganda Women Entrepreneurship Program (UWEP)* among others. These previous initiatives suffered conceptual, structural, operational and perceptual challenges and did not positively impact Ugandans as intended. *Emyooga* initiative is faced with similar hindrances.

It is therefore pertinent to assess the performance of the *“Emyooga”* Programme before implementing the Parish model. As such, an oversight assessment and fact-finding mission was conducted from August 5<sup>th</sup> to August 17<sup>th</sup>, 2021.

## 3.0. METHODOLOGY

In performance of the assignment, the Honorable members held meetings, oral interviews, random phone engagements, desk review of key documents and stakeholder discussions. Key stakeholders included Office of the President (RDCs), Microfinance Support Centre Limited staff, District Local Government officers (DCOs and DCDOs), local council leaders, SACCO leaders and members of various beneficiary associations among others.



#### 4.0 SUMMARY OF THE STATUS OF KIGEZI SUB- REGION

Table 1: General Emyooga status of Kigezi Sub-region

District	Constituency	No of registe red Saccos	No. of Saccos that accessed funds	No. of saccos that disbursed funds	Seed capital received (UGX)	Savings (UGX)	Loan disbursed (UGX)
KABALE	Kabale Municipality	18	18	17	560,000,000	96,307,950	502,177,500
	Ndorwa East	17	17	16	530,000,000	83,187,050	536,989,700
	Ndorwa West	17	17	12	530,000,000	49,366,300	385,540,000
	<b>Sub-Total</b>	<b>52</b>	<b>52</b>	<b>45</b>	<b>1,620,000,000</b>	<b>228,861,300</b>	<b>1,424,707,200</b>
KISORO	Kisoro Municipality	18	18	17	560,000,000	176,699,800	545,486,000
	Bufumbira South	16	16	16	500,000,000	201,925,500	582,795,000
	Bufumbira North	14	14	14	440,000,000	140,168,000	421,135,000
	Bufumbira East	15	15	14	470,000,000	149,767,000	438,045,000
	Bukimbiri	15	15	15	470,000,000	171,585,300	515,911,000
	<b>Sub-Total</b>	<b>78</b>	<b>78</b>	<b>76</b>	<b>2,440,000,000</b>	<b>840,145,600</b>	<b>2,503,372,000</b>
RUKUNGIRI	Rubabo	18	18	18	560,000,000	61,420,000	477,017,000
	Rujumbura	18	18	18	560,000,000	65,669,000	495,409,000
	Rukungiri Municipality	18	18	18	560,000,000	57,064,000	438,530,000
	<b>Sub-Total</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>1,680,000,000</b>	<b>184,153,000</b>	<b>1,538,401,000</b>
KANUNGU	Kinkizi East	18	18	18	560,000,000	143,845,000	679,745,000
	Kinkizi West	18	18	18	560,000,000	127,949,325	570,595,500
	<b>Sub-Total</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>1,120,000,000</b>	<b>271,794,325</b>	<b>1,250,340,500</b>
RUBANDA	Rubanda West	17	17	16	530,000,000	128,766,000	393,155,000
	Rubanda East	15	15	12	470,000,000	70,993,000	215,386,000
	<b>Sub-Total</b>	<b>32</b>	<b>32</b>	<b>28</b>	<b>1,000,000,000</b>	<b>199,759,000</b>	<b>608,541,000</b>
RUKIGA	Rukiga	18	18	18	560,000,000	32,610,000	376,000,000
<b>Summary of Kigezi Sub-region</b>							
KABALE		52	52	45	1,620,000,000	228,861,300	1,424,707,200
KISORO		78	78	76	2,440,000,000	840,145,600	2,503,372,000
RUKUNGIRI		54	54	54	1,680,000,000	184,153,000	1,538,401,000
KANUNGU		36	36	36	1,120,000,000	271,794,325	1,250,340,500
RUBANDA		32	32	28	1,000,000,000	199,759,000	608,541,000
RUKIGA		18	18	18	560,000,000	32,610,000	376,000,000
<b>TOTAL</b>		<b>270</b>	<b>270</b>	<b>257</b>	<b>8,420,000,000</b>	<b>1,757,323,225</b>	<b>7,701,361,700</b>

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Kigezi sub-region had 270 registered Emyooga Saccos and in total received Eight billion Four hundred twenty million Uganda Shillings (UGX 8,420,000)

#### 5.0. SCOPE OF THE ASSIGNMENT

The geographical scope covered whole of Kigezi Sub-region. Subsequently, the assignment was carried out in all constituencies of Kigezi Sub-region. Accordingly, the team covered all districts comprising of Kabale, Kisoro, Kanungu, Rukungiri, Rubanda, and Rukiga in Kigezi sub-region.

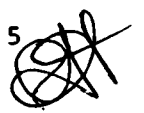
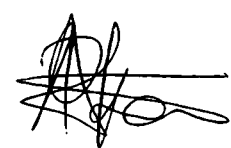
The Emyooga SACCOs are at Constituency level with member associations from parishes that make up a constituency. Government designated the Microfinance Support Center Ltd (MSC) to implement the Programme.

The 18 eligible Emyooga Categories registered were Boda Boda, Women Entrepreneurs, Carpenters, Saloon Operators, Taxi Operators, Restaurant owners, Welders, Market Vendors, Youth leaders, People with Disabilities, Produce Dealers, Mechanics, Tailors, Journalists, Performing Artists, Veterans, Fish Farmers and Local Leaders SACCOs.

#### 6.0. KEY FINDINGS

##### 6.1. ACHIEVEMENTS

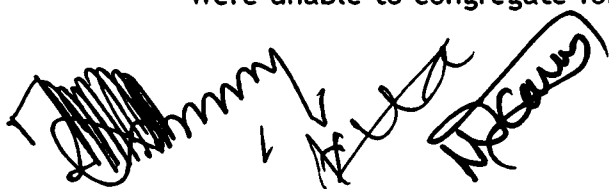
- (i) **Financial Support/Working Capital.** Generally, it was established that the Micro Finance Support Center released funds amounting to Shs 8,420,000,000 to all respective accounts as stipulated in the guidelines. All the 270 registered SACCOs in Kigezi received funds.
- (ii) **Improved Financial Literacy skills.** Through various trainings conducted by the combined team of the District Taskforce and Microfinance Support Centre, the SACCO members gained knowledge and skills in the areas of Savings and share capital mobilization, Investment Loan Management and Record Keeping and governance. E.g In Rukungiri, 324 SACCO leaders from 54 SACCOs were trained according to the Cooperatives Act and regulations.



- (iii) **The Emyooga Initiative was welcomed by some of populace.** It appeals to the common person by increased access to financial services. It was well received as an opportunity for wealth creation and an attempt to improve household income. In Kanungu, by August 2020, 2,083 groups had registered across the district and got certificates. In Kabale Municipality, the Produce dealers SACCO alone had 90 associations.
- (iv) **Strengthened the saving culture in some districts.** In Kisoro the saving rate exceeded the mandatory saving cap of 30 percent. The saving percentage rate was established at 34.4 percent with Bufumbira South saving at 40.3 percent.
- (v) **Loan recoveries across board have started.** This being a revolving fund, loan recoveries are being realized. For example, In Rukungiri Municipality, it was established that the Boda Boda Sacco is doing well on loan recoveries. In Kabale Municipality, the Women Entrepreneurs SACCO had recovered Shs 5,096,500 by mid-August and saved Shs 21,797,619.
- (vi) **Improved financial inclusion through increased number of Savings and Credit Cooperative Societies (SACCOs) in a short time.** Citizens were sensitized about the need to belong to an association. Rubanda West Constituency has 17 saccos, 566 associations and 11,541 individual members.

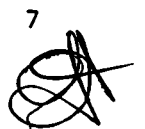
## 6.2. CHALLENGES

1. It was established that the local associations were formed hurriedly and with a sole target of receiving quick cash. Many SACCOs did not have shared objectives, goals and vision but were formed with a purpose of easy access to funds. The initial planning, screening of associations and sensitization was inadequate.
2. Emyooga programme was rolled out during a political season. Most people misunderstood the Emyooga funds it to be a political token. Many beneficiaries believed it to be a “thank you” for voting well. This has posed a big challenge on loan paybacks.
3. Effects of Covid 19 and lockdown ravaged the Emyooga SACCOs. Associations were unable to congregate for trainings and use the funds for wealth creation.



Some of the beneficiaries that received the money before lockdown used it for survival. During the lockdown, some businesses like Salon operations, markets, fish mongers and mechanics have been affected and some of the startup businesses have closed.

4. There was no budget directly provided for the district Commercial officers and other technocrats for effective monitoring and supervision. This affected day to day operations of the SACCOs. During our meetings with district officials, we noted that officers in charge were understaffed and with no operational funds at their disposal execute their tasks. For example, in Kanungu, two staff members in the commercial department are expected to monitor all the associations which is an uphill task.
5. Most SACCOs that had opened accounts in Post bank delayed to receive their monies. With exception of other banks, Post bank insisted that SACCOs get clearance from Registrar's office in Kampala. It was very hard for these SACCOS to travel to Kampala to get certification. In Kanungu district, many groups abandoned the process due to the laborious process after investing in their registration monies. All the 7 SACCOs that had not disbursed funds in Kabale Municipality (Taxi Operators), Ndorwa East (Restaurant owners) and Ndorwa West (Mechanics, Performing Artists, Tailors, Saloon Operators and Youth Leaders) was because Post Bank delayed to disburse the funds. In Rukiga, it was not until June 2021, when the SACCOs started receiving the funds.
6. Access to loans requires collateral. The revised Cabinet position approved some form of protection of the lender by providing security to access loans. This requirement raised serious issues and discouragement. In Rubanda district, it has been reported by some women that their husbands vehemently rejected this model. As such, some families without security have been locked out of this initiative.
7. The Seed Capital grant was inadequate to cater for all the registered members. In Kabale Municipality the Produce dealers comprised of 90



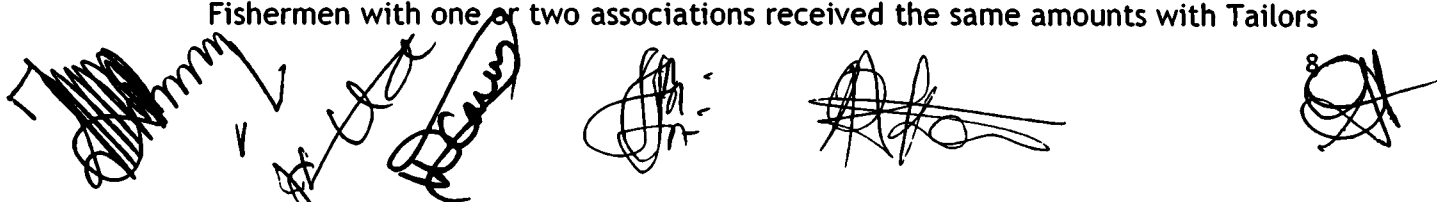
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associations was allotted Shs 30 million which was a drop in the Ocean. This challenge was cross cutting in the entire Kigezi sub region.

8. There were inconsistencies in loan recovery period and amount of interest to pay. Some Emyooga groups received up to One year and others four and Six months for repayment. The amount of interest paid also varied. Some SACCOs in Kabale Municipality charge 8% per annum while others charge 12%
9. Mismanagement and embezzlement of funds. In Kanungu, Kinkizi West Journalists SACCO, the Chairperson and Treasurer swindled Shs 11,600,000 meant for the SACCO among others. This matter is already in court. The Kabale Journalists SACCO has faced similar challenges with the Chairperson where the audit indicates that the chairperson mismanaged loan disbursement. Shs. 29,850,000 withdrawn by the Chairperson is not fully accounted for.
10. Most of the SACCOs for fear of high expenses in administrative costs do not have established offices at constituency level. Some SACCOs are operating “under the tree” offices. Another source of expense is the need to facilitate SACCO leaders. In Rubanda West only three out of 17 SACCOs have office space.
11. Poor loan recoveries and defaulting of some members. Some members have been arrested due to non-repayment. In Karweru Leaders group in Maziba Sub County, Ndorwa East Constituency, one of the members is suspected to have swindled Shs 2,000,000 and has since failed to pay back. In Ndorwa West, the recovery was the lowest in Kigezi sub region with only Shs 2,664,000 recovered out of the Shs 385,540,000 that was disbursed.

## 7.0. RECOMMENDATIONS

1. We observed that that SACCOs with fewer associations e.g, Veteran Emyooga SACCO, the Taxi operators Sacco, Carpenters Sacco, Welders, Saloons, PWDs and Journalist Saccos received similar amounts of EMYOOGA cash like the SACCOs with more associations. This resulted into unequal distribution of funds. In Rubanda East, the Welders, Taxi Operators, performing artists, Fishermen with one or two associations received the same amounts with Tailors





who had 12 associations. We recommend that SACCOs having a bigger membership should receive more funding compared to SACCOs with fewer members.

2. The top-bottom approach for this programme did not allow communities to participate in identifying their problems so that the solutions could be meaningful and owned. We recommend adoption of a Bottom-Up approach through community participation at all stages.
3. Volunteerism in running of the SACCOs. Executive members with no specialized skills were serving on voluntary basis. There was no personal responsibility and these are likely to be fatigued. It is our considered recommendation that SACCOs should be empowered with technical personnel for efficiency and proper governance.
4. We recommend that emphasis should be put on already existing structures/groups as development vehicles. The programme should utilize already existing groups doing well and avoid proliferation of new artificial groups that face the same challenges for sustainable cooperative development.
5. There is need for more funding of *Emyooga* SACCOs with additional seed capital and a fair distribution of capital according to the associations in each group. We recommend that more funding/Seed Capital should be injected into the SACCOs.
6. We recommend that more emphasis should focus on education and sensitization of the masses and the SACCOs leadership. The planning phase has to be rigorous and sufficient resources and time invested in the process.
7. Before launching another wealth creation initiative, there is need for a proper technical audit of the *Emyooga* programme. The time provided for the Honourable members was insufficient to deal with the dearth of issues. The *Emyooga* Programme needed a robust mechanism of stakeholder identification and consultation. Members of Parliament and other relevant leaders should be given adequate information for oversight. Political leaders should not be



enlisted to only be involved at the assessment of the programme but rather to be involved in the whole process.

8. We recommend adequate financial resources for supervision by district commercial department. They should further be facilitated to carry out proper monitoring and continuous training of the SACCOs in governance, leadership, basic financial management & literacy, and credit and savings management to build capacity and sustainability.
9. We observed that there were safeguards put in place to ensure that funds disbursed are paid back. Some of the safeguards include mandatory 30% savings by each association, payment of registration fee by members, payment of Shs. 150,000 for each association, follow up by commercial officers and other government workers but the safeguards were inadequate. One of the problems is that a SACCO is a separate legal entity largely independent of the interference from any government worker. **We recommend continuous strengthening of SACCOs in form of governance.**

#### 8.0. CONCLUSION

The report underscores the importance of wealth and job creation through the *Emyooga* programme. The initiative is geared towards sustainable socio-economic transformation and if well structured, it is capable of improving the access of funding and capital in the citizenry.

**Rt. Hon. Speaker and Honorable Members,** it is the agreed position of the Kigezi Sub-region team that *Emyooga* Programme be supported with more funding, ensure proper sensitization and requisite modifications to achieve the intended objectives. This initiative has potential to create wealth and improve household incomes of Ugandans if the challenges are addressed and realignment done.

