

**PARLIAMENTARY REPORT
ON
EMYOOGA PROGRAMME
LANGO SUB-REGION**

AUGUST 2021

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Executive Summary

In light of parliament's oversight role and pursuant to article 90 of the constitution the Speaker of parliament sent members of parliament back to their districts and constituencies to provide oversight on the usage of the Emyooga funds. The terms of reference for the oversight activity was to ascertain the utilization of the emyooga funds from receipt up to disbursement and recovery.

The oversight team was led by both the Area and the District woman member of parliament as practically possible. Meetings were held with the district leadership, SACCO leaders, association leaders and their members, SACCO banks and review of emyooga guidelines, reports and bank statements. Lango sub-region comprises 9 districts and one city namely Amolataar, Alebtong, Apac, Dokolo, Lira, Kole, Kwania, Oyam and Otuke districts and Lira City.

Key Findings on the Emyooga Programme

Funds released in Lango sub-region districts

All districts indicated that majority of their SACCOs had received the funds into their accounts. SACCOs for local leaders received UGX 50,000,000 and the rest UGX 30,000,000 each. There were however, other SACCOs which were pending receipt of funds from the microfinance support centre. A number of discrepancies were noted in the receipt of funds. In Otuke District, Otuke County veterans Emyooga did not receive their UGX 30,000,000 although Microfinance support Centre (MSC) had indicated in their letter that money had been sent totalling UGX 560,000,000 for all the 18 SACCOs. Bank statements showed no evidence of money sent to the Veterans Sacco.

In Kole district, Kole South Local leaders SACCO, was noted to have received UGX 50,000,000 twice on the 15th of December 2020 making a total of UGX 100,000,000. However, UGX 50,000,000 was removed from the account on the 21st of December 2020.

Criteria for distributing the emyooga funds and qualification

The funds were distributed based on several requirements that needed to be fulfilled by each member and association as prescribed by the Emyooga guidelines. The district commercial officers were the main focal persons in the districts with the RDC as the chairperson of the Emyooga task force. In Amolataar district, whereas there was a substantive district commercial

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officer in place, the RDC instead appointed the community development officer in his place to handle the Emyooga programme. In Lira city, due to lack of existence of independent administrative structures the emyooga programme including the disbursements were managed by the Lira district trade, industry and commercial departments.

In Alebtong district, due to the stringent requirements, whereas the funds had been received in the SACCO account none had been disbursed at the time of the oversight visit. Moroto Journalist SACCO indicated that they had fulfilled all the requirements, but were not granted access to the funds when they went to the bank even though the Commercial Officer had already given them a recommendation clearing them to access their account. In Amolataar district, no fund disbursements had been made. In Otuke district, 3 SACCOs had not utilized the funds though the funds were seated on the accounts. This was due to the COVID-19 lockdown which reduced loan uptake.

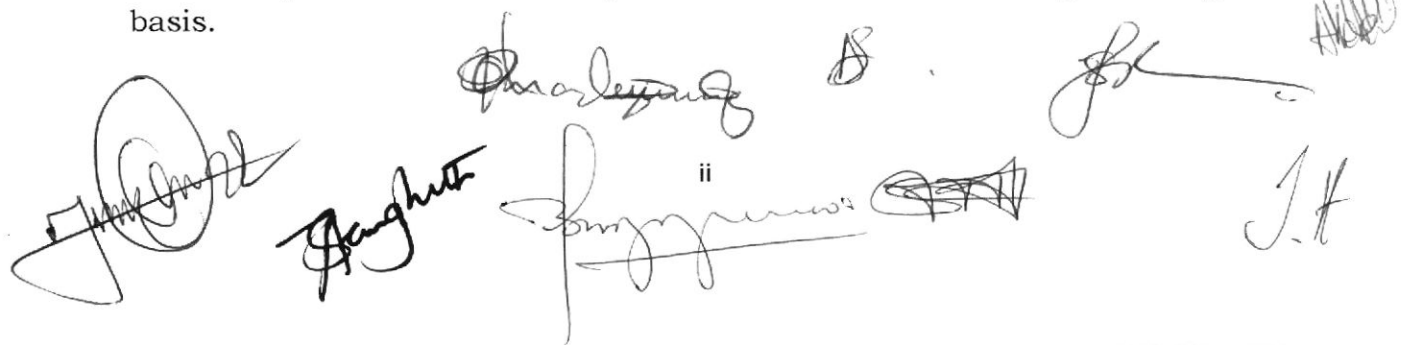
In Kole district, there were several instances in most SACCOs where the one third savings requirement for the loan applied for were not complied with. In various associations it was noticed that more funds were disbursed beyond the saved amounts by the associations. For example, in Apach produce dealers association, UGX 910,000 was saved. However, UGX 5,000,000 was disbursed more than five times the savings. In Opeta performing artists, Okwerodot performing artists, Adellogo performing artists each saved UGX 250,000 but received UGX 5,000,000 more than 20 times the savings.

SACCOs and Groups registered

The 36 SACCOs in the districts were found to be registered with the Ministry of trade, industry and co-operatives under the 18 categories. Hundreds of associations had also been created under the different SACCOs. In Amolataar district, there were 411 associations formed under the 36 SACCOs. In Apac district, 508 associations were formed. In Lira City 594 associations were in place. In Kole district, however, it was noted that Kole North women entrepreneurs whereas being a women SACCO was being led by a man, registered as the chairperson.

Accountability measures for the beneficiaries and whether they exist

There were leadership structures in place for the executive, loans committee, supervisory committee and the commercial officers. Each parish association was required to contribute at least UGX 20,000 to the constituency SACCOs as subscription and membership fees and further make savings on a regular basis.



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Across the various districts including Lira, Alebtong and Kole there was a perception that the funds were to be given as a grant and not as a loan. In Lira city, it was reported that the Emyooga scheme was interfered with and manipulated by opportunists, the well-connected, and some unscrupulous and selfish personalities who diverted the collective benefits of the scheme for personal use. Generally, the groups/associations did not have their own bank accounts and hence received money in cash withdrawn from their respective SACCO accounts. As per guidance from the Microfinance support centre bank withdrawals were to be authorized through recommendation letters from the commercial officers and disbursements to the beneficiaries done under their presence. Concerns were raised by several associations of being denied access to bank statements most especially in Kole North by the SACCO leaders.

Safeguards to ensure that funds disbursed have been paid back

Each association was required to have to save at least a third of the loan amount they needed, a short repayment period of 4 months to ensure quick recoveries, a leadership in place to run the SACCO and the associations. a loan vetting process through a loans committee and members were required to guarantee each other.

In Otuke district, it was noted that persons that had borrowed the money were freely paying it and no cases of default had been reported. In Kole district, most of the Kole South SACCOs were found to have made deposits to repay the amounts borrowed. In Kole North, however, most associations had not made any payments with a high default rate.

There were also discrepancies noted in the claimed recoveries in Kole district. Whereas it had been reported in the District commercial officers report that Opeta parish local leaders had repaid UGX 3,000,000 these funds could not be traced in the bank accounts and the Kole North local leaders account only had a balance of UGX 265,939.48. Several similar instances were noted. In Lira district, there were reported cases of persons borrowing money in order to meet the saving requirement for loan application further making it difficult to meet the repayment obligations. Some enterprises such as the welders and salon SACCOs had failed to take off in Kwania district due to lack of electricity necessitating relocation to other places.

Extortion from the public and illegal collections.

Several incidences of extortion and illegal collections were raised by the associations. In Amolataar district, it was reported that the associations were asked to pay UGX 40,000 into the district collection account as

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registration fees. In Dokolo district, the chairperson of Dokolo North Women Entrepreneurs SACCO at the start collected the following funds: UGX 5,000 for registration from each Association, UGX 40,000 from each Association for rent, UGX 25,000 from each Association for transport, UGX 5,000 from each individual members of the Association for loan pick up, UGX 20,000 from each individual members of the Association for SACCO registration and UGX 10,000 from each individual members of the Association for membership.

In Kole district, Lwala youth leaders and Okwerodot Market vendors indicated that UGX 300,000 and UGX 400,000 was cut off from their loans respectively in the presence of the commercial officer. The chairperson Kole North Veteran's SACCO, indicated that the commercial officer asked for a kickback of UGX 4,000,000. However, UGX 2,000,000 was given. The chairperson, Kole North Tailor's SACCO, indicated that a kickback of UGX 1,000,000 was demanded by the commercial officer to whom they gave UGX 1,000,000. The chairperson of the Kole North youth leaders SACCO indicated that the Commercial officer, asked for a kick back of UGX 2,000,000. UGX 1,500,000 was given to him. There were further reports that UGX 100,000 had to be paid by each SACCO in Kole district to expedite receipt of their funds from the centre.

Review of Bank accounts and the bank statements

Each of the SACCOs held bank accounts with different banks. Bank statements were obtained for several SACCOs and reviewed. In Amolataar and Alebtong districts none of the received funds had been withdrawn and disbursed. In Otuke district, Otuke County veterans (Widows and Orphans) SACCO did not receive their UGX 30,000,000 although Microfinance support Centre had indicated in their letter that funds totaling to UGX 560,000,000 had been sent to the constituency. Only UGX 530,000,000 was therefore received at the constituency. Bank statements showed no evidence of money having been sent to the Veterans SACCO. No discrepancies were observed in the bank statements reviewed.

In Kole district, Bank statements of the different SACCOs were obtained and amounts withdrawn compared to the amount disbursed. It was noted that UGX 540,671,900 was withdrawn from the 16 SACCO accounts in Kole North. However, only UGX 409,542,000 was disbursed and received by the associations. A total of UGX 131,129,900 (Table 1, Page 11) was found to be missing from the accounts withdrawn by the SACCO leaders with authorizations from the district commercial officers through their recommendation letters. No clear explanation was given as to where the missing funds were. For example, Kole North performing artists disbursed

UGX 13,000,000 as a loan. However UGX 30,500,000 was withdrawn from the account with UGX 17,500,000 unaccounted for. In Kole South local leaders account, UGX 35,000,000 had been withdrawn but only UGX 25,500,000 disbursed. UGX 9,500,000 could not be accounted for. The same account received UGX 100,000,000 instead of UGX 50,000,000. However, 50,000,000 was removed from the account citing an error from the bank and claimed to have been returned to the head office.

Comparison of amount of funds withdrawn on behalf of the beneficiary associations from the SACCO accounts and those received further revealed discrepancies amounting to UGX 88,540,000 (Table 2, Page 12 & 13) between funds withdrawn in the association names and those received by the associations in Kole North. For example, Ayala Oyaa carpenters is indicated to have withdrawn UGX 16,000,000 from the SACCO account, however, they only received UGX 5,000,000. Okwerodot performing artist is indicated to have withdrawn UGX 10,000,000 but only received UGX 2,000,000.

In light of the key findings, the following recommendations are made: Commercial officers and SACCO leaders in districts where funds were misappropriated should be held accountable; responsibility for managing the Emyooga funds should be placed under the CAO with the RDC playing a monitoring role; Emyooga guidelines need to be reviewed to look at the repayment period and rescheduling of loans; one third saving requirement specifically for vulnerable groups should be reconsidered; Microfinance support centre should disburse remaining funds for SACCOs that haven't received funds yet; local leader participation should be strengthened; facilitation needs to be given to the district teams for monitoring and supervision ; associations should be made to open bank accounts and disbursements from the accounts should be directly into the individual members phones to ensure cash less transactions in order to limit fraud and a regional pool of funds from where the constituency SACCOs can borrow from be created to strengthen capitalization of the growing SACCOs.

In conclusion, the Emyooga programme is a key intervention in fighting poverty and promoting wealth creation through increasing access to financial services and capital and strengthening collective and sector participation. The preparation, co-ordination, management, monitoring, accountability, financing frameworks and processes however needs to be reviewed and strengthened to fully realize its potential benefits in driving socio-economic growth in Lango and Uganda as a whole.

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1. Introduction

The presidential initiative on wealth and Job creation is aimed at improving household income for 68% of the Ugandans in subsistence agriculture. Its development objective is to promote access to and usage of financial services with specific objectives to mobilize internal resources through savings and provision of seed capital. Seed capital was disbursed by government to different SACCOs which were further lent out to the different associations under the SACCOs. In light of parliaments oversight role and pursuant to article 90 of the constitution the Speaker of parliament sent members of parliament back to their districts and constituencies to provide oversight on the usage of the Emyooga funds. The oversight activity ran from 5th to 17th August and members of parliament were to report back per sub-region on their findings.

2. Terms of reference

The following were the terms of reference for the oversight activity to establish:

- a. Ascertaining how much money had been released to the district
- b. Ascertain the criteria for the distribution of funds under the program
- c. Who qualifies to receive the funds?
- d. Which Groups /SACCOs were registered
- e. What Accountability measures exists for the beneficiaries
- f. What safeguards are in place to ensure funds disbursed are recovered, for further revolving
- g. Ascertain any extortion from the public
- h. Ascertain the existing bank accounts and verify bank statements.

3. Methodology

The oversight team was led by both the Area and the District woman member of parliament as practically possible. The following approaches were used:

- a. Meetings with the District leadership including the RDCs, Chairman LC5, CAO and the District commercial officers.
- b. Meetings with SACCO leaders of the various categories.
- c. Meetings with association leaders and their members
- d. Meetings with the SACCO banks.
- e. Review of emyooga guidelines, reports and bank statements.

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4. Scope of the Emyooga Oversight

Lango sub-region comprises 9 districts and one city namely Amolataar, Alebtong, Apac, Dokolo, Lira, Kole, Kwanja, Oyam and Otuke districts and Lira City.

5. Key Findings on the Emyooga Programme

1. Funds released in Lango sub-region districts

SACCOs for local leaders received UGX 50,000,000 and the rest UGX 30,000,000 each. Generally, all reporting administrative units indicated that majority of their SACCOs had received the funds into their accounts. There were however, other SACCOs which were pending receipt of funds from the microfinance support centre. A number of discrepancies were noted in the receipt of funds. In Otuke District, Otuke County veterans Emyooga did not receive their UGX 30,000,000 although Microfinance support Centre (MSC) had indicated in their letter that money had been sent totaling UGX 560,000,000 for all the 18 SACCOs. Bank statements showed no evidence of money sent to the Veterans Sacco.

In Kole district, Kole South Local leaders SACCO, was noted to have received UGX 50,000,000 twice on the 15th of December 2020 making a total of UGX 100,000,000. However, UGX 50,000,000 was removed from the account on the 21st of December 2020. The bank manager, Opportunity bank where these accounts were held indicated that this was an error which was reversed and funds were sent back to the head office. The description of the transaction was Kole South local leaders which didn't match the explanation from the bank manager. The matter is still a subject of inquiry by the police.

2. Criteria for distributing the emyooga funds and qualification

The funds were distributed based on the association savings, registration with the SACCO, payment of membership and subscription fees, active participation in the enterprise. It was also a requirement for one not to have a running loan. In addition, loans could only be applied for through associations and not directly through the SACCO. One also needed to have saved a third of the amounts they wished to borrow and had a maximum repayment period of 4 months. Further guidance was provided through a letter from Microfinance support centre to the Chairpersons of the District emyooga task forces (RDC/RCC) copied to the commercial banks dated 20th April 2021, reference no. MSC/ED/21/04/21. The commercial officers or designated officers had to provide

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recommendation letters for any withdrawals from the bank after a review of the loan documents. They were also supposed to be present to witness the disbursement of the funds. Guideline 8 (eight) of the emyooga SACCO loans policy template also provided for no cash payments to be made to reduce risks and funds to be disbursed through group collection accounts and into member's mobile money accounts.

There were several observations made in the various districts. In Amolataar district, whereas there was a substantive district commercial officer in place, the RDC instead appointed the community development officer in his place to handle the Emyooga programme. In Lira city, due to lack of existence of independent administrative structures the emyooga programme including the disbursements were managed by the Lira district trade, industry and commercial departments. Further due to lack of coordination by the designated Emyooga management team (the commercial officer, RDC, RCC, and Town Clerks, etc.) the overall implementation of Emyooga in Lira City was affected.

For example, the Commercial Officer who should have been at the centre of Emyooga implementation had no concrete idea about Emyooga implementation in Lira City. The existing elected leaders of the local population in Lira City were not formally incorporated as part of the implementation machinery of the Emyooga intervention in Lira City, thereby creating knowledge gaps and loopholes in supervision that affected the entire Emyooga implementation. Lira City was created out of Lira district and Lira municipality and comprises Lira West Division made up of former Lira sub-county and Ojwina and Adyel division and Lira East division comprising of former Lwal, Ngetta, Adekokwok sub-counties and Railway and Central divisions.

In Alebtong district, due to the stringent requirements, whereas the funds had been received in the SACCO account none had been disbursed as at the time of the oversight visit. Moroto Journalist SACCO indicated that they had fulfilled all the requirements, but were not granted access to the funds when they went to the bank even though the Commercial Officer had already given them a recommendation clearing them to access their account. In Amolataar district, no fund disbursements had been made. In Otuke district, 3 SACCOs had not accessed the funds though the funds were seated on the accounts. These were :Otuke County Women Entrepreneurs Emyooga Sacco, Otuke County saloon Operators Emyooga Sacco,

Otuke Local Leaders Emyooga Sacco. The reason given was due to the Covid-19 lock down effects which had limited earnings.

In Kole district, there were several instances where the one third savings requirement for the loan applied for were not complied with. In various associations it was noticed that more funds were disbursed beyond the saved amounts by the associations. These SACCOs included: Kole North Produce dealers saccos, Kole North Carpenters SACCO, Kole North fishermen's SACCO, Kole North Veteran's SACCO, Kole North People with disabilities SACCOs, Kole North Mechanics SACCO, Kole North welders SACCOs and Kole North performing artists association. For example :

- In Apach produce dealers' association, UGX 910,000 was saved. However, UGX 5,000,000 was disbursed more than five times the savings.
- In Barongin carpenters' association UGX 750,000 was saved whereas UGX 3,500,000 was disbursed more than 4 times the savings.
- In Opeta fishermen's SACCO whereas UGX 2,200,000 was saved, UGX 8,010,000 was disbursed more than 3 times the savings.
- In Ayala Veterans SACCO and Lelakot veteran's SACCO whereas UGX 1,500,000 was saved by each association, UGX 6,100,000 and UGX 6,000,000 were disbursed respectively more than 4 times the savings.
- In Otkwach local leaders' association whereas UGX 3,000,000 was saved, UGX 12,000,000 was disbursed, four times the amount.
- In Apuru PWD, Ayara PWD, Lelakot PWD, Ogwangacuma PWD each saved UGX 1,000,000 and received UGX 5,000,000 each as a loan more than 5 times the savings.
- In Akwirididi mechanics, Ayamo mechanics and Ayala Oyaa mechanics associations, whereas having saved only UGX 1,700,000. UGX 1,500,000 and UGX 1,200,000 respectively UGX 6,000,000 was disbursed to Akwirididi and Ayamo mechanics association and UGX 5,000,000 to Ayala Oyaa mechanics association.
- In Opeta performing artists, Okwerodot performing artists, Adellogo performing artists each saved UGX 250,000 but received UGX 5,000,000 more than 20 times the savings.

3. SACCOs and Groups registered

The 36 SACCOs in the districts that reported were found to be registered with the Ministry of trade, industry and co-operatives under the 18 categories. Hundreds of associations had also been created under the different SACCOs. In Amolataar district, there were 411 associations formed under the 36 SACCOs. In Apac district, 508 associations were formed. In Lira City 594 associations were in place. In Dokolo district, there were 495 associations. In Kole district, however, it was noted that Kole North women entrepreneurs whereas being a women SACCO was being led by a man, a one Okello Alex Jimmy as the chairperson. Several other women entrepreneur associations were found to be led by men namely Alito women entrepreneurs led by Okello Tomson and Lwala joint women entrepreneurs led by Obaro Boniface with Ogwang Alex having been the only members appending their signatures and names in the application for registration of the SACCO.

4. Accountability measures for the beneficiaries and whether they exist

The beneficiaries were expected to be making their savings, loan repayments, membership and subscription fees, recoveries and any other charges to the SACCO bank accounts. Each parish association was required to contribute at least UGX 20,000 to the constituency SACCOs as subscription and membership fees. In Amolataar district, the associations were asked to pay registration fees of UGX 40,000 into the district collection account. In Alebtong, Lira and Kole District, the associations paid UGX 600,000 each instead of UGX 20,000. Each member in each association had to raise UGX 20,000 totaling to UGX 600,000 from 30 members. In Kole district, half of these funds i.e., UGX 300,000 were sent to the SACCOs while UGX 300,000 was retained in the association.

It was noted that the UGX 300,000 collected from the associations in Kole district by the SACCOs was not banked. SACCOS which had large numbers of associations therefore raised as much as UGX 6,000,000. Passbooks were available for each association and each member had an identification number for documentation of their savings and a savings box was available in each association for custody of funds. Each association had a constitution and a leadership in place for administration, loan approvals and supervision. Concerns were however, were raised in Kole district by most associations that they were denied access to the bank statements to confirm their actual loan and saving amounts and were

threatened not to question what did not concern them by the SACCO leaders.

In Alebtong district, where no funds had been disbursed to the groups ,most of them indicated that the amount of money allocated and to be disbursed was too small for group members to be able to utilize and realize any meaningful impact e.g. Produce Dealers SACCO got UGX 30,000,000 in their account but they had 31 sub-groups of at least 30 members each. In Kwanja district, Kwanja produce dealers SACCO had 128 groups and each group has 30 members totaling to 3840 members against 30,000,000/=. In Dokolo district, Dokolo South Produce dealers had 75 Associations. Oyam district also faced a similar challenge under the produce dealers, boda boda and women entrepreneurs SACCO. In Otuoke district, out of the the UGX 560,000,000 to Otuoke County, UGX 286,000,000 had been disbursed equivalent to 51% of the funds allocated. 384 entities had benefited from the project. In Apac district out of the UGX 1,440,000,000 received, UGX 371,714,000 had been disbursed. Some of the SACCOs had not yet made any disbursements pending commissioning of their offices.

Across the various districts including Lira, Alebtong, Kwanja and Kole there was a perception that the funds were to be given as a grant and not as a loan. They therefore did not expect that any savings, membership and subscription fees would be required. This arose majorly due to the implementation timing of the scheme coinciding with the general elections.

The one third saving contributions for the loan uptake however was not part of the funds for onward lending. For example, Otuoke County Produce Dealers Emyooga Sacco has 300 Members but only 124 people had benefited even though they had UGX 8,000,000 in their account. In Amolataar district, it was noted that there were suspicious deposits into the SACCO accounts which were not known to the SACCO leaders. Savings by the respective Associations with the SACCOs was also interfered with, arising from actions of the RDCs Office stopping any further implementation.

In Lira city, it was reported that the Emyooga scheme was interfered with and manipulated by opportunists, the well-connected, and some unscrupulous and selfish personalities who diverted the collective benefits of the scheme for personal use. There were widespread instances of corruption tendencies by the designated focal persons as well as the leadership of the groups, associations, and SACCOs were

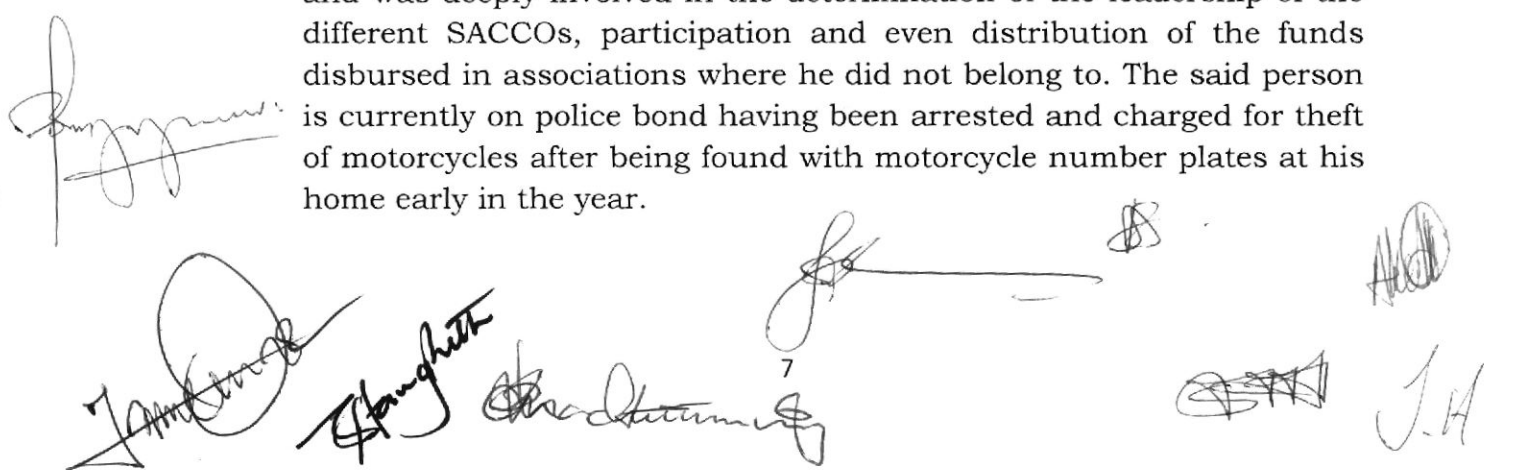
offensive to the targeted beneficiaries hence discouraging them. Instances of discrimination of some individuals based on their political identity and persuasion were reported which discouraged some potential beneficiaries from participating. Most group members of the SACCOs have since abandoned the SACCOs to the top executive due to a lack of trust and confidence in the leadership of the respective SACCOs.

5. Safeguards to ensure that funds disbursed have been paid back

Safeguards to ensure the funds paid were paid back included each association having to save at least a third of the loan amount they needed, a short repayment period of 4 months to ensure quick recoveries, a leadership in place to run the SACCO and the associations. a loan vetting process through a loans committee and members were required to guarantee each other. The interim SACCO leadership was further required to be replaced with a substantive leadership within one month after registration of the SACCO.

In Otuke district, it was noted that persons that had borrowed the money were freely paying it and no cases of default had been reported. In Kileleshwa district, most of the Kileleshwa South SACCOs were found to have made deposits to repay the amounts borrowed. In Kileleshwa North, however, most associations had not made any payments with a high default rate. In Lira district, Women entrepreneurs SACCO in Erute North, had members from both Lira district and Lira City. however, all the leaders were from Lira City who dominated the groups from the rural areas who were less informed.

In Lira city, it was noted that most of the leaders of the SACCO were hand-picked by the implementers of the programme and was not through a democratic elective process. In Kileleshwa district, Kileleshwa North constituency, the leadership of most of the SACCOs was selective orchestrated by a one Okello Opio Alex, a resident of Aboke sub-county who worked closely with the commercial officers. He presented himself as the co-ordinator of the Emyooga programme in Kileleshwa North and was deeply involved in the determination of the leadership of the different SACCOs, participation and even distribution of the funds disbursed in associations where he did not belong to. The said person is currently on police bond having been arrested and charged for theft of motorcycles after being found with motorcycle number plates at his home early in the year.

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A substantive leadership was supposed to be put in place within one month of registration of the SACCO in Kile District. The SACCO registration certificates were received in March 2021. However, Annual general meetings to put in proper leadership were only held in July 2021, seven months later. No reason was given for this delay. As a result of the selective appointments, recoveries were low and little effort made to engage the association members to pay back.

The chairperson of the Kile North restaurant SACCO was reported to have embezzled UGX 8,500,000 of funds meant for the associations. The matter was reported to police by the association members and he was arrested but later on released after the intervention of the commercial officer who recommended that he be given upto November 2021 to pay back. The association members had demanded he pays within one month.

Majority of the associations in Kile North have not paid back their loans. The major reasons cited were the lock down and the harsh weather which led to low yields. It was also noted, that Okello Opio Alex who had been introduced to the SACCOs as the co-ordinator in Kile North informed the associations that the repayment period was to be 1 year and not 4 months. There were also discrepancies noted in the claimed recoveries in Kile district. Whereas it had been reported in the district commercial officers report that Opeta parish local leaders had repaid UGX 3,000,000 these funds could not be traced in the bank accounts and the Kile North local leaders account only had a balance of UGX 265,939.48.

Whereas, it had been indicated that Apuru people with disabilities and Ayara PWDs had paid back UGX 550,000 and UGX 400,000 respectively, these amounts could not be traced in the bank statements provided. Opeta tailoring was indicated to have returned UGX 2,313,000, but these amounts could not be traced in the SACCO accounts. By the time of writing this report it had not been established whether these funds were paid but not banked by the respective SACCO leaders or paid and embezzled by the leadership.

In Kwania district, a number of Emyooga projects could not be undertaken in some areas because of lack of electricity; this includes the welders and salons SACCOs. As a result, operations of the following SACCOs had been hampered: Acenlworo SACCO in Atongtidi, sub county SACCO Atule in Chawente Sub County, Bung SACCO in Ayabi Sub County and Etekober and Otura SACCOs in

Nambieso sub county. They are all engaged in welding and salon but had to relocate hence impacting on their ability to make timely repayments.

In Oyam district, it was reported that in some groups there were collusion among leaders leading to people who do not qualify to be members to start the groups and obtain the money. This made recovery difficult. Some further colluded and withdrew money without approvals. There was further concern that the four months repayment period was way too short for the enterprises to commence operation and make a profit to enable them repay the borrowed amounts in time. In Lira and Kole district, there were reported cases of persons borrowing money in order to meet the saving requirement for loan application further making it difficult to meet the repayment obligations.

6. Extortion from the public and collection of illegal fees

Several incidences of extortion were claimed by the associations. In Amolataar district, it was reported that the associations were asked to pay UGX 40,000 into the district collection account as registration fees. In Dokolo district, the chairperson of Dokolo North Women Entrepreneurs SACCO at the start collected the following funds:

- UGX 5,000 for registration from each Association.
- UGX 40,000 from each Association for rent.
- UGX 25,000 from each Association for transport
- UGX 5,000 from each individual members of the Association for loan pick up.
- UGX 20,000 from each individual members of the Association for SACCO registration.
- UGX 10,000 from each individual members of the Association for membership.

In Kole district, several associations reported having been told to pay UGX 30,000 in order to receive passbooks. These passbooks were supposed to be given out freely to each association. Lwala youth leaders indicated that UGX 300,000 was cut off from their loan in the presence of the commercial officer.

Okwerodot market vendors association further reported that UGX 400,000 was cut off from their loan and retained for the commercial officer. We noticed from reports on the ground that the Kole district commercial officers actively interfered with the oversight activities in Kole District by rallying the associations and SACCOS not to turn up through changing information that was being sending out. For

example, whereas the Kole district commercial officer been informed by the area MP to notify the SACCO leaders of a meeting on the 16th of August 2021, the SACCO leaders reported that they had been informed that the meeting had been cancelled and rescheduled to the 17th of August 2021. They further demobilized various associations not to turn up for the oversight meetings.

The chairperson Kole North Veteran's SACCO, indicated that the commercial officer asked for a kickback of UGX 4,000,000. However, UGX 2,000,000 was given. The commercial officer, got annoyed for being given less funds. As a result, he refused to approve any further withdrawals and loan approvals to other associations in the SACCO indicating that other SACCOs were giving more money yet they were refusing to give more. It was observed that only one withdrawal was made from the Veteran's SACCO account and no further withdrawals done corresponding with the claims made of the threat by the commercial officer not to allow further withdrawals.

The chairperson, Kole North Tailor's SACCO, indicated that a kickback of UGX 1,000,000 was demanded by the commercial officer to whom they gave UGX 1,000,000.

The chairperson of the Kole North youth leaders SACCO, indicated that the Commercial officer asked for a kick back of UGX 2,000,000. UGX 1,500,000 was given to him. It was further reported by the SACCO leaders that UGX 100,000 had to be paid by each SACCO to expedite receipt of funds from the centre.

7. Review of Bank accounts and the bank statements

Each of the SACCOs held bank accounts with different banks. Bank statements were obtained for several SACCOs and reviewed. In Amolataar and Alebtong districts none of the received funds had been withdrawn and disbursed. In Kwania district, the funds disbursed and those withdrawn were found to tally with no discrepancy. In Otuke district, Otuke County veterans (Widows and Orphans) SACCO did not receive their UGX 30,000,000 although Microfinance support Centre had indicated in their letter that funds totalling to UGX 560,000,000 had been sent to the constituency. Only UGX 530,000,000 was therefore received at the constituency. Bank statements showed no evidence of money having been sent to the Veterans Sacco. No discrepancies were observed in the bank statements reviewed. In Lira district, Erute North, whereas only one carpenters association exists by the names Lwala, the bank statement revealed another group by the names, Binkonya Atura Bodaboda.

In Kole district, Bank statements of the different SACCOs were obtained and amounts withdrawn compared to the amount disbursed. It was noted that UGX 540,671,900 was withdrawn from the 16 SACCO accounts in Kole North. However, only UGX 409,542,000 was disbursed and received by the associations. A total of UGX 131,129,900 was found to be missing from the accounts withdrawn by the SACCO leaders with authorizations from the district commercial officers through their recommendation letters. No clear explanation was given as to where the missing funds were. In Kole South local leaders account, UGX 35,000,000 had been withdrawn but only UGX 25,500,000 disbursed. UGX 9,500,000 could not be accounted for. The same account received UGX 100,000,000 instead of UGX 50,000,000. However, 50,000,000 was removed from the account citing an error from the bank and claimed to have been returned to the head office.

Table 1: Amounts of funds withdrawn and missing from the Kole North SACCOs accounts.

Sr No	SACCO name	Amount received by beneficiaries (Ugx)	Amount withdrawn from account (Ugx)	Unaccounted for (Ugx)
1	Kole North Performing artists	13,000,000	30,500,000	17,500,000
2	Kole North local leaders	46,000,000	56,800,000	10,800,000
3	Kole North persons with disabilities	20,000,000	23,000,000	3,000,000
4	Kole North Mechanics	17,000,000	30,000,000	13,000,000
5	Kole North Fishermen	27,910,000	35,000,000	7,090,000
6	Kole North Produce dealers	26,800,000	32,850,000	6,050,000
7	Kole North youth leaders	28,100,000	41,200,000	13,100,000
8	Kole North Veteran's	12,100,000	17,200,000	5,100,000
9	Kole North tailors	32,160,000	41,733,900	9,573,900
10	Kole North boda-boda	24,953,000	39,000,000	14,047,000
11	Kole North Salon	20,290,000	28,000,000	7,710,000
12	Kole North carpenters	21,665,000	30,000,000	8,335,000
13	Kole North Welders	33,319,000	38,000,000	4,681,000
14	Kole North restaurant owners	24,000,000	34,000,000	10,000,000
15	Kole North market vendors	30,250,000	30,000,000	-250,000
16	Kole North women entrepreneurs	31,995,000	33,388,000	1,393,000
	Sub-total	409,542,000	540,671,900	131,129,900

Comparison of amount of funds withdrawn on behalf of the beneficiary associations from the SACCO accounts and those received further revealed discrepancies as highlighted in table 2.

Table 2: Discrepancies between funds withdrawn in the association names and those received by the associations in Kole North

No	Association name	Withdrawal date	Amount withdrawn as per bank statement (Ugx)	Amount received (Ugx)	Variance (Ugx)
Kole North Performing artists, Account No: 1325500831197, Opportunity bank					
01	Okwerodot performing artist	09.03.21	10,000,000	2,000,000	8,000,000
02	Opeta performing artist	09.03.21	9,000,000	6,000,000	3,000,000
03	Adellogo performing artist	09.03.21	8,000,000	5,000,000	3,000,000
Kole North Local leaders, Account No: 1325500831235, Opportunity bank					
04	Alito parish local leaders	05.03.21	7,800,000	7,000,000	800,000
Kole North Persons with disabilities (PWD), Account No: 1325500831049, Opportunity bank					
05	Ayara People with disabilities	12.03.21	6,000,000.	5,000,000	1,000,000
06	Ogwangacuma People with disabilities	12.03.21	6,000,000.	5,000,000	1,000,000
07	Lelakot People with disabilities	12.03.21	6,000,000.	5,000,000	1,000,000
08	Apuru People with disabilities	12.03.21	6,000,000.	5,000,000	1,000,000
Kole North Mechanics SACCO, Account No: 1325500831097, Opportunity bank					
09	Ayala Oya mechanics	05.03.21	7,300,000	5,000,000	2,300,000
10	Ayamo mechanics	05.03.21	9,000,000	6,000,000	3,000,000
11	Akwirididi mechanics	05.03.21	8,700,000	6,000,000	2,700,000
Kole North Fishermen' SACCO, Account No: 1325500831219, Opportunity bank					
12	Apuru Fishermen	12.03.21	7,000,000.	4,100,000	2,900,000
13	Otkwach Fishermen	12.03.21	6,000,000	4,700,000	1,300,000
14	Apach Fishermen	12.03.21	8,000,000	4,600,000	3,400,000
15	Opeta joint Fishermen	12.03.21	10,000,000.	8,010,000	1,990,000
16	Ayala Oya Fishermens	12.03.21	4,000,000	2,100,000	1,900,000

No	Association name	Withdrawal date	Amount withdrawn as per bank statement (Ugx)	Amount received (Ugx)	Variance (Ugx)
Kole North Produce dealers SACCO, Account No: 1325500831073, Opportunity bank					
17	Apach produce dealers	11.03.21	6,000,000.	1,800,000	4,200,000
18	Akwirididi 5 produce dealers	11.03.21	3,000,000	2,800,000	200,000
19	Opeta 2 produce dealers	11.03.21	6,000,000	2,000,000	4,000,000
20	Ayamo C produce dealers	11.03.21	3,650,000	1,000,000	2,650,000
Kole North youth leaders SACCO, Account No: 1325500831022, Opportunity bank					
21	Barongin youth leaders	16.03.21	8,000,000	3,200,000	4,800,000
22	Lelakot youth leaders	16.03.21	12,800,000	6,000,000	6,800,000
23	Lwala joint youth leaders	16.03.21	7,800,000	4,000,000	3,800,000
24	Opeta youth leaders	16.03.21	12,600,000	5,500,000	7,100,000
Kole North Carpenters SACCO, Account No: 1325500830859, Opportunity bank					
25	Apac carpenters	09.03.21	10,000,000	3,500,000	6,500,000
26	Ayala Oyaa carpenters	09.03.21	16,000,000	5,000,000	11,000,000
Total withdrawn (UGX)					88,540,000

8. Recommendations

In light of the key findings, the following are recommended:

General recommendations

- 1) The SACCO funds should be placed under the responsibility of the CAO such that there is better accountability. The RDCs can play the monitoring role.
- 2) The SACCO loan policies on repayment periods needs to be revised from 4 months to 6 or 8 months to enable ample time for the beneficiaries to invest and get returns. Rescheduling of the existing loans therefore needs to be looked into more so due to the impact of COVID-19 and the harsh weather in the past raining season. In addition, the one third saving requirement needs to be revised as it was prohibitive in enabling uptake of funds especially among the people with disabilities.
- 3) Communication on Emyooga programme needs to be streamlined to ensure that the information received is clear and implementation uniform across the SACCOs and districts.
- 4) The savings made by the associations should be considered as part of the amounts to be given out as loans to enable more of the associations to borrow the funds. Provisions can be made to put a ceiling on the amount of savings to be retained.
- 5) SACCO categories that have not yet received funds from the Microfinance support centre should have their funds disbursed as soon as possible to enable their participation in the emyooga programme. This includes Otuke County veterans SACCO who were indicated to have received the funds but had not received it.
- 6) Associations should be encouraged to open bank accounts to receive funds from the SACCO accounts. Disbursements from the group/association bank accounts should be made directly into the individual members mobile phone to ensure traceability and limit fraud. Banks should provide SMS alerts to the SACCO and association leadership in order to monitor the account transactions.
- 7) The office of the RDC and the Commercial office should be facilitated adequately to enable them provide the needed support to the SACCOs and associations.
- 8) Local leaders, political and appointees at all administrative and management levels should be included and integrated at all levels of the planning, implementation, supervision, monitoring, and evaluation of the programme.

- 9) A regional pool of funds from where the constituency SACCOs can borrow from be created to strengthen capitalization of the growing SACCOs.

Specific Recommendations

- 1) In Amolataar district, the UGX 40,000 extorted and collected as registration fees from the groups which was paid to the district collection account should be refunded.
- 2) The CAO, Amolataar should ensure that the senior commercial officer (Ms. Ayo Carla Teddy) be reinstated as the emyooga focal person in the district
- 3) In Kole district, the commercial officers and SACCO leaders be investigated for the loss of SACCO funds and allegations of extortion.
- 4) Further to (3) disciplinary proceedings should be instituted against the district commercial officers by the district service commission and new focal persons be appointed to manage the programme.
- 5) UGX 131,129,900 fraudulently withdrawn from the Kole North SACCO accounts to be refunded within 30 days.
- 6) All the Kole North SACCO accounts should be blocked from making any further withdrawals until such a time when adequate controls are put in place to avert further theft of funds.
- 7) Associations should be given direct access to bank statements for their SACCOs as and when required in order to monitor their savings and loan amounts taken and paid back.



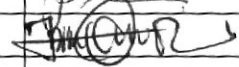
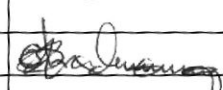
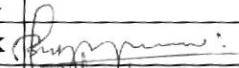

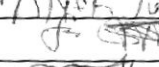
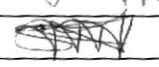
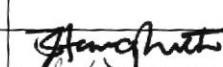



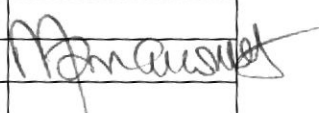
9. Conclusions

Emyooga programme is a key intervention in fighting poverty and promoting wealth creation through increasing access to financial services and capital and strengthening collective and sector participation. The preparation, co-ordination, communication, management, monitoring, accountability, financing frameworks and processes however need to be reviewed and strengthened to fully realize its potential benefits in driving socio-economic growth in Lango and Uganda as a whole.

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10. Signature

Sr No	District	Constituency	Name	Signature
01	Amolataar District	Amolataar district	Hon. Dr. Agnes Apea	
		Kioga County	Hon. Okot Moses Bitek	
		Kioga North	Hon. Olobo Kames	
02	Apac District	Maruzi County	Hon. Akora Maxwell	
		Maruzi North	Hon. Okello Nelson	
		Apac Municipality	Hon. Ocan Patrick	
		Apac District	Hon. Betty Engola	
03	Alebtong district	Alebtong district	Hon. Acen Dorcus	
		Ajuri county	Hon. Hamson Obua	
		Moroto County	Hon. Okwir Samuel	
04	Dokolo District	Dokolo District	Hon. Cecilia Ogwal	
		Dokolo North	Hon. Ogwal Moses Goli	
		Dokolo South	Hon. Okot Ogong Felix	
05	Kole District	Kole District	Hon. Alyek Judith	
		Kole South	Hon. Ocen Peter	
		Kole North	Hon. Dr Opio Samuel	
06	Kwania District	Kwania District	Hon. Auma Kenny	
		Kwania County	Hon. Ayoo Tonny	
		Kwania North	Hon. Okae Bob	
07	Lira City	Lira City	Hon. Aceng Jane	
		Lira City East	Hon. Akena Jimmy	
		Lira City West	Hon. Obong Vincent	
08	Lira District	Lira District	Hon. Auma Linda	
		Erute North	Hon. Akello Christine	
		Erute South	Hon. Odur Jonathan	
09	Oyam District	Oyam District	Hon. Alum Santa	
		Oyam South	Hon. Amongi Betty	
		Oyam North	Hon. Okello Macodwogo	
10	Otuke District	Otuke District	Hon. Abeja Susan	
		Otuke East	Hon. Acon Julius	
		Otuke West	Hon. Omara Paul	
11	Special groups	Northern Youth	Hon. Okot Boniface	

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