



PARLIAMENT OF UGANDA

**Lango Sub-Region Report
On
Parish Development Model
By
Lango Parliamentary Group
(LPG)**

March 2023

1 Introduction

In May 2022 parliament of Uganda appropriated UGX 1.49 trillion for the parish development model covering the 10,594 parishes in the country. The funds were to be disbursed to eligible beneficiaries that fulfilled a specific eligibility criteria in their respective parishes. Article 90 of the constitution of the republic of Uganda provides for members of parliament's oversight role. On 2nd of February 2023 the speaker of parliament sent members of parliament into recess from 3rd to 17th February 2023 specifically to carry out oversight of all the activities undertaken under the PDM in their constituencies across the country.

They were further to form 18 clusters comprising of the 18 sub-regions in the country and prepare and submit a report to the house on completion of the exercise. Among these clusters is Lango sub-region. Accordingly, Lango parliamentary hereby presents its report on the parish development model in Lango sub-region. This sub-region comprises 9 districts and one City namely Kole, Dokolo, Apac, Oyam, Kwanja, Alebtong, Amolataar, Otuke, Lira district and Lira City comprising 21 constituencies.

2 Terms of reference

The terms of reference of the oversight activity comprised the following:

- I To determine the exact amount of approved funds that have been disbursed to the various parishes
- II To examine the eligibility of the various categories of beneficiaries of the PDM funds
- III To assess the effectiveness of utilization of disbursed funds by PDM beneficiaries
- IV. To establish the extent of adherence to the PDM guidelines and procedures by the various actors in the implementation of PDM
- V To examine any other matters incidental and make recommendations for corrective action

3 Methodology

Members of parliament across the sub-region used the following methodology

- a Meetings with the district officials and PDM focal persons
- b Meetings with PDM Sacco leaders
- c Meeting with selected SACCOs
- d Review of PDM district reports and documentation

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4 Findings, Observations and recommendations

4.1 To determine the exact amount of approved funds that have been disbursed to the various parishes.

Lango sub-region registered 597 parish SACCOs and 9771 enterprise groups. In Financial year 2021/2022 government committed to disbursing UGX 17 0million to each of the parish SACCOs. Out of 576 Parish SACCOs in Lango sub-region only 175 SACCOs received the full amount equivalent to 29 %. Two hundred and seventy seven (277) SACCOs received less while 145 SACCOs did not receive any funds. Total funds disbursed in FY 21/22 was UGX 5,107,190,054 out of the expected 10,149,000,000 representing 50% of planned disbursements. In Financial year 2022/2023, UGX 100 million was to be disbursed to each of the parish SACCOs with UGX 50 million disbursed in Q1/Q2 and another UGX 50 million in Q3/Q4. 582 SACCOs received UGX 25,000,000 out of 597 SACCOs equivalent to 97%. 47% of the planned funds totaling to UGX 14,050,000,000 were received by the SACCOs. In total, UGX 19,157,190,054 has been disbursed to Parish SACCOs in Lango sub-region. Annexure 1 and Annexure 2 provides details of the funds disbursed and the status of receipt of the funds at SACCO level.

Observations

- Only 29% of the Parish SACCOs (175) in Lango sub-region received the full UGX 17,000,000 in FY 21/22 while 25% of the SACCOs (145) didn't receive any money. These arrears have not been paid to date.
- In FY 22/23, 97% of the SACCOs received the UGX 25,000,000 disbursed. 15 SACCOs did not receive due to errors in their account numbers and names while some were not recognized by MOFPED as parishes. The amount received equates to 50% of the expected UGX 50,000,000 per SACCO that should have been released before the start of the 1st rainy season.
- Failure by MOFPED to release funds in line with commitments given during the sensitization process that was led by cabinet at the start of the financial year has created mistrust on the population about the PDM programme and their leaders. This has made a number of MPs to withdraw from active participation of the programme with the fear of non-implementation of some of the PDM talking points that were provided to them from the PDM secretariat under the Ministry of local government.
- In FY 21/22 disbursement of funds from the districts to the SACCOs for the revolving funds were variedly implemented. Some districts equally distributed the funds across the parishes while others chose to disburse UGX 17,000,000 per SACCO which resulted in some SACCOs failing to receive any funds.

Recommendations

- Parish SACCOs that have not received funds for FY 22/23 due to discrepancies in their account names and account numbers which have been addressed should have their funds disbursed in a timely manner before the end of FY22/23
- Arrears from FY 21/22 and the outstanding FY 22/23 payments should be made before the end of FY 22/23 to the respective SACCOs
- The PDM talking notes dated June 2022 needs to be revised and updated to provide accurate information that is harmonized with MOFPED and other PDM actors to avoid variations in communication
- Instructions to districts should be harmonized to ensure uniform implementation across the board

4.2 To examine the eligibility of the various categories of beneficiaries of the PDM funds

The objective of PDM is to enable households increase agricultural production and productivity, to add value to the produce through improved post harvest handling, storage, processing and marketing. It also seeks to provide a revolving fund that farmers can borrow from at affordable rates and appropriate repayment period and invest in their economic enterprises. PDM targets 39% of households which are still in subsistence farming. Majority of these households own less than 4 acres of land. Persons under this category are encouraged to focus on intensive farming specifically looking at livestock farming such as, piggyery, poultry, fish farming, fruit farming, horticulture, coffee among other designated enterprises.

Each household which comprises of the head of the family, spouse, children and the dependants is allowed to borrow upto a maximum of UGX 1,000,000 payable over a maximum period of 36 months at 6% interest. The funding quotas per interest group have also been set out at 30% for women, 30% for youth, 10% for People with disabilities, 10% for the elderly and others 20%. PDM SACCOs are required to be registered with the district while the enterprises groups are required to be registered with the Sub-counties and town councils.

Observations

- Whereas PDM targets households that are within the subsistence economy, there is no clear data that shows that the enterprise groups selected fall within the stipulated category. This has majorly been attributed to the fact that the groups were formed before the data collection was concluded. In addition, the parish chiefs have not been

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facilitated with the needed gadgets in order to ensure adequate capture of the relevant data

- A sizeable number of enterprises groups have taken up cereals specifically maize growing yet this was discouraged for persons with less than 4 acres of land. The average land-holding in Lango is 2.5 acres. With poor enterprise selection being cited as one of the reasons for subsistence farming there are concerns that the groups selecting maize farming or inappropriate enterprises may not be positively impacted by the PDM.
- A number of the SACCOs have already set their borrowing threshold with some at 300,000 Ugx that can be borrowed. The enterprises being focused on are not only labour intensive but at the same time capital intensive. There are concerns that the enterprise groups or households may not be able to adequately capitalize some of the capital intensive enterprises such as fish farming, poultry rearing, dairy farming due to the low MOPPED releases and in the end may fail to repay their loans.
- The percentages of the enterprises groups are not adequately aligned with the funding quotas with some SACCOs having low numbers of certain special interest groups. For example, whereas the elderly are to get 10% of the quotas in some parishes it was noted that their participation was very low and at times even non-existent. This creates a challenge in terms of compliance to the guidelines as it will imply that a portion of the funds may remain unutilized or has to be reallocated.
- Registration of new enterprise groups is currently not ongoing and hence leaving out a number of potential and interested households.

Recommendations

- Mapping of the existing registered enterprise groups against the number within the 39% subsistence needs to be done and completed to establish the number of beneficiaries to be targeted.
- Enterprise groups that have selected enterprises such as maize farming or those that may not be financially feasible with the low capital availability need to be advised or allowed to change to other enterprises.
- There is need for the enterprises to be guided on the minimum investment needed with appropriate business plans aligned to planned amounts to be borrowed in order for their enterprises to be adequately capitalized and avoid risks of underfunding of their enterprises which may result in failure to repay the amounts borrowed.
- Provision needs to be made for reallocation of funds in cases where the funding quota has not been utilized by one category of the interest groups.

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- Options for investment as groups need to be provided and a threshold for group borrowing put in place to cater for individuals that would like to invest as a group
- Guidance needs to be given on when other groups that did not participate in the first cycle will be allowed to register in order to ensure their inclusivity

4.3 To assess the effectiveness of utilization of disbursed funds by PDM beneficiaries

Across the parish SACCOs in the sub-region none of the SACCOs have had the funds disbursed to the enterprise groups. The SACCOs are duly registered with the registrar of co-operatives, general meetings have been held and leaders selected, bank accounts have been opened and signatories made. The board committees, the supervising committees and loans committees were found to be in place.

The districts are at stage 4 of preparing the beneficiaries to access the PDM funds which is being done through a pilot. Piloting processes are currently ongoing within selected parish SACCOs in the various districts in order to train the leaders on financial management, profiling of the beneficiary households, development of business plans and workplans by the beneficiaries for the enterprises chosen with the help of extension workers, training on loan application and repayment procedures. The pilot is expected to be completed by end of February to enable roll out by 1st March 2023. A number of SACCOS indicated that they had earlier been informed that the roll out would take place on 1st December 2022 which did not materialize.

Observation

- The delay in allowing SACCOs to disburse the funds coupled with the changing dates for roll out has resulted in loss of confidence on the programme. Planned roll out in March might be too late for those planning to plant various crops.
- Some of the districts are ready for the pilot but have not received the necessary support from the relevant entities including Ministry of ICT to enable them proceed with their pilot.

Recommendations

- The pilot processes need to be finalized in a timely manner to enable roll out before the commencement of the rainy season.
- PDM communication needs to be harmonized to avoid loss of confidence coming out of several postponements on the roll out.

4.4 To establish the extent of adherence to the PDM guidelines and procedures by the various actors in the implementation of PDM.

The SACCOs were found to be registered with the registrar of companies. The Vetting committees were formed, followed by election of board committees and Supervising committees (SUPCO) and loans committees. The SACCOs then received introductory letters from their districts to open bank accounts and register with MOFPEDs IFMIS system. These processes and guidelines were found to have been complied with. Several trainings are yet to be completed to the SACCO leaders on financial management and the households on enterprise value chain. Profiling of the beneficiaries who should be members of an enterprise group which in turn should be a member of a Parish SACCO is ongoing. Beneficiaries are yet to form work plans with the help of the extension workers using the budgets for agricultural extension services.

It was noted that several budgets were repurposed from the original budgets through instructions that came from MOFPED in 2021/2022. For example, in Kileleshwa District, 50% of the UGX 52,029,451 administrative costs budget received for sensitization of district and sub-county stakeholders was repurposed for data collection while UGX 58,901,264 released for management information system was repurposed for the revolving fund. These instructions were to be applied across all the districts.

The district and sub-county monitoring teams which are supposed to monitor and provide reports to the respective lower local government and district local government councils are not fully functionalized across the different districts.

Observations

- There are new processes and guidelines including pilots which have emerged from various PDM implementers and subsequently delaying the disbursement processes. The SACCO leaders engaged were not aware about some of the guidelines and procedures especially on the pilots, work plan development and were getting to know for the first time.
- Repurposing of the released funds hampered the sensitization process limiting engagement with the different stakeholders and contributing to some of the misconceptions and misinterpretations on the parish development model. It further resulted in low coverage on data collection since the parish chiefs could not be facilitated with computers to enable adequate management information systems to be in place.
- Lack of monitoring at the district and lower local government level makes it difficult to assess the progress at the current stage.

Recommendations

- The processes and guidelines from the different implementers need to be put into one document to enable the parish SACCOs and the district leaders to be aware of them in advance
- MOFPED should streamline the funding mechanisms to avoid last minute repurposing of released funds as it impacts the implementation of other segments which have a bearing on the success of the PDM implementation
- The district and lower local government monitoring teams for PDM need to be fully functionalized

4.5 To examine any other matters incidental and make recommendations for corrective action

During engagements with the various PDM SACCOs they indicated lack of clarity on how administrative costs would be catered for. Some indicated that they had been told that UGX 5,000 would be charged for each application form for a loan and this would help to cater for the administrative costs. They indicated having been called several times for trainings and travelling several times to the banks using their own means.

Household data collection coverage was still incomplete and this will impact access to the funds by the households. Lack of computers for the parish chiefs has further hindered the process of data collection.

A lot of contradicting information and mixed directives coming to the PDM SACCOs and the district officials from the PDM secretariat, MOFPED, UBOS and other ministries was highlighted creating confusion on implementation of some of the PDM provisions.

Other pillars of PDM such as infrastructure and economic services, social services, community mobilization and mindset change, agricultural value chain development have not been adequately resourced.

Budgets for sub-counties and town councils were reduced in FY 22/23 and directed towards PDM. Some sub-counties are now running reduced budgets with some less than half of the previous financial year. Main budget reductions were under DDEG (District discretionary equalization grants) that were being used to address some of the most pressing service delivery needs at the sub-county levels including roads, planting materials among others. These services have been dropped at the sub-county and town council level and still remain unavailable at the parish level.

Concerns have also been raised on the limited Private sector players involvement, who could play a big role in value chain enhancement have not been integrated within the programme. Their role could be useful in providing guidance on quality, markets and breeds or varieties.

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Observations

- Lack of a clear budget to cater for the administrative costs has resulted into several SACCOs coming up with charges or fundraising initiatives to address the administrative requirements for stationary, stamps, transport, office space among others. On the part of the districts a number of the officials have had to use their own funds
- Mixed directives has resulted in varying communication and interpretation on the various aspects of the PDM
- Apart from the financial inclusion pillar mainly driven through the revolving fund, the other pillars either non-functional or not fully functionalized
- PDM budgets were generated through repurposing of budgets from wealth creation initiatives, DDEG funds from districts, sub-counties and town councils. Some of these funds were used for road maintenance but are now no longer available. In effect, road maintenance funds for lower local government roads have reduced

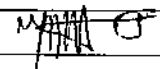
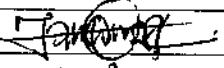
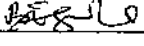
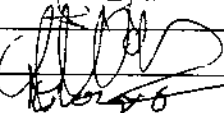
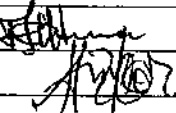
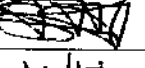

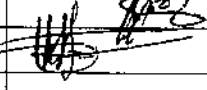


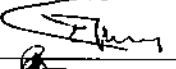


Recommendations

- Clear guidelines on how operational costs at the district and the parish SACCO shall be catered for should be prescribed
- A tool for monitoring and evaluating PDM at the parish, district and country level needs to be developed
- Private sector needs to be involved from the planning to the execution stage
- The guidelines need to be continuously updated to provide for among others the roles of each Ministry, district department and officials at each stage
- Focus on the other pillars most especially community mobilization and mindset change need to be improved in order to attain the objectives of the PDM
- Funding for the infrastructure pillar especially roads needs to be made in FY23/24 by implementing parliament's recommendation on the budget framework paper to have each district receive a minimum of Ugx 1(One) billion for road maintenance

5 Conclusion

From the field visits and meetings it is clear that there are still a lot of grey areas both in the policy framework and the implementation arrangement of PDM. This has been compounded further with the large number of stakeholders involved cutting across different ministries and agencies. Limited funding and low releases has also presented a number of challenges in implementation with a number of budgets being repurposed for PDM. MOFPED needs to streamline the funding mechanism to avoid disruption of other services through repurposing of funds from other budgets.

6 Signatures

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 James	
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 Samuel Opio Acuti	
06	Kwania District	Kwania District	Hon Auma Kenny	
		Kwania County	Hon Ayoo Tonny	
		Kwania North	Hon Okae Bob	
07	Lira City	Lira City	Hon Dr Jane Ruth Aceng	
		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 County	Hon Omara Paul	
11	Special Groups	Northern Youth	Hon Okot Boniface	

Annexure 1: Funds Disbursed to PDM SACCOs in Lango Sub-region

Sr No	District	No of Parish SACCOs	Expected Funds (UGX 17M/SACCO)	Actual Funds Disbursed FY 21/22(UGX)	Expected Funds (UGX 50 M/SACCO by Q3)	Funds Disbursed in FY 22/23(UGX)	Total Disbursed (UGX)
1	Kole	54	918,000,000	369,507,258	2,700,000,000	1,225,000,000	1,594,507,258
2	Dokolo	71	1,207,000,000	548,000,000	3,550,000,000	1,325,000,000	1,873,000,000
3	Alebtong	69	1,173,000,000	605,954,554	3,450,000,000	1,725,000,000	2,330,954,554
4	Otuke	54	918,000,000	456,000,000	2,700,000,000	1,275,000,000	1,731,000,000
5	Lira District	58	986,000,000	451,040,057	2,900,000,000	1,350,000,000	1,801,040,057
6	Lira City	49	833,000,000	799,000,000	2,450,000,000	1,175,000,000	1,974,000,000
7	Apac	34	578,000,000	349,790,000	1,700,000,000	825,000,000	1,174,790,000
8	Kwania	49	833,000,000	348,189,541	2,450,000,000	1,225,000,000	1,573,189,541
9	Amolataar	85	1,445,000,000	652,708,644	4,250,000,000	2,075,000,000	2,727,708,644
10	Oyam	74	1,258,000,000	527,000,000	3,700,000,000	1,850,000,000	2,377,000,000
	Total	597	10,149,000,000	5,107,190,054	29,850,000,000	14,050,000,000	19,157,190,054
			% Disbursed FY 21/22	50	% Disbursed FY 23/24	47	

Annexure 2: Category of disbursements among PDM SACCOs in Lango Sub-region

Sr No	District	No of Parishes	Enterprise Groups	SACCOs that received full Funds in FY 21/22	SACCOs that didn't receive Funds in FY 21/22	SACCOs that received less Funds in FY 21/22	SACCOs that receive funds in FY 22/23	SACCOs that didn't receive funds in FY 22/23
1	Kole	54	1205	0	0	54	49	5
2	Dokolo	71	1076	34	37	0	71	0
3	Alebtong	69	-	36	33	0	69	0
4	Otuke	54	1013	27	27	0	51	3
5	Lira	58	1074	0	1	57	54	4
6	Lira City	49	-	47	2	0	48	1
7	Apac	34	1127	0	1	33	33	1
8	Kwania	49	1364	0	0	49	49	0
9	Amolataar	85	1326	0	1	84	84	1
10	Oyam	74	1586	31	43	0	74	0
	Total	597	9771	175	145	277	582	15