

**OFFICE OF THE
LEADER OF THE OPPOSITION**

**STATEMENT BY THE SHADOW MINISTER CO-OPERATIVES AND
MICROFINANCE ON EMYOOGA PROGRAM**

Moved under rule 25 (2)(1) of the rules of procedure.

SEPTEMBER 2021

BACKGROUND

Emyooga program was launched in August 2019 as part of Government's continuous strategies to transform 68% of Ugandan homesteads from subsistence to market-oriented production. The people were told to form parish associations according to the 18 categories and subscribe to constituency saccoes that will be given 30 million Ugandan shillings each.

SHORT COMINGS OF EMYOOGA PROGRAM

Poor timing of implementing the program; the program initiated in 2019 but the funds disbursement was done close to the electoral cycle in 2020 with very little information given that it was an evolving fund which had to be paid back as such , the purpose of Emyooga in the minds of many Ugandans was focused to getting the money from "Mzee"- the President as a campaign bribe and thank you token to NRM cadres and not necessarily creating wealth. This is the foundation of the non-payment of the fund just as has been with many other funds. .

Limited expertise among those involved in rolling out the program; Those mobilizing, organizing and supervising Emyooga have very little or limited knowledge on running the Scheme and saccoes in general. Management of such need trained officers with expertise such as cooperative officers.

Partisan inclination; The district task forces being headed by the RDCs and composed of NRM district chairpersons deemed the initiative partisan. Their involvement grossly defined the program as one to benefit those inclined towards the NRM. They treated the program as an NRM party program and used it as a mobilization tool for campaigns and elections therefore being mistaken as political handouts for elections

Corruption; Like all the previous poverty alleviation programs, Emyooga was bridled with corruption, where individuals and groups bribed their way to becoming beneficiaries, or members of associations and SACCOS hence undermining the objective or intended purpose of the programme. There

have been other evolving fund programs that include Rural Farmers Scheme, Entadikwa, and Prosperity for All, Operation Wealth Creation, Uganda Women Entrepreneurship Fund and Youth Livelihood Program. All these programs have been crippled because of corruption tendencies and failure to remit funds back to the revolving fund as per the yearly audit General's Reports. In the event of misappropriation, the politically appointed RDCs and NRM chairpersons are not accounting officers.

Inadequate investment;The money that was proposed for the apex SACCOS is inadequate. Ugx 30 million for an apex SACCO at the constituency with membership of an average 20 parish associations comprising 30 members each is unrealistic. This means every parish association can only access a maximum of Ugx 1.5 million averaging Ugx 50,000 for a Member. This amount is too low to start a tangible business or empower an existing one.

Information gap; There are no well published guidelines for running of the Emyooga program. This has resulted into misinformation on the formation of Associations, formation of SACCOS, subscription fee to SACCOS or Parish Apex, Amounts to be received by Associations and SACCOs, Individual shares, Returns on investments Among others. Many were denied an opportunity to be part of the SACCOS.

Monitoring and evaluation gap; Ever since the inception of the program in 2019, money has been appropriated to Emyooga through microfinance support centre for three consecutive financial years but there is no report made about who and how the beneficiaries are progressing apart for only giving clarity about the program.

Program design; The Emyooga program design is totally lacking since it does not describe how the money cascades from the apex SACCO to the parish associations.

A case for reform; what Government should consider.

- a) Governments assistance to saccoes ought to be given in strict adherence to the general global governance principles of cooperatives. It should not be politically motivated and enable beneficiary saccoes to retain their autonomy. If partisan offices like that of the RDC are involved, it is demonstrative of government interference and negates the principle of autonomy. This also means that the disbursements should be done outside the political electoral cycle.

- b) Legislative reform; for cooperatives to be more effective, we to amend legislation to remove saccoes from the management of Uganda microfinance regulatory authority which is more applicable for private money lenders and return their regulation to the registrar of cooperatives.

- c) Investment in cooperative training. We need more experts in cooperative management as a bed rock of our economy. Colleges in Kigumba and Tororo should be universities so their experts train our grass root cooperatives.

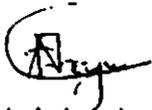
- d) Neutral, non-partisan management of the fund. It is our considered view, that disbursement of funds through involving politically appointed personnel negates on the intended purpose of the fund. Instead of RDC the DCO ought to be in charge however, district commercial officers are overwhelmed. There should be cooperative officers who are better placed with knowledge and information to manage saccoes.

- e) Criminal Prosecution; It is necessary that all culprits in the Auditor General Reports should be brought to book. The culture of impunity

and theft of public funds must be discouraged and criminal prosecution can enable this.

- f) The funding of the program should be increased so that parish associations can access realistic Startup capital. Bearing in mind the surrounding circumstances such as the tax regime, the cost of fuel, provision should be made for tangible support. The revolving nature of the fund cannot be over emphasized so as to encourage beneficiaries to repay the same.
- g) There is need for clear, uniform and published guidelines for the running of the emyooga SACCOs through sensitization campaigns. Cultural, religious and opinion leaders should be consulted and directly involved in mobilization and sensitization campaigns.
- h) The program design needs to be reviewed to put more focus on the final beneficiary in the parish association.
- i) It's prudent that Monitoring and evaluation should be done at every phase of the project and every cycle, reports be presented and discussed by all stakeholders, Parliament in particular so as to inform basis for oversight and decision of budget appropriation.

I beg to submit



Hon. Adeke Anna Ebaju

Shadow Minister for Cooperatives and Microfinance.