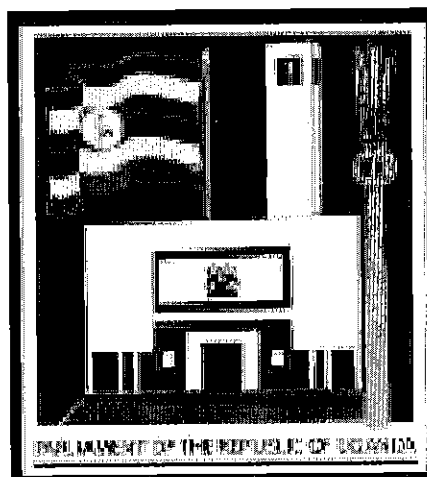


PARLIAMENT OF UGANDA



REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON

THE PRESIDENTIAL INITIATIVE ON MARKET VENDORS AND SMALL BUSINESS OPERATORS

APRIL, 2014

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CONCLUSION.....41

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beneficiaries, that were generated partly from the one submitted by

JSC after a joint verification exercise, and other additional names from Ministry of Finance, Planning & Economic Development.

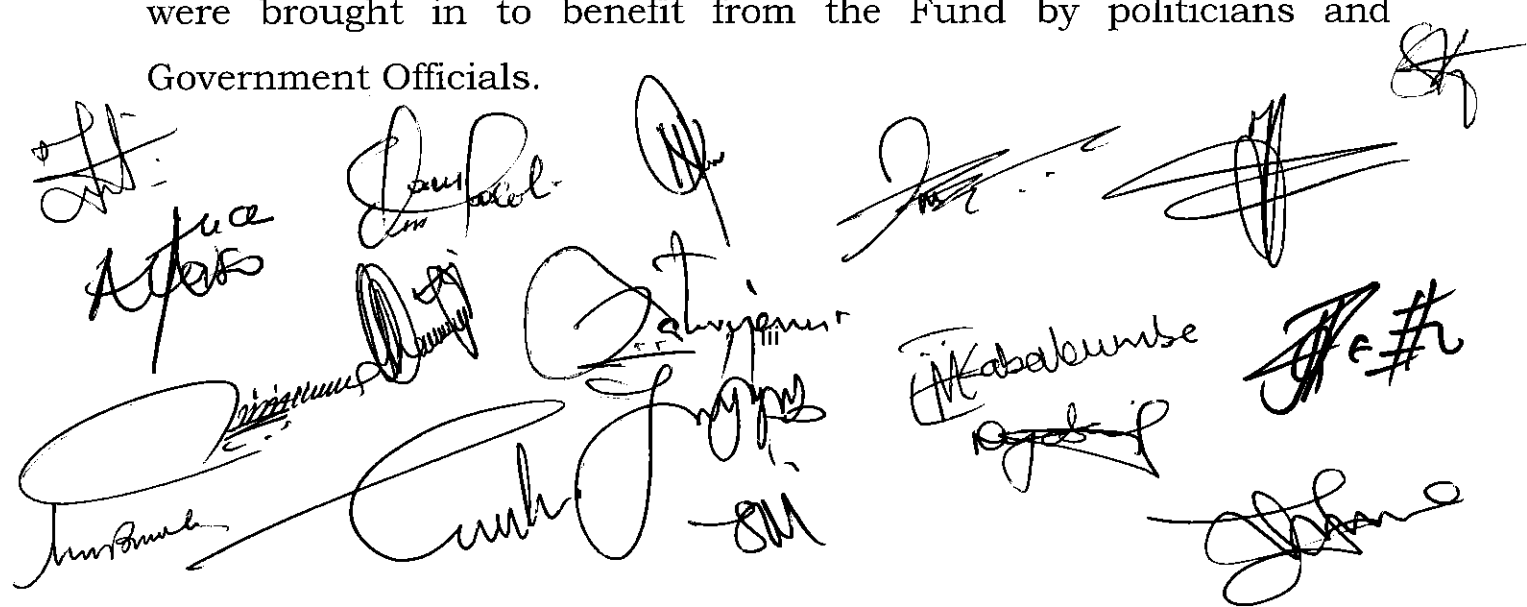
The MSCL disbursed funds to earmarked SACCOs for onward transfer to the beneficiaries as submitted by Ministry of Finance, with pre-determined amounts of UGX 30,000 and UGX 20,000 for Kampala and the rest of the urban beneficiaries respectively .

III Both MSCL and the respective SACCOs had no role in determining the beneficiaries and amounts to be received, and therefore had no control whatsoever over them.

Mixed signals were given to the beneficiaries as to the purpose of the funds so given and the majority were told and believed that this was political money from H.E the President. Matters were not helped by the fact that the fund was disbursed close to the 2011 General elections and the pressure that was exerted to have the money distributed as a matter of urgency.

The Fund ended up being abused by the some politicians, highly placed personalities, officials at both Ministry of Finance and MSCL, and SACCOs.

New groups outside the list of the JSC and who cannot be considered as small business operators in the spirit of the Initiative were brought in to benefit from the Fund by politicians and Government Officials.



Officials at MSCL created fictitious beneficiaries; money was wired to the accounts of SACCOs, and the sums withdrawn and handed back to Officials of MSCL.

There was no indication to the beneficiaries of the Shs.30, 000 and Shs. 20,000 that the money was a loan and therefore to be refunded.

On the whole, the process was a sham, leading to a waste of Shs. 10 billion. This was right from conceptualisation to implementation of the Initiative. The Technical Officers failed to give the Initiative direction, participated in a programme they did not believe in, and instead got carried away by what they believed was a political project.

It is my humble prayer that this House will adopt the punitive recommendations contained in this Report, as a deterrent measure to avoid recurrence of similar scenarios in handling public resources.



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A. Introduction

1. Rt. Hon. Speaker and Hon. Members, this is a Report of the Public Accounts Committee (PAC) on the Auditor General's Special Audit of the Presidential Initiative on Market Vendors and Small Business Operators Fund. The Audit Report was laid before this House, and referred to Public Accounts Committee for scrutiny. The Committee duly considered the Audit Report, and now wishes to report as follows;

B. Scope of the Report

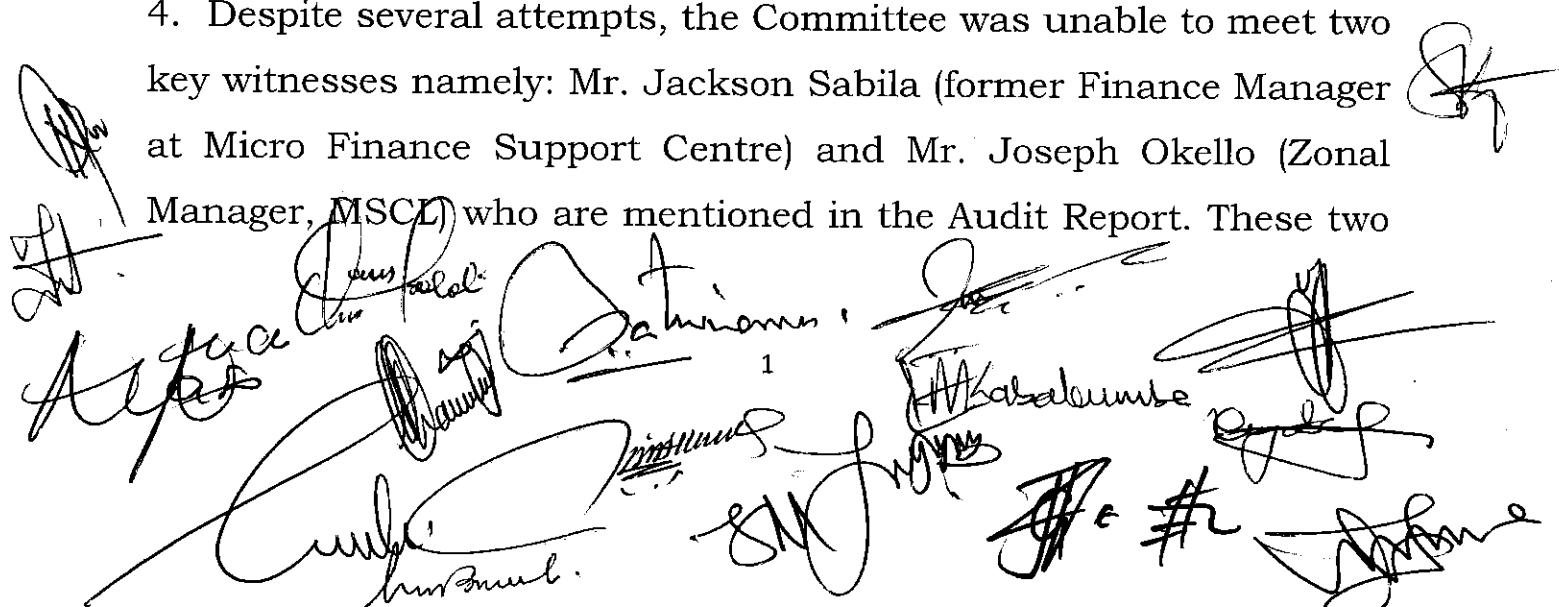
2. This Report covers matters raised in the Audit Report, additional findings, observations and recommendations by the Committee.

C. Methodology

3. During the scrutiny of the Audit Report, the Committee;

- Conducted hearings and received submissions from a number of witnesses referred to in the Report (List Attached)
- Undertook field tours to selected Project areas in the Districts of Mukono, Jinja, Busia, Mbarara, and Masaka.

4. Despite several attempts, the Committee was unable to meet two key witnesses namely: Mr. Jackson Sabila (former Finance Manager at Micro Finance Support Centre) and Mr. Joseph Okello (Zonal Manager, MSCL) who are mentioned in the Audit Report. These two



were further implicated by the witnesses we interacted with, as having been deeply involved in the mismanagement of the Fund.

D. Background to the Presidential Initiative on Market Vendors and Small Business Operators Fund

5. The Presidential Initiative on Market Vendors and Small Business Operators Fund was a brain child of the Joint Steering Committee (JSC), whose Membership consisted of; Hon. Dr. Lyomoki Sam (Chairperson), Mr. Godfrey Kayongo (Secretary), Mr. Chris Kahirita, (Trustee and Overall Supervisor) and Ms. Winnie Twine (National Coordinator and Treasurer).

6. The Initiative had roots from the Uganda Market Allied Employees Union (UMEA), which is a member of the Central Organisation of Free Trade Unions, and to which Hon. Dr. Lyomoki Sam. was the Secretary General. The JSC conceptualised the need to create a fund to help small market operators, whom they observed had missed out on existing opportunities for financial support from Government programmes. The concept that was presented to the President by the JSC was designed as an empowerment programme with high political returns if well implemented. It was intended to generate a critical mass of supporters loyal to H.E. the President's political programme.

7. With the blessing of H.E the President, the JSC undertook to interact and register market vendors across the 112 Districts in the Country. The Countrywide tour involved sensitising small market

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vendors on the need to register, form groups and inform them of the planned financial help from the Presidential Initiative.

8. Based on the number of market vendors registered, the JSC came out with four funding scenarios that were proposed to H.E the President as follows;

- One Million Shillings would be given to everyone hundred vendors, and the total funding requirement was Shs. 15.27billion.
- Three Million Shillings would be given to everyone hundred vendors, and the total funding requirement was Shs. 45.81 billion.
- Five Million Shillings would be given to everyone hundred vendors, and the total funding requirement was Shs. 76.35billion while
- Ten Million Shillings would be given to everyone hundred vendors, and the total funding requirement was Shs. 152.7 billion.

9. In funding these scenarios, money would be given to SACCOs which would determine the optimal amount to be advanced to their members upon application. The money lent to individual members would be paid back into a revolving fund. The JSC had envisaged implementing this Initiative and had put in place an institutional framework

1. That the JSC did not have the technical competence to administer the Fund.
2. That the regulations governing public funds require that such funds go through the established government structures.
3. That as per 2 above the funds were channelled through the Micro-Finance Support Centre Limited (MSCL) to SACCOs and eventually to the intended beneficiaries.
4. That each group of vendors and leadership would acquire membership in the SACCOs.
5. That the JSC would be part of the programme implementation

E1 Terms of reference

stipulating their roles and responsibilities.

12. The Committee observed that subsequently the initiative was taken over by MoFPED, with the JSC playing no further role in its implementation.

Arising from this observation, the Committee recommends that the Executive should desist from launching Ad hoc initiatives without clear terms of reference for which public funds are appropriated.

E2 Presidential Guidance to JSC

13. Whereas the JSC proposed four scenarios, H.E. the President referred them to the Minister of Finance, Planning and Economic Development for guidance. The Minister however, did not provide any specific guidance upon which consideration for funding would be made in the financial year.

14. The Committee observed that the Ministry instead adopted a different scenario outside the proposed four.

E3 Submission of Supplementary Budget to Parliament

15. Under the Budget Act 2001, a supplementary request is submitted to the Minister of Finance by the respective accounting officer indicating justification for expenditure. Under the Public Finance and Accountability Act, the Secretary to the Treasury with the approval of the Minister of Finance must designate an Accounting Officer by name in writing for each Vote.

The bottom of the page features a dense collection of handwritten signatures and initials in black ink. Some legible names include 'Kwabena', 'J. N. Agyepong', and 'K. A. Agyepong'. There are also various other initials and signatures, some of which are crossed out or written over others.

17. A further sum of Shs. 4.757 billion was allocated under the Presidential Initiative to reduce unemployment among the Youth, to cater for salary arrears. The Auditor General was not provided an explanation why this amount was tabled for supplementary appropriation under the same expenditure and output line together with programme funds.

19. The Committee recommends that further investigation be conducted on the utilization of the Shs. 4.757 billion meant for the Presidential Initiative to reduce unemployment among the youth.

20. The Committee observed that this supplementary was irregularly initiated as there was no proof of requisition by the responsible Department or Accounting Officer. The Committee established that the amount was decided on by the Minister of

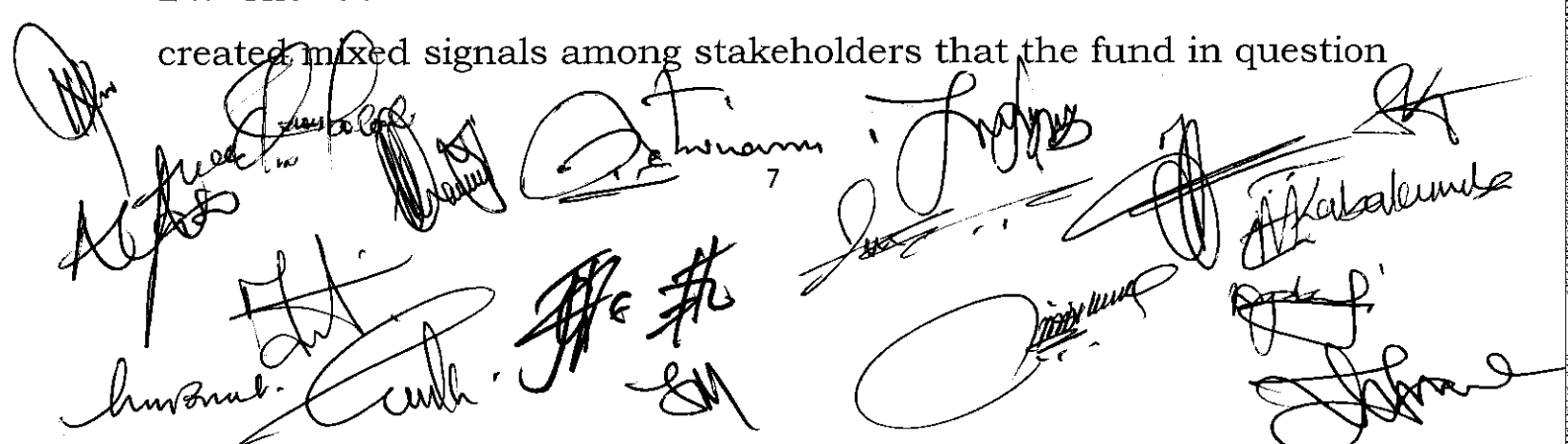
Finance, Hon. Syda Bbumba, who made the submission to Parliament without following relevant legal provisions. The Committee however, noted that the Shs. 10 billion appropriated to the Initiative was released to the Ministry of Finance under vote 008.

21. The Committee recommends that Hon. Syda Bbumba the then Minister of Finance be held responsible for initiating and submitting to Parliament a supplementary which had not been requested by the Accounting Officer.

22. The Committee further recommends that the PS/ST be held responsible for including in the supplementary schedule Shs. 14.757 billion which was not originated by any Ministry or department, contrary to sec.12 (1) of the Budget Act 2001.

23. The Committee observed that it was the responsibility of the Accounting Officer for this Vote to ensure that the appropriated funds were properly disbursed to MSCL as the implementing agency to ensure proper accountability. An MoU would have been required between the Ministry of Finance and MSCL indicating the purpose of the funds, the intended beneficiaries and accountability mechanisms to be put in place. More importantly the MoU should have required establishment of a revolving fund to be managed by the SACCOs.

24. The Committee further notes that failure to effect an MoU created mixed signals among stakeholders that the fund in question



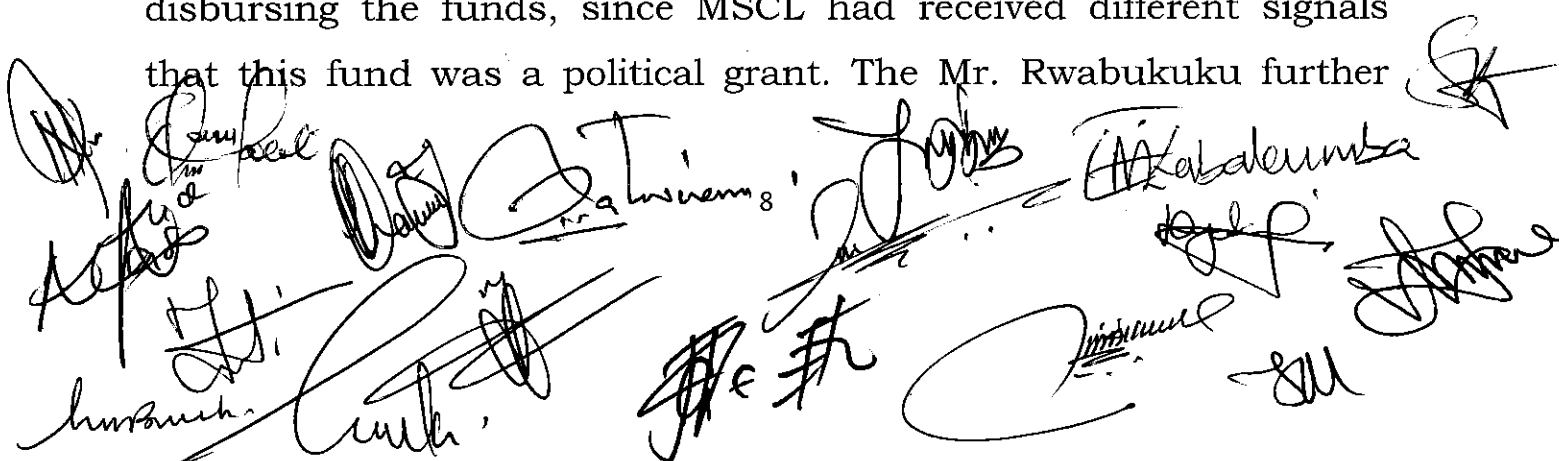
was a grant. Moreover the request for guidelines (**annex 1**) and the list of intended beneficiaries was not heeded to. This put MSCL under pressure to disburse the funds as a political handout.

25. The Committee recommends that the PS/ST Mr. Keith Muhakanizi and Ms. Betty Kasimbazi the Accounting Officer MoFPED Vote 008 be held responsible for ignoring the request for an MoU and transferring the money to MSCL without clear guidelines.

26. The funds were instead disbursed to MSCL upon request by the Ag. Executive Director Mr. Iggy Rwabukuku who testified that he had been directed by the MSCL Board Chair Dr. Specioza Wandira Kazibwe to requisition for the appropriated funds

27. In his testimony Mr. Rwabukuku informed the Committee that MSCL was a conduit to channel these funds as political handouts through the nearest established SACCOs for the intended beneficiaries. The SACCOs would be paid a 10% management fee for distributing the money.

28. Mr. Rwabukuku testified that he was surprised by the letter from the Accounting Officer requiring that MSCL accounts for the funds (**annex 2**). He therefore wrote on 14th February 2011 to the PS/ST for the attention of Mr. Henry Mbaguta, Ass. Commissioner Microfinance, asking for clear guidelines and modalities for disbursing the funds, since MSCL had received different signals that this fund was a political grant. The Mr. Rwabukuku further



requested for an MoU to spell out the terms and conditions of managing the fund.

29. The Committee observes that no MoU was effected by the MoFPED as requested by MSCL. Mr. Rwabukuku instead informed the Committee that he was reminded that MSCL had previously disbursed similar political funds in 2006 elections to the tune of 5billion without an MoU. He was therefore advised to proceed with disbursement as before.

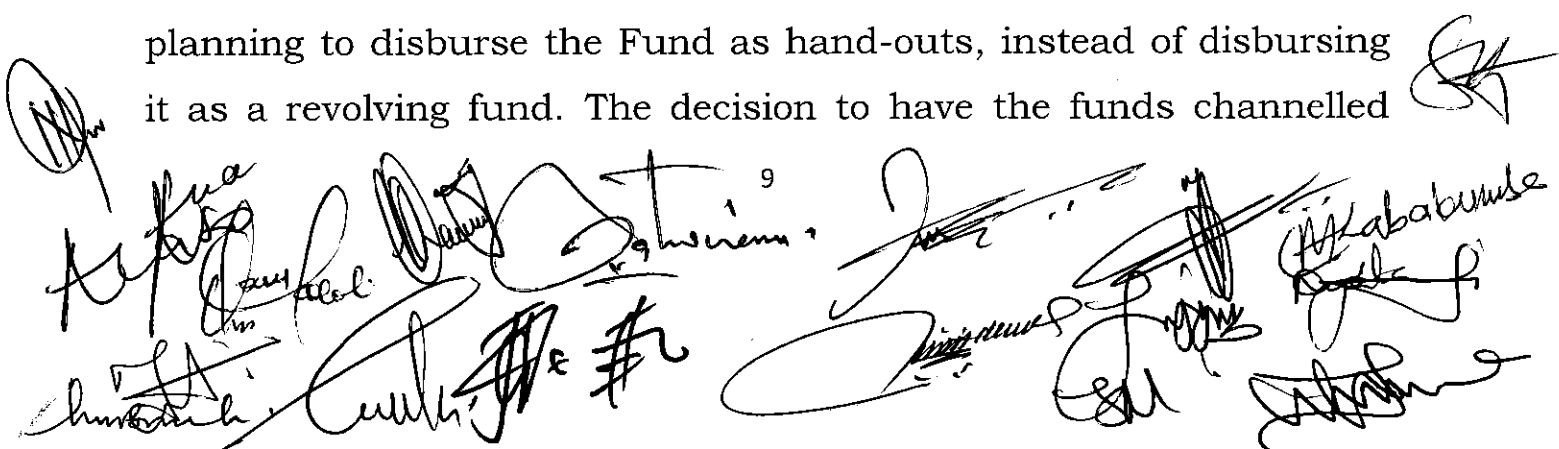
30. Subsequently all disbursements by MSCL through the SACCOs to the beneficiaries were originated by MoFPED. The MSCL had no role in identifying the SACCOs.

E4 Disagreement between JSC and MOFPED

31. The JSC disagreed on the fund being managed by MoFPED, and modality of disbursing the funds through the MSCL for a number of reasons namely;

- They feared that the technocrats in Ministry of Finance were hijacking a project that they did not understand and therefore not well placed to implement and manage.
- The Ministry was planning to have the money dished out to non-members of the SACCOs, outside the conceptual framework of the Initiative.

32. MoFPED officials on the other part also felt that the JSC was planning to disburse the Fund as hand-outs, instead of disbursing it as a revolving fund. The decision to have the funds channelled



33. This arrangement did not go well with some Members of the JSC, who had hoped to directly implement the Initiative, including disbursing funds to the beneficiaries. Upon this disagreement, Hon. Dr. Lyomoki Sam (JSC Chairman) and Ms Winnie Twine withdrew from implementation of the Initiative, while Mr. Kayongo and Mr. Kahirita fully cooperated.

35. The Committee recommends that the duo (Mr. Kayongo and Mr. Kahirita) be held responsible for abetting the inflation of the intended list of beneficiaries and causing financial loss.

- Shs. 170 million for Women and Youth groups in Jinja District
- Shs. 170 million for Participatory Rural Action for Development (PRAFORD) in Arua
- Shs. 100 million for 10 mosque based SACCOs

- Shs. 200 million for milk coolers for dairy groups in Nakaseke and Kiboga Districts
- Shs. 200 million for relocation of Elgon Processers Tomato Factory
- Shs. 130 million facilitation for the JSC
- Shs. 100 million for SACCO administration cost for managing the Revolving Fund
- Shs. 10 million for transportation and installation of milk coolers

37. The Committee observed that the disagreements sent mixed signals to the different stakeholders as to how the funds should be managed. It also enabled the Minister of Finance to bring in new beneficiaries that were outside the Initiative and had not been verified by the JSC. This in effect was abuse of office that led to diversion of public funds. The Committee further notes that including Nakaseke and Kiboga Districts were self-serving as these two Districts were represented in Parliament by the Minister of Finance and the Minister of State for Microfinance respectively.

38. The Committee recommends that Hon. Syda Bbumba and Hon. Ruth Nankabirwa be held responsible for abuse of office, influencing diversion of public funds and subsequently leading to financial loss.

39. The Committee further recommends that the duo be investigated by the IGG for violation of the Leadership Code.

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E5 Poor Planning of Workshops by MoFPED

40. Audit observed that whereas MOFPED planned and carried out workshops to guide the SACCOs and beneficiaries on the purpose and use of programme funds through verification, Audit observed that the planned workshops started in March 2011 a month after the disbursement of funds to SACCOs had commenced. It was noted that some SACCOs that had benefited from the workshops had by audit time not yet given out money to beneficiaries as they were still in the process of reorganization. These included;

- Kirigime SACCO for Mwanjari Market Shs. 7.35 million
- Kigumba SACCO for Kigumba Market Shs.11 million
- Masindi Town Council Cooperative SACCO for Central Market Shs. 21.483 million.

41. Most of the SACCOs including but not limited to Park yard Market Vendors SACCO, Ntinda New Market SACCO, Nakawa Market SACCO, Bugolobi Market Vendors SACCO and Wandegeya Market SACCO attended a workshop organized for central region on 8th April 2011 after programme funds had already been received and shared.

42. The Committee observed that whereas Shs.120 million had been earmarked by the then Minister of Finance Hon. Syda Bbumba, for capacity building workshops of the beneficiary SACCOs, the workshops were planned and carried out in the

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Central Region on 8th April 2011 yet the funds had been distributed to individuals more than a month before the training.

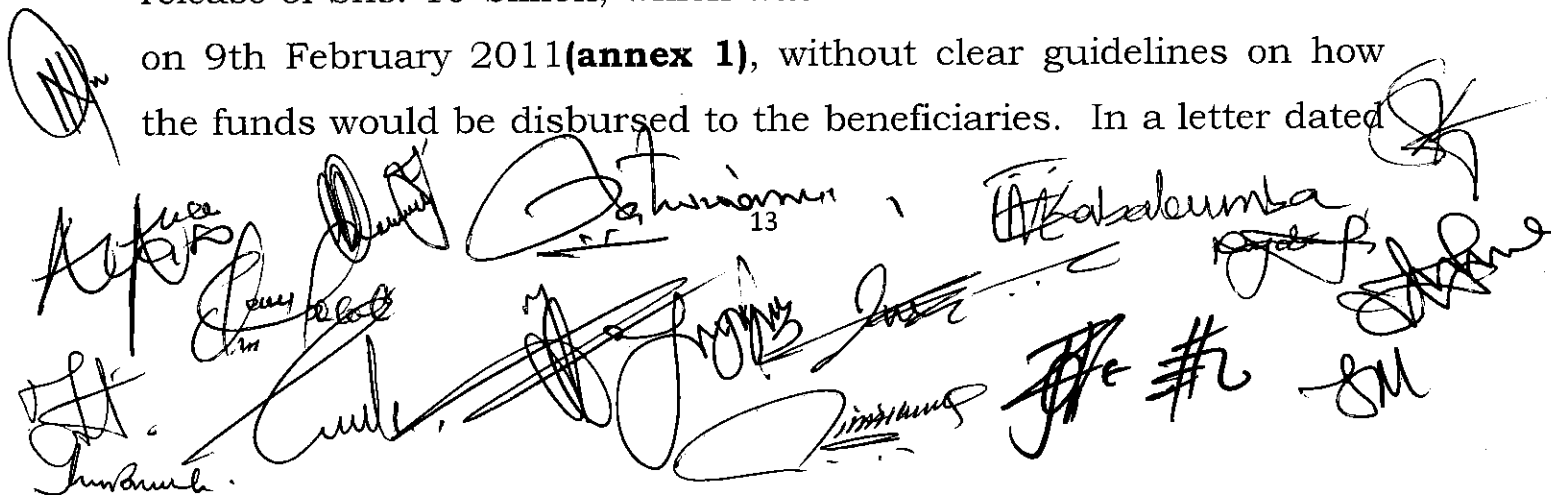
43. The Committee established that the workshops were organized by the Department of Micro-finance at the Ministry of Finance headed by Mr. Mbaguta Henry and presided over by Hon. Ruth Nankabirwa the then Minister of State of Micro-finance. The Committee obtained testimony that the Minister of State informed the SACCOs at the workshop that this was free money to be channelled via SACCOs as conduits to intended beneficiaries.

44. The Committee recommends that Mr. Henry Mbaguta Ass. Commissioner Ministry of Finance be held responsible for incurring nugatory expenditure which could have been avoided and be made to refund money spent on workshops after funds had already been disbursed and distributed.

45. The then Minister of State for Micro-finance, Hon. Ruth Nankabirwa be held responsible for causing financial loss by misrepresenting the purpose of the funds at the workshop.

E6 No Clear guidelines on the programme by MOFPED to the MSCL

46. In the absence of an MoU between MOFPED and MSCL, the Ag. Executive Director Mr. Iggy Rwabukuku made a request for the release of Shs. 10 billion, which was released to the MSCL Account on 9th February 2011(**annex 1**), without clear guidelines on how the funds would be disbursed to the beneficiaries. In a letter dated



14th of February 2011 the Ag. Executive Director of MSCL sought for guidelines and clarification on whether the programme was a grant. PS/ST responded on the same day stating that;

- The purpose of the Fund was to empower the market Vendors and Small Business Operators to form a critical mass of clients to ongoing financial service infrastructure of SACCOs as part of Governments Prosperity For All (PFA)
- The SACCOs within the proximity of markets and small business operators be used to establish the revolving fund
- The MSCL provides overall supervisory oversight of the programme while the SACCOs directly disburse to respective economic agents.

47. The request for guidelines and modalities of disbursing the Fund is a clear indication that MSCL was not wholly involved in the programme planning, budgeting and was not prepared to implement the programme.

48. The Committee observed that the Chairperson of the Board Dr. Specioza Wandira Kazibwe was the sole participant from MSCL in preparatory meetings held with other stakeholders (without involving the management of MSCL). Dr. Wandira Kazibwe explained that she chose not to involve the technical arm of MSCL at the initial stages because the matters of discussion were of a policy nature.

49. The Committee observed that Dr. Wandira Kazibwe usurped the technical role of MSCL management in advising the Ministry of Finance as to the preparedness of MSCL to handle the programme. Therefore, MSCL was not prepared but were only prompted by Dr. Wandira Kazibwe to requisition for funds from the Ministry of Finance believing that the funds were a political grant to be distributed through SACCOs. It was only after MSCL was notified by MoFPED to account for the funds that the Executive Director was woken up to the need for an MoU and guidelines.

50. The Committee recommends that Dr. Specioza Kazibwe be held responsible for influence peddling, abuse of office and interfering with the work of management of MSCL that led to loss of public funds.

E7 External interference in the Management of the Programme

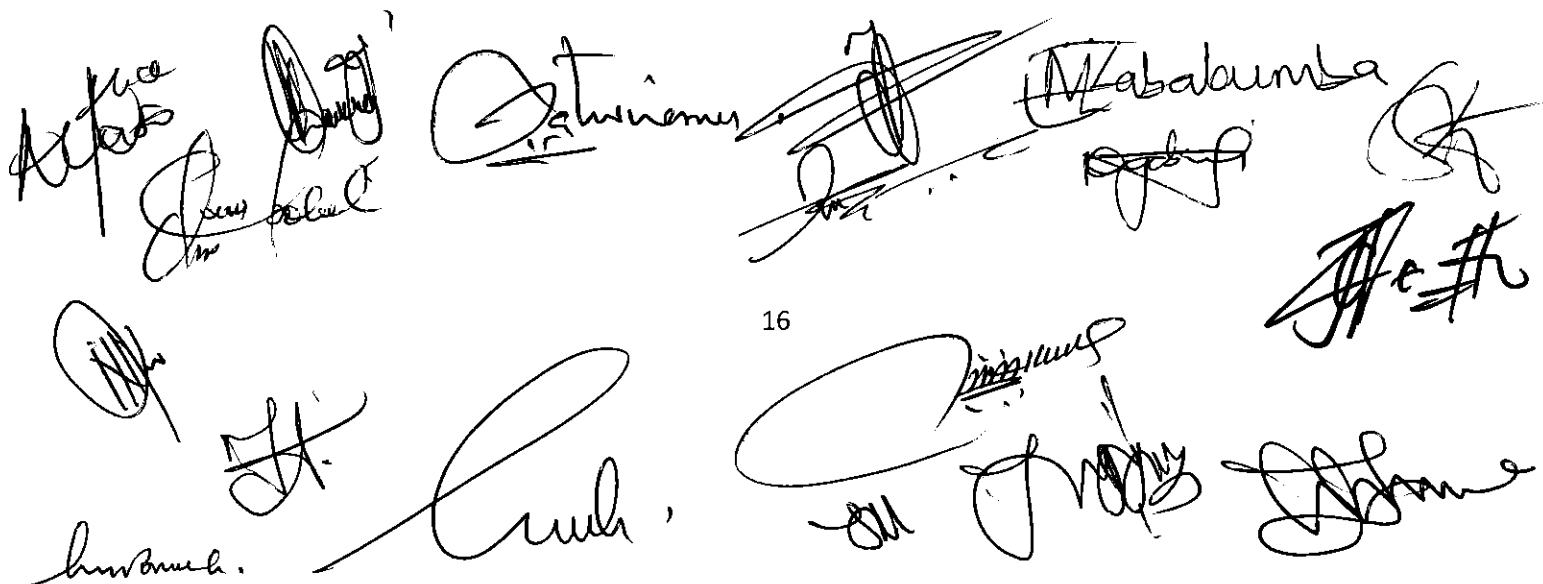
51. Audit noted that the Minister of Finance Hon. Syda Bbumba mis-directed MSCL by claiming that the programme had uncommitted savings for which she made additional commitments of Shs.1.2 billion. However, audit could not establish the savings from any records held at MSCL or MoFPED to support the Minister's assertion. As a result of this directive, MSCL has outstanding commitments of Shs. 502 million due to SACCOs with whom they had signed MoUs under the programme.

52. Audit observed that whereas the project initially focused on small vendors intended to benefit an average of UGX 30,000, the

programme was eventually extended to business operators outside the initial threshold. Groups outside the threshold were brought on board through the influence of Ministers and highly placed Government Officials. As a result of external pressure, reallocations were made and new beneficiaries brought on board. For example;

- Shs. 170 million for Women and Youth groups in Jinja District
- Shs. 170 million for Participatory Rural Action for Development (PRAFORD) in Arua
- Shs. 100 million for 10 mosque based SACCOs
- Shs. 200 million for milk coolers for dairy groups in Nakaseke and Kiboga Districts
- Shs. 200 million for relocation of Elgon Processers Tomato Factory
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- Shs. 10 million for transportation and installation of milk coolers

53. Audit field verification revealed the following in regard to the milk coolers supplied to the dairy groups in Nakaseke District.



Name of SACCO	Total Cost (UGX)	Status at time of Audit
Kinyogoga Livestock	35,000,000	Under utilized
Kiwoko SACCO	35,000,000	Not in use
Ngoma s/c SACCO	35,000,000	In full use
Wakyato SACCO	35,000,000	Not in use

It was noted that Investments in coolers do not qualify under the intentions for which the funds were appropriated.

54. The Senior Presidential Advisor for Political Affairs, Mr. Moses Byaruhanga wrote to the PS/ST on 19th April 2011(**annex 5**) for the attention of Mr. Henry Mbaguta, indicating that funds meant for hawkers in Rubaga be given to car washers and food vendors. Mr. Byaruhanga wrote another letter dated 18th July 2011(**annex 6**) to the Executive Director MSCL indicating the names of beneficiaries of Moslem founded Associations in Kampala District who should benefit from the programme.

55. The Committee observed that Mr. Byaruhanga Moses interfered with the operations of MSCL by writing letters dated 19th April 2011, 26th May 2011 (**annex 7**). and 18th July 2011 directing that the funds meant for hawkers who were the intended beneficiaries be given to car washers and food vendors and by personally specifying a new set of beneficiaries of Moslem founded Associations.

56. *The Committee recommends that Mr. Moses Byaruhanga be held personally liable for the financial loss occasioned by the groups he smuggled into the programme who failed to account for the money advanced. Shs. 100 million to Moslem founded Associations and funds disbursed to car washers and food vendors in Rubaga Division.*

57. *The Committee further recommends that Mr. Byaruhanga be held responsible for abuse of office and influence peddling.*

58. The Committee established that Gen. Salim Saleh wrote an email to Mr. Mbaguta on the 23rd February 2011(**Annex 8a**) directing him to handle a list of beneficiaries who included Jinja and Arua District NRM Women and Youth League leaders. Gen. Saleh further directed Mr. Henry Mbaguta on who should supply the inputs required by the said groups. The Committee wondered how a Government programme under MSCL with a clear Board and management came to be directed by Gen. Saleh.

59. The Committee invited Gen. Saleh on two occasions to explain his role in this matter. Gen. Saleh asked the Committee to avail him particulars of his involvement which was duly given (**annex 8b**) but he subsequently did not turn up. During a follow up conversation with the Committee Clerk, Gen. Salim Saleh wondered whether the Committee could not proceed without hearing him since he was very busy.

60. The Committee recommends that Mr. Henry Mbaguta the Ass. Commissioner Microfinance be held responsible for accepting and acting on the directive of Gen. Salim Saleh who is outside the structure of Ministry of Finance.

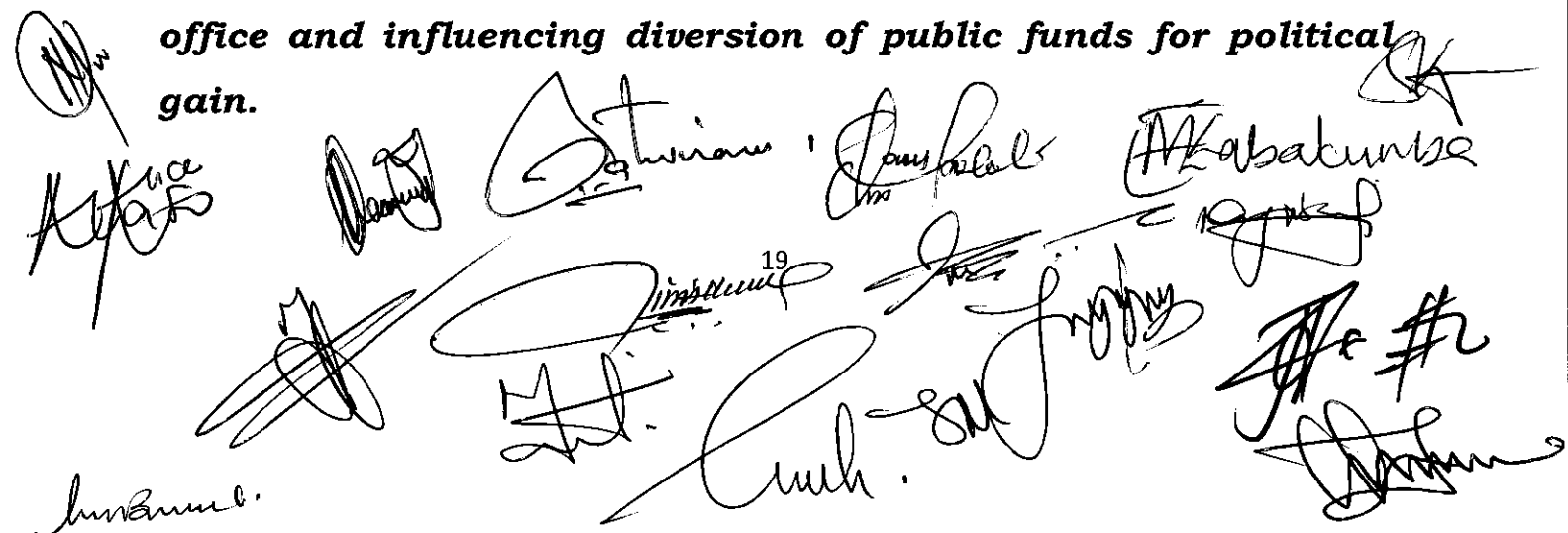
61. The Committee recommends that General Salim Saleh be held responsible for influence peddling and using public funds for politicking.

62. The Committee established that Hon. Ruth Nankabirwa the then Minister of State MoFPED (Micro-finance) on 20th May 2011(**Annex 9**) wrote a letter directing the Executive Director MSCL to avail funds to;

- Dwaniro Livestock and Diary Cooperative Society
- Lwamata Women Diary Co-operative Society and
- Kapeke Farmers Association. She further directed that the coolers be purchased without going through proper procurement process.

63. The Committee observed that these beneficiaries were not on the original list compiled by JSC. Furthermore these beneficiaries were drawn only from the Minister's Constituency.

64. The Committee recommends that Hon. Nankabirwa be held personally responsible for influence peddling, abuse of office and influencing diversion of public funds for political gain.



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66. The Committee further recommends that Hon. Nankabirwa be relieved of her appointment as a Minister.

67. MSCL was established as a Company limited by guarantee with Government, represented by MoFPED as a sole shareholder. Its Board is appointed by the Minister of Finance with the main objective to channel cheap loans to targeted beneficiaries for economic empowerment. It receives funds from Government and Development partners for onward lending. As a private limited company, it's not the business of MSCL to give out grants or disburse political donations. It has its own systems for appraising, granting and collecting its loan portfolio.

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Mr. Rwabukuku as Executive Director without competition. Mr. Rwabukuku was therefore under the influence of the Board and could not execute his duties diligently and independently. Mr. Rwabukuku was under undue influence of the Board Chairperson. As Executive Director, he did not attend any meetings between JSC, MoFPED and MSCL.

69. The Committee established that Mr. Rwabukuku did not have the requisite qualifications for the job of Executive Director of MSCL. The Human Resource Manual stipulated that for one to qualify as Executive Director, one had to possess a Bachelor's Degree in Economics or Finance, a Master's Degree and eight years' experience.

70. The Committee observes that Dr. Specioza Kazibwe has served in high offices in Uganda. On her appearance before the committee, Dr. Kazibwe expressed no regret as to how the program was handled. The Committee had expected that given her political stature Dr. Kazibwe should have offered MSCL credible leadership and protected public funds as Board Chair.

71. The Committee recommends that the former Board Chair Dr. Specioza Kazibwe be held responsible for conflict of interest and influence peddling in the appointment of Mr. Rwabukuku as Executive Director and subsequent abuse of the mandate of MSCL.

72. The Committee further recommends that considering her record in public leadership positions and the subsequent losses occasioned under this initiative, she be barred from holding appointive public office in accordance with the law.

73. The Committee recommends that MSCL should desist from undertaking activities which are not in line with its mandate.

74. Audit observed that there were no concerted efforts by the various Departments of MSCL in implementing the programme. Most of the departments had no idea of the programme. This was evidenced by the lack of management meetings involving departments such as Internal Audit, Business Development and Zonal offices. In addition, MoUs between the MSCL and the beneficiary SACCOs were not witnessed by the Company Secretary.

75. The activities of the programme at the MSCL were largely managed by Mr. Rwabukuku, Mr. Sabila (Head of Finance), Mr. Okello Joseph (Zonal Manager), Hellen Masika Petronilla (Credit Officer of Kampala). These did not allow proper planning and management of the funds leading to the massive fraud and misappropriation. The intended revolving fund was not established as a result, since all the funds were squandered.

76. The Committee recommends that Mr. Rwabukuku, Mr. Jackson Sabila, Mr. Okello Joseph and Ms. Helen Petronilla Masika be held criminally liable for causing financial loss by executing fraudulent MoUs with the SACCOs.

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E9 Programme Funds not Revolving

77. Audit established that the intention of the programme was to create a Revolving Fund for Market Vendors and Small Market Operators to access working capital loans at no interest. Audit to the contrary found that no revolving fund was established but the funds released to the SACCOs were promptly withdrawn and shared by purported members. The Committee established that the funds were indeed withdrawn and shared by officials from MSCL and the SACCOs.

78. The technical leadership of the MSCL believed that this was "political money" and not a revolving fund. Moreover this was not new, as this had been the case during the 2006 elections, where similar funds amounting to Shs. 5bn was released and money disbursed to beneficiaries by MSCL.

79. Although the PS/ST indicated in his letter dated 14th February 2011 to MSCL that this was a revolving Fund, the funds were remitted to MSCL with instructions to disburse funds to listed SACCOs, with individual beneficiaries already listed. Each individual beneficiary was to get Shs. 30,000 for those within Kampala, and Shs. 20,000 for up country beneficiaries.

80. It was observed that the beneficiaries did not apply for the money, but rather a list was instead generated from a list of individuals that had been registered as market vendors and who

would only be informed to go and collect a pre -determined amount of money from the SACCOs within their proximity.

81. Many of the beneficiaries that appeared before the Committee submitted that they did not apply for the money. They were mobilised to go and receive the shs.30, 000 and 20,000 as "Kasimo" from H.E the President for mobilising votes (prior to elections) and voting wisely (after the elections). To them, this was not money meant to be used in business and or returned. This evidence was corroborated by the submissions of a number of SACCOs who disbursed the funds to beneficiaries, without the requirement of having it returned. The SACCOs had been told that they were acting as conduits to enable money reach the intended beneficiaries, and would be paid 10% for successfully carrying out this activity.

The table below shows some of the SACCOs who received and shared programme funds without establishing a revolving fund. The funds were distributed as grants which were not repayable.

Name of SACCO	Amount (UGX)
Kampala United Park Yard	685,000,000
St. Balikuddembe Market	880,078,500
Nakasero Market	586,152,000
Wandegeya Market	51,060,000
Bugolobi Vendors Market SACCO	26,113,500
Bivamuntuyo Market- Kalerwe	86,220,000
Nakawa Market Vendors Development	84,420,000

SACCO	
Kaliro Town Council Market	37,800,000
Gulu Market SACCO	70,000,000
Banda	41,832,000
Kibuye 1 Community SACCO	46,021,500
Mengo Kalintunsi SACCO	26,397,000
Namungona SACCO	22,050,000
Natete Kwekulankulanya SACCO	33,075,000
Kibuye 1 Community SACCO	54,085,500
Kitintale Market Vendors SACCO	10,899,000
Ggaba SACCO	42,147,000
Olio SACCO- Serere	17,997,000
Kobwin SACCO-Ngora	11,445,000
Tara Farmers- Maracha	100,000,000
Pangisa SACCO-Arua	97,920,000

82. The Committee observed that whereas there were SACCOs which had made a good start like Bugolobi Vendors Market SACCO, when the members of the SACCO received mixed signals about the purpose of the funds, the members refused to repay the money. When the SACCO leaders attempted to resist the political interference they were arrested on the orders of the area Councillor.

83. The Committee observed that in some SACCOs like Ntinda Market SACCO and Nakawa Market Vendors SACCO, the leadership simply shared out the money with the Officials of MSCL.

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84. The Committee established that the newly smuggled in beneficiaries were not obliged to pay given that money was not disbursed to individuals, rather it was for purchase of milk coolers and processing plants where individual responsibility could not accrue.

85. The Committee observed that the SACCOs had no control on intended beneficiaries. Lists would be forwarded from Mr. Henry Mbaguta through MSCL to the SACCOs. Since most beneficiaries were not SACCO members, it was impossible to exercise control over them in so far as recovery was concerned as the beneficiaries were told that these were political funds.

86. The Committee recommends that given the ill-conceptualized, ill-conceived and ill-implemented nature of the programme, future programmes should be properly planned to ensure good utilization of public funds.

E10 Verification of beneficiaries as per the JSC list

87. MoFPED undertook to conduct a joint verification exercise together with JSC to identify and correct possible anomalies in the list submitted. The Committee established that instead of verification, new and grossly inflated lists were submitted by Mr. Henry Mbaguta to the MSCL for payment. For example in Bundibugyo market alone, the number rose from 808 to 10,000 in the list submitted to MSCL (**annex 10**).

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88. The Committee further observed that this number was exaggerated with a view to defrauding Government.

89. The Committee recommends that Mr. Henry Mbaguta be held responsible for submitting inflated lists of beneficiaries that resulted into misappropriation and financial loss.

E11 Lack of funds for supervision and monitoring

90. Audit observed that whereas monitoring and evaluation provides regular flow of information on programme implementation and performance, MSCL and MoFPED despite signing MoUs between MSCL and the SACCOs did not undertake monitoring and evaluation. The Committee established that there were no reports at all levels in regard to programme monitoring and evaluation.

91. The Committee noted that the entire initiative was premised on a distorted plan which could not allow for effective monitoring and evaluation. Actually the Executive Director of MSCL in his submission to the Committee summarized the entire initiative as "ill-conceived, ill-conceptualized and ill-implemented".

92. The Committee recommends that Government should desist from initiating ad hoc programmes involving the use of public funds. For example for electioneering as captured in the concept note by the JSC. For purposes of empowering vulnerable groups, Government should use established/appropriate Government institutions.

E12 Unaccounted for funds by the JSC.

93. Audit observed that Shs. 130 million was allocated to JSC to finance the sensitization of vendors on the utilisation of programme funds as a revolving fund in their markets. Audit observed that the money was shared by the JSC members and Shs. 30 million each deposited on their personal bank accounts. The auditor further noted that on 12th September 2012 Mr. Godfrey Kayongo submitted his accountability of Shs. 29.171 million leaving a balance of Shs. 829,000 unaccounted for.

94. The Committee recommends that Hon. Dr. Lyomoki Sam, Mr. Chris Kahirita and Ms. Winnie Atwine (the JSC members who did not account for programme funds deposited on their personal bank accounts) be held personally liable for Shs. 90 million.

95. The Committee further recommends that Mr. Godfrey Nkajja Kayongo be held responsible for failure to account for Shs. 829,000.

96. The Committee also upholds the recommendation by the Auditor General that the Shs. 10 million withdrawn to pay Questionable transactions at Nakawa Market SACCO should be accounted for.

E13 OBSERVATIONS AND RECOMMENDATIONS ON SAACOS

SACCO	Issue	observation	Recommendation
1 Nakasero SACCO	The SACCO received Shs 586,152,000. In a meeting presided over by the Minister in charge of Micro-Finance, SAACOs were directed to distribute the money to vendors at a rate of Shs. 30,000 each.	The Committee observes that the pronouncement of the Hon. Minister at the Pope Paul meeting was misleading, and contrary to the MoU signed between the SACCO and MFSC, that disbursed the funding subject to a refund.	<p>The Committee accordingly recommends that the SACCO leadership be held responsible for deviating from the MoU between them and the MSCL.</p> <p>The committee further advises the SACCO leaders to adhere to the guidelines governing SACCOs and MoUs.</p> <p>The Committee recommends that the then Minister of State for Micro Finance be held responsible for directing SACCOs to distribute money to beneficiaries without following proper</p>

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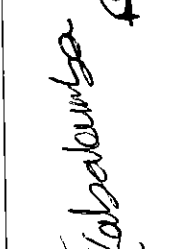
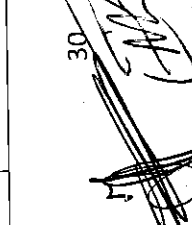
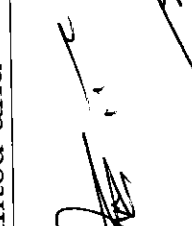
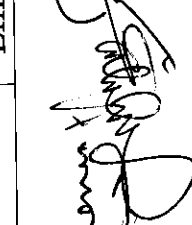
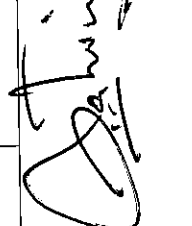

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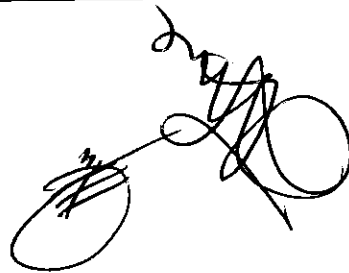
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				guidelines.
2	Wandegeya SACCO	The SACCO received Shs. 51,060,000 with list of recipients from MSCL. In a meeting presided over by the Minister in charge of Micro-Finance, SACCOs were directed to distribute the money to vendors at a rate of Shs. 30,000 each.	The Committee observes that the pronouncement of the Hon. Minister at the Pope Paul meeting was misleading, and contrary to the MoU signed between the SACCO and MSCL, that disbursed the funding subject to a refund.	<p>The Committee advises the SACCO leaders to adhere to the guidelines governing SACCOs and MoUs.</p> <p>The Committee recommends the then Minister of State for Micro Finance be held responsible for directing SACCOs to distribute money to beneficiaries without following proper guidelines.</p>
3	Nakawa Market SACCO	A fictitious MOU was signed between Nakawa Market Cooperative Savings and Credit Society Limited and	The Committee observed that there was collusion between the staff of the MSCL lead by a one Okello Joseph (MSCL) and the Manager Nakawa Market SACCO Ms	<p>The Committee recommends that Ms Abbuti Jane and Mr. Okello Joseph be investigated for this fictitious transaction, with a view to recovering the money.</p>

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 J. Ababwira







		MSCL, amounting to Shs. 347,000,000. The money was withdrawn handed to Mr. Okello Joseph an officer from the MSCL.	Abbuti Jane to misappropriate the Shs347,000,000(annex 11a &b).	
4	Nyahuka Town Council SACCO.	The SACCO received Shs. 210,000,000. The SACCO had 808 beneficiaries but was made to sign an MoU stating that the beneficiaries were 10,000. Shs. 180million out of the Shs 210million was withdrawn and handed to Tonny Muhumuza, a	The Committee observed that this was a fraudulent transaction orchestrated by the staff of the MSCL and the SACCO leadership (annex 10a &b).	The Zonal Manager Akello Immaculate and Muhumuza Tony the Credit Officer Fort Portal(MSCL staff) Basaliza Fred and Byensi Nicholas (SACCO Leadership) be investigated, with a view to prosecution and having the money recovered.




Akello Immaculate





Muhumuza Tony

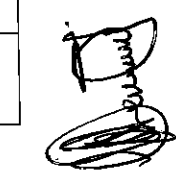
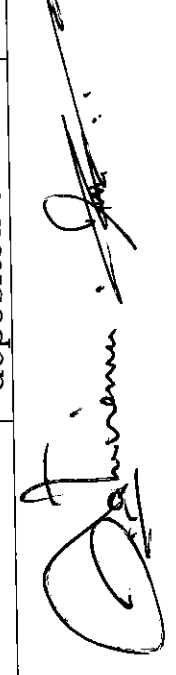
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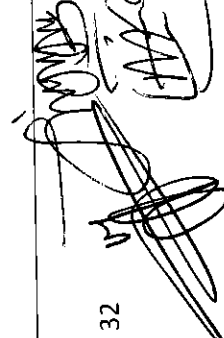
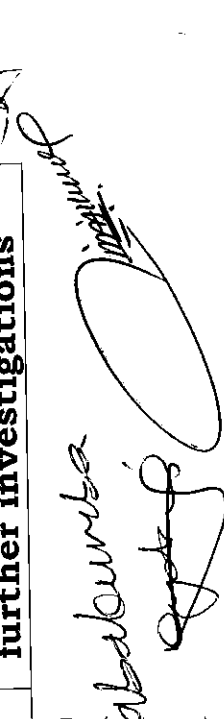
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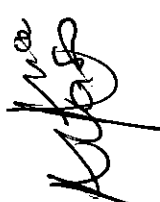
		staff of the MSCL. Accountability was subsequently forged for 10,000 beneficiaries.	
5	Kampala United park Yard SACCO	<p>The SACCO received shs.685,314,000 which was paid to pre-determined beneficiaries at a rate of Shs. 30,000 each, as "Kasimo" from H.E the President and no recoveries were made.</p> <p>A second fictitious MOU with MSCL amounting to Shs.472,500,000 The funds were deposited on the</p>	<p>The Committee could not reach Mr. Sabila, who was believed to be in hiding. The Committee could not therefore establish where Mr. Sabila delivered the money.</p> <p>The Committee advises the SACCO leaders to adhere to the guidelines governing SACCOs and MoUs.</p> <p>The committee recommends the then Minister of State for Micro Finance be held responsible for directing SACCOs to distribute money to beneficiaries without following proper guidelines.</p> <p>The Committee recommends that further investigations</p>










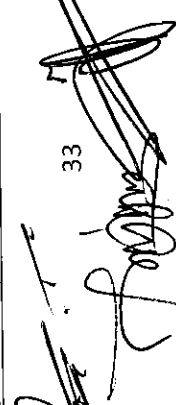





		SACCO account, withdrawn, and handed to head of Finance MSCL (Mr. Sabila).		be carried out by Government in order to bring Mr. Sabila and all those involved to book.
6	Boda Boda 2010 Association Limited.	<p>While the money should have been disbursed through a SACCO, MSCL instead channelled the money to Boda Boda 2010 association limited through a newly opened account with FINA Bank despite the association having an old account.</p> <p>They were guided</p>	<p>The Committee observed that while the money should have been disbursed through SACCOs, the MSCL, disbursed money to the Association.</p>	<p>The circumstances under which funds were deposited on the Association account instead of a SACCO Account should be investigated.</p>

by Mr. Moses Byaruhanga that the money was to help them procure motorcycles, which motorcycles were to facilitate them during the sensitization of the Boda Boda riders in their respective areas to become good citizens and understand laws and regulations governing traffic. Though the money should have been deposited on the SACCO Account in Post Bank, MSCL objected to this and instead

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		deposited the funds on the Boda Boda Association Account in Fina Bank. Shillings 40,000,000 was withdrawn from C&G to help in organising the hand over function.		
7	Jinja District Women League Association	48 million Shs. was towards monitoring and administration. These funds have not been accounted for by Nabukalu Nusura the Chairperson of the Association.	Whereas the money was supposed to be disbursed through SACCOS, it was disbursed through the women league. Whereas the Committee made efforts to interface with the Group, they did not turn up for a hearing	Given the non availability of accountability, the Committee recommends that an investigation be carried out with a view of prosecution and having the money recovered

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<p>Jinja District Youth NRM League</p>	<p>Shs. 24 million was signed for by the Chairperson of Jinja District Youth NRM League, Mr. Waisswa Moses, Mr. Kitakule Farukku the Vice Chairperson and Mukembo James the Secretary who simply shared it and there was no accountability</p>	<p>while the Committee was in Jinja</p> <p>Whereas the Committee made efforts to interface with the Trio, they did not turn up for a hearing while the Committee was in Jinja</p>	<p>Given the non availability of accountability, the Committee recommends that an investigation be carried out with a view of prosecution and having the money recovered</p>
<p>Bosasa Masese SACCO</p>	<p>Shs. 55,780,000 was embezzled by the SACCO Manager.</p>	<p>The Committee received information that the Manager in question had absconded from Office.</p>	<p>The Committee advises the SACCO leaders to adhere to the guidelines governing SACCOs and MoUs.</p>

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				<p>The Committee recommends that the former Manager of the SACCO Dan Rugambwa refunds the money misappropriated.</p>
9	<p>Busia Market SACCO</p>	<p>The Manager of the SACCO a one Byemukolo Martin disappeared with the balance of Shs.11, 000,000, and the Shs 6,000,000 that had been recovered, leading to closure of the SACCO Offices.</p>	<p><i>While in Busia the committee did not interface with Byemukolo Martin as he did not turn up for the scheduled meeting.</i></p>	<p>The Committee recommends that Mr. Byemukolo Martin be held responsible for the financial loss at the SACCO, and be prosecuted for theft of SACCO funds.</p>
10	<p>Uganda Mechanics Engineering Association.</p>	<p>The SACCO received Shs. 100 million to purchase a value seat cutter and a cylinder bore</p>	<p><i>The reconditioned vehicles were eventually impounded by police arising from conflict between the members of the</i></p>	<p>The Committee recommends that the management of Uganda Mechanics and Engineering Association should be held liable for</p>

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		resurfacers. The SACCO diverted from this purpose and three reconditioned taxi vehicles.	Association, and at the time of meeting the Association Members, the vehicles were still parked at Katwe Police.	misuse of programme funds.
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11	<p>Ggaba SACCO.</p>	<p>The SACCO received Shs. 180,000,000. The amount was withdrawn and given to Katwe Metal Fabrication Classic, who claimed to have received only Shs 165,000,000, and that the balance of Shs. 15,000,000 was shared between MSCL staff (Okello Joseph) and the leadership of Ggaba SACCO.</p> <p>The Shs. 165,000,000 was capitalised and given out as normal loans.</p>	<p>The Committee interfaced with Hon. Sempala Mbuga who was the treasurer of the Ggaba SACCO. He admitted to having signed the cheques facilitating the withdrawal of Shs. 180 million for onward transmission to Katwe Metal fabrication Classic.</p> <p>The Committee also interfaced with Hon. Simbwa John, the area Member of Parliament who had earlier raised the same matter with the office of the Inspector General of Government</p>	<p>The Committee recommends that the leadership of Ggaba SACCO and Okello Joseph be further investigated for causing financial loss of Shs. 15 million and if found culpable be brought to book.</p>
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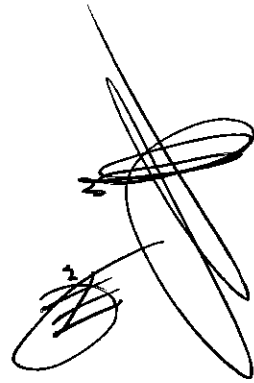
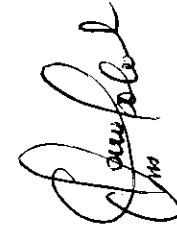

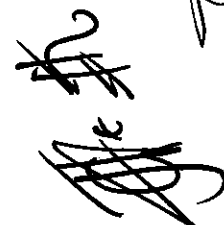







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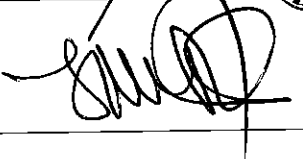
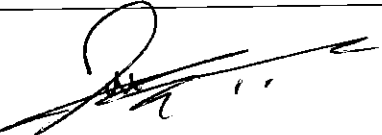
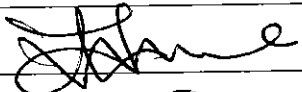
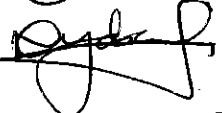
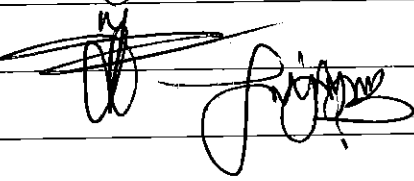
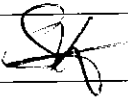

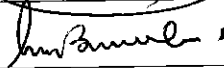
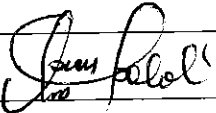
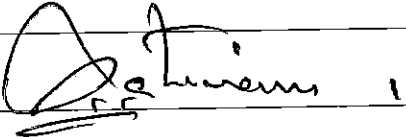
12	Mbale Garage SACCO	The MoU signed between the SACCO and MSCL pegged the funds to the credit policies of the SACCO.	The MoU deviated from the objective of	It is recommended that MSCL rectifies the irregularities in the MoU and the Programme Funds be put to proper use as per the Programme guidelines from Ministry of Finance.
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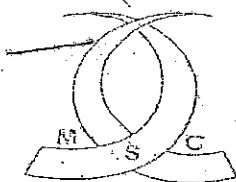
Rt. Hon. Speaker, and Hon. Members, I thank you for your attention, and implore this House to adopt this report.

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**REPORT OF PUBLIC ACCOUNTS COMMITTEE ON THE REPORT
ON PRESIDENTIAL INITIATIVE ON MARKETS & SMALL
BUSINESS OPERATORS**

No	NAME	SIGNATURE
1	Hon. Alaso Alice Asianut - Chairperson	
2	Hon. Mwiru Paul - Deputy Chairperson	
3	Hon. Kibojana Margaret	
4	Hon. Byarugaba Alex Bakunda	
5	Hon. Musasizi Henry	
6	Hon. Nakato Kyabangi Katusime	
7	Hon. Asupasa Isiko Wilson	
8	Hon. Emmanuel Dombo	
9	Hon. Kwizera Eddie	
10	Hon. Kamba Saleh	
11	Hon. Nantume Jennifer Egunyu	
12	Hon. Kabasharira Naome	
13	Hon. Emma Boona	
14	Hon. Ogwang Peter	
15	Hon. Opolot Jacob Richard	
16	Hon. Okot Ogong Felix	
17	Hon. Yorokamu Katwiremu	

18	Hon. Kabakumba Matsiko	
19	Hon. Musinguzi Yonah	
20	Hon. Basisira Ignatius	
21	Hon. Mugabi Muzaale Martin	
22	Hon. Lwanga Timothy	
23	Hon. Oleru Huda	
24	Hon. Nathan Nandala Mafabi	
25	Hon. Ajok Lucy	
26	Hon. Ssewungu Joseph Gonzaga	
27	Hon. Olanya Gilbert	
28	Hon. Ababiku Jesca	
29	Hon. Ssekikubo Theodore	
30	Hon. Karuhanga Gerald	



The Microfinance Summit Centre Ltd.

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P.O. Box 33711, Kampala - Uganda
Tel: 256 414 233665/ 256 312 263779
Fax: 256 414 233673
Email: msc@msc.co.ug

Annex I

Our Ref: **MSC/ED/21/11**

Your Ref: _____

14th February 2011.

The Permanent Secretary/ Secretary to the Treasury
Ministry of Finance, Planning and
Economic Development
P.O.Box 8147
KAMPALA

Attn : Mr. Henry Mbaguta

Dear Sir,

RE: RELEASE OF SHS 10 BILLION FOR MARKET VENDORS AND SMALL BUSINESS OPERATORS.

Further to our letter Ref: MSC/ED/21/11 dated 09/02/2011. This is to acknowledge that Ugx 10billion has been deposited on our account – Bank of Uganda.

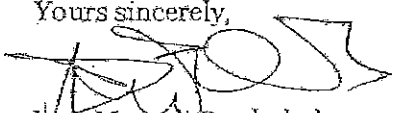
We are seeking for clear guidelines and modalities of disbursing this money. Evidently we have been receiving mixed signals from different stakeholders to the effect that this fund is a grant. If that be the case, then we require guidelines on how to disburse it.

The other indicators were that there are already identified groups who would access this money through the nearest established SACCOs. That the SACCOs would retain the equivalent of 10% of the amount as operational funds.

Please advice on the right way forward as different interest groups are having different interpretations about this fund.

Given that this activity is not on the budget line, we would request that a Memorandum of Understanding be signed to spell out the terms and conditions of managing the fund.

Yours sincerely,


Iggy Musaah Rwabukuku
AG. EXECUTIVE DIRECTOR

We provide Financial and Capacity building Services to Microfinance Institutions

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: 256 41 4343 023
: 256 41 4341 286
Email : finance@finance.go.ug
Website : www.finance.go.ug

In any correspondence on
this subject please quote No. MED 156/207/02



Economic Development
Plot 2-12, Apollo Kaggwa Road
P.O. Box 8147
Kampala
Uganda.

THE REPUBLIC OF UGANDA

February 11, 2011

Mr. Iggy Musaali Rwabukukui
Ag. Managing Director
Microfinance Support Centre Ltd.
KAMPALA

**RE: NEED FOR ACCOUNTABILITY OF SHS.10BN
SUPPLEMENTARY BUDGET FOR MARKET VENDORS AND
SMALL BUSINESS OPERATORS**

This is in reference to your letter of 9th February 2011
Ref:MSC/ED/21/11 where you requested for a release of shs.10 bn
for the above activities.

This is to confirm that the money has been released to your
Organisation as requested. You will be expected to avail
comprehensive accountability for the expenditure.

A copy of your letter is attached for ease of reference.


Betty Kasimpazi

FOR: PERMANENT SECRETARY/SECRETARY TO THE TREASURY

- c.c: Director Economic Affairs
- c.c: Director Budget
- c.c: Accountant General
- c.c: Commissioner, Inspection and Internal Audit
- c.c: Commissioner, Microfinance Department

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"

Cc: The Hon. Minister of State for Finance, Planning
and Economic Development (Microfinance),
Ministry of Finance, Planning and Economic Development
P.O.Box 8147
KAMPALA

The Commissioner for Microfinance,
Ministry of Finance, Planning and Economic Development
P.O.Box 8147
KAMPALA

Telephone : 256 41 4707 000
: 256 41 4232 095
Fax : 256 41 4230 163
: 256 41 4343 023
: 256 41 4341 286
Email : finance@finance.go.ug
Website : www.finance.go.ug



Ministry of Finance, Planning &
Economic Development
Plot 2-12, Apollo Kaggwa Road
P.O. Box 8147
Kampala
Uganda.

In any correspondence on
this subject please quote No. MED. 62/394/01

THE REPUBLIC OF UGANDA

14 February 2011

The Ag Executive Director
Microfinance Support Centre
KAMPALA

10BILLION FOR MARKET VENDORS AND SMALL BUSINESS OPERATORS

Reference is made to your letter MSC/ED/21/11 dated 14 February 2011,
seeking for guidelines on the purpose and disbursement modalities of the
above mentioned funds.

The purpose of the funds is to empower the above mentioned actors
namely; market vendors and small business operators to form a critical
mass of clients to on-going financial services infrastructure of SACCOs,
a programme which has been a key pre-occupation of Government to
achieve Prosperity For All (PFA) since 2005.

In this respect, it has been observed that the easiest way to ease their
entry into these Financial Institutions is to establish a revolving fund that
will be located and managed by the SACCOs in their proximity.

As part of this programme, your organization will be required to provide
over-all supervisory oversight of the programme, while the SACCOs will
directly disburse to the respective economic agencies.

Finally, the economic agencies will be required to return the loan to the
SACCO for the benefit of new and emerging economic agencies for the
continuity of the programme.


Keith Muhakanizi
For: PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Mission

"To formulate sound economic policies, maximise revenue mobilisation, ensure efficient allocation and accountability for public resources so as to
achieve the most rapid and sustainable economic growth and development"

Fax : 256 41 4230 163
: 256 41 4343 023
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Email : finance@finance.go.ug
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In any correspondence on
this subject please quote No. MED 156/207/02



THE REPUBLIC OF UGANDA

Economic Development
Plot 2-12, Apollo Kaggwa Road
P.O. Box 8147
Kampala
Uganda.

Annex 2

February 11, 2011

Mr. Iggy Musaali Rwabukuku
Ag. Managing Director
Microfinance Support Centre Ltd.
KAMPALA

**RE: NEED FOR ACCOUNTABILITY OF SHS.10BN
SUPPLEMENTARY BUDGET FOR MARKET VENDORS AND
SMALL BUSINESS OPERATORS**

This is in reference to your letter of 9th February 2011
Ref:MSC/ED/21/11 where you requested for a release of shs.10 bn
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Organisation as requested. You will be expected to avail
comprehensive accountability for the expenditure.

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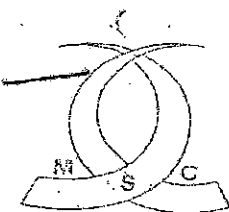

Betty Kasimbazi

FOR: PERMANENT SECRETARY/SECRETARY TO THE TREASURY

- c.c: Director Economic Affairs
- c.c: Director Budget
- c.c: Accountant General
- c.c: Commissioner, Inspection and Internal Audit
- c.c: Commissioner, Microfinance Department

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"



The Microfinance Support Centre Ltd.

Plot 46, Windsor Crescent, Kololo
P.O. Box 33711, Kampala - Uganda
Tel: 256 414 233665/ 256 312 263779
Fax: 256 414 233673
Email: msc@msc.co.ug

Our Ref: MSC/ED/21/11

Your Ref: _____

14th February 2011.

The Permanent Secretary/ Secretary to the Treasury
Ministry of Finance, Planning and
Economic Development
P.O.Box 8147
KAMPALA

Attn : Mr. Henry Mbaguta

Dear Sir,

RE: RELEASE OF SHS 10 BILLION FOR MARKET VENDORS AND SMALL BUSINESS OPERATORS.

Further to our letter Ref: MSC/ED/21/11 dated 09/02/2011. This is to acknowledge that Ugx 10billion has been deposited on our account – Bank of Uganda.

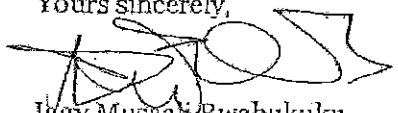
We are seeking for clear guidelines and modalities of disbursing this money. Evidently we have been receiving mixed signals from different stakeholders to the effect that this fund is a grant. If that be the case, then we require guidelines on how to disburse it.

The other indicators were that there are already identified groups who would access this money through the nearest established SACCOs. That the SACCOs would retain the equivalent of 10% of the amount as operational funds.

Please advice on the right way forward as different interest groups are having different interpretations about this fund.

Given that this activity is not on the budget line, we would request that a Memorandum of Understanding be signed to spell out the terms and conditions of managing the fund.

Yours sincerely,


Iggy Musah Rwabukuku
AG. EXECUTIVE DIRECTOR

We provide Financial and Capacity building Services to Microfinance Institutions

Telephone : 256 41 4707 000
: 256 41 4232 095
Fax : 256 41 4230 163
: 256 41 4343 023
: 256 41 4341 286
Email : finance@finance.go.ug
Website : www.finance.go.ug



Ministry of Finance, Planning &
Economic Development
Plot 2-12, Apollo Kaggwa Road
P.O. Box 8147
Kampala
Uganda.

In any correspondence on
this subject please quote No. MED. 62/394/01

THE REPUBLIC OF UGANDA

14 February 2011

The Ag Executive Director
Microfinance Support Centre
KAMPALA

10BILLION FOR MARKET VENDORS AND SMALL BUSINESS OPERATORS

Reference is made to your letter MSC/ED/21/11 dated 14 February 2011,
seeking for guidelines on the purpose and disbursement modalities of the
above mentioned funds.

The purpose of the funds is to empower the above mentioned actors
namely; market vendors and small business operators to form a critical
mass of clients to on-going financial services infrastructure of SACCOs,
a programme which has been a key pre-occupation of Government to
achieve Prosperity For All (PFA) since 2005.

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As part of this programme, your organization will be required to provide
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directly disburse to the respective economic agencies.

Finally, the economic agencies will be required to return the loan to the
SACCO for the benefit of new and emerging economic agencies for the
continuity of the programme.

Keith Muhakanizi

For: PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Mission

"To formulate sound economic policies, maximise revenue mobilization, ensure efficient allocation and accountability for public resources so as to
achieve the most rapid and sustainable economic growth and development"

Cc: The Hon. Minister of State for Finance, Planning
and Economic Development (Microfinance),
Ministry of Finance, Planning and Economic Development
P.O.Box 8147
KAMPALA

The Commissioner for Microfinance,
Ministry of Finance, Planning and Economic Development
P.O.Box 8147
KAMPALA

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Ministry of Finance, Planning &
 Economic Development
 Plot 2-12, Apollo Kaggwa Road
 P.O. Box 8147
 Kampala
 Uganda.

In any correspondence on
 this subject please quote No. MED. 62/394/01

THE REPUBLIC OF UGANDA

9 March 2011

The Ag Executive Director
 Microfinance Support Centre Ltd
 KAMPALA

FINANCING EXTRA DEMANDS FROM THE REVOLVING FUNDS FOR MARKET VENDORS AND SMALL BUSINESS OPERATORS

I have noted that from the commitments made so far by your institution on the Shs.10billion Revolving Fund for Market Vendors and Small Business Operators, that Shs.1.2billion has been saved, and remains uncommitted.

In view of the emerging demands related to the sector, and following our discussions on the subject, I am writing to authorize you to commit the saved funds on the following projects:

- i. A revolving fund of Shs.170millions towards value additional projects for the women and youth in the 12 sub-counties of Jinja District (list attached as Annex 1);
- ii. Shs.170million to be committed to Participatory Rural Action for Development (PRAFORD) based in Arua to provide 33 metal fabrication sets complete with compressors, manual benders and pressure benders for Small Scale Industries in West Nile Region. (Budget attached as Annex 2). Please note that PRAFORD will require additional funds in form of a loan of Shs.300million to meet its carpentry activities in the West Nile Region. (A request from PRAFORD is attached as Annex 3);
- iii. Supporting 7 Dairy Associations with 1000 Litre Milk Coolers plus a Generator for each cooler. The total cost of each Milk

Mission


"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"

Cooler plus a Generator will not exceed Shs.25millions. The beneficiary Associations include:

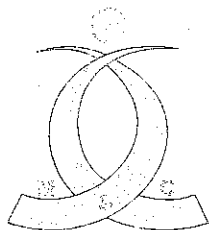
- (a) Ngoma Amaate Association; ✓
- (b) Kamusenene Diary Association; ✓
- (c) Kiwoko Milk Vendors Association; ✓
- (d) Kalagala Tweekembe Milk Traders; ✓
- (e) Kinoni Diary Produce Association; ✓
- (f) Kiboga Live Stock Farmers Association; ✓
- (g) Ddwaniro Diary Cooperative Society; ✓
- (h) Lwamata Women Cooperative Society. ✓

The invoice from Snowmans (U) Ltd which specializes in the sale of Milk Coolers in Uganda is attached as Annex 4. You may also use your channels to establish whether there other suppliers of Milk Coolers in the Country.

- iv) A Revolving Fund of Shs.100millions to finance activities of 10 Muslim Community based SACCOs in the 5 Divisions of Kampala District;
- v) Shs.130millions to finance the activities of the Presidential Taskforce on Markets and Small Business Operators on their mobilization sensitization campaigns countrywide;
- vi) Shs.200millions to finance the relocation of Elgon Processors Tomato Factory; *FinD out*
- vii) Shs.120millions to finance 6 regional workshops for District Commercial Officers, SACCO Managers, and Market Leaders; *MAFED/Kenyatta MSC*
- viii) Shs.100million to meet the SACCO administration costs of managing the Revolving fund; and
- ix) Shs.10million to meet the transportation and installation of Milk Coolers.


Syda N. M. Bbumba (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT



The Microfinance Support Centre Ltd.

Plot 46, Windsor Crescent, Kololo
P.O. Box 33711 Kampala
Tel: 0414 233 665, 0312 263 779
Fax: 0414 233 673
Email: msc@utlonline.co.ug
msc@msc.co.ug

MSC/ED/21/11

Our Ref: _____

Your Ref: _____

9th February 2011

The Under Secretary
Finance & Administration
Ministry of Finance, Planning &
Economic Development
P.O. Box 8147
KAMPALA

Thru: The Commissioner,
Microfinance
Ministry of Finance, Planning &
Economic Development
P.O. Box 8147
KAMPALA

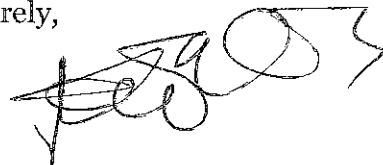
RELEASE OF SHS10BILLION SUPPLEMENTARY BUDGET FOR MARKET VENDORS AND SMALL BUSINESS OPERATORS.

Following the meeting held between the Ministry of Finance Planning and Economic Development, the Presidential Task on markets and The Microfinance Support Centre Ltd (MSC) on 1/12/2010, it was agreed that the funds for presidential initiative for empowerment of market vendors and Small Business operators be administered through MSC, the Minutes are attached for ease of reference. MSC would then channel these funds to market vendors and small business operators through SACCOs that are near these markets.

Some of this Market Vendors are not members of SACCOs therefore the SACCOs through which funds will go through will need technical/financial support. In addition MSC will need operational funds to ensure timely and efficient disbursement to the SACCOs. Therefore the funds will be utilized for disbursement to clients as guided by the meeting of 1st December 2010 and to meet both operational costs for disbursement and technical support to the SACCOs.

Since Parliament has approved the supplementary budget for this activity as per the supplementary expenditure schedule number one of 2010/11, Microfinance Support Centre Ltd is hereby requesting the release of shs10 billion to start implementing this activity.

Yours sincerely,

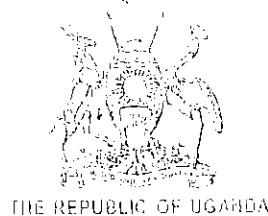
A handwritten signature in black ink, appearing to be 'Iggy Musaali Rwabukuku', written in a cursive style.

Iggy Musaali Rwabukuku
AG. EXECUTIVE DIRECTOR

Annex 5

141 231900
P.O. Box 235402
141 Office: she@whitehouse.gov

IS ANY CORRESPONDENCE ON PA/30
THE SUBJECT PLEASE QUOTE NO. 141



White House,
P. O. Box 45997,
Kampala,
Uganda.

April 19, 2011

The Permanent Secretary and
Secretary for Treasury
Ministry of Finance, Planning and Economic Development
KAMPALA

(Attention: Mr. Henry Mbaguta)

**ASSISTANCE TO CAR WASHERS AND FOOD VENDORS IN
RUBAGA**

The above subject refers.

You may recall that some funds had been put aside to assist hawkers. In the case of Rubaga, they have suggested that since hawkers are mobile and not easy to monitor, the funds that were meant for hawkers be given to car washers and food vendors.

The purpose of this letter therefore, is to advise that car washers and food vendors in Rubaga be assisted as per the proposal from the Rubaga Leadership.

Moses Byaruhanga
SENIOR PRESIDENTIAL ADVISOR FOR POLITICAL AFFAIRS.

Copy to: Hon. Minister of Finance and Planning and Economic
Development

Hon. Minister of State for Micro Finance

Ag: Executive Director,
Micro Finance Support Center

UPM Chairperson/Rubaga Division

UPM Chairperson/Rubaga Division

Annex 6

TEL: 231900
FAX: 235462
EMAIL: the@statehouse.go.ug

IN ANY CORRESPONDENCE ON
THIS SUBJECT PLEASE QUOTE No. 20/30



State House,
P. O. Box 25497,
Kampala,
Uganda.

18th July, 2011

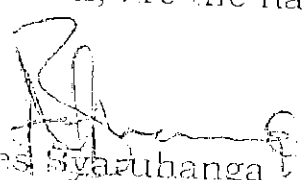
The Executive Director
Uganda Micro Finance
Support Centre
KAMPALA

Dear Sir,

**RE: MUSLIM FOUNDED ASSOCIATIONS IN KAMPALA
DISTRICT**


In reference to the above subject, I would like to clarify that funds released for Muslim Founded Associations in Kampala district were intended to benefit 10 groups.

The purpose of this letter is to inform you that the first release of these funds should benefit all 10 groups equally. Attached here with, are the names of contacts of Associations.


Moses Syaruhanga
Senior Presidential Advisor on Political Affairs



DIVISION	NAME OF SACCO/ASSOCIATIONS	CONTACT PERSONS
MAKINDYE	MAKINDYE MUSLIMS UNITED IMAMS ASSOCIATION	SH. ABDUL SALAM MBOGO (Chairperson), 0702 446 872
	MAKINDYE UNITED MUSLIMS AMIRATE ASSOCIATION	HAJAT AFUWA KYAKULAGILA (Chairperson), 0772 427 826
KAWEMPE	KIDDA KAWEMPE SACCO	SH. KASALI SAIDI (Chairperson) 0776 808 077, 0701 808 077
	KAWEMPE MUSLIM WOMEN DAAWA AND DEVELOPMENT ASSOCIATION	NAKILJJA MADINA (Chairperson) 0701 835 433
NAKAWA	NAKAWA UNITED IMAMS and RELIGIOUS LEADERS ASSOCIATION	SH. ABDUL MAJID KHAMIS (Chairperson), 0753 914 120
	NAKAWA MUSLIMS WOMEN ASSOCIATION	MS. NAKIWOLLO MARIAM (Chairperson), 0775 467 171
KAMPALA CENTRAL	KAMPALA CENTRAL IMAMS DAAWA ASSOCIATION (KCDA)	SH. DDUMBA YUSUF (Chairperson), 0752 536 555
	KAMPALA CENTRAL MUSLIM WOMEN LEADERS ASSOCIATION	HAJAT AFISWA MUTEBI (Chairperson), 0702182 657
LUBAGA	LUBAGA IMAMS AND GENERAL MUSLIMS ASSOCIATION (LUGEDS)	SH. AHMED KAWEESE (Chairperson), 0772 557 167
	LUBAGA MUSLIM WOMEN ASSOCIATION (LMWA)	MRS. MARIAM KATEREGA (Chairperson), 0772 536 636


 19/07/2011

Annex 7

TEL: 231900
FAX: 235162
EMAIL: secret@statehouse.go.ug

IN ANY CORRESPONDENCE BY
THIS SUBJECT PLEASE QUOTE NO.

PO/30

THE REPUBLIC OF UGANDA

State House,
P. O. Box 25497,
Kampala,
Uganda.

26th May 2011

The Ag. Executive Director
Micro Finance Support Centre
Kampala


RE: SUPPORT TO GROUPS IN KAMPALA

The above subject refers.

You may recall that with the approval of the Minister of Finance, Planning and Economic Development, funds were put aside for various groups in Kampala namely, mechanics, timber dealers, boda boda riders, car washers and vendors. I did contact NRM leaders in the Divisions of Kampala to mobilize and sensitize the said groups in their respective Divisions. I have learnt that it is only Rubaga Division which has successfully mobilized its groups which have received funds from your organization.

In view of the fact that some Divisions have not yet submitted to you the groups to benefit from the fund, and putting into consideration that the financial year is coming to an end, this is to recommend that more groups in Rubaga that are ready, should be considered to avoid the funds reverting back to the treasury.

By copy of this letter, the NRM Chairperson Rubaga, is requested to submit to you the groups that are ready


Moses Byaruhanga

Senior Presidential Advisor on Political Affairs

Copy to: Hon Minister of Finance, Planning and Economic
Development
Minister of State for Micro Finance
Permanent Secretary/Secretary to the Treasury
(Att. Mr. Henry Mbaguta)
NRM Chairperson - Rubaga
Resident District Commissioner - Kampala
Deputy Resident District Commissioner - Kampala

"ANNEX 1"

Annex 8

Page 1 of 1

From: Caleb Akandwanaho <gerwanira@yahoo.com>
To: henry mbaguta <henry.mbaguta@finance.go.ug>
cc: bbirabbosa@yahoo.com

Date: Wednesday, February 23, 2011 12:40PM
Subject: JINJA DISTRICT WOMEN AND YOUTH PROJECTS.

HM

Attached is the wish list of Jinja district women and youth groups. The one of Arua will follow shortly. I have copied the mail to Mr Bbosa who is the supplier of some of the equipment.

Gen. Caleb k Akandwanaho salim saleh oriba (rtd)
Akiba international ltd
Strategic sites ltd
Namunkekera agro processing industries ltd
P O BOX 10508 KAMPALA UGANDA

Attachments:

jinja small scale industries 1.doc

jinja small scale industries 2.doc

Mr. Bbosa - Supplier

0759 778 003

**PROPOSED DRAFT BUDGET FOR SMALL SCALE INDUSTRIES
FOR YOUTH IN JINJA DISTRICT**

Location	S/c & Ward	Identified small scale industry	Amount
Jinja west & east constituency	Jinja central division	Lathing machine	30.000.000
		Tailoring and weaving	10.000.000
		Liquid soap/ shampoo making machine	10.000.000
			50.000.000
	Mpumudde kimaka	Bar soap making machine	15.000.000
		Metal and fabricating machine	20.000.000
		Plumbing tools	10.000.000
Sub-Total			45.000.000
	Walukuba Masese	Hatchery	15.000.000
		Fish cages	10.000.000
		Metal fabricating machine	20.000.000
Sub-Total			45.000.000
Butembe	Mafubira	Brick making machine	10.000.000
		Carpentry workshop	20.000.000
		Tailoring, weaving equipments	10.000.000
Sub-Total			40.000.000
	Busedde subcounty	Stone cutting and crushing machine	
		Maize milling machine	20.000.000
		Brick laying machine	15.000.000
			10.000.000
Sub-Total			45.000.000
	Kakira s/county	Metal fabricating	20.000.000
		Spirit distilling machine	15.000.000
		Tailoring and weaving	10.000.000
Sub-Total			45.000.000
	Bugembe Town council	Chalk making equipment	10.000.000
		Liquid soap making machine	12.000.000
		Button, belt and craft making machine from cattle horns	15.000.000
Sub-Total			37.000.000
Kagoma	Butagaya S/C	Maize mill	15.000.000
		Multi-purposes Fruit processing	
		Bar soap making machine	20.000.000
			15.000.000

Sub-Total			50.000.000
	Budondo S/C	Fruit and vegetable processing machine Milk cooling plant Metal fabricating machine	30.000.000 15.000.000 15.000.000
Sub-Total			60.000.000
	Buyengo S/C	Sugar cane juice processing machine (small scale) for organic sugar, complete with stainless boiler Maize milling machine Liquid soap making machine	15.000.000 15.000.000 12.000.000
Sub-Total			42.000.000
	Buwenge Rural	Maize milling machine Metal fabricating machine Sawing, tailoring, knitting and weaving machines	15.000.000 20.000.000 10.000.000
Sub-Total			45.000.000
	Buwenge T/C	Metal fabricating kit Hatchery Animal feed mixer	20.000.000 15.000.000 10.000.000
Sub-Total			45.000.000
Grand Total			639.000.000

PROPOSED DRAFT BUDGET FOR SMALL SCALE INDUSTRIES FOR WOMEN IN JINJA DISTRICT

LOCATION	S/C & WARD	IDENTIFIED SMALL SCALE INDUSTRY	COST
Jinja West & East Constituency	Jinja Central Division	Weaving and Vetting machine Liquid soap/ Shampoo making Embroidery machine	
Sub Total			
	Mpumudde Kimaka	Bar Soap Making Machine Hatchery Animal Feed mixer G nut machine	
Sub Total			
	Walukuba Masese	A set of G nut Machines Mukene Machine Maize Milling Machine Water packaging Machine	
Sub Total			
Butembe	Mafubira	Goats Carpentry workshop Maize mill 2 Tailoring, weaving equipments 1 Designing Machine	
Sub Total			
	Busedde Sub County	Stone Cutting and crushing machine Maize milling machine Brick laying Machine Goats Spirit distilling machine	
Sub Total			
	Kakira Sub County	Spirit distilling machine Set of Gnut Machine A tractor Tailoring and weaving machine	
Sub Total			
	Bugembe Town Council	Designing Machinery Water packing machine	

		Animal Feed mixer Set of G Nut machine Hatchery	
--	--	-------------------------------------------------------	--

Sub-Total

Kagoma	Butagaya S/C	Maize mill Multi-purposes Fruit processing Brick laying machine 10 Sewing Machines 5 G.nut machines	
--------	--------------	-----------------------------------------------------------------------------------------------------------------	--

Sub-Total

	Budondo S/C	Cooler for vegetables Solar Drier Sewing Machines (20) 3 Walking tractors and accessories Metal fabricating machine/welding	
--	-------------	-----------------------------------------------------------------------------------------------------------------------------------------	--

Sub-Total

	Buyengo S/C	Sugar cane juice processing machine (small scale) for organic sugar, complete with stainless boiler Maize milling machine 2 Tatas for moving sugarcane Liquid soap making machine	
--	-------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

Sub-Total

	Buwenge Rural	Maize milling machine Hatchery Water packing machine Soap Making Machine	
--	---------------	-----------------------------------------------------------------------------------	--

Sub Total

	Buwenge T/C	Maize milling machine Designing machine Food mixture Irrigation machine Animal feed mixer Hatchery	
--	-------------	-------------------------------------------------------------------------------------------------------------------	--

Sub Total

Grand Total

Mukasa - Tuma *Mukasa*


JINJA DISTRICT NRM WOMEN LEAGUE LEADERS IN DIFFERENT SUBCOUNTIES

NO	NAMES	DESIGNATION	MOB NO
1	NABUKALU NUSURA	CHAIRPERSON JINJA DIST N.R.M W/L	0712940564/0785950599
2	BALIGEYA BETTY	CHAIRPERSON BUDONDO S/C	0752968029/0782434346
3	NGOBI BEATRICE	CHAIRPERSON BUWENGE T/C	0784198385
4	WALANGALIRA SOPHY	CHAIRPERSON MAFUBIRA S/C	0782692115/0701030392
5	NAMAKIKA NORAH	CHAIRPERSON BUYENGO S/C	0776987538
6	NTENDE AIDAH	CHAIRPERSON WALUKUBA MASESE DIVISION	0752993459
7	HIGENYI IRENE	CHAIRPERSON BUTAGAYA S/C	07885963601
8	SSOZI FATUMA NAMUSOBYA	CHAIRPERSON BUGEMBE T/C	0773849170
9	KABUTUUKA BETTY	CHAIRPERSON BUSEDE S/C	0785929465
10	NAMUTOSI SARAH	CHAIRPERSON MPUMUDE KIMAKA DIVISION	0783850485
11	JOY BALYEKU	CHAIRPERSON JINJA CENTRAL DIVISION	0772467452
12	BATEGA RUTH	CHAIRPERSON BUWENGE RURAL	0782572396
13	NAKISINDI DEBORAH	CHAIRPERSON KAKIRA S/C	0754299900


Annex 8 L

[Mark Message](#)[Back to Sent](#)[Move](#) | [Copy](#) This message to[Delete](#) [Reply](#) [Forward](#) [Redirect](#) [Edit as New](#) [View Thread](#)[Blacklist](#) [Whitelist](#) [Message Source](#) [Save as](#) [Headers](#)[Attachments](#)**Fwd: JINJA DISTRICT NRM WOMEN LEAGUE
LEADERS IN DIFFERENT SUBCOUNTIES**

Date 03/19/2014 (03:55:34 PM EAT)

From jmukaga@parliament.go.ug 

To gerwanira@yahoo.com

 Text (1 KB)


Dear Afande,

I regret sending the document late. I however as discussed and agreed yesterday on phone, I have attached an email from you for purposes of refreshing you on the groups that you proposed for funding. The funding was part of the Presidential Initiative on Market and Small Market Vendors.

Thanks

Mukaga James

Principal Clerk Assistant Parliament.



 Text (1 KB)

[Attachment stripped: Original attachment type: "message/rfc822", name: "Forwarded Message"]

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scheduled meeting with PAC

Date 03/19/2014 (04:58:49 PM EAT)**From** jmukaga@parliament.go.ug **To** gerwanira@yahoo.com Text (1 KB)

Dear Sir,

Further to the attachment sent today, the Committee has scheduled to meet you tomorrow at 10am, in Room 408 North Wing Parliament. The issue of discussion is the Presidential Initiative on Markets and Small Market Vendors, with particular emphasis on the role you played in funds being given to the benefiting groups. Thanks.

Mukaga James

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JINJA DISTRICT NRM WOMEN LEAGUE LEADERS IN DIFFERENT SUBCOUNTIES

Date: 03/20/2014 (09:54:43 AM EAT)
From: clerk@parliament.go.ug [✉](#)
To: gerwanira@yahoo.com

 Text (1 KB)

Gen Saleh,

I have been requested by Mr. Mukaga James to forward to you scanned copies on the above subject.

Please acknowledge receipt.

Irene
Senior Administrative Assistant
Office of the Clerk

 Text (1 KB)

[Attachment stripped: Original attachment type: "application/pdf", name: "Jinja District NRM Women League Leaders in different subcountie.pdf"]

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Annex 9

Telephone : 256 41 4707 000
: 256 41 4232 095
Fax : 256 41 4230 163
: 256 41 4343 023
: 256 41 4341 286
Email : finance@finance.go.ug
Website : www.finance.go.ug

In any correspondence on MED.156/207/01
this subject please quote No.



THE REPUBLIC OF UGANDA

Office of the Minister of State
for Finance (Microfinance)
Ministry of Finance, Planning &
Economic Development
Plot 2-12, Apollo Kaggwa Road
P.O. Box 8147
Kampala
Uganda

May 20, 2011

Executive Director
Microfinance Support Centre Ltd.
KAMPALA

Ag. CFO
Process payment to implement the project.

PUCHASE OF MILK COOLERS FOR:

- 1. DWANIRO LIVESTOCK & DIARY CO-OPERATIVE SOCIETY**
- 2. LWAMATA WOMEN DIARY CO-OPERATIVE SOCIETY**
- *3. KAPEKE FARMERS ASSOCIATION** — *this was not on original list.*

24/05/2011.

I received requests from the leaders of the above Co-operative Societies requesting to purchase milk coolers with bigger capacity.

You are aware that each SACCO was given 25 million; out of which 18million was given for the purchase of a milk cooler of 1,000 litres and the 6million was to purchase a generator. Memorandum of Understanding was signed between Microfinance Support Centre Ltd. and Sub County SACCOs which received the money on behalf of the beneficiaries.

After that process I received requests from the beneficiaries to purchase the milk coolers themselves without going through contracting and their intention is to get coolers of bigger capacity for example from the 18 million, I am told they can get a cooler of 5,000 litres with the help of H.E. James Mulwana of Jessa Dairy Products.

This is, therefore, to direct you to guide your officer Mr. Balinda of Microfinance Zonal Office in-charge of the area to implement the directive.

[Signature]

Ruth Nankabirwa Ssentamu (MP)

MINISTER OF STATE FOR FINANCE, PLANNING & ECONOMIC DEVELOPMENT (MICROFINANCE)

Copy to: Commissioner, Microfinance Department/MoFPED
Dwaniro Livestock & Dairy Co-operative Society
Lwamata Women Dairy Co-operative Society
Kapeke Farmers Association

Mission

"To formulate sound economic policies, increase revenue mobilization, ensure efficient allocation and accountability for public resources."

NYAHUKA WARD

P.O. BUNDIBUGYO

NYAHUKA T.C.

22-6-2012.

J-BASHAZA FRED aged 50 years -

Nyahuka Ward

Nyahuka NCI village

Bundibugyo

I state that I received call from micro Finance support Centre from Fortportal It was around June of 2011, when we received the message stating that there is money for the market vendors for Nyahuka market. This information stated that people who was registered from Nyahuka was 1000 people, but the number was 10,000 people. Finally we were called to Fortportal again, when we reached there we found the Zon manager Miss Atello Immaculate who told us we must open account in Fortportal in Bank Africa, but we asked them that we already have an account from Stanbic Bank they said no we want you to open this account from Bank of Africa. There we opened the account there in Bank of Africa. When the money came we were called again to reach there Atello and Muhumuna told us to sign a memorandum of understanding. There we were not given a copy of it, on the memorandum of understanding we found 10,000 people who are registered and each is supposed to Shs 20,000 twenty thousand shilling which ~~total~~ totalled Shs. 210,000,000=Shil two hundred ten millions only.

Then another day we were called to go back to reach there they said now let us go to the Bank. In the Bank ~~in the Bank~~ we were with Mr. Muhumura Tony. In the Bank Muhumura Tony was communicating to Akello Immaculee as the Zonal manager who directed him to get the sum of money worth Shs. 180,000,000= Shilling (one hundred eighty million Shillings only) then we were left with 30,000,000= (Thirty million Shilling only) ^{by Muhumura} And finally this money we got we gave it to the market vendors each to ~~reach~~ to receive Shs 20,000, (twenty thousand Shilling) each.

Therefore that is all about that money of Market vendors

I am Basaliga Fred ~~for~~
Chairman SACCO

Kyambika T.C.

0774529142

NYAHULA TOWN COUNCIL
SACCO,

Bondabulga
22/6/2012

1 Mr. Byansi Nicholas, aged 42, a resident of Bondabulga St, Kibungu Parish in Bondabulga district.

On this date 22/6/2012, I state that our SACCO was selected by Mr. Munnings Tommy the credit officer of Fortportal micro finance support centre Ltd to request us that we accept to pass market vendors money that was promised by the presidents of Uganda. The chairman of the market vendors registered 1000 people and when the list reached Kampala the figure was inflated to 10,000 people.

Mr. Munnings Tommy who was the credit officer of Fortportal micro finance support centre, gave us a memorandum of understanding to sign with 210,000,000 (Two hundred ten million shs only). But instead ¹⁴ instead of ~~210,000,000~~ 210,000,000 (Two hundred ten million shs only) we only got 30,000,000 (Thirty million shs only).

When it came to banking, all the money was put on our accounts but when it came receiving after withdrawals, Mr. Munnings Tommy gave us only 30,000,000 (Thirty million shs only) instead of 210,000,000 (Two hundred ten million shs only) and Mr. Munnings Tommy took away 180,000,000 (One hundred eighty million shs only) in the presence of Mr. Baluku Johnson the Uganda cooperative savings and credit union (UCSU).

MSW
IMMACULATE

The zonal manager by then was Mrs. Allello.
After receiving the thirty million she only (30,000,000) was given to the people it was meant for.

During that time, much more Tony was communicating
up to Mrs. Allello and some people in the camp.
So what we received we disbursed all.

That is all what I can tell.

BLENST NICOLAS

MSW

22/6/2012

0775-302311

—
NAMES; Edward Kasule Annex 11a

TRIBE; Muganda by tribe

AGE; 53 years Date: 20th 06-2012

ADDRESS; 40 Nakawa MKT coop Savings
and Credit Society Ltd.
P.O. BOX 40304, Kampala.

STATES; That On the 2nd March 2011 while in my offices at Nakawa Market, I was approached by one of our staff by the names of Jan Abbut (Ag. Manager) and told me that new Manager of Microfinance Support Centre wanted to talk to me. I accepted and we fixed the appointment for the following day 3rd March 2011 in the evening at my offices. On the 3rd March 2011 while at my offices, the two came. Jane Abbut introduced to me the gentleman as Mr Okello Joseph her brother and the new Manager of Microfinance Support Centre - In charge Central region. She added that Mr Okello Joseph was going to help us in securing a top up loan of US\$ 120,000 which the FRC Committee had denied us a chance to access, as they (MSC) had only approved P.D.

ANNEX 7

(2)
and disbursed US\$ 30m = out of US\$ 150m =
that was recommended by the Commission for
Cooperative Development. In his remarks, Okello
Joseph told me that the Loan issue of US\$ 120m =
was no longer a problem to us it was over and
let us expect that money in a few days to come
as we continued to discuss, Okello Joseph mentioned
to me that he came to me to seek some assistance
by drawing for them US\$ 347,382,000 (staff allowance)
which had been already sent to our account
at United Bank for Africa (UBA). I got shocked.
On hearing that such huge amounts of money
has already on our account. On realizing that
I was very much shocked about the money, Okello
Joseph pulled out a memorandum of understanding
for me and Jane about to sign. We signed
a document which had no figures on it as
Okello Joseph told us that about the figures,
he was leaving it for his boss to decide it
by himself. He also added that there were
a number of documents to be processed and
attached on the memorandum later. This was
made in assuring us that as we help them,
they are also helping us. After the meeting,
I went and briefed MS Walugembe Muleka
(Deputy) who was pleased to hear that good
news for our members. Since the demand
for loans has had from our members was too
high for the sacco to manage. He agreed to
go and brief our Colleague Haji Ssira
Ssebadduka who is also a Signatory. We
met him and briefed him about the good
news. He was happy to hear that news
for the members. He therefore asked the
treasurer (MS Walugembe Muleka) to find out

P.T.O

(3)

out from the Bank whether it was true that the said money (US\$ 347,382,000) was already on the Sacco etc. She went to the Bank and later confirmed to us that it is true. On 4th March 2011, Jane Abbot told me that Okello Joseph called her and asked for part of the money that is US\$ 215,000.0000. I asked Jane Abbot and Walugembe Inelda to prepare the Cheque. We all (Kasule, Walugembe, Abbot, and Okello) met at the Bank. The three of us (Kasule, Walugembe and Okello) signed the Cheque. The treasurer Walugembe Inelda presented it to the Cashier for payment. She was advised that on such big amounts of money, the bank is always notified before such that they arrange the money in big denominations. According to treasurer, Walugembe Inelda the money need a small sack in which to be packed. Walugembe Inelda asked Okello Joseph, on how he was going to carry the said money (US\$ 215,000). Okello Joseph pulled out his mobile phone and called some one whom he said was his boss to come. Some minutes later, the gentleman who was putting on glasses arrived and parked opposite the bank. As we were outside, Okello Joseph introduced the gentleman to us as his boss whose name I can't remember to day. Okello Joseph briefed his boss on what has happened. The gentleman pulled out his mobile phone and talked to some one who he said was the bank manager and the latter asked them to take back the Cheque for payment as the bank was going to arrange good money for them to carry (big denominations). R.T.O

Full
20/06/2012

(4)

I together with Hajji Sirije Sebadduka left Imelda Walugembe, Abbot Jane and Okech Joseph going back to the banking hall and we proceeded for our normal business.

On 11th March 2011, Abbot Jane told me that Okech Joseph had called her asking for their balance. I asked Jane about together with Walugembe Imelda to prepare the cheque amounting to U.Shs. 132,070,000=. At was in the first place, we all met at the bank, but this time Okech Joseph had with him a bigger envelope to carry the money like in the first place, the three of us signed the cheque. I together and Hajji Sirije

Sebadduka signed left the bank for our normal business and left the others to draw the money. Seven (7) months later we Kasule Edward, Walugembe Imelda, Hajji Sebadduka and Abbot Jane were summoned to Auditor General's Office located on Kitante Road to answer some questions about the said money (U.Shs 347,382,000= disbursed to our Sacco for our members. On 1st December 2011, I together with Walugembe Imelda reported to the said meeting composed of the following people. Mr. Kevin Stephen, Mr. Byakunga Hamfray, Kasule Edward and Walugembe Imelda, we were asked to tell the truth about U.Shs 347,382,000= which was disbursed to the Sacco etc. I explained as written in this statement and Imelda Walugembe also explained. Still on the

Wh
20/06/2012

(5)
fact findings, Mr. Wasike called Abena
Jane on her mobile number and asked her to
report the said meeting. Since the phone
was put on hold for us all to hear well
she was talking, she replied that she was
coming. We waited for a while and Abena
did not show up to be seen. Mr. Wasike (9)
again and about the US\$ 347,382,000 which
was disbursed to the SACCO. She advised
having received the said money from the bank
in two instalments and took it in the Company
of Oduello Joseph. When asked to tell the
beneficiaries who received the said money
she replied that she paid it to residents of
Naguru and Nakuru Estates. When asked
to tell whether she was coming to the
meeting, she replied that she was already on a
bus to up country. Mr. Wasike went ahead
and called Oduello Joseph to come for a
meeting. Mr. Oduello Joseph came and joined
us in a company of Mr. Godfrey Mwangi
he introduced himself as a staff from Micro
finance Support Centre - Bukoto office.
Oduello Joseph was asked to tell the meeting
whether he knew us, he accepted that he
knew us as chairman and treasurer. When
asked to tell the truth about US\$ 347,382,00
which was disbursed to Nakuru Market SACCO.
He could not answer and there was
a request for more time which was accepted.
The meeting was closed down and we were
asked to go back to our homes. Till today

20/06/2012

(6)

Wednesday 20th June 2012, Mr Wasike called me and asked me, together with, Wabugenbe Imelda, Sirajje Sebadduke and Abbot Jane to report to their offices to make statements.

I communicated the message through Wabugenbe Imelda who confirmed to me that she reached Sirajje Sebadduke, but Jane Abbott in the first place could not pick her phone and when tried later, the phone was off. Still on the same matter, on the 6th June 2012, two officials from

146's office came to our office at Nakawa Market and asked know about U.S\$ 347,382,000 which was disbursed to the SACCO A/C. The people found in offices were new and had no answer. They called me on phone and

we met in our office on the 12th June 2012 and I together with Wabugenbe Imelda recorded our statements. Some days later after recording our statements, Abbot Jane had invited for a meeting in my office after the ²⁰¹² officers having recorded her statement. On 18th June 2012

while in a meeting at my office, Abbot Jane when asked about the U.S\$ 347,382,000= she admitted having received the money and was paying it to the beneficiaries from Nagur and Nakawa Estates Secretly, she did it in a period of two months from our SACCO offices. She added that she was asked to do it secretly by Okello Joseph. And that in case the information leaks, she was the only one and no body else. Abbot Jane also admitted having received the a completed

List of names (7)
Osele Joseph; which names she admit
having submitted to Microfinance Support
Centre in respect of accountability. I
wish also to state that as far as
accountability is concerned, we as a
We have never prepared any accountability
in respect of U.S.D. 347,302,000 = and submit
it to Microfinance Support Centre Office.

That is all I can state, to the best of
my knowledge. Statement made by me is
true and correct.

Signed by Edward Kasule *E. Kasule*
20/06/11

20/6/2012

The Auditors,
PIC 7 - Uganda.

Walugembe Imelda

Ssebo / nnyabo

Re: ghs. 347,382,000 era Market Vendors ne
Car washes.

Nakawa market Co-operative Savings and Credit Society
yasaba ~~to~~ loan ya bukadde 150,000,000, Commissioner
gwa co-operatives nakinzira. Nakawa Co-operative
nesaba obukadde 150,000,000 = Okura mu Micro Finance
Support Centre. Era Microfinance Support Centre
nefuwa obukadde 30,000,000 nga loan.

Ofunaki luma Sikyalujindira bulangi chairman
Edward Kasule yamfita mu Office ye nantegezza
nti Manager wa ~~He~~ Jane Abbut yamutukinidde
nanutegezza nti Manager omufya mu Micro Finance
Support Centre mwanjina - ya ye Joseph Okello
eyo bukadde 120,000,000. Nti naye naye ngatwalina
okubajirayo ssente za allowance wa Bakazi ba
Microfinance Centre ezali ziri ku ALC ya
Nakawa Market Sacco. ~~Nze~~ Imelda Walugembe
omuwamika nali simanyi nti ku ALC ya Sacco eri
mu VBA jinga Ed-kwalico ssente. mu Office ya
Chairman Jane Abbut yaliwo era nanyonyola nga
Okello Joseph bwagenda okubuyamba Tufume loan
Allowance wa Bakazi babwe (Micro Finance Support
Centre. Eukera nagenda mubank ya

Walugembe Imelda

(2)

Jinja Rd. n'enkebera ku Alc ya Sacco
za Ssentekwezi. shs. 347,382,000. Nga Zate
kebwa ku Alc eno eya Sacco nga 2/3/2011.

Naddayo n'entegereza chairman - Kasule Edward
nti ssente kwezi; Twatula nze Imdda Walugembe
Omukwanika, chairman Kasule Edward, Manager
wa Sacco Jane Abbut netusabwe tuyite Vice
chairman - Haji Ssebaduka Siraje kuba naye
atekako omukono ku ceke.

Nga 4/3/2011 Walugembe Imdda ne Jane Abbut
twagenda ku Bank ya UBA Jinja Rd. Twasanga
chairman Mr. Kasule Edward, Vice Chair Haji
Ssebaduka Siraje naye Jajja. Chairman, Kasule E.
yasagininga ku ceke, Vice-chairman Haji
Ssebaduka naye yasagininga nange Walugembe
nasagininga. ya Tuyiyo shs. 215,000,000=

kino twakibwira Jane Abbut. Ngatutegereza
nga Manager Microfinance Support Centre Joseph
Okello bwajja okutwamba okuyinza loo jobukade
shs. 120,000,000. Era Jane Abbut yangamba nti Joseph

Okello abakazi bali bamuli bubi ngabagala
nakwekubakasa owa abawanze wabwira nga akubira
ssimu Jane Abbut; ne chairman Kasule Edward
Bwe Nawayo ceke ababank bawegera nti
ezo zali ssente nnyingi ezali zetaza okumala
Okubawo Notice. Era bangamba nti yakubirira
Okumala esawo nga 3. Chairman Edward
Kasule yavawo nagenda, ne Vice chairman naye
yavawo nagenda.

Haji Siraje Ssebaduka

Twasagale nze Imdda Walugembe Omukwanika, ne Manager
Jane Abbut. Ngatubirira ssente. Era Joseph Okello yakubira,
Batuyita Mukasenge owajwirwa ssente nnyingi.
Jane Abbut amasimu.

③

niyer yatubwirira Ssente. shs. 215,000,000/-
Manager Jane Abbut yatubwirira Okello Joseph Essimu
nagya era Jane Abbut nanona Joseph Okello
awo wabwera wa Bank.

Januleta mu Kasenge. Joseph ^{Okello} yakina ensawo
era yabala Ssente Okulaba nti Ziwerze
era naritaka mu nsawo ye najuluma Nagenda.
Nze Walugembe Imelda Onuwanika ne Manager
Abbut Jane Twajuluma Bank ne Tuddayo e
Nakawa Mukataba.

Enalika ezaddako era Chairman Kasule Edward
ne Abbut Jane - Manager wa Sacco. bajuna amasimu ^{okuragala}

Okello Joseph nga yabala Ssente era sigalayo
ku ALC obukadde 132,070,000 - Tubujjyo
Tubumwe kuba abakori ba Micro Support
Centre bali banuli bubi era nga bagaba
kavakalaka, olwobutajuna nga bagaba
nga 10/3/2011 - Twawa n'otwe mu Bank Allowance wabwera.
nga 11/3/2011. Onuwanika Imelda Walugembe,
Chairman - Kasule Edward, Manager Abbut Jane,
Vice Chair Haji Ssebadduka Siraje - Twasinkana
ku UBA Bank jinga Rep. Chair Kasule Edward
nasayinika, Vice Chair Haji Ssebadduka Siraje
nasayinika. Nange Onuwanika Imelda Walugembe
nensayinika. Twajjyo obukadde 132,000,000 =
Kasule Edward ne Haji Ssebadduka bali bagenze.

Twajjibwa mu Kasenge owajunira Ssente
enyingi. Nze Walugembe Imelda ne Abbut Jane.
Cashier yabala Ssente shs 132,000,000. Jane Abbut
yatubwirira Okello Joseph Essimu. Okello Joseph
nagya ne nsawo. Joseph Okello - Manager Micro Finance

(4)

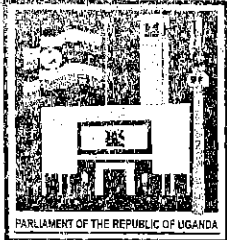
Support Centre. Nabala Ssente okulaba nti
Ziri 132,000,000 = Bweyamala Okabala neriteka
mu nsawoge. Napuluma Bank:

Nze Imelda Walugembe ne Abbut Jane Twaguke
Bank ne tuddayo e Nakawa Mukatete.
Abbut Jane Manager, Okello Joseph Manager
Micro Support Centre: Yamundagira mu Bank.

Walugembe Imelda.

20/6/2012

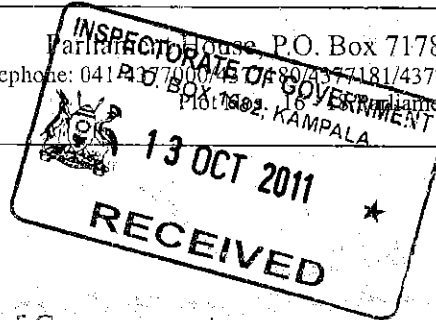
Walugembe Imelda



THE PARLIAMENT OF UGANDA

Parliament House, P.O. Box 7178, Kampala Uganda.
 Telephone: 041-4377180/4377181/4377182 Facsimile: 041-4342364
 P.O. Box 16, Parliament Avenue

In any correspondence on
 this subject please quote No.



12th October, 2011

The Inspector General of Government
 Kampala.

Dear Sir,

**RE: FUNDS FOR COMMUNITY GARAGE OPERATORS, CARPENTRY
 WORKSHOPS OPERATORS AND WASHING BAY OPERATORS
 UNDER THE PRESIDENTIAL INITIATIVE FOR MARKET
 VENDORS AND SMALL BUSINESS OPERATORS FOR MAKINDYE
 DIVISION**

As a Member of Parliament one of my responsibilities is to offer an oversight function to government in addition to the legislative and appropriation functions.

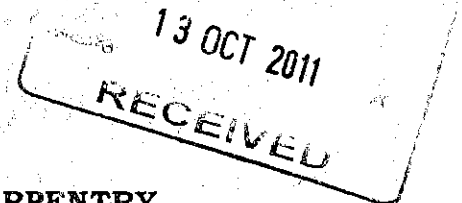
In fulfillment of the oversight role therefore, I want to draw your attention Sir, to the corrupt practices and financial impropriety committed by officers of the Micro Finance Centre Kampala zonal office in Kamwokya and the NRM Leadership in Makindye Division.

The Micro Finance Centre released Ug. Shs. 220m (Two Hundred and Twenty Million Shillings Only) under the Presidential Initiative for Market Vendors and Small Business Operators programme to act as a revolving fund under the arrangement shown below.

- | | | |
|------------------------|---|---------------|
| i. Community Garages | - | Ug. Shs. 100m |
| ii. Carpentry | - | Ug. Shs. 60m |
| iii. Car washing bays | - | Ug. Shs. 20m |
| iv. Food vendors | - | Ug. Shs. 20m |
| v. Moslem Women Groups | - | Ug. Shs. 20m |

A list of would be beneficiaries was submitted to the Micro Finance Centre upon which these funds were released mostly under the categories of community garages, car washing bays and carpentry workshops.

In addition to the above Sir, a Memorandum of Understanding (MOU) was signed between Ggaba Savings and Credit Corporative Society Ltd



through which the identified would be beneficiaries were meant to access these funds.

This Memorandum of Understanding clearly spelt out the procedure on how these funds were to be disbursed.

According to the information I have, the NRM Chairman Makindye Division went a head and directed Ggaba Savings and Credit Cooperative Society to transfer the money to the account of another SACCO called Katwe Metal Fabricators Cluster Saving and Credit Cooperative Society.

To my understanding these actions where tantamount to actions under part II (2) C, D and E of the Anti-corruption Act 2009. These actions of the NRM Chairman further contravene section 6, 8,9,11 and 16 of the same Anti-Corruption Act 2009.

Furthermore, Sir, those who were registered as would be beneficiaries of these Funds have not got a chance to access these funds because the SACCO where it was transferred is using it as its capitalization fund while as these were not guidelines under which these funds where released.

In conclusion Sir, I pray that you investigate the matter with a view of ascertaining the following;

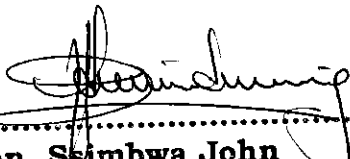
- a) Whether this money was released from the Micro Finance Centre in Kamwokya.
- b) Whether a list of would be beneficiaries was submitted before these funds released.
- c) Whether a Memorandum of Understanding was signed between Ggaba Saving and Credit Ltd.
- d) Whether the terms and conditions in this Memorandum of Understanding were followed.
- e) Establish whether the money is still with Ggaba Savings and Credit cooperative Society and if not where it was transferred.
- f) Establish whether this transfer is legal and legitimate.
- g) Establish the total amount of money that is on the Account were it was transferred and ascertain how much has been rolled out so far and whether the process of these disbursements are or were guided by any guidelines.
- h) Establish those have been fraudulent beneficiaries of these funds.
- i) In the mean time I request that the account were these funds were transferred be frozen until your investigation are completed.

Using your prudence Sir, I request that you carry out further actions that would enable the would be beneficiaries access these funds and those

who were involved in the contravention of the Anti-Corruption Act 2009
or any other laws of Uganda be prosecuted under the courts of law.

Your honour I do pray.

Yours faithfully,



.....
Hon. Ssimbwa John
MP Makindye East Constituency

Telephones: 259738/255892
344219/251462

Duty Office: 347387
Fax: 344810/257590
Website: www.igg.go.ug

In any correspondence on this
Subject please quote No. **39/10/11**



Inspectorate of Government
Jubilee Insurance Centre,
Plot 14, Parliamentary Avenue,
P.O. Box 1682,
Kampala, Uganda

21st June, 2013

Hon.Simbwa John
MP Makindye East
P.O.Box 7178
KAMPALA.

**ALLEGED MISMANAGEMENT OF FUNDS UNDER THE
PRESIDENTIAL INITIATIVE FOR MARKET VENDORS AND SMALL
BUSINESS OPERATIONS PROGRAMME FOR MAKINDYE DIVISION (HQT
39/10/11)**

Reference is made to your complaint over the above subject matter.

Please be informed that investigations into the same are still ongoing by the Directorate of Ombudsman and that you will be notified on conclusion of the investigations

S.K.Kasirye

For: INSPECTOR GENERAL OF GOVERNMENT

C.C: Director Ombudsman Affairs
Inspectorate of Government