



STATEMENT TO THE PARLIAMENT OF THE REPUBLIC OF UGANDA

BY HON. MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (MICROFINANCE) ON THE PRESIDENTIAL INITIATIVE ON WEALTH AND JOB CREATION (EMYOOGA)

A. INTRODUCTION

a) Background

Rt. Hon. Speaker, at the 26th sitting of the 1st Meeting of the 5th Session of the 10th Parliament of Uganda held on Thursday, 6th August 2020, I undertook to present to the House a statement on the Presidential Initiative on Wealth and Job Creation (EMYOOGA). I am therefore pleased to report to this August House as follows:

Rt. Hon. Speaker and Hon. Members, the National Population and Housing Census of 2014 found that 68.9% of Uganda's households are still stuck at subsistence level (living hand to mouth in the informal economy). Furthermore, H.E The President established during his wealth creation countrywide tour (Aug - Sept 2019) that these households, which are outside the money economy were largely not benefiting from Government's existing wealth creation programmes e.g. the Youth Livelihood Programme and Operation Wealth Creation; leaving them vulnerable to cross-generational poverty.

To address this gap, Cabinet approved a proposal on the “Presidential Initiative on Wealth and Job Creation” on 19th August, 2019 to **facilitate socio-economic transformation of these households from the subsistence to money economy and market-oriented production** in line with the NRM Manifesto. The Presidential Initiative on Wealth and Job Creation has two major components, namely:

- 1) Establishment of zonal artisan/Jua Kali parks – implemented by Office of the President
- 2) Setting up specialised funds (EMYOOGA) – implemented by Ministry of Finance

b) EMYOOGA Programme Design

Rt. Hon. Speaker and Hon. Members, the EMYOOGA programme was conceived to scale up direct support to communities through establishment of various specialized funds/Myooga-specific Apex SACCOs at constituency level but with operations/branches at parish level. This approach is consistent with the parish model adopted in the National Development Plan 3.

The following nineteen (19) specialized funds/MYOOGA shall be set up at the constituency and parish levels, countrywide:

- 1) Boda Boda
- 2) Women Entrepreneurs
- 3) Carpenters
- 4) Saloon Operators
- 5) Taxi Operators
- 6) Restaurant owners
- 7) Welders
- 8) Market Vendors
- 9) Youth Leaders
- 10) Persons with Disabilities

- 11) Produce Dealers
- 12) Mechanics
- 13) Tailors
- 14) Journalists
- 15) Performing Artists
- 16) Veterans
- 17) Fishermen
- 18) Elected local leaders, and
- 19) Teachers in Private Schools

Direct membership to the Constituency Apex SACCOs shall be by the respective parish groups/associations which, in turn, shall draw **voluntary membership from individuals in the community engaged in a related economic activity** (e.g. Welders, Tailors) or belonging to a specific special interest group (e.g. PWDs, Veterans), as applicable.

Rt. Hon. Speaker and Hon. Members, the **EMYOOGA Programme has directly linked savings mobilisation to production** which has not been the case with similar Government programmes in the past.

Each of the first seventeen (17) MYOOGA-specific Apex SACCOs will receive Ushs. 30 million per Constituency per SACCO as seed capital while the Elected Local Leaders' Constituency SACCOs will receive Ushs. 50 million per Constituency per SACCO and the Teachers in Private Schools SACCOs will receive Ushs. 60 million per Constituency per SACCO to catalyse the creation of revolving funds for on-lending to the members in the parish groups (Projections of groups to be set up and beneficiaries countrywide attached as **Annex "A"**).

c) Implementation Framework

Rt. Hon. Speaker, my Ministry designated the Microfinance Support Centre Ltd (MSCL) as the lead implementing Agency for the EMYOOGA programme and it shall work in collaboration with the District EMYOOGA Taskforces that have been set up in each district and chaired by the Resident District Commissioners (RDCs) and with staff from the MSC Zonal Offices, District Community Development Offices and District Commercial Offices, among others, as members.

Furthermore, Rt. Hon. Speaker and Hon. Members, the EMYOOGA programme is being implemented in the following three (3) phases:

- 1) Community Mobilization;
- 2) Group training and registration; and
- 3) Seed capital grant disbursement.

B. UPDATE ON IMPLEMENTATION OF EMYOOGA PROGRAMME

Rt. Hon. Speaker, my Ministry provided Ushs. 30 billion in the FY 2019/20 to MSC towards implementation of the EMYOOGA programme and this FY 2020/21, Ushs. 210 billion has been provided. This Quarter, Ushs. 140 billion has already been disbursed to MSC for programme implementation.

a) Status of Implementation

Rt. Hon. Speaker and Hon. Members, I wish to report on the status of the EMYOOGA programme with respect to the three (3) phases of implementation highlighted above, as follows:

1. Community mobilization phase:

Between November 2019 – August 2020, the programme was successfully launched and commenced in rural Buganda (greater masaka, mukono, mpigi, mubende and luweero), Busoga, Bukedi, Teso, Bugisu, Acholi, Lango, West Nile, Sebei, Karamoja, Kigezi, Rwenzori,

Bunyoro, and Ankole, despite the COVID-19 outbreak disruptions. The sensitisation meetings and launch of the programme in Kampala has been scheduled to start on 22nd September, 2020.

I spearheaded this phase which involved regional and district sensitisation meetings targeting national and local leaders with the meetings attracting at least 4,080 participants; 134 district EMYOOGA taskforces were formed; community mobilisation and group identification by the district EMYOOGA taskforces was also conducted and 29,747 parish Associations have so far been formed countrywide.

2. Group trainings and registration phase:

Under this phase, at least 21,963 parish Associations have been validated by MSC in 47 districts out of which the company has so far facilitated the formal registration of 14,416 parish groups with the respective Local Governments. Furthermore, The registration process for 893 apex Constituency SACCOs in 59 Constituencies with the Registrar of Cooperatives as well as training of SACCO leaders is in advanced stages (list of ready apex Constituency SACCOs attached as **Annex “B”**).

3. Seed capital grant disbursement phase:

Under this phase, seed capital shall be disbursed to apex Constituency SACCOs that meet a criteria that is being developed by MSC. **It is envisaged that around Ushs. 620 million shall be disbursed to beneficiary EMYOOGA SACCOs per Constituency.**

b) Challenges

Rt. Hon. Speaker and Hon. Members, implementation of the EMYOOGA programme has not been without challenges. I would therefore like to highlight the key constraints we have faced so far.

- 1. COVID-19 outbreak and corresponding containment measures.** These disruptions led to the temporary suspension of programme implementation in March – April 2020 as key players in the implementation framework e.g. RDCs focused on the prevention of the spread of COVID-19. The resultant implication is that the programme is now behind schedule.
- 2. Mind sets and attitudes.** There is need to change the mind sets and attitudes of our people from always expecting to receive handouts from Government to recognising the opportunities

for wealth creation all around them as a result of the development, peace and security that has been provided by the NRM Government. The leaders should mobilise the people into collectives such as EMYOOGA to benefit from economies of scale.

3. **Budget.** Inadequate facilitation to the district EMYOOGA taskforces has constrained effective community mobilisation; as well as parish group and SACCO formation. The current budget allocation can also not support implementation of the programme in the 47 newly created Constituencies.

C. CONCLUSION

Rt. Hon. Speaker and Hon. Members, in view of the developments above, I wish to request the support of Parliament as follows:

1. Support to provide additional budget allocation to the EMYOOGA programme in FY 2020/21 totalling Ushs. 35 billion to facilitate the scaling up of the programme to cover the new 47 Constituencies and support the activities of the district EMYOOGA taskforces
2. Support through delivery of H.E The President's message of socio-economic transformation through EMYOOGA to the population and communities in our respective Constituencies

Rt. Hon. Speaker and Hon. Members, I beg to submit.

Minister of State for Finance, Planning and Economic Development

(In charge of Microfinance)

September 15th, 2020