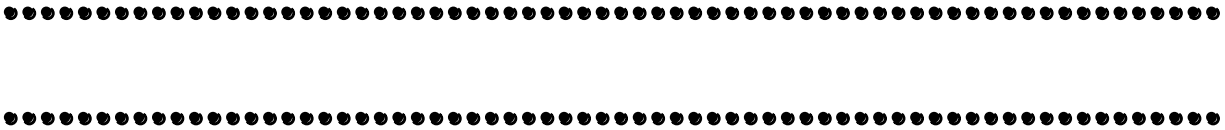


PDM ENTERPRISE GROUP CONSTITUTION



DRAWN BY THE MEMBERS

DATED:..... DAY OFYEAR.....

Arrangement of Articles

Preamble	Error! Bookmark not defined.
Article 1: Name of the Group.	3
Article 2: Supremacy of the Constitution.	3
Article 3: Location and Address of the Group.....	3
Article 4: Guiding Principles.	3
Article 5: Aims and Objectives of the Group.	3
Article 6: Membership.	4
Article 7: Group Committees.....	Error! Bookmark not defined.
Article 8: Powers and Functions of the Committees.	Error! Bookmark not defined.
Article 9: Group Leadership.	5
Article 10: Election and Tenure of the Executive Committee.....	6
Article 11: Meetings.	7
Article 12: Dispute Resolution.....	7
Article 13: Existing the group.....	

Article 1: Name of the Enterprise Group

The name of the Group shall be:.....
.....

Article 2: Supremacy of the Constitution

This Constitution shall be the binding law of the Enterprise group.

Article 3: Location and Address of the Group

The Enterprise Group shall be located inVillage/Cell
.....Parish/Ward/Zone.....Sub-County/ Division/Town
Council.....County/Municipality/City Division

Article 4: Guiding Principles.

This Enterprise Group shall be guided by the following principles in execution of all its activities, transactions and operations:

- 1) **Transparency**; There shall always be transparency and complete openness among members of the group in the transaction of its business; the group shall, in dealing with any institution, organization, individuals, association, groups, whether Government of the Republic of Uganda and its agencies or outside Uganda demand and encourage transparency.
- 2) **Accountability**; All group members shall be accountable to each other individually and collectively as a group. In the exercise of the principle, all members shall present before the group details and receipts/evidence of activities implemented for the approval of the group members.
- 3) **Democracy**; The life and activities of the group shall run on the principles of natural justice, fairness and good faith.
- 4) **Team work**; Members shall always work as a team towards any activities of the group.

Article 5: Aims and Objectives of the Group.

- 1) To undertake an economic enterprise to increase incomes and welfare of the members and their families.

- 2) To empower members by providing employment opportunities.
- 3) To increase members' access to savings, credit and other services.
- 4) To undertake any such activity to the benefit of the group and its members.
- 5) To promote massive production and marketing together the selected enterprise for increased bargaining power.**
- 6) To ensure that members engage in development both as a group but also individually.

Article 6: Membership

1) Eligibility

Membership of the Enterprise Group shall be upon fulfillment of the following:

- (a) Is a Ugandan
- (b) Above 18 years of age.
- (c) Below 18 years of age for Child headed households but under supervision of a probation officer.
- (d) Is a bona-fide resident of the same Village/Cell, Parish/Ward/Zone
- (e) Is of sound mind and law abiding.
- (f) Has interest in or is engaged in the Enterprise to be undertaken by the group
- (g) Is acceptable to all group members to be a member.
- (h) Is willing to participate in group activities and fulfill group obligations including repayment of loans.

2) Rights of Members

Every group member shall:

- (a) Be entitled to attend all group meetings.
- (b) Vote and be voted to any committee position.
- (c) Belong to at least one of the three committees of the group namely: Project Management Committee, Procurement Committee and Social Accountability Committee.
- (d) Share profits and losses arising from the activities of the group.
- (e) Have unrestricted access to all books of accounts maintained by the group.
- (f) Be entitled to request for special General Meeting.
- (g) Take part in activities of the group.

3) Responsibilities of Members.

Every group member shall:

- (a) Attend all meetings of the group.

- (b) Participate actively in project implementation in accordance with the group activity schedule.
- (c) Participate as a committee member.
- (d) Initiate and formulate policies for approval in the annual general meeting.
- (e) Exercise control on effective use of resources.
- (f) **Be a whistle blower about any issue that is comprising the values and principles of the group.**

4) **Liability of Members to the Group**

- (a) In line with the guidelines of the Parish Development Model, members shall:
 - i. Co-guarantee one another for purposes of implementation of the financed Project.
 - ii. Ensure that individually and collectively meet all the obligations spelt out for beneficiaries under the Parish Development Model.
- (b) Group members who leave the group shall remain liable to the group until all the funds borrowed under the Programme are paid back to zero balance including all charges that might have accrued.
- (c) Group members who leave the group shall not be entitled to benefits derived from group project funded under the Parish Development Model.

5) **Cessation of Membership.**

A member shall lose membership only when he/she:

- (a) Dies.
- (b) Decides to vacate the group on his/her own will subject to article 6(4)b-c.
- (c) Has been expelled by the group for misconduct.
- (d) Fails to attend group activities as prescribed by the group.
- (e) Fails to attend three consecutive group meetings of the group without genuine reason in writing.
- (f) **Stops engaging in the selected and promoted enterprise of the group in that Parish.**
- (g) Relocates to another parish, sub county, district, or country.

Article 9: Enterprise Group Leadership Structure

There shall an Executive Committee of the Enterprise of the group and this shall be composed of:

- 1) The Chairperson who shall:

- (a) Preside over all group meetings and shall in case of a tie have a casting vote.
 - (b) Prepare the agenda of the meetings of the group in consultation with the Secretary.
 - (c) Ensure that all decisions made by the group are properly implemented.
 - (d) Be a principal signatory to any group bank account.
- 2) Vice Chairperson who shall assist and deputize the Chairperson.
- 3) The Secretary who shall:
- (a) In consultation with the Chairperson, convene all the group meetings by sending invitation to all members in an agreed manner.
 - (b) Keep updated records of the group affairs including minutes of meetings and membership records.
 - (c) Promptly send notice for group meetings or other matters concerning the group.
 - (d) Record decision of group meetings.
 - (e) Be a principal signatory to any group bank account.
- 4) Assistant Secretary who shall deputize the Secretary.
- 5) Treasurer who shall:
- (a) Receive and manage all monies of the group.
 - (b) Ensure that all financial transactions of the group are recorded and kept for audit purposes.
 - (c) Receive or pay all monies for the group and issue or receive receipt for payments.
 - (d) Keep proper records of all financial matters of the group.
 - (e) Draw up financial accountability statements.
 - (f) Perform any other duty of a financial nature on behalf of the group.
 - (g) Be a principal signatory to any group bank account.

Article 10: Election and Tenure of the Executive Committee.

- 1) The executive shall be elected from amongst the members and by the members of the group for a term of two (2) years.
- 2) The election of the executive committee shall be by secret ballot.
- 3) The terms of office for which the executive committee is elected under paragraph one above shall expire at the end of the second year.
- 4) Any executive committee member of the group shall be nominated and seconded by any other member in a meeting.
- 5) Any nominated and seconded member to serve on the executive committee shall receive not less than two thirds votes of all the members of the group present at the meeting.
- 6) Where a vacancy occurs in the office of any executives committee other than by reason of expiry of the term for which the holder of the office was elected, the person elected to fill the vacancy shall hold the office for the remaining period of that term.

- 7) Any member of the executive may resign his/her office by writing under his/her hand giving reasons for the resignation. He/she shall stay in his/her office until the group elects his/her successor.
- 8) A person who has vacated his/her office shall be eligible for any other office provided his/her vacation of the previous office had not been due to gross misconduct.
- 9) Any executive member may be removed from office for inability to perform the functions of his/her office arising from infirmity of body or mind or for misbehavior and shall be removed for misbehavior by half of the members present in a meeting.

Article 11: Meetings

- 1) There shall be monthly meetings of the Enterprise Group. The Chairperson may convene extra-ordinary meetings anytime to discuss a specific subject as may be necessary for the proper functioning of the group business.
- 2) Decisions of the entire group or of its committees shall be by a simple majority of the votes of members present at the time of voting.
- 3) The Chairperson shall have a second casting vote in case of a tie at any meeting of the group.
- 4) All meeting of the group shall not be used as a platform for character assassination, discussion of personal business of any member of the group, and to further ones political or religious ideology.

Article 12: Dispute Resolution

- 1) All disputes shall be resolved amicably by the Enterprise Group through internal meetings.
- 2) In case this fails the matter can be referred to a reputable member in the community including Local Council Leaders.
- 3) Should this fail, the matter may be taken to the Community Development Officer at the Sub-County/ Division/Town Council.
- 4) The District/Municipality/City Authority shall be the last level of appeal for arbitration.

Article 13: exiting the group

- 1) **In case a member decides to voluntarily or forced to exit the group, the member shall only claim his/her savings less what is demanded from him/her as a loan if any.**
- 2) **The member who is forced or voluntarily leaving or exiting the group shall give a notice of one month for his/her benefits to be processed if any.**

We whose names and signatures/ thumbprints appear below do hereby adopt, enact and give to ourselves this constitution of.....

.....

This.....day of year.....

No	Name	Telephone Contact	Signature
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