



THE PARISH DEVELOPMENT MODEL (PDM)

A Step-By-Step Guide for Rolling out the PDM at the Community level

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C/o Ministry of Local Government**

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1.0 Executive Summary

- 1.1 The PDM in basic terms is aimed at fighting poverty at the household level by transforming households from 'working for food' to 'working for food and incomes' i.e. food security and household income'. Therefore, the target audience for the PDM are the subsistence households. The transformation shall be guided by investments by the subsistence households in enterprises that offer the highest return per acre per annum and with assured markets.
- 1.2 Implementation of the PDM at the grassroots, shall begin with community mobilisation to ensure effective buy-in and participation by the subsistence households as well as ensuring that the community carries out their own situation analysis and identifying their own issues to redress.
- 1.3 In each Parish, this shall involve community mobilisation, sensitization and participatory community appraisal processes. The participatory community appraisal processes are carried out to ensure that the community understands the PDM and embraces it as a development model led by them. This process will also allow the community to get involved in the PDM and have active participation, decision making, monitoring and ownership.
- 1.4 Community mobilisation and sensitisation will be conducted mainly through village level meetings, by a team of both local/political leaders and technical staff of the sub-county including LC1 chairpersons and councillors, CDO, extension staff, Parish Chief among others. All members of the village shall be encouraged to participate in these meetings so as to be involved in the initial activities of the PDM. In these meetings, the community shall be informed about what the PDM is, its objectives, the key pillars, the modalities of implementation etc.
- 1.5 Community mobilisation and identification of Subsistence households and formation of PDM Enterprise Groups and SACCOs shall be phased.

1.6 The PDM Enterprise formation process will entail 4 stages to complete with the end game being functional PDM Enterprise Groups that federate at the parish level to form a PDM SACCO. The 4 stages are:

STAGES	MAJOR ACTIVITY	KEY TASKS
Stage 1	Community entry meeting and awareness raising	<ul style="list-style-type: none"> i. Mobilise all the village members to hold Village meetings to introduce the PDM. The key output is awareness of the PDM at the Community level ii. Awareness campaigns- community radio, IEC dissemination
Stage 2	Community Profiling and Identification of subsistence households	<ul style="list-style-type: none"> i. Facilitate the community to carry out participatory Wealth Ranking exercise which enables the community to identify its subsistence households. ii. LC1 confirm and endorses on the lists of subsistence households identified
Stage3	Enterprise selection, and formation of PDM enterprise Groups	<ul style="list-style-type: none"> i. Agree the priority investment Menu (income generating activities/enterprises) for the Parish (Extension staff and Commercial Officers to guide this exercise). The PDC to approve the chosen Investment Menu ii. Formation of PDM Enterprise Groups around the chosen enterprise (at a village meeting) two people represent the household on the Enterprise Group iii. Election of leaders of the PDM Enterprise Groups iv. Public display of membership to the PDM Enterprise Groups v. Continuous grievance handling by the PDCs/RDC vi. LC1 endorsement and forwarding the lists of the PDM Enterprise Groups to the PDC. vii. Approval of the final lists of the PDM Enterprise Groups by the PDC and onward forwarding to the

		<p>Subcounty for them to be registered.</p> <p>viii. Registration of the PDM Enterprise Groups at the Sub-County</p>
Stage 4	Ongoing Post registration support and rollout of services (Financial, production, marketing, Facilities and advisory etc)	<p>i. Continuous community mobilisation Campaigns- community radio, IEC dissemination</p> <p>ii. Training and technical support on agricultural insurance</p> <p>iii. Continuous capacity building of PDM Enterprise Groups. The training outline for this exercise is attached at Annex1</p>

2.0 How the Subsistence Households will be organised at the Parish level

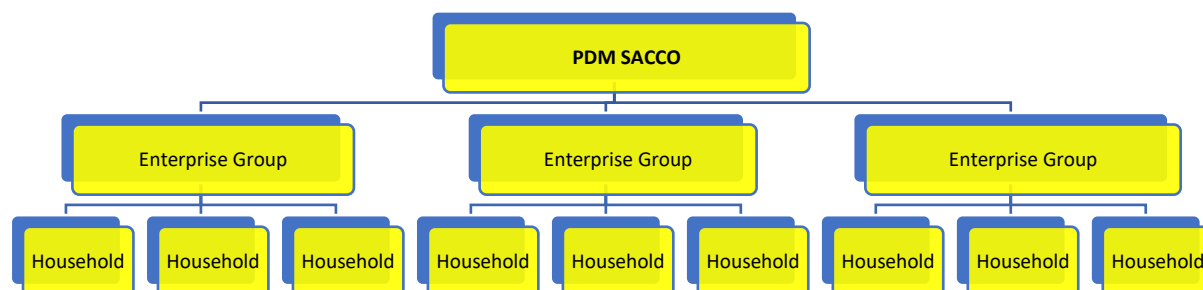
- 2.1** For socio-economic transformation to happen, subsistence households will be organised to ensure that a minimum package of services are delivered in a coordinated manner in order to make investments work for the them. As such, communities of subsistence households shall be organised in such a way as to ensure that Government support to a particular Parish is harmonised and coordinated to create synergy for development.
- 2.2** Accordingly, all wealth creation support from government for each of the 10,594 parishes under Pillars 1 & 3 of the Parish Development Model, shall be through a special type of cooperative called the PDM SACCO.
- 2.3** The PDM SACCO is a democratic form of business, organized, owned and controlled by its members (PDM Enterprise Groups), and where all members have an equal say in how the organization is run for the promotion of their economic interests. It is a special type of a multi-purpose cooperative formed under the Parish Development Model.
- 2.4** Subsistence households in a given parish shall be mobilised and organised into viable economic enterprise groups mainly farmer groups (called PDM Enterprise Groups) that are engaged in a common income-generating activity within their locality i.e., at the Village/Cell and/or the Parish/Ward levels. The PDM Enterprise Groups shall come together at a Parish level to form the PDM SACCO. The PDM SACCO shall link subsistence households, through their Enterprise Groups, to quality inputs, insurance, payment systems, tailored Business and Technical Development Services (including extension services, value addition services etc), guaranteed markets (mainly through contracts with value chain leaders), grants, appropriate loan financing and savings.
- 2.5** Enterprise Groups may include farmers’ groups, associations, village savings and loans associations, community-based groups, processors’ groups, traders’ groups etc

2.6 Each Enterprise Group shall be required to practice and adhere to core principles of building on their initiatives to ensure the sustainability of the groups and their investment projects.

2.7 There shall be only one PDM SACCO per Parish.

2.8 The institutional structure of the PDM SACCO is illustrated in figure1 below:

Figure 1: Community organisation process and strategy



2.9 The PDM SACCO will enable subsistence households at the Parish level to benefit from: economies of scale (in savings, production, marketing and extension services); quality inputs/output; reliable production advice; improved information (on) and connectivity to commodity as well as minimise post-harvest losses on top of access to finance etc.

2.10 Each PDM Enterprise Group in the parish must be a member of the PDM SACCO for it to benefit from Government Programmes.

3.0 STEPS OF ESTABLISHING A PDM ENTERPRISE GROUP

Although there are various ways of forming a farmers' group, the following steps will be followed in establishing a PDM Enterprise Group:

- a) Identification and profiling of subsistence households in a Parish
- b) Developing an investment menu for the Parish- picking feasible/ viable enterprises that can maximise returns for the subsistence households led by the Extension Staff supported by the Commercial Officer (DCO)
- c) Formation of enterprise groups- recruiting subsistence households into groups that are operating in the enterprise(s) picked in (b) above led by the CDO and supported by the commercial officer and subcounty extension staff,
- d) Ensuring ongoing effective operation of the PDM Enterprise Group

3.1 Step 1. IDENTIFICATION AND PROFILING OF THE SUBSISTENCE HOUSEHOLDS

3.1.1 Identification of the Subsistence Households

In the financial year 2021/22, the identification of subsistence households shall be carried out using community participatory mechanisms will come together, list and vet households that shall be deemed to belong to the category of Subsistence Households.

For the subsequent financial years, the identification of subsistence household shall follow a much more objective methodology guided by the profiling of households under Pillar 6 of the PDM. This exercise, which is led by the Ministry of ICT and National guidance in collaboration with Uganda Bureau of Statistics (UBOS), will collect information on each member of the community in terms of their social and economic conditions including their participation or not in various income generating areas.

The Wealth Ranking Tool

One of the most important sources of difference in the community is the disparity in wealth or poverty. As the PDM targets the subsistence households, who are the most poverty-stricken members of the community, it is important to know who they are. Wealth ranking is a Participatory Community Appraisal tool which will enable the community to find this out, in spite of the fact that this is a delicate subject. These subsistence households shall then be supported to form/join PDM Enterprise Groups.

Wealth ranking, however, is not only used to find out who the poor (or the rich) are, but also (and often more importantly), what are the criteria local people (community members) use to determine wealth (for instance access to land, or number of wives, or number of cattle, or a smart house, or a radio or a mobile phone) and how one can become richer/poorer.

The beneficiary selection under PDM will therefore be conducted through community participatory mechanisms, primarily using the wealth ranking exercise, and filling Participatory Identification of the Poor (PIP) card for each household and categorization of HOUSEHOLDS into poor, poorer and poorest. The poorest households (prospective beneficiaries) will then be subjected to community contribution requirements to confirm them as beneficiaries.

These community contributions will be assessed under the PDMIS with support from the LC1 chairperson and validated by the Parish Chiefs, CDOs, OWC constituency coordinators as well as 3 community members selected by the community to undertake physical vetting of prospective households. The validation exercise will confirm adherence to the set community indicators of a poor person and community contribution requirements.

The exact conditions will vary on the basis of local conditions and services but may include school attendance, tree-planting or other environmental activities, pit latrines and other sanitation actions, and uptake of child vaccinations.

Through this process, the community will be able to identify the poorest and vulnerable subsistence households that will join the enterprise group.

Eligible households that shall have qualified to join the enterprise group will be able to nominate two representatives to represent it in the PDM Enterprise Group. The recommended size of the Enterprise Group shall range between 10-30 members of whom at least 30 percent should be women.

Some Characteristics of subsistence households

The characteristics of subsistence households will vary from region to region and as such, community meetings will be organised where communities will define characteristics based on their own local context. However, the following are some of the general characteristics of subsistence households in **rural Uganda**;

- Low income earners with low or no savings
- Have limited access to land with majority owning or being able to rent not more than 1.3 acres of land
- Majority didn't finish primary school
- While they grow food, most of it if not all is for home consumption
- Produce mainly food crops (beans, maize, matooke, cassava, sweet potato, gnuts)
- Have a high household size
- Depend on others for handouts e.g. parents and friends
- Rent or live with family on family land

In urban areas (including the Greater Kampala Metropolitan areas) and peri-urban areas, the following are the general characteristics of the subsistence households:

- Access to food is a challenge
- Negative mindset to investing for tomorrow
- Many are educated, they came to the urban areas for greener pastures
- Majority are mainly youth and women
- Nomadism- they never settle in one place/address for a long time
- They depend on others for handouts e.g. parents, friends
- Many in brokerage business (dealers)- so they don't plan for tomorrow
- Involved in micro enterprises- trade
- Majority are outside the farming sub-sector
- Access to land is a challenge, some are homeless while others are in rented accommodation.

- They have food/cash only for today- tomorrow will care for itself
- Engage in petty trade/casual labour or deals

To identify households that fall within the above listed characteristics, a participatory community wealth ranking methodology will be used to rank households and by so doing identify the poorest and most deserving households to be targeted for the PDM. Lists and names of subsistence households generated through the participatory community process will be assessed with support from the LC1 chairperson and validated by the Parish Chiefs, Community Development Officers (CDOs), Operation Wealth Creation (OWC) constituency coordinators as well as 3 community members selected by the community to undertake physical vetting of prospective households.

How to Undertake a Wealth Ranking Exercise

- Divide a village into clusters/zones.
- Using the village register, list down all the households in the community (these should be grouped in accordance to the clusters/zones identified above)
- Write down the name of each household head
- Household heads not necessarily present during the village meeting can still be selected if they meet the criteria under the different categories
- Identify some locally available materials such as flowers to use in the ranking.
- Get different colours to represent the better-off, averagely better-off and poor households.
- Assure the informants of confidentiality and do not discuss the ranks of individual households, so as not to cause bad feelings within the community.
- Ask the informants to each pile the different flowers against the listed households.
- The facilitator should ask participants to give reasons as to why they consider a household to be in a particular identified wealth category.
- After the exercise, write down the names of households under each category and total up the number of flowers for each of the wealth categories.
- Transfer the findings to a permanent record on paper

Key Questions to Ask when Undertaking a Wealth Ranking Exercise

- I. What indicators define the different wealth categories in this community?
- II. What indicators define an averagely better off person in this community?
- III. What indicators define a moderately better off person in this community?

- IV. What indicators define a poor person in this community?
- V. What socio-economic groupings are there in the community and who belongs in what group? (better-off, moderate, poor)

Identify the major activities undertaken by the household head (**its not just about being poor but those who are active e.g. farmer**)

WEALTH RANKING: HOW TO PROCEED-FACILITATORS GUIDE.

Make a list of all household heads and write the name of each on a separate piece of paper (each with a number).

- i. Interview a group of respondents who know their community well, asking them to sort all the names into different piles according to their wealth.**
- ii. This will generate much discussion! Listen to the criteria your partners use to put this or that on a particular pile.**
- iii. Write down the names of households (or their number) according to their wealth class on a piece of paper.**
- iv. Ask how one can “travel” from one pile to the other.**
- v. Move on to another group of informants and repeat the exercise. Do so at least three times.**
- vi. The results can now be analysed by reviewing the criteria used and understand better what makes people poor/rich in the eyes of their community. Knowing how people can “travel” from one pile to another will help to understand how people become poorer or less poor.**
- vii. By working out the average “position” of each household according to each group of informants, the Parish can make a list of households according to wealth and define wealth classes.**

3.1.2 Profiling subsistence households

Collect information on each member in terms of their social and economic condition including their experience in various income generating areas. This will include but not limited to:-

- i. Members of the household and their occupation
- ii. Experience in producing the selected enterprise
- iii. Details of their economic activity
- iv. Asset details: land, livestock, type of house etc.
- v. Liability: Debt, Mortgage, Borrowing etc.
- vi. Vulnerability of the family.
- vii. Income and expenditure
- viii. If they are members of any existing enterprise group
- ix. If they are members of any existing village group
- x. The group must be registered either at sub county, district or national; level with the Registration Services Bureau

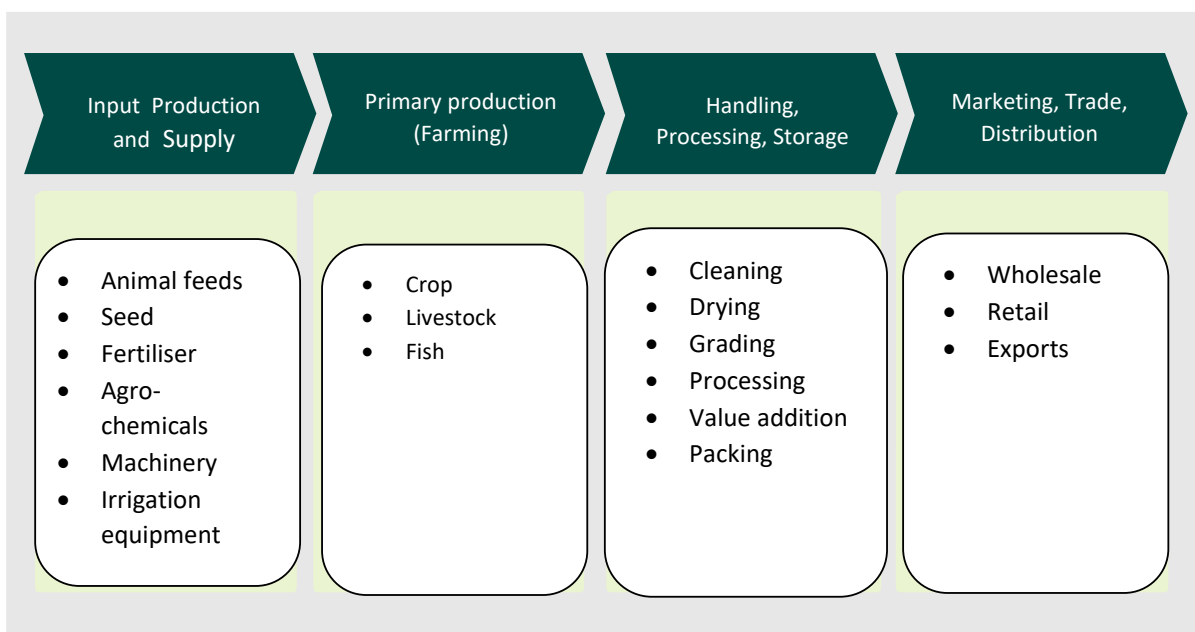
3.2 Step 2. Developing an Investment Menu for the Parish- Identify and Agree on an Investment Menu with Core Primary Enterprise(S) for the Parish

- a) Each Parish shall choose/have flagship projects that will benefit all interested subsistence households and which will maximise the returns per factor of production per annum e.g. for farming enterprises, it should offer the best return per acre per annum.
- b) The flagship project(s)/ production lines for the Parish shall be identified and selected by the parish residents in a participatory manner at a meeting that involve all members of the PDC.
- c) The extension officer, Commercial Officer, CDO and relevant sector experts shall guide the Parish in choosing the most viable project(s) which will be prioritized for support by government under the PDM.
- d) Generally, the final choice of the enterprise(s) by the PDC shall be based on the different aspects of the market, production costs, profitability and the sustainability of the project in that Parish. The chosen enterprise(s) therefore will be based on: Their returns on investment; Marketability; Agro-ecological comparative advantage in terms of yields and land availability; Value addition in terms of existing storage and processing facilities and Crowd pull /Aggregation; and Sustainability.
- e) This means that enterprise selection by the Parish shall prioritise production lines that are locally and readily available, offer a positive return on investment and have ready market locally, nationally and internationally.
- f) Upon choosing the most viable enterprise(s), the PDC shall mobilise the parish residents to participate in the project(s).

3.2.1 What enterprises are eligible for support under the PDM?

The flagship projects/enterprises for the parish can be in any segment of the agricultural value chain as long as it offers a high return on investment and has an assured verifiable market. Accordingly, a value chain approach shall be promoted. Figure1, below highlights the possible enterprises that can be established at each node of the value chain.

Figure1. Agriculture value chain



A. FARMING ENTERPRISES IN RURAL AREAS

In choosing what farming enterprise to undertake, subsistence households that are involved in farming, are advised to take into consideration land as a factor of production and choose enterprises that offer higher returns per acre, per annum under **intensive farming**.

a) Those with less than 4 acres

For farming households which have less than the four acres. Government recommends the following production lines: poultry, fish farming, piggery, zero-grazing dairy cattle, fruits, coffee and food crops.

However, these families will have to depend on buying food and other inputs for fish and livestock (poultry, dairy cattle and piggery) as well as food for themselves because they do not have enough land. Other production lines outside the 7 recommended above will be practiced **under extensive farming, which is outside the scope of the PDM**.

b) THOSE WITH 4 ACRES, THE "FOUR- ACRE MODEL" WILL BE ADOPTED

For subsistence households with 4 acres, the "Four- acre model" will be adopted and applied as flows;

1) One acre for clonal coffee	2) One acre for fruits (passion fruit, mangoes, oranges and pineapples)
3) One acre for food crops for the family (cassava, bananas, upland rice or irrigation rice, Irish potatoes, sorghum or millet)	4) One acre for pasture for dairy cattle (eight of them); poultry for eggs in the backyard; piggery; and fish

	farming along the edges of the wetlands (not in the centre)
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B. PDM ENTERPRISES IN URBAN AND PERI-URBAN AREAS

In order to enable the subsistence households in urban (including Greater Kampala Metropolitan Area) and peri-urban areas to participate in the PDM, priority shall be given to household enterprises that operate in Input Supply (feeds, seeds, fertilisers, agro-chemicals, animal drugs, agricultural equipment, etc.), Value addition, storage, light processing, cleaning and packing of (any of or a combination of) the following:

<ol style="list-style-type: none"> 1) Avocado 2) Bananas 3) Beans 4) Beef cattle 5) Cashew Nut 6) Cassava 7) Cocoa 8) Coffee 9) Cotton 10) Dairy cattle 11) Fish 12) Irish Potatoes 13) Macadamia Nuts 14) Maize 15) Mangoes 	<ol style="list-style-type: none"> 16) Millet 17) Mushrooms 18) Oranges 19) Onion 20) Passion fruit 21) Pasture for Dairy Cattle 22) Poultry 23) Piggery 24) Pineapples 25) Rice (Upland or irrigated rice) 26) Shea Nut 27) Sorghum 28) Sugar Cane 29) Tea 30) Tobacco 31) Tomatoes 32) Vegetable Oils/Oil Palm
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The buying and selling of these agricultural products is outside the scope of the PDM as it is covered under the Presidential Initiative for Emyooga. Farming of high value agricultural commodities (e.g. like Poultry, Piggery, dairy, mushrooms, vegetables, fish) in urban and peri-urban areas will also be supported.

3.3 Step 3. Formation of Enterprise Groups- Recruiting subsistence households into groups that are operating in the enterprise(s) picked above

The PDM Enterprise Groups shall comprise of a minimum of 10 and a Maximum of 30 members The PDM Enterprise Groups shall be registered at the sub-county and may include farmer's groups, associations, community-based groups, agri-traders' groups etc.

Both pre-existing and newly formed Enterprise Groups are eligible for inclusion under the PDM for as long as they fulfil the requirements for formation of enterprise groups and their members are from the identified subsistence households.

3.3.1 Category 1 - Mapping and selection of already existing PDM Enterprise Groups

As the PDM will also work with subsistence households that are organised in strong Enterprise Groups already registered by the Local Government, a mapping and profiling of such groups will be done first. The mapping will generate a list of all the groups that exist in the village/ Parish. Each of these groups will then be profiled and subjected to the criteria suggested for the actual selection of such groups. This selection will also help the Parish to identify some of the groups that may need strengthening.

The following criteria can be used to identify the strong groups, which are ready to receive support from Pillar 1 and 3. This same criterion may also be used for PDM Enterprise Group strengthening.

- a) The group has a commercial orientation (e.g., the group was formed for carrying out commercial activities at any node of the recommended value chain, they shall be marketing any of the priority enterprises.
- b) The group is registered by the Local Government and has existed for at least one year.
- c) Over 60% of the members in the group are from subsistence households
- d) The group has a functional Executive Committee.
- e) There is evidence of regular meetings (evidence of minutes).
- f) At least 30 % of the group members are women and 30% are youth.
- g) The group has some basic records (Group constitution, members register, minutes of meetings, schedule of members contributions, e.t.c.) and or is capable of keeping records e.g., group objectives, membership, minutes of meetings, financial records, number and type of farm enterprises in the group.
- h) The group has rules and regulations/constitution/by-laws.
- i) The size of the existing group is between 10-30 members.
- j) The group is functional and the PDC or local Councillors verified or can verify its functionality during appraisal.
- k) The group is engaged in active income generating activities.
- l) The group runs an established savings scheme (VSLA)/ and or has an Account with a regulated financial institution.
- m) Not more than two members of the group come from the same household.
- n) Vulnerable Groups shall be targeted.
- o) The group has women, youths and PWDs in leadership positions and are participating in decision making-for mixed groups.

3.3.2 Category 2-Formation of PDM Enterprise Groups.

- a) Where Enterprise Groups are non-existent, the Parish Chief supported by local experts (including the Extension staff, CDO, Commercial Officers and any other subject matter specialists) shall guide the group formation process professionally so as to create sustainable groups for the implementation of the PDM.
- b) The output of the wealth ranking, above, will be a list of community members who are not part of any Enterprise Groups and are in the subsistence economy. For the

implementation of this Pillar, households that are not in any groups will be supported to form PDM Enterprise Groups that are self-driven and self-directed. Group formation will happen when these individuals with common problem/need get together. They will discuss their purpose of coming together and as the group evolves, ground rules which guide future decisions and actions will be set.

- c) As the group is formed, certain factors have to be emphasised. These factors include:
 - i. Frequency of contact (frequent interaction among members enhances participation and makes members feel a sense of belonging).
 - ii. Satisfaction of group needs / requirements (a well-defined Goal, “SMART” objectives, action- plan) and Group dynamics.
 - iii. Size of the group (big groups are harder to manage, keep together than small group)- 10-30 members is good for cohesion.
 - iv. Degree of homogeneity and heterogeneity (people of the same status and common interests cling more together than of different status and interest).
 - v. Group norms (norms formulated in a participatory manner unite members in a better way than those formulated by a few members)
 - vi. Representation of different gender, youth, and people with disabilities in leadership positions etc.
 - vii. No discrimination of certain categories of members e.g., people with HIV/AIDS, people with disabilities, women and youth.
- d) Members of each Enterprise Group shall be engaged in similar income generating activity as a basis for coming together.
- e) Each Enterprise Group shall consist of a minimum of **10 members and a maximum of 30 members**. This is adequate to ensure that the support reaches Government’s targeted number of 2.5million households per annum and therefore the realization of intended impact of the PDM. At least 30 percent of these shall be women and 30 percent shall be youth and PWDs.
- f) Each Enterprise Group shall constitute an executive Committee from its membership. The Committee of the Enterprise Group shall play an oversight role towards the implementation of support provided to the Enterprise Groups by various state and non-state actors. The nomination and election of the individual members to the Committee shall be done by the groups themselves in a participatory manner. At least two members on the executive shall be women and one youth. The Committee shall comprise the following: -
 - i. Chairperson.
 - ii. Vice Chairperson
 - iii. Secretary
 - iv. Treasurer
 - v. Publicity
- g) The Committee of the Enterprise Group shall profile all group members as a means of determining their individual needs and what is needed to be done.
- h) The profiling process shall involve identification and evaluation of assets available at member and group level. This is crucial to profile the group on its status with regard to saving, loans; members’ social and economic condition including their experience in

various income generating areas as well as their household income and expenditure pattern; all aimed at helping the group to better understand the sources of livelihoods.

3.4 Step 4. Formation of the PDM SACCO - Recruiting members into the PDM SACCO

The Parish Chief shall lead the initial exercise of recruiting Enterprise Groups as members. The following will be the main activities involved in this exercise:

- a) Parish chief, in liaison with the Commercial Officers or a representative of the Registrar of Cooperatives, shall convene a sensitisation meeting to propagate and sell the idea of forming a PDM SACCO to the identified/formed PDM enterprise groups. Delegates to this initial meeting shall constitute the chairperson, secretary and treasurer of the Enterprise Groups within the Parish. Local and opinion leaders as well as Representatives of Local Institutions, Community Development Agencies, existing Cooperatives, operating in the area, etc shall be invited guests to the meeting. These shall actively be involved, in the meeting deliberations to demonstrate commitment and support to help build the peoples' confidence in the PDM SACCO to be established.
- b) The commercial officer or any other Representative of the Registrar in the area shall join this initial meeting to explain the technical details of forming and operating a PDM SACCO to the people. The explanation shall constitute the PDM SACCO pre-registration training to avoid loss of time. The main areas to be explained to, and agreed by, potential members include the following:
 - i. The purpose and objectives of the PDM SACCO,
 - ii. The activities/business of the PDM SACCO,
 - iii. The common reasons/interests of members in forming the PDM SACCO,
 - iv. The expected requirements for an Enterprise Group to become a member of the PDM SACCO ,
 - v. The advantages of an Enterprise Group becoming a member of the PDM SACCO.
 - vi. The cooperative philosophy(Principles ,values and norms of the cooperatives.
 - vii. The PDM SACCO governance structure thats to say the role and powers of the members ,and the different committees.
- c) The Commercial Officer or a Representative of the Registrar of Cooperative Societies shall guide the meeting in developing the By-laws for the PDM SACCO. The meeting shall use the model Bylaws, in the format approved by the Registrar of Cooperative Societies in the Ministry of Trade, Industry and Cooperatives.
- d) The name of the PDM SACCO shall be derived from the name of the Parish, followed by the name of the Sub-County but with the word PDM SACCO at end eg "Kasenge- Goma PDM SACCO'(for Kasenge parish in Goma Sub County)' and the District where it is situated; the location of its head office; par value(price per share); minimum number of shares of and membership.
- e) Once **at-least five Enterprise Groups** have expressed interest to become members, a second meeting comprising of representatives of these and other PDM enterprise groups in the parish shall be convened immediately. The purpose of this second meeting shall be to elect an interim committee (leaders) of five members ie the Chairperson, the Vice Chairperson, Secretary, Treasurer and publicity. The committee shall include at least a woman and a youth.

- f) The interim committee shall be responsible for steering the process of forming the PDM SACCO. These shall include among others completing the development of the Bye Laws; and compiling all the relevant documents as shall be required for registration of the PDM SACCO
- g) The Interim Committee Members shall hold office until the PDM SACCO's first General Meeting (within 1 month of registration) at which the members will elect a new and substantive Committee.
- h) The area to be covered by the PDM SACCO's operations shall be a parish.
- i) Political leaders, members of the PDC and civil servants shall, to the extent possible, avoid being elected on the Interim Committee. They will serve best if they remain as its advisors and most important, community mobilizers and overseers of PDM activities.**
- j) The Interim Committee shall work with the Commercial Officer or a Representative of the Registrar of Cooperative Societies to enter details of the PDM SACCO on the Parish Development Management Information System (PDMIS) for onward e-forwarding to the Registrar of Cooperative Societies.
- k) The Interim Committee with support from the Parish Chief, Community Development Officer and Commercial Officers/ or a Representative of the Registrar of Cooperative Societies, shall conduct more public mobilization and sensitization to generate awareness among potential members at the parish level in an effort to recruit more Enterprise Groups as its members.
- l) When a PDM SACCO commences formal operations, it can start providing a range of services, in line with the objects for which it was formed.
- m) The interim committee shall follow-up on the registration of the PDM SACCO with the relevant authorities.

3.5 Step 5. Registration of the PDM SACCO

The registration of Cooperatives is a responsibility of the Registrar of Cooperative Societies who is based in the Ministry of Trade, Industry and Cooperatives. The interim committee therefore, must follow the laid down procedures for registration of the Cooperative which include the following:

- a) The Registrar of Cooperative Societies shall distribute registration application forms/Bye Laws to all Districts (Chief Administrative Officer). A digital version of these documents shall also be made available.
- b) The DCO, under the supervision of the CAO, shall avail the registration application forms/Bye Laws to the PDM SACCO formation meetings, under his/her area of jurisdiction
- c) Under the guidance of the Commercial Officer or the representative of the Registrar of Cooperative Societies, the interim committee shall submit dully completed registration forms/Bye Laws and any other relevant documents to the DCO.
- d) Under the supervision of the CAO, the DCO shall submit the dully completed registration documents to the Registrar of Cooperative Societies.
- e) The Registrar of Cooperative Societies shall register the Bye Laws and issue Registration Certificates for the PDM SACCOs. The Certificates shall also be uploaded on the PDMIS, for access by the respective PDM SACCO.

- f) The Registrar of Cooperative Societies shall distribute an original copy, and three (3) certified copies of the Registration Certificates, to the CAO.
- g) The DCO, under the supervision of the CAO, shall avail the Registration Certificate to the PDM SACCOs. This must be done immediately and, in any case, not later than 14 days from the receipt of the Certificates by the CAO

3.6 Post PDM SACCO registration

- a) Upon full registration and issuance of Registration Certificate by the Registrar of Cooperative Societies, the PDM SACCO shall become a Body Corporate and shall be administered in accordance with the provisions of the Cooperative Societies Act, the Tier 4 Microfinance Institutions and Money Lenders Act (where applicable) and other laws governing cooperative societies.
- b) When registration has been done, the interim committee shall within 30 days of registration, convene the PDM SACCO's first General Meeting to elect the substantive committees, as per the PDM SACCO Bye Law.
- c) In the first General Meeting, and with the guidance of the Commercial Officer, the members shall pass a resolution to open an account with the most convenient Participating Financial Institution.
- d) A list of the Participating Financial Institution shall be provided by the Ministry of Finance, Planning & Economic Development
- e) In the same meeting, members shall pass any other resolutions for the smooth running of the PDM SACCO.
- f) No political leader, Commercial Officer or any other civil servant shall be a signatory to the PDM SACCO Bank Accounts and or play any operational or management roles, in relation to the PDM SACCO's Bank Account.
- g) The PDM SACCO shall open a dedicated account in any convenient Participating Financial Institution, as per the resolution of in the first General Meeting. The PDM SACCO's application for an account shall be accompanied by a certified Registration Certificate and a letter of recommendation from the DCO.
- h) The Commercial Officer or a representative of the Registrar of Cooperative Societies shall undertake induction training for the newly elected PDM SACCO's leaders. The leaders shall be empowered to make decisions which are in the best interest of the PDM SACCO members.
- i) The Registrar of Cooperative Societies and his/her representative officers shall be central in the development and sustainability of the PDM SACCOs.
- j) Business development services (BDS) shall be provided as prescribed by the Ministry of Finance, Planning and Economic Development as well as the Ministry of Agriculture, Animal Industry and Fisheries. Details of these services are in Annex 1 to these Guidelines. For purposes of the PDM, BDS includes:-
 - i. Building a business Mindset-Unlocking 'the power within an individual' in the household (Self-assessment, self-discovery, taking personal responsibility, recognising the need to change, motivation, visioning)
 - ii. Entrepreneurship skills training (centred on profitability('Ekibaro')) (business planning, time management, business modelling, business management, risk management, mastering the numbers, book keeping, goal setting)
 - iii. Loan management and insurance management

- iv. Financial literacy and money management (savings, loans, investment, insurance, grants)
- v. Exposure to practical experiences (community role models, champions, demonstrations/exhibitions, hands on training)
- vi. Business Support services (mentorship, hand holding, extension services and other advisory services)
- vii. Knowledge management including on compliance to standards etc

3.6.1 Capitalisation of the PDM SACCO

- a) The initial shares of the members of the PDM SACCO shall be paid for from the Parish Revolving Fund. As such, upon the successful registration of the PDM SACCO by the Registrar of Cooperative Societies, the CAO/City or Municipal Town Clerk shall be notified electronically to pay from the Parish Revolving Fund for the shares held by subsistence households (acting by their Enterprise Groups) in the PDM SACCO.
- b) This is the main initial source of financing for the PDM SACCO and shall be ONLY used for lending to members. These funds shall not be used to cover the costs of running the business of the co-operative. *The community Development Officers and the Commercial officers shall be helpful in this matter.***
- c) The CAO shall authorise payment for the capitalisation of the registered PDM SACCOs and will as such transfer the PRF funds to the PDM SACCO Bank Account. The CAO shall capitalise the PDM SACCOs up to the appropriated amount per Parish.
- d) Prior to the funds' disbursement, each PDM SACCO shall sign a Financing Agreement with the District/City/Municipality/KCCA. District Local Governments/Municipalities are represented by the CAO and Town Clerk respectively. KCCA is represented by the Executive Director and the PDM SACCO are represented by its chairperson.
- e) Appropriated PRF funds for each Parish shall be disbursed directly from the PRF Single Account to the PDM SACCO Account. PRF funds shall be disbursed by the Treasury upon receipt, from the CAO/ED KCCA, of: (a) Particulars of each registered PDM SACCOs (b) Copy of the Financing Agreement; (c) Evidence of fulfilment of fiduciary requirements by the District/Municipality/City/KCCA.
- f) The PDM SACCO membership payments shall basically include membership fees and share capital.

Annex 1- Post PDM Enterprise Group Training menu

	Activities	Key Interventions/Activities
i.	Strengthening of formed PDM Enterprise Groups/Farmers Groups	Training in PDM Enterprise Groups <u>PDM Enterprise Groups Methodology.</u> ✓ Groups, Leadership & Elections. ✓ Development of Constitution. <u>Household Personal development</u> ✓ Unlocking ‘the power within an individual’ in the subsistence household (Self-assessment, self-discovery, taking personal responsibility, household visioning, recognising the need to change, motivation) <u>Farm and Business Development skills</u> ✓ Identification and growth of income generating activities ✓ Business and Entrepreneurship skills training of the group’s business if any ✓ Training on Household visioning and business planning ✓ Preparation and supporting the Producer/processing/marketing groups and cooperatives in business models, financial, operational, management, legal aspects ✓ Build the capacity of farmer associations to organise households that are operating in the subsistence economy and deliver results ✓ Training to improve productivity, efficiency, profitability, business viability and supply chain participation. ✓ Educate the PDM Enterprise Groups on the importance of collective/bulk buying of inputs from reliable sources preferably the off-takers ✓ Support the operation of a private extension system that is more responsive and focused on the selected parish enterprises