



THE REPUBLIC OF UGANDA  
Ministry of Local Government  
ADM 328/406/01



PARISH DEVELOPMENT MODEL

7<sup>th</sup> August 2025

All Chief Administrative Officers and Town Clerks,  
The Executive Director, KCCA.

## IMPROVING THE IMPLEMENTATION OF THE PARISH DEVELOPMENT MODEL

Your urgent attention is drawn to the Permanent Secretary/Secretary to Treasury's Circular dated 27th January 2025 (Ref. EDP86/103/02 Vol. 4) regarding the implementation of the Parish Development Model (PDM). A copy of this Circular is attached in Annex 1. This communication outlined critical action points required to improve implementation of the PDM, and requested your immediate attention to address identified shortcomings. However, it has come to my attention that several local governments are not adhering to the guidance provided, which is undermining the effective execution of this vital government program. I have highlighted the following issues for emphasis.

### 1. Beneficiary Preparation

As you are aware, Cabinet approved a phased PDM implementation approach which consists of three key phases: establishment, stabilization, and sustainability. The primary objective is to ensure that these households have access to capital and other financial services necessary to invest in carefully selected and highly profitable agricultural enterprises which should enable these households to effectively transition and remain in the monetary economy.

We are now in the stabilisation phase and capital has been provided to various households. The focus is now to ensure this capital is effectively and successfully invested to create wealth in the households. To achieve this objective, the concepts of Community Based Facilitators and PDM Practical Training Centre will be used to deliver the last mile services to the communities.

#### a) Community Based Facilitators

A **Community Based Facilitator** is a title given to an individual in a community selected by the PDM SACCO among member Enterprise Groups to facilitate the delivery of last-mile services to PDM beneficiary households and the community. For the start each PDM SACCO should be encouraged to have 2 Community Based Facilitators (preferably youths) who will work with the PDM Enterprise Groups, beneficiary households and the entire community in the Parish.

At the Community level, CBFs will provide demand driven services to PDM beneficiary households and the community. These services should include extension, advisory services, access to certified inputs, financial services, digital services (e.g. on PDMIS and mobile wallets), post-harvest handling and market access. The CBFs will be trained by Local Government extension staff and the respective value chain actors such as input supplier, off-taker, insurance companies, banks etc which shall enable them to ably and continuously support the community. CBFs will be profiled on the PDMIS-FIS and supervised by LG staff at the Lower Local Government.

## **b) PDM Practical Training Centres**

Established by the PDM SACCO, the PDM Practical Training Centre (PTC) serves as a vital resource for providing hands-on training, extension, business development services (BDS), financial literacy and other advisory services within the parish/ward, necessary to: -

- i. Prepare PRF beneficiaries and other interested community members (that have their money) to successfully access loans and/or invest in a carefully selected enterprise.
- ii. After accessing the loan and or investing the funds, hand-hold PRF beneficiaries and other interested community members on their journey to successful socio-economic transformation through these investments.

The PTC will be hosted at a location chosen by the PDM SACCO within the parish or ward. It will incorporate the established principles of the Farmer Field School concept, along with other proven models that have been employed by agricultural extension teams (such as demonstrations, plant/animal clinics, model farmer etc) in Uganda over the years.

The PTC and CBF concepts have been piloted in selected local governments. These local governments will serve as Regional Support Centres and will provide technical backstopping to your PDM teams. A Guide to Implementing these models is attached at Annex2.

Implementation of these models is in line with the government extension policy and should therefore be carried out using the Local Government Extension Grants as well as the Production and Marketing Grants for this Financial Year.

## **2. Fund Transfer and Account Management**

Transfer ALL PDM SACCOs funds from initial bank accounts to the WENDI Accounts in Government Banks (Post Bank Uganda, Pride Micro-Finance Bank, Housing Finance Bank) and close all the old bank accounts immediately. Several PDM SACCOs have retained funds in non-designated accounts which creates accountability issues.

## **3. Anti-Fraud Measures**

Ensure all cases of fraud and extortion in PDM implementation are identified, registered, tracked and conclusively handled according to the law. We have observed inadequate follow-up on reported cases in some districts.

## **4. Process Adherence**

Strictly follow the revised processes in disbursing Parish Revolving Funds (PRFs) as per the attached checklist in Annex 3. Compliance has been inconsistent across regions.



## **5. Loan Repayment and Eligibility Verification**

You are required to guide PDM SACCOs in: -

- Initiating PRFs loan repayments for beneficiaries whose two-year grace period has expired and to comment repaying the loans in accordance with the previously agreed repayment schedule.
- Identifying ineligible beneficiaries (multiple borrowers, non-subsistence households) and compel refunds.
- Addressing cases of deceased beneficiaries or failed enterprises by supporting households to revamp profitable ventures.
- Ensuring Enterprise Groups and members save for investment and growth

## **6. Planning and Coordination Requirements**

You are required to: -

- Complete State of the Parish Economy and Asset Register (SPEAR) annual reports as directed by the PSST. The Uganda Bureau of Statistics, National Planning Authority, Ministry of ICT & National Guidance, Operation Wealth Creation and the Ministry of Finance, planning and Economic Development have jointly developed a digital tool for use in this exercise. They will arrange appropriate training for your staff in due course.
- Support parishes to prepare and submit Parish Action Plans to the National Planning Authority and to my office by 30 November 2025. The consolidated report should become the PDM Implementation Action Plans for your Local Government which informs the coming budgeting exercise. NPA will provide a standard template for this activity.
- Strengthen coordination between Pillar 1 (Production) and Pillar 3 (Commercial Services) Managers. The Permanent Secretary, Ministry of Local Government, will issue additional Guidance in this regard.
- Continuously build capacity of Community Based Facilitators, Extension Workers, Sub-county CDOs and Parish Chiefs to support effective implementation of the PDM.

### **Required Actions:**

The purpose of this letter is to guide as above and to request you to:

- a) Implement all directives in the PS/ST Circular and in this communication
- b) Submit quarterly progress reports to the PDM Secretariat covering all PDM activities in your area of jurisdiction.
- c) Utilise expertise and practices available at the PDM Regional Support Centres in each region. The name of these Centres per region are listed in Annex 5.



Hon. Dennis Galabuzi Ssozi  
**NATIONAL COORDINATOR**

### **Copy:**

The Chief Coordinator, Operation Wealth Creation  
The Permanent Secretary, Office of the President  
The Permanent Secretary, Office of the Prime Minister  
The Permanent Secretary/ Secretary to the Treasury  
The Permanent Secretary, Ministry of Local Government

The Permanent Secretary, Ministry of Agriculture, Animal Industry and Fisheries  
The Permanent Secretary, Ministry of Trade, Industry and Co-operatives  
The Permanent Secretary, Ministry of ICT & National Guidance  
The Executive Director, Uganda Development Forum  
The Executive Director, Enterprise Uganda

### Annex 3:

#### THE PARISH DEVELOPMENT MODEL CHECKLIST FOR PREPARATION OF BENEFICIARIES TO RECEIVE PRF LOANS

Steps	Key activities	Responsibility
<b>Step 1:</b> Community mobilization	Selection of the priority enterprises to promote within the district/parish	DPO
	Create awareness to the parish residents on the enterprise selection process	Extension worker
	Educate the parish residents on the loan process	Parish Chief
	Conduct community meetings to inform the residents about the PRF and inviting qualifying households to apply through their respective enterprise Groups. Ensure vetting at parish-level community meetings for selection of subsistence households to benefit from the PRF.	Parish Chief
	Inform the parish residents about the amount of the PRF to be disbursed by the PDM SACCO and the criteria to access these funds. Ensure the community is informed that every successful applicant will receive Sh.1million net and that the Loan application process is free of charge.	Parish Chief , Extension Workers, SCDOs, and PDM SACCO Leaders.
	Invite the selected and trained beneficiaries to apply for the PRF through their enterprise groups.	PDM SACCO Chairperson
<b>Step 2:</b> Profiling of interested loan applicants on PDMIS	Ensure that all PRF applicants are profiled on PDMIS before they apply. <i>Note: No online application shall commence for any household that is not on PDMIS.</i>	Parish Chief
<b>Step 3:</b> Formation of or strengthen Enterprise Groups	Ensure that all applicants are members of an enterprise group, on PDMIS-FIS, before they apply for the PRF. <i>Note: No online application shall commence for any household that is not part of an enterprise group.</i>	SCDO
	Ensure that all enterprise groups are members of the PDM SACCO on PDMIS-FIS, before the community vetting meetings are conducted.	Commercial Officer/CDO
<b>Step 4:</b> Loan Application	Assist the interested, and PDMIS profiled, households who are members of an enterprise group to apply for the loan using the PDMIS-FIS and send the applications to their enterprise groups for their group members' approval. <b>NOTE:</b> No application shall be allowed on PDMIS-FIS which hasn't been entered before the community vetting meeting. Also no household should be considered for the loan that has not attended the training in Step 1 above. A 2-page hard copy application form shall also be filled in by the PRF applicant and submitted to the enterprise group.	Parish Chief

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Steps	Key activities	Responsibility
<b>Step 5:</b> Community vetting meeting.	Enterprise groups members attend community meetings within the parish to: <ul style="list-style-type: none"> <li>i. Present their applicants for vetting by the meeting -whose applications are on PDMIS-FIS.</li> <li>ii. The community undertakes vetting, selection and recommendation for funding the eligible applicants.</li> <li>iii. Sign off the list of selected beneficiaries by the members present.</li> <li>iv. Take a picture of the participants in the meeting, as well as the minutes specifically identifying the vetted applicants and file these two on PDMIS-FIS.</li> </ul>	Parish Chief, Enterprise group leaders and PDM SACCO leaders
	<p><b>Note:</b></p> <ul style="list-style-type: none"> <li>i. LCI, GISOs, PDC members, SCDO, Agricultural Extension Workers, OWC constituency coordinator, and Parish Chief must attend community meetings and obtain a signed copy of the decisions of the community meeting and the list of the vetted beneficiaries.</li> <li>ii. Chairperson of the Community meeting, GISO and OWC Constituency Coordinator sign the list of selected beneficiaries on PDMIS-FIS. Copy of the signed list should be given by the parish chief to the PDC chairperson, OWC constituency coordinator, GISO, and town clerk/sub-county chief. No further application shall be accepted on the PDMIS-FIS beyond this point</li> </ul>	ALL
<b>Step 6:</b> Prepare the verified beneficiaries using the Practical Training Centres and Community Based Facilitator approach.	Ensure the HH has a clear economic vision of where they want to be in 3-5years household visioning.	CDO
	Conduct hands-on training of PRF beneficiaries from Practical Training Centres (experienced and skilled parish-based demonstration farmers) applying the farmer field school approach highlighted as an area of focus in the NDP IV under the agro-industrialization program. The secretariat will issue a detailed guide for this purpose.	Extension officer (reinforced by community-based facilitators)
	Using the knowledge of modern farming, profitability ( <i>Ekibaro</i> ), marketability, productivity, risk, and financial outlay, the households are supported to conclude the selection of enterprise to invest in.	Extension Officer
	Extension workers prepare the households on good agronomic or husbandry practices and supports them to establish the enterprise (sweat capital). Training report should be submitted (and a copy put on file) by the Extension officer as proof of training.	Extension Officer, CBF
	The Extension workers, CDOs, Parish chiefs and other support teams such as Community Based Facilitators (CBFs) support households to prepare a simple business plans for their selected enterprises.	Extension Officer, CBF
<b>Step 7:</b> Submissions to the PDM SACCO.	Enterprise group guarantees the vetted households and submits the applications on PDMIS-FIS to the PDM SACCO loan committee, attaching the completed simple business plan and training report with recommendations by the Extension Worker of trained PRF beneficiaries.	Enterprise Group Chairperson
<b>Step 8:</b> Loan appraisal and approval	Loan committee appraises the household Conduct desk and field appraisals by the PDM SACCO loans committee to ascertain level of preparedness of the Household.	Chair-Loans Committee
	<p>All appraised loans are checked by the PDM SACCO supervisory board supported by the GISOs, OWC constituency coordinator, PDC members, Agriculture Extension Workers, CDO and Parish Chief as ex-officio.</p> <p><b>Note:</b> The list of appraised beneficiaries must be compared with the list of the previously selected beneficiaries at the community meeting</p>	Chairperson supervisory board, GISOs, OWC Constituency

Steps	Key activities	Responsibility
	<i>before it is passed onto the SACCO executive for approval. If Ok, then the appraised loan is sent to the SACCO Executive for approval. If there are discrepancies, e.g. beneficiaries who were added later, these should be flagged and the File sent back to the Loans Committee to address any discrepancies and those responsible identified and disciplined accordingly.</i>	
	Loan approval by the PDM SACCO board	PDM SACCO Chairperson
	Loan agreement is signed between the household and the PDM SACCO	PDM SACCO Chairperson
	Payment schedule is issued to the PRF beneficiary household to guide it in effecting the PRF repayment instalments as agreed upon in the business plan.	PDM SACCO Chairperson, Parish Chief.
<b>Step 9:</b> Payment on Wendi	PDM SACCO leaders' on-board households on Wendi mobile wallet for the PDM SACCO.	PDM SACCO Chairperson, Secretary, Treasurer
	The loan is paid to the PRF beneficiary household using the Wendi mobile wallet. All loans payment should include the bank charges of UGX. 4000 so the beneficiary receives UGX1, 004,000 on their mobile wallet.	PDM SACCO Chairperson, Secretary, and treasurer
<b>Step10:</b> Post investment follow-up and monitoring.	Regular follow-up and monitoring by community members, PDC members, OWC Constituency coordinator, GISO, extension officers to ensure funds are invested in the qualifying enterprise and that the enterprise is implemented as per the plan.	PDC members, OWC Constituency Coordinator, GISO, Extension Worker.
	Visits by the community members to benchmark and learn from the PRF beneficiary households on enterprise implementation.	Interested community members.

Completed by:..... Date.....  
Parish Chief

Reviewed by:..... Date.....  
OWC Constituency Coordinator

Confirmed by:..... Date.....  
Assistant RDC



