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THE REPUBLIC OF UGANDA

**Ministry of Gender, Labour
and Social Development**
P.O. Box 7136
Kampala,
Uganda.

19th September, 2022

The Executive Director
All Chief Administrative Officers
All Town Clerks

CIRCULAR ON IMPLEMENTATION OF THE JOINT PROGRAMME FOR YOUTH LIVELIHOOD AND UGANDA WOMEN ENTREPRENEURSHIP

Cabinet at its Sitting on 28th March 2022 under minute number 110(CT2022), directed the Ministry of Finance, Planning and Economic Development to allocate UGX 34.7 billion to Ministry of Gender, Labour and Social Development (MGLSD). The funds are to be sourced from the Central Recovery Accounts of the Youth Livelihood Programme (YLP) and Uganda Women Entrepreneurship Programme (UWEP). The decision of Cabinet was informed by the need to speed-up recovery of funds disbursed under the two Programmes and to revolve the recovered funds to support more Youth and Women group enterprises/projects.

Consequently, the Ministry merged YLP and UWEP referred herein as the **Joint Programme for Youth Livelihood and Uganda Women Entrepreneurship**. A lean Technical Support Unit (TSU) that drew staff from both Programmes was created to speed-up recovery of funds disbursed in the previous years and revolve the recovered funds to more youth and women groups. The TSU will support implementation of the Joint Programme at the centre. Local Governments (LGs), Cities and Kampala Capital City Authority (KCCA) will still spearhead the implementation in their respective jurisdiction and ensure that due amounts are recovered and transferred to the respective YLP and UWEP Recovery Accounts of the Ministry in Bank of Uganda (BOU) in a timely manner. The implementation of both Programmes shall continue to be guided by the existing approved Programme guidelines and administrative guidelines that may be issued from time to time.

The purpose of this Circular is to communicate to you the following for your information and implementation:

1) Recovery of Funds

a) Enforcement of funds recovery

- I. All funds disbursed to groups under YLP and UWEP shall be fully recovered in line with the financing agreements signed between the groups and the LGs/Cities/KCCA;
- II. The recovered funds shall be transferred to respective Ministry BOU Recovery Account on a monthly basis. LGs/Cities/KCCA are required to set **Standing Orders/Instructions** for timely transfer of recovered funds from their respective Recovery Account;
- III. The evidence of bank transfers shall be submitted to the Ministry together with LGs/Cities/KCCA recovery account bank statement on a monthly basis;
- IV. Recovery performance reports shall be presented and discussed in the relevant Standing Committees and Councils at LGs/Cities/KCCA/Lower Local Governments (LLGs) on quarterly basis to ensure transparency, accountability, ownership and foster recovery of funds; and
- V. LGs/Cities/KCCA should be innovative and also use the following strategies among others to ensure expected funds are fully recovered from the group:
 - (i) The Focal Point Persons (FPPs) and Community Development Officers (CDOs) should track progress in terms of repayment by each group;
 - (ii) Submit a monthly recovery status update per group using the provided template at all levels;
 - (iii) Conduct stakeholders' meetings and engagement with active involvement of the youth and women councils;
 - (iv) Profile successful projects and disseminate the same to all Technical Planning Committees, Councils and public notice boards among other channels;
 - (v) Strengthen media engagements;
 - (vi) Undertake routine monitoring and technical backstopping of the group's projects;
 - (vii) Liaise with mandated agencies such as Police, Directorate of Public Prosecution, and Resident District/City Commissioners etc. to arrest and prosecute in Courts of Law groups that have failed to meet their obligations as per their financing agreements; and
 - (viii) Liaise with mandated agencies to arrest and prosecute in Courts of Law Government staff, political and community leaders or anyone who is involved in the mismanagement of youth /women funds.

b) Rescheduling of overdue loans

COVID-19 and other natural calamities affected the success of many projects and as a result some projects are beyond the allowable three years for completing repayments. LGs, Cities and KCCA are therefore, called upon to urgently reschedule all such loans. The following should be undertaken:

- I. The LGs/Cities/KCCA FPPs should proactively update their recovery templates to provide a status per group in terms of repayment of their respective loans on a monthly basis to the Ministry;
- II. The groups with overdue loans shall be notified in writing by the Chief Administrative Officer/Town Clerk/Executive Director indicating the amount due including surcharge. Copies of the communication should be given to the Senior Assistant Secretary and CDOs based at the Lower Local Governments;
- III. The FPP with support of the CDOs together with the group should work out a repayment schedule that shall not exceed half of the previous repayment period. A new financing agreement shall be signed between the group and the LGs/Cities/KCCA as per the agreed repayment plan; and
- IV. In the event that the group has most of their enterprise/project inputs still available, such a group may be considered for refinancing as a *Top-Up Loan*. Where a group has been refinanced, both the previous loan and the one funded under refinancing arrangement must be fully repaid including surcharge in line with the financing agreement.

2) Joint Programme Components

There will still be three components namely:-

- I. Institutional Support;
- II. Skills and Capacity Development; and
- III. Livelihood Support/Women Enterprise Fund.

3) Funds Allocation for LGs, Cities and KCCA

Funds allocation for implementation of the Joint Programme will be based on funds recovered by each respective LGs, Cities and KCCA as at June 30th 2022 under each Programme. For Financial Year 2022/23, Indicative Planning Figures (IPF) will be issued based on the recovered funds per LGs/Cities/KCCA.

4) Local Government Focal Point Person

LGs, Cities and KCCA shall maintain the Focal Point Person(s) for the YLP and UWEP in order to facilitate smooth and timely recovery and revolving of funds.

5) Bank Accounts and Funding

- I. The existing Central Recovery Accounts in BOU for YLP and UWEP will be maintained for transfer of recovered funds by respective LGs/Cities/KCCA;
- II. LGs/Cities/KCCA Recovery Account for YLP and UWEP will be maintained to enable smooth deposit of funds for loan repayment by the youth and women groups;

- III. Institutional Support funds will be provided to LGs/Cities/KCCA for the implementation of the youth and women components of the programme. The Ministry shall disburse one batch of institutional support either to the Local Government Single Treasury Account managed by the Accountant General or the Operational Accounts where the former does not exist;
- IV. The LGs/Cities/KCCA are required to submit a workplan in line with the issued IPF; and
- V. Funds for approved youth and women enterprises/projects will continue to be disbursed directly to the individual groups.

6) Beneficiary and Enterprise selection

- I. LGs/Cities/KCCA should put in place mechanisms to ensure that the selected beneficiaries are not benefiting from other existing Government Programmes in order to avoid multiple funding of the same youth/women at the expense of other equally deserving ones; and
- II. Groups should be guided on selection of viable, profitable and sustainable enterprises prioritizing off farm activities as stipulated in the Programme guidelines under the section of recommended enterprises for funding.

Please note that unless indicated in this Circular, the previous Programme guidelines issued to you will still be used.



Martin Wandera

For: PERMANENT SECRETARY

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Minister of Gender, Labour and Social Development
Minister of State for Youth and Children Affairs
Minister of State for Gender and Women Affairs
Permanent Secretary/ Secretary to Treasury
Permanent Secretary, Ministry of Local Government
Lord Mayor, KCCA
Chairperson National Women Council/ Youth Council
District/Municipal/City Chairpersons
Resident District/City Commissioners
District Women/Youth Council Chairpersons