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MERITS AND CHALLENGES OF THE PARISH DEVELOPMENT MODEL (PDM): STRATEGIES FOR IMPROVEMENT

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Background

The Parish Development Model (PDM) is a government strategy for organizing and delivering public and private sector interventions for wealth creation and employment generation at parish level as the lowest economic planning unit. It is a model for socio-economic transformation of smallholder farmers by moving them out of the non-monetary subsistence to a money economy. The model is fully backed by the Government of Uganda. Legally, PDM is backed by the Local Government Act 1997 that designates a parish as one of the planning units for government. The model was developed in line with the National Development Plan III (NDPIII), the NRM 2021-2026 manifesto, but also address two Sustainable Development Goals - no poverty (SDG 1) and zero hunger (SDG 2). According to 2019/2020 Uganda National Household Survey report, 39% of Ugandan households (approximately 16 million people) are under the subsistence economy. The targeted subsistence households are characteristic of low-income earnings, limited access to land (mostly tenants), mainly subsistence food growers for home consumption who sometimes depend on hand-outs. Majority of household heads barely afford earning more than UGX 7000 (1.9 USD) per day which is the international poverty line level. In response to the challenges associated with the subsistence economy, the PDM targets a parish (in a rural setting) and a ward (in a city/urban setting) as the lowest reference unit for planning, budgeting and delivering of public services. The strategy is expected to move Ugandans from a subsistence economy into a money economy.

The Government of Uganda launched the operationalization of the PDM in the financial year 2021/22. The President of the Republic of Uganda, His Excellence Yoweri Tibuhaburwa Kaguta Museveni launched the model on Saturday 26th February 2022 in Kibuku district. The Government prioritized the implementation of the model even in the financial year 2022-2023. The Prime Minister on Monday 11th October 2022 flagged off a direct payment of PDM money to SACCOs. The PDM is being rolled out across the country with intensive campaign for the public to make use of the program.

The main goal of the PDM is to increase household incomes and improve the quality of life of Ugandans with a specific focus on total transformation of subsistence households (both on-farm and off-farm, in rural and urban settings) into the money economy, thus eradication poverty. The main objective is to increase the effectiveness of the interaction

of government and its people at a lower level in order to accelerate the realization of government's long-term goal of socio-economic transformation.

The PDM is established on **7 core pillars** and these include:

- 1. Production, Storage, Processing and Marketing.** The model will organize and coordinate producers and farmers at Village and Parish levels and other value chain actors through area-based commodity clusters. This will include supporting farm cooperatives and farmers' associations at local level that will be supported to develop clear and effective business plans. The pillar emphasizes extension services for crop, animal husbandry and fisheries; training and capacity building; farmer organizations; effective input supply; farm power and off-farm mechanization; certification and regulation; commodity storage and bulking facilities; value addition and processing facilities; environment conservation and climate change mitigation; water for domestic use and production, market access, digital support and access to business development services.
- 2. Infrastructure and Economic Services.** The PDM includes plans to improve accessibility of community roads, upgrading local markets, extension of safe water, power and national internet infrastructure to communities as well as develop appropriate e-services and appropriate staffing to support Information, Communication and Technology (ICT) function in local governments.
- 3. Financial Inclusion.** The PDM plans to avail resources at parish level for households to invest in enterprises that will both support family livelihoods and generate surplus to sell and save.
- 4. Social Services.** For better quality attainment of life for households, the model considers the following social services: primary health care, education, access to clean water, transport and communication. This will consolidate delivery of services to grass root level. This will be attained by supporting functional village health teams, upgrading community primary schools, construction of hospitals and availing extension workers.
- 5. Mindset change and cross cutting issues** (gender, environment, disability, etc.). This is aimed at transforming the way of thinking of the public sector officials, private sector players and communities so as to achieve realistic planning and implementation of the model. A right mind might mindset is envisaged to change work ethics and stimulate societal transformation.
- 6. Parish Based Management Information System and community data.** The parish is expected to be a center for primary data collection and the parish chief will maintain an up to date parish register. There will be a village register maintained by the village chairpersons. The process will support community profiling, data analysis, storage and dissemination for purposeful planning.
- 7. Governance and Administration.** The implementation of all aspects of the parish development model will need governance capacities in providing support in coordination and implementation of the goals and programs of the PDM at local, regional and national levels.

All the PDM pillars are operating under the principles that include: (i) **organization** (organizing Ugandans that are currently operating in the subsistence economy around their local enterprises in a way that links them to quality inputs and tailored technical assistance); (ii) **coordination and collaboration** (all interventions by different stakeholders at parish level will be coordinated by the parish chief); (iii) **market orientation** (market-based approaches that strengthen agricultural value chains); (iv) **inclusion** (all value chain actors including women, youth, smallholder farmers and other service providers are involved); (v) **equity** (balanced growth across different regions and gender); (vi) **prioritization** (aim at flagship commodities in a particular ecological zone that links production, processing and marketing enterprises); (vii) **evidence based** (use data that is well analyzed and synthesized to boost interventions, evaluation and decisions); (viii) **participation** (all local communities are part of the solutions to local problems); (ix) **transparency and accountability** (integrity and transparency are maintained at the highest standards of performance).

Some positives in the PDM

The PDM is a novel government delivery strategy that is believed to replace other programs that have not stood the test of time (Ministry of Local Government, 2022). The model presents some merits towards transforming Ugandans especially those under subsistence to the money economy. Some of the merits about the model include:

1. The PDM is targeting service delivery at Parish level. The process will deepen the decentralization process and increase accountability at local levels, thereby enabling closer supervision of various activities by the local communities. Recruitment of parish chiefs is a good indicator to local planning with the model.
2. The model has a lot of political support with various leaders currently supporting it. The political support is an opportunity for beneficiaries to access information from various political leaders so as to make the right decisions for development.
3. The model is also clear on the target population, that is, subsistence households. This is well elaborated in the guidelines and how beneficiaries will be identified, tracked and supported. In addition the Model gives special consideration to vulnerable groups of people i.e. 30 percent of the parish revolving fund will go to women; 30 percent to youths; 10 percent to persons with disability; 10 percent to the elderly; and lastly 20 percent to men and others that don't fall in the above special categories.
4. The model is advancing priority commodities in a parish that include coffee, cotton, cocoa, cassava, tea, vegetable oils (Includes oil palm), maize, rice, sugar cane, fish, dairy, beef, bananas, beans, avocado, shea nut, cashew nuts, macadamia which are currently leading national enterprises in production and marketing. The promotion of these crops and livestock is done under enterprise groups that are supportive.
5. Farmers are able to access loans through the Parish Revolving Fund (PRF) at a very low annual interest rate of 6%. This will also cater for the cost of inflation in the course of implementation. The PRF also provides three years of fund recovery

as opposed to microfinance banks, commercial banks or money lenders that have interest rates higher than 18%.

6. The PDM also focuses on merging government interventions that have for long been channeled through different ministries and programs such as the Ministry of Agriculture, Animal Industry and Fisheries, Ministry of Finance, Planning and Economic Development; National Agricultural Advisory Services (NAADS), Operation Wealth Creation, and many others.
7. Since the model targets a parish, localized bio-physical and socio-economic problem (s) will be identified for direct intervention. This could increase efficiency in solving societal challenges at parish level.
8. The model will enable government access local community data to guide decision making. The PDM approach of creating database systems for every parish will provide government with quality information that could lead to a well thought response or intervention in the parish.
9. The model is accessing capitalization grant from Government to the PDM SACCOs with the sole purpose of lending to viable income generating activities in the production, processing, marketing and storage of agricultural products, suggesting that government acknowledges agriculture as center to economic transformation
10. The requirement for SACCOs registration under the Cooperative Societies Act, having a bank account and having signed a PRF financing agreement with the Local Government, and also undergoing verifications and due diligence checks shows some efforts to control the legal release of the funds but also, this could be a way to financial inclusion of many rural households who are the largest beneficiaries of PDM funds.
11. The leadership of a Parish Development Model SACCO comprises of 5 positions with at least a woman and a youth i.e. Chairperson, the Vice Chairperson, Secretary, Treasurer and publicity. The delegates (chairperson, secretary and Treasurer) of the PDM enterprise groups are elected in a general meeting; the PDM enterprise groups have households as members. The individuals registered in the enterprise group are representatives of households. No Household is expected to have more than one representative. This makes the household a decision-making unit while promoting a sense of accountability and effectiveness in service delivery.
12. There is also effort in the model to conduct wealth ranking through joint consultations with communities to identify the poor among the poor. The participatory approach is commendable if this is fully embraced by all stakeholders. The community needs to be sincere and present the right people in need of this cash. The village also collectively vets and seconds if enterprise selected by poor people is really viable for them to get out of poverty.
13. The PDM is aiming at an individual household (not jointly as enterprise groups) to access the funds which may make the beneficiary accountable to government on how they have used the resources that are granted to them. The household that is beneficiary of the PRF is expected to actively make a choice on the enterprise to engage in, and how they will implement it.

Some challenges in the Parish development Model

There are also notable gaps that are associated with PDM and these are identified from an expertise point of view to support efforts that will improve the PDM implementation strategies. Some of the demerits about the model include:

1. There is less evidence of usage of data in the model from past experiences with the success and failure of programs such as Poverty Eradication Action Plan (with Plan for the Modernization of Agriculture), Entandikwa, NAADS, Prosperity for All (Bonna Bagaggawale) program, Operation Wealth Creation (OWC), Emyooga, Youth Livelihood Programme (YLP) and Uganda Women Entrepreneurship Programme. Documented evidence and bench-marking can be instrumental in devising an adaptable system to ensure effective service delivery to homesteads thus transform communities. For instance, a database of the assorted livelihood assets in each village would be very helpful in specifically backing up the process of selecting beneficiaries.
2. There is limited evidence of full involvement of technical expertise in the planning process during PDM implementation. Technical expertise is fundamental in building capacities for diagnosis of parish problems, local and global problem ranking, strategic thinking, data synthesis and interpretation for impactful development. In addition, during the model design, the key technical stakeholders need to be fully involved or consulted.
3. The model lacks a policy or legal framework that can support established guidelines in its operationalization. This legal instrument could be developed and approved by the parliament of Uganda with a well-established structure and secretariat to oversee effective service delivery.
4. Although the model aims at changing homesteads from a subsistence to a money economy, the strategy for linking household heads or beneficiaries to organized market systems is not well elaborated. Structures for marketing are not being created to take advantage of the products of the enterprises in which the beneficiaries are getting engaged.
5. The model is silent on modalities for use of funds, collateral and implications to defaulters. The model is not yet clear on the use of a business case plan or farmland use plan to aid decision making for loan processing. The comprehensive plan for business, implementation, monitoring, evaluation, loan recovery ought to be well designed and enforced by legal and security systems. The challenge of lack of collateral for loans remains not well described since most subsistence household heads still do not have access to land and several lack titles, property or documentation.
6. The current maximum limit of one million released to the beneficiaries for all enterprises is quite low since some projects are demanding with higher risks or gains than others. The amount might not be helpful for some enterprises in the value chain. A computation for the financial need for each beneficiary for each enterprise per unit piece of land or acreage would be useful in such disbursements since even among the poor, there is variability.

7. The model is silent on environment protection and conservation yet the environment is central to achieving a sustainable money economy. A country that destroys the environment destroys itself, and cannot easily attain the anticipated desired social-economic change for generations.
8. The parish model is not clear on how to handle variability of communal and environmental problems and challenges that vary from region to region. The parish level planning ought to be participatory so as to make collective interventions to a specific environment. A parish, for example, could be challenged by lack of water for production and domestic use or poor soil fertility. This can be handled through joint effort and joint access to funds.
9. While enterprise groups have elected leadership, the model guidelines are silent on how many times the enterprise groups are to meet, discuss and share experiences regarding ways to implement their enterprise business plans. Absence of such modalities relegates the enterprise group to just a non-functional organization structure for just accessing money
10. The model is currently having some political interference that could jeopardize some of the good attributes especially on loans and their recovery. There is need to have clear guidelines that are not political to ensure successful implementation of the model. The selection of beneficiaries needs to follow a clearly understood data-based system to ensure that the target group is not missed out.
11. The model is not providing a clear roadmap on transforming Pillar 1 in production, storage, processing and marketing. The emphasis is many times placed on Pillar 3 on inclusive financing yet agriculture and livestock sector are critical sectors that can drive transformation. The agricultural sector employs more than 80% of Ugandans and requires full attention especially in organizing production and markets since soil fertility, for example, has severely declined and markets are uncertain. In addition, setting up well coordinated systems such as e-vouchers for access of inputs and insurance would have been emphasized before money could be disbursed to the beneficiaries.
12. The model is not explicit how the government quarterly release of funds might affect the efforts to alleviate poverty since majority of targeted beneficiaries need resources before the start of a given growing season. The model is silent on mechanisms to overcome such threats to PDM success and ensure timely access of funds for planned seasons. Perhaps, the model would have adopted a project financing model where money is extended for a specified achievement - for instance at the project stage for selection of enterprises, training and formation of farmer groups and cooperatives. This could then be followed by farmers getting e-voucher IDs on which to request for inputs when the season is due, rather than getting money even before or after the season.
13. While there are efforts to explore the e-mobile money option (e.g. recently launched *Wendi* digital App by MTN and Post Bank), the current banking system may not be as effective as projected since most banks are quite far from the beneficiary who has to open an account to access these funds. A system that increases access of the approved funds to the beneficiary is quite important.

14. The PDM is not fronting the access to inputs or setting up a quality control system for the type of inputs to be used. The lack of inputs is a driving challenge in the agricultural sector as most farmers are constrained by lack of these inputs in the production processes.
15. Public perception about the PDM is associated with “money” causing anxiety. There are limited efforts to enlighten the public about all the seven pillars of the model and how these could iteratively contribute to holistic transformation in the society. The parish that develops collectively could enhance inclusive growth and no will be left behind.
16. There is still lack of required identity tools in implementing PDM services. In some wards or parishes, beneficiaries could be lacking national ID, or valid data bases and address. The risk is high in case the PRF is released without proper databases and address of beneficiaries. The urban environment (wards) could be most affected.

Some strategies for improvement of the Parish Development Model

The PDM could be improved by considering the following aspects:

1. The model needs to consider indicators of progress (milestones) in homesteads and/or among beneficiaries to track progress and impacts while transiting from the subsistence to the money economy. The indicators can guide track the impacts of PDM interventions in the parish.
2. The model needs to consider advancing loans to parish beneficiaries when the community has agreed to the pressing economic issues (based on problem ranking) without compromising the integrity of the environment, optimal productivity, market access and sustainable income generation
3. The funds (PRF) could be released after analyzing parish level pressing issues and after demonstrating a business case at community level and/or household level. A business case brings together the benefits, disadvantages, costs and risks of the investment. The beneficiaries should also be prepared well enough before money is advanced to them.
4. The model needs to look at guarantors more deeply especially where there is no collateral. It is stated that Members of each Parish group co-guarantee one another to ensure successful implementation of their approved project. Recovery of money is vital for the sustainability of the Parish revolving Fund and measures must be in place to ensure beneficiaries do not default. However, it is still unclear if the group members who guarantee the beneficiaries are willing to recover the money in case of defaulting. The PDM could consider precise legal guidelines to handle defaulters.
5. The model may need to consider financing projects instead of disbursing cash directly to beneficiaries. This would make sure the beneficiaries get access to inputs and tools to implement their enterprise in a way that is easy to monitor. It also encourages that farmers get access to good quality inputs unlike where they get money and divert it into other uses. In most areas, the banks are still far away

from the people and the idea of giving money directly to the farmer is in itself a big risk.

6. There is need to explore the option of a system that will drive production through creating support to purchase the produce at a relatively attractive price – since the product prices are actually driving production agenda in the country. The farmers or community who are typically in subsistence economy (<39% of population) can benefit from assured purchase of their products.
7. The model must have a deliberate effort to conduct quarterly reviews to beneficiaries with phased release of funds to monitor progress. Effective monitoring of the program would ensure efficiency and accountability of the allocated funds.
8. The model could consider the planning cycle that emphasizes re-planning after a given time period. This would ensure that the beneficiaries are evaluated and allowed to change strategies, such as those with a better land use optimization approach, while encountering business challenges.
9. The PDM could consider the human population per parish in allocating the funds as opposed to giving the same amount of money to the same parish. Parishes with more people would be given more funds than the less populated. This could promote inclusive development.
10. The PDM approach on transforming the poor involved in farming needs to closely explore the state of factors of production (especially land) and promote a package of Good Agronomic Practices or Good Livestock Management practices (e.g. right type and amount of fertilizers, herbicides, pesticides etc.); promote proper post-harvest management so as to aim at highest yields so that the loan to a farmer is to easily recovered. The use of irrigation support approach cannot be ignored if success is to be realized amidst climate change especially for agriculture.
11. The model could prioritize cutting edge knowledge sharing and capacity development so that household heads make decisions based on new up-to-date information. It is good that some efforts are being made on training and preparation of PDM Enterprise Groups and PDM SACCOs on governance, loan management, records keeping, good agricultural and agribusiness practices. However, more funds are needed to boost these trainings so that the PRF funds are put to better use by an informed end-user who is technically guided on choosing profitable enterprises to transform his/her household.
12. There is need to include a research agenda to benchmark the PDM (with baseline studies, mid-term studies etc.) in selected regions of Uganda so as to track progress in the implementation of the model and share data to relevant authorities.
13. There is need for model to plan in advance a strategy - to identify parishes who are already progressing according to plan so that lessons are shared across the country. Therefore, the model needed to be piloted before being rolled out to the entire country. This is because, a tested model will always provide rightful benchmark for best interventions for success
14. There is need for the model to recognize that all communities cannot follow the same rate of adoption and transformation due to area specific social-cultural-economic dynamics. This essentially means that each community needs to take ample time to understand its problems, recognize its opportunities, own a vision

for growth and implement the transformation they need in their area. Otherwise, the temptation of all communities to be at the same rate of disbursement of money to beneficiaries can be counter-productive.

Conclusion

The PDM is a very promising strategy by Government of Uganda and should be harnessed by all stakeholders at various levels and in their different capacities. The model is likely to be very impactful when all stakeholders realize the need to utilize the resources well for the intended purposes guided by dependable legal support systems and an organized community monitoring system that stands for transparency, accountability and rule of law.

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