

PARISH DEVELOPMENT MODEL

A LOCAL GOVERNMENT GUIDE TO

CONVENING FIRST GENERAL MEETINGS FOR REGISTERED PDM SACCOS

(Guide No.1/2022)

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C/o Ministry of Local Government

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Introduction

1. This Guide is one of a series of guidance notes issued to Local Governments across the country with a view of setting out best practice for maintaining standard quality of services and harmonizing approaches to particular aspects of the Parish Development Model. This Guide should be used in line with the PDM SACCO Bye-Laws together with the Cooperative Societies Act (as amended).
2. The purpose of this Guide is to enable the PDM SACCO set a good foundation for abiding by the provisions of the Cooperative Societies Act and the established good governance principles. Bad things happen when this is ignored!

Background

3. Government rolled out the Parish Development Model (PDM), countrywide in the FY 2021/22. The roll-out included the establishing and capitalizing a PDM SACCO per Parish by depositing funds on designated accounts that were opened in supervised financial institutions closest to the members of the PDM SACCO.
4. The following conditions have been set for any bank to allow the PDM SACCO to initially access the funds on its account under the Parish Revolving Fund: -
 - a) Present a Certificate of Registration for PDM SACCO issued by the Registrar of Cooperatives;
 - b) Present Evidence that First General Meeting was held (Minutes of the First General Meeting);
 - c) Present a copy of the Resolution appointing signatories to the bank accounts certified by the Registrar of Cooperative Societies; and
 - d) Present letter from the Commercial Officer confirming that the PDM SACCO Executive and PDM Enterprise Group members have been trained in governance and loan management (training report).
5. Local Governments are responsible for ensuring that the PDM SACCOs comply with these conditions. There is therefore, need to equip members of the Local Government Core PDM Implementation Teams who shall be responsible for preparing the PDM SACCOs under their area of jurisdiction.

6. All Local Government staff are reminded to conduct themselves in a professional manner at all General Meetings. They must ensure that the autonomy of the PDM SACCO, as a multipurpose cooperative, is protected.
7. This Guide concentrates on holding the PDM SACCO First General Meetings and does not purport to cover the practice to be adopted in respect of all other meetings for forms of SACCOs and cooperative societies in Uganda.
8. The content of the different training is set out in the User Handbook entitled "Understanding the Parish Revolving Fund" and the relevant sections of the PDM SACCO Bye-Laws and the Cooperative Societies Act.
9. The Process for ensuring compliance to the above conditions is illustrated in figure 1 below.

Process for operationalizing PDM SACCOs in Q2 FY2022/23

Business of the Meeting

- i. Foundational training of PDM SACCO members on coop philosophy, principles and values, member obligations and rights; the different Committees & subcommittees (vetting Committee, Supervisory Committee, Loan Committee and the Executive Committee, the PDM SACCO- Follow the PDM Bye-Laws and the PRF Handbook
- ii. Admit new members
- iii. Elect the Vetting Committee members
- iv. Expression of interest for leadership positions



Business of the Meeting

- i. Training- a recap on the responsibilities of members and the various committees
- ii. Presentation of the vetting committee report
- iii. Hold elections to establish the Board and Supervisory Board of the PDM SACCO (Loan Sub-Committee and other subcommittees will come from the Board)
- iv. Pass Resolutions for signatories to bank account



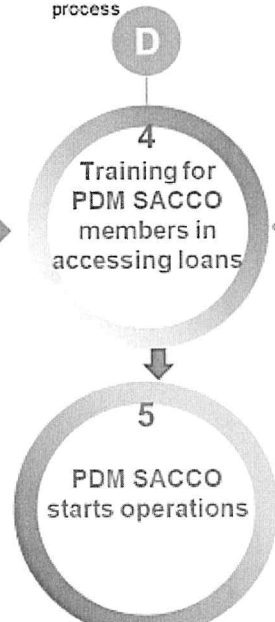
Business of the Meeting

- i. Getting management right- Train leaders on their roles, duties and responsibilities- Follow the PDM Bye-Laws and Coop Act
- ii. Loan Management- Follow the PRF Handbook



Business of the Meeting

- Train the citizens on the processes for accessing the loans including
- i. Business planning
 - ii. Loan application and approval process



10. Commercial officers shall guide the process of holding of the First General Meeting and training the SACCO leaders in accordance with the PDM SACCO Bye-Laws and the Cooperative Societies Act (as Amended). In doing so, the Commercial officer is reminded that s/he must have regard to the relevant primary and secondary legislation.

11. This Guide shall be used to establish the following structures of the PDM SACCO: -
 - a) The General Meeting of the PDM SACCO
 - b) The Vetting Committee elected by the General Meeting of the PDM SACCO
 - c) The Board and the Supervisory Board of the PDM SACCO
 - d) Operational Committees, such as the production Committee, Marketing Committee, Education and training Committee, Loans Committee
12. The following scenarios apply: -
 - a) A leadership Vetting Committee was previously established but no First General Meeting held.
 - b) The First General Meeting was previously held, leaders elected but were not vetted
 - c) No First General Meeting has been held

General Meetings

13. The supreme authority of the PDM SACCO shall be vested in the General Meeting of the Members at which every member shall have the right to attend, deliberate and vote on as necessary.
14. For effective representation of the Enterprise Groups (new and old) at the General Meeting, each Enterprise Group shall be represented by three delegates (the Group Chairperson, Secretary and Treasurer). However only one of them is allowed to vote at the meeting and to stand for elective office.

Agenda of the General Meetings

15. The business of the First General Meeting of the PDM SACCO shall be:
 - a) Training of the PDM SACCO members
 - b) Admitting new members in accordance with the PDM SACCO Byelaws
 - c) Electing the PDM Leadership Vetting Committee
 - d) Establishing a vetting criterion- follow the PDM SACCO Byelaws

e) Issuing the Expression of interest Form to be filled and returned (to the Chairperson of the Vetting Committee in 3days time)-Use the form in Annex 2 below.

f) Inaugurating the vetting committee and give them their terms of reference

16. The business of the Special General Meeting of the PDM SACCO shall be:

a) Training of Members- recap of the training in First General Meetings

b) Presenting the Vetting Committee Report

c) Electing members of the Board and members of the Supervisory Board of the PDM SACCO

d) Passing a resolution for the Signatories to the Bank account. The meeting should advised, that a designated bank account shall be operated by the PDM SACCO for purposes of managing funds under the Parish Revolving Fund. Any funds from other sources should be deposited in a separate account.

17. This shall not preclude the introduction of new agenda with the consent of the meeting.

Venue, date and time of the First General Meeting

18. When choosing the venue for the meeting, the Commercial Officers in consultation with the members should not only fulfil the legal requirement to choose a place which is convenient for persons who are invited to attend. However, s/he should also ensure that there is adequate space for the number of persons likely to attend. Subject thereto, there is no objection to any member of the PDM SACCO or a Parish resident arranging for the meeting to be held at her/his residence as long as it is within the boundaries of the parish.

19. The date and time of the meeting must be fixed with the convenience of the PDM SACCO members in mind and having regard to their geographical location. As an example, notices of a meeting should not normally be dispatched shortly before the commencement of a known holiday period (eg Christmas or Easter) with the meeting taking place immediately after the holiday.

Notice of the meeting

20. The notice convening the First General Meeting (see Annex1 for as standard template) shall be sent to all members of the PDM SACCO. The Commercial Officer shall formally communicate to the members about the meeting and circulate it through the Parish Chief who shall be responsible for communicating and mobilizing the PDM SACCO members to attend the meeting.
21. Working with the Parish Chief, the Commercial Officer shall take all reasonable steps to ensure that the list of members is complete and the member delegates are residents of the Parish.
22. Notice of the General Meeting shall be for **14 days**. Working with the Parish Chief, the Commercial Officer shall ensure that the 14days are counted from the date of receipt of the notice by members. In the event that the members do not receive the Notices with 14clears days, then the Commercial Officer shall provide an extension of 7days to enable members to arrange representation.

Provision of information prior to General Meeting

23. To ensure that only genuine registered parish-based enterprise groups are the members of the PDM SACCO and also the members of those enterprise groups are genuine, the Parish Chief, shall ensure that a list of members of the PDM SACCO and their members is available for inspection by Parish residents. The Parish Chief should take steps to ensure that the list provides details of:
 - i. All the PDM Enterprise Groups that are members of the PDM SACCO and membership numbers;
 - ii. The names of all the members of the PDM Enterprise Groups. Individual names of the Enterprise Group members are arranged in alphabetical order.
24. The lists shall be available, at all times, to all the responsible persons and in all the circumstances, at a convenient place within that parish.
25. **The Parish chief shall use the PDC Stationery Budget under the PDM Grant to make these lists available for public viewing.**

Attendance at the First General Meeting

26. For purposes of holding an effective First General Meeting, a Commercial Officer (or his authorized representative) shall be in attendance to guide the meeting accordingly.
27. The original members whose representatives signed the application for registration of the PDM SACCO shall attend the meeting.
28. New members subsequently admitted in accordance with the PDM SACCO Byelaws shall also attend the meeting. As such the first activity of the First General Meeting shall be to admit new members to ensure that they fully participate in the business of the meeting.
29. Working with the Parish Chief, the Commercial Officer shall ensure that the PDM SACCO has recruited a larger number of members that is representative of the parish population to ensure a bigger pool of members from which leaders shall be elected (a minimum of 11 members is needed to fill all the leadership positions (3 members of vetting committee, minimum of 5 members of the Board and 3 members of the Supervisory Board)).
30. Attendance at the meeting is limited to members only. However, third parties may attend with consent of the chairperson and members but shall not have voting rights or influence any decision.
31. For purposes of facilitating proper consultation and guidance, the Commercial officer and the Parish chief shall attend the meeting without voting rights.
32. The preparations for the meeting and holding of the same shall follow the provisions of the PDM SACCO Bye-Laws and the Cooperative Societies Act.
33. A member's (Enterprise Groups) delegate attending the meeting is required to sign an attendance list. This list should be made available for inspection to anyone attending the meeting.
34. All delegates of the PDM SACCO shall prior to the meeting seek the views and concerns of their members to be presented to the General Meeting. Every delegate shall identify himself, herself and the Enterprise Groups that they are representing.

Chairperson and Conduct of the First General Meeting

35. The First General Meeting shall be **held within a period not exceeding one month after receiving the Certificate of Registration** and the Chairperson of the Interim Committee shall cause the meeting to be held and will chair this Meeting with technical guidance from the Commercial Officer.
36. Where the First General Meeting is **not held within 30 days** after receiving the Certificate of Registration, the Commercial Officer, or her/his delegated responsible Government Officer, shall cause the meeting to be held. In this case, the Commercial Officer, or her/his delegated responsible Government Officer, shall chair the First General Meeting.
37. Any subsequent meetings after establishing the Board shall be chaired by the Chairperson of the PDM SACCO Board or his/her deputy.

Quorum

38. The presence of at least half (1/2) of the members shall be necessary for the disposal of business at the meeting.
39. When a quorum is not on the meeting day, a second notice of the meeting shall be published for fourteen (14) days later. If at such a meeting again a quorum is not present, the Chairman shall declare the meeting open and shall proceed with the meeting with those representatives present. Decisions of such meeting shall be binding on all members.

Training at the meeting

40. The Commercial Officer shall ensure that at each meeting, an opportunity is provided for training members on topical subjects that enable them to understand the operations of the PDM SACCO.
41. The Training seeks to empower the members to know their rights as well as obligations and to exercise their powers in the entity through the governance mechanisms: the General Meeting, the Board of the PDM SACCO and the Supervisory Board of the PDM SACCO.

42. **The training content is derived from the different provisions of the PDM SACCO Bye-Laws.** However, as a minimum, the Training shall cover the cooperative philosophy, the 7 Cooperative principles, Cooperative values, member obligations and rights; the different Committees & subcommittees of the PDM SACCO as well as their functions (Vetting Committee, Supervisory Board, Loan Committee and the Board). Use the PDM SACCO Byelaws as a training guide for this.
43. The commercial officer must prepare and sign a training report.

Establishing the Vetting Committee

44. Where a Vetting Committee **was not previously** established at an earlier General Meeting of the PDM SACCO, two scenarios arise:
- a) First General Meeting was held and leaders elected without any vetting. The meeting must be guided on the new provisions of the Cooperative Societies Act as amended which requires the PDM SACCO leaders to be vetted and the vetting criteria. In the event, that the elected leaders do not meet the vetting criteria or the election process did not follow the law, the process shall be repeated and done accordingly. Where the elected leaders met the vetting criteria, the meeting may ratify their appointment. The vetting process is important in ensuring that the right quality of leaders are elected. These leaders will serve for a long period of four (4) years, so it is important to ensure that the right leaders are in place. If members chose to ratify the previously elected leaders, those leaders shall be vetted first and a report of the vetting committee presented to the meeting to ratify the leader. Other members who did not attend the earlier meeting, should also be given an opportunity to express interest to serve on the leadership committees and shall also be vetted as such.
 - b) Where no First General meeting was previously held. The Meeting will follow the normal process as below.
45. In accordance with the provisions of the Cooperative Societies Act and the PDM SACCO Byelaws, a person seeking election in any cooperative society (such as the PDM SACCO) shall be subjected to a vetting process. As such a fit and proper test shall be carried out

on all those vying to be board members of the PDM SACCO. The elected leaders will serve for a period of four years. Accordingly, special attention must be paid to who takes on the PDM SACCO leadership role. The vetting process serves as a sieving exercise to allow the PDM SACCO get quality leadership.

46. Every PDM SACCO shall appoint an independent Vetting Committee as one of the PDM SACCO Governance arms structure.
47. A PDM SACCO, that **did not establish a Vetting Committee at the time of electing the Interim Committee**, shall be supported to do so given the importance of vetting in enhancing the quality of leadership in PDM SACCOs.
48. The mandate of the Vetting Committee is to maintain a formal, rigorous and transparent process of nomination and appointment of the Board Members and Supervisory Board aligned to the law, the Bye-laws and election policy of the PDM SACCO.
49. The Vetting Committee ensures that elections are held in a free, fair and transparent manner and reflects the will of Members and that the governing Board and Supervisory Board are fully constituted and operational at all times.
50. The Vetting Committee shall be established through a vote (see section below on voting at the First General Meeting) and shall comprise of a minimum of 3 ordinary PDM SACCO members (one delegate per member Enterprise Group) and two ex-officio members, i.e. the Parish Chief and the Commercial Officer.
51. For one to be among the 3 ordinary members of the Vetting Committee, s/he must be:
 - a. A delegate representing a member of the PDM SACCO, with a clean record
 - b. Person of impeccable character, a law -biding citizen and one who has not been convicted of any crime.
 - c. They must be seen to conduct themselves in a way that promotes transparency, popular and democratic decision making.
 - d. They must themselves not be aspiring for elective positions.
 - e. They must be strong promoters of the PDM SACCO's vision, mission, policies, procedures, principles and standards.
52. The ordinary members shall elect one of their numbers to be the Chair of the Vetting Committee. **The role of the Commercial Officer and the Parish Chief is strictly to offer technical guidance, to allow the elected committee members to decide from a**

technical point of view. Never at one time should the Commercial Officer and the Parish Chief, be seen to be influencing decisions of the elected PDM SACCO leaders.

Key roles and Duties of the Vetting Committee in relation to the First General Meeting

53. Some of the expected roles and duties of the Vetting Committee include:
- a) Perform background checks on the aspiring leaders
 - b) Report on the performance of the aspiring leaders and on how they patronize the Cooperative's services; such as savings, credit, shares, bulking, attending meetings, etc.
 - c) Assess whether the aspiring leader has the minimum skills, knowledge and ability (ability to read and write).
 - d) Report on the financial discipline of the aspiring leaders
 - e) Report whether the aspiring leaders have integrity and good character
 - f) Ensure the aspiring leaders have experience in leadership
 - g) Ensure gender/ youth equity
 - h) Prepare a shortlist of eligible candidates to recommend to first General Meeting

Expression of Interest by the delegates of the members of the PDM SACCO

54. A person intending to vie for office in a PDM SACCO (i.e. to be a Board Member or a Member of the Supervisory Board) shall submit, to the Vetting Committee, a dully filled and signed "Fit and Proper Test" Form prior to the holding of the elections at a General Meeting. The fit and proper test exists to protect the interests of members (actual and potential).
55. The members attending the First General Meeting shall determine the last date of submission of the signed "Fit and Proper Test" Form before the Vetting commences. However, for expedience the members present shall be guided to express their interest on the same day and if one is absent for any reason, fellow members should inform him/her to express their interest within 3 days of the Meeting.
56. The signed Expression of Interest Form (see Annex 2 for a standard template) must be submitted to the chairperson of the vetting committee.

Who can serve on the Leadership Committees of the PDM SACCO

57. The Vetting Committee must ensure that the aspiring leader:

- a) Is a delegate of a member of the PDM SACCO
- b) Is above the age of 18 years;
- c) Is able to read and write;
- d) Is not a local political leader (or her/his spouse)?
- e) Is not a civil servant (or her/his spouse)?
- f) Has not been adversely named by the registrar in an inquiry report adopted by a general meeting for mismanagement or corrupt practices while a member of the board;
- g) Is not adjudged bankrupt;
- h) Is of sound mind;
- i) Is not of blood relations with another person on the same board up to the second degree (a grandchild, grandmother or grandfather);
- j) Is not from the same member enterprise group as another aspiring candidate (only one delegate per enterprise group can vie for leadership position in the PDM SACCO)
- k) Is not part of a board which has failed to prepare accounts within the specified period
- l) S/he does not hold an office of profit in the PDM SACCO or receives any payment from the PDM SACCO which has not been approved by the general meeting.
- m) S/he does not lend money on her/his own account or deals on his own account for profit in the same line of business as the PDM SACCO.
- n) S/he has not been convicted of any offence involving dishonesty.
- o) S/he is a person who has been removed from the Committee of a PDM SACCO by the Registrar.
- p) S/he patronizes the PDM SACCO.
- q) S/he has not been a member of a dissolved committee of a co-operative society
- r) S/he is a not dismissed employee of a co-operative society.

58. It is important to emphasize that these categories are not intended to be exhaustive or definitive. The fit and proper test exists to protect the interests of members, actual and potential.

Vetting of the Aspiring Leaders

59. The Vetting Committee shall vet the aspiring leaders within the time set by members at the General Meeting and present suitable candidates at the Special General Meeting.

Special General Meeting

60. Once the vetting process is completed, a Special General meeting shall be held to consider the following;
 - a) Training- a recap on the responsibilities of members and the various committees
 - b) Presenting the Vetting Committee Report
 - c) Electing members of the Board of the PDM SACCO
 - d) Electing members of the Supervisory Board of the PDM SACCO
 - e) Passing a resolution for the Signatories to the Bank account

Voting at the First General Meeting (or any equivalent)

61. The procedure to be followed when voting at the First General Meeting or any equivalent should be explained to the meeting. It is acceptable in the first instance for a vote to be taken on an informal show of hands and if the result is accepted by all interested parties, the chairperson of the meeting may conclude that a resolution has been passed.
62. For any formal voting exercise to elect a candidate for any office (the Vetting Committee, the Board and the Supervisory Board), it should be conducted by stating the names of all the vetted candidates and member's delegates lining up behind the candidates of their choice.
63. Each member (Enterprise Group) shall have one vote only, which shall be exercised by the Chairperson of the Enterprise Group or his/her proxy. The other two delegates (out of the three that came from the Enterprise Group) shall be observers only and can't vote.
64. When all votes have been counted, the chairperson should announce the result to the meeting, giving details of the total value of votes cast in favour of each candidate.

65. The meeting should be told of its right to elect other committees (Supervisory Board) and of the nature of the committee's functions, including the Committee's duties and responsibilities. When the election of the committee members is not contentious, a resolution may be passed on a show of hands. If the election of the committee members is contentious, it is recommended that voting be done by lining up and counting of delegates behind each candidate.
66. The meeting should also be advised that operational committees will be established by the Board (e.g. the loan and investment committee, marketing committee, production committee, education & training committee). The meeting should also be advised of the functions of each of these sub-committee in accordance with the PDM SACCO Byelaws.
67. When declaring the result, the chairperson should follow the same procedures as those outlined above.
68. Apart from the election of committee members, the only other resolutions which may be taken by the First General Meetings are:
 - a) A resolution to hold a Special General Meeting in at least 14 days
 - b) A resolution to open bank accounts in a supervised financial institution and/or the signatories to those accounts
 - c) Any other resolution which the chairperson thinks it right to allow for special reasons.
69. A record of the meeting (minutes of the meeting) shall be prepared and signed off by the Chairperson. The Commercial Officer shall provide a standard template for the Minutes (Annex 4) and the Resolutions ((Annex 5) which the PDM SACCO may adapt.

Costs of organizing the first General Meeting, the Special General Meetings and training of PDM SACCO leaders

70. The cost of organizing the meetings should be borne by the Accounting Officers from the PDM Grant under the Production Department. These costs should not exceed Ugx250,000 per parish which is part of the amount that was released by the Ministry of Finance, Planning & Economic Development in Q1 & Q2 FY2022/23 under the PDM Grant.

Annex 1

..... PDM SACCO

NOTICE OF SPECIAL GENERAL MEETINGS

Pursuant to sub-regulation 21(4) of the Cooperative Societies Regulation of 1992, the Special General Meeting ofPDM SACCO will be held on [Insert Date of the Proposed Meeting (14clear days from the date of the notice)] at [Insert starting time of the Meeting] at [insert venue of the meeting], District

AGENDA

- a) Training of the PDM SACCO members
- b) Admitting new members
- c) Electing the PDM Leadership Vetting Committee
- d) Establishing a vetting criterion
- e) Issuing the Expression of interest Form to be filled and returned to the Chairperson of the Vetting Committee in 3days time. Delegates who are interested in vying for a leadership positions shall be asked to express their interest by filling in this form.
- f) Inaugurating the vetting committee and give them their terms of reference

This serves to invite all the delegates for member enterprise groups of above named PDM SACCO.

Delegates for member enterprise groups **are also invited to a subsequent Special General Meeting** that will be held at [insert venue of the meeting]..... on [Insert Date of subsequent Special Meeting]. The Agenda for this subsequent Special General Meeting includes:

- a) Presenting the Vetting Committee Report
- b) Electing members of the Board and members of the Supervisory Board of the PDM SACCO
- c) Passing a resolution for the Signatories to the Bank account

In accordance with the PDM Guidelines, a list of the names and addresses of the members will be available for inspection, free of charge, at [insert venue of the where the lists of the members can be inspected] on the two business days preceding the date of the meeting, between the hours of 10.00 a.m. and 4.00 p.m.

Signed:.....

[insert Name of District Commercial Officer]

District Commercial Officer

For: REGISTRAR OF COOPERATIVE SOCIETIES

Dated.....

Annex 2

..... PDM SACCO

Expression of Interest by a member’s delegate to be elected on the Board of the PDM SACCO

1. Name of the Applicant.....

2. Physical Address.....

.....

3. Phone Number (Required).....

4. National Identification Number.....

5. Name of the Member Enterprise Group that the applicant represents.....

6. Name of the Member Enterprise Group that the applicant represents.....

7. Position applied for (please select one)

Chairperson
 Vice Chairperson
 Secretary,
 Treasurer
 Publicity
 Ordinary Committee Member

8. You should be seconded by 2 PDM SACCO Member Enterprise Groups in the parish/ward

No	Name of Enterprise Group	Name of the member who	Tel	Sign

		has endorsed you		
1				
2				

9. Fill this if you are standing for the following Positions: - **Chairperson, Vice-Chairperson; Secretary & Treasurer.** Should be endorsed by your LC I Chairperson

FOR USE BY LC I CHAIRPERSON:

I do certify that the above-named person is a resident of my area and a law-abiding citizen

Name of LCI Chairperson

Tel:

Sign of LCI Chairperson Stamp

NB: Attach

1. Photocopy of your National ID;

Candidate's Signature:.....

Dated.....

Annex 3

..... PDM SACCO

Expression of Interest by a member's delegate to be elected on the Supervisory Board of the PDM SACCO

1. Name of the Applicant.....

2. Physical Address.....

.....

3. Phone Number (Required).....

4. National Identification Number.....

5. Name of the Member Enterprise Group that the applicant represents.....

6. Position applied for: Member of the Supervisory Board

7. You should be seconded by 2 PDM SACCO Member Enterprise Groups in the parish/ward

No	Name of Enterprise Group	Name of the member who has endorsed you	Tel	Sign
1				
2				

FOR USE BY LC I CHAIRPERSON:

I do certify that the above-named person is a resident of my area and a law-abiding citizen

Name of LCI Chairperson

Tel:

Sign of LCI Chairperson Stamp

NB: Attach

1. Photocopy of your National ID;

Candidate's Signature:.....

Dated.....