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URSB's formalization agenda will enhance economic transformation through the Parish Development Model

By Mercy K. Kainobwiso

The Parish Development Model (PDM), launched by H.E President Yoweri Museveni in Kibuku district at the start of this year, was specifically crafted to spread prosperity, especially among majority subsistent rural households outside formal money economy into the money economy to fasten socio-economic transformation. Under the programme, each parish is expected to receive Shs100 million to benefit various categories of people to eradicate poverty. The launched initiative is expected to lift the country's annual GDP growth rate to at least 7% by 2040 – up from 5.1% projected for 2022 with the concerted effort of all players and the required strategic interventions.

The Parish Development Model (PDM) presents an easier strategy for organizing and delivering public and private sector interventions for wealth creation and employment generation at the parish level as the lowest economic planning unit. This model will ease the short, medium and long-term planning for the country, both at local and national levels since it addresses the five critical elements of livelihood enhancement: human, natural resources, social, finance and physical assets.

Formalisation for transformation

The goal of the PDM is socio-economic transformation. The national development plan III (NDP) highlights informality among the factors that deny the economy up to 40 percent of the annual revenue targets. Several interventions have been implemented in the bid to ease the process of formalization. Public entities like the Uganda Registration Services Bureau (URSB) were mandated to support government in the delivery of registration services with the core aim being formalization of the economy to propel social economic development, and enhance the implementation of national development plans to complete the Vision 2040 cycle.

In the last decade, URSB has registered over 800,000 commercial ventures including associations like the ones being targeted for funding under the PDM. URSB's services provide a critical element for building a clear, functional database of formal commercial entities to support target beneficiaries, monitoring and implementation of PDM. The database also boosts transparency and accountability for 'value for money' all of which are critical outcomes for the model.

Financial inclusion support

The PDM aims at lifting 39% of Uganda's population (about 3.5 million people) from the subsistence to money economy through pillars like financial inclusion and increase of household incomes. This plan would eventually contribute to The Uganda Vision 2040 which envisages "a transformed Ugandan society from a peasant to a modern and prosperous country" and hence the realization of the third National Development Plan which prioritizes inclusive growth, employment and sustainable wealth creation at household level.

Improving access to credit to capitalize businesses and improvement in financial services using individual and collective assets among informal economy players is part of URSB's mandate. In 2020, the Security Interest in Movable Property Registry System (SIMPO) was launched to effect the use of movable properties like vehicles, stock, agricultural produce, household furniture, intellectual property, cheques among others as collateral to secure credit through licensed lenders.

SIMPO is already improving productivity of households and enterprises at the parish level including growing of incomes for special vulnerable groups, like women, youth, and people with disabilities (PWDs), who are prioritized under PDM. So far, 12,000 registrations have been lodged on the Chattels Registry by borrowers across the country.

Community mobilisation

The success of the PDM will require policy, legal and institutional reforms and a shift in the mindsets, and mobilization of private and public sector institutions to provide desired services. Lack of awareness about the need and the value of formalisation have been highlighted in the NDP III among the main obstacles to economic growth. The plan places key focus on empowerment of families, communities and citizens through community mobilization and mindset change to ensure effective participation in the development process.

To increase awareness about the values of formalization, URSB is engaging stakeholders through targeted initiatives to fast track data gathering, alignment of goals targeting the formal sector, area-based enterprise registrations, co-ordination of government programmes, and collection of feedback from communities on inherent challenges for effective redress to accelerate the realization of socio-economic transformation. These skilling engagements are raising awareness about existing services and opportunities like entrepreneurship, innovation, protection of intellectual property for commercialization purposes and utilization of public services. Additionally, URSB has partnered with other ministries, departments and agencies (MDAs) under multi-agency arrangements to coordinate services delivery initiatives to strengthen government programmes like the PDM.

The writer is the Registrar General of the Uganda Registration Services Bureau.