



Role of rural financial services in improving gender relations and stimulating investments into sustainable alternative livelihoods for improved food security in sub-region of Uganda

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What approach did the team take to achieve the impact?

Traditionally, **livelihoods in Karamoja heavily depend on livestock rearing with limited crop cultivation** in a mutually reinforcing integrated system that helps to build and maintain their resilience against shocks. However, recent reports indicate increasing gender related disparities in ownership and access to land, property, and finances due to the changing context with women being disproportionately affected.

Gender inequality increases the vulnerability of socially excluded groups, promotes negative coping strategies and undermine the resilience of individuals, households and the community as a whole.

The project supported the farmer field schools to establish village savings and loan schemes to help groups mobilize funds that can be loaned to members to meet immediate needs and stimulate investments into alternative sustainable livelihoods for increased resilience to shocks.

A total of **over USD70,000 has so far been saved** by about **5,000 members from 200 FFS groups** and at least **USD 47,000 has been loaned out to 1,700 members**. The groups also mobilized a separate social fund to meet emergency needs of group members which can be accessed by members at zero interest rate.



What impact did the effort have and on/for whom?

At least **1,700 households** have **borrowed over USD 47,000 from their group savings** at an average interest rate of 10% per month to invest in improved agricultural inputs (e.g. seeds), children's education and income generating activities (vegetable production, piggery, grain selling, apiary, etc.) and use of ICTs (e.g. phones) to **access information and energy efficient technologies** such as cook stoves and solar panels as alternatives to charcoal/selling firewood for cooking and paraffin for lighting.

Working in groups coupled with diversified sources of income has also helped reduce domestic violence and child labour by helping farmers raise access funds for food, school fees and healthcare contributing to improved gender relations and shared decision making at household.





What were the main ingredients that led to the impact?

The project targeted the **vulnerable and socially excluded groups** that mainly depend on negative coping strategies which undermine the resilience of individuals, households and the community as a whole.

Therefore, **improving access to flexible rural financing options** for the majority of the rural poor women has reduced dependency on negative coping strategies such as sale of charcoal and firewood for income thus promoting investments into sustainable alternative livelihoods which has increase the capacity of households to absorb common shocks such as prolonged dry spells and conflicts due to diversified sources of income.

The **FFS members were equipped with skills on farming as a business** and provided with VSL kits. Opportunities to link the savings schemes to financial institutions are being explored.



Photo: Burkina Olivier Girard (CIFOR)



Where or under which circumstances could this effort be scaled?

Village savings and loan schemes thrive well among communities with similar socio-economic background to enable them work harmoniously to minimize conflicts.

The schemes work best in rural settings where there is poor access to financial services or lack of collateral required by financial service providers.



What are the main lessons that were learned?

- **Village savings and loan schemes** help improve group cohesion and reduce gender inequalities.
- **Improved access to rural financing** helps stimulate investment into livelihood diversification thus increasing capacity of households to absorb common shocks.

