CONTRIBUTIONS OF PRIDE MICROFINANCE INSTITUTION IN THE DEVELOPMENT OF THE FISHING SECTOR AROUND BUTIABA LANDING SITE ON LAKE ALBERT IN BULIISA DISTRICT.

BY

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(2011-BO21-20012)

A DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A BACHELORS DEGREE IN BUSINESS ADMINISTRATION AND MANAGEMENT OF UGANDA MARTYRS UNIVERSITY.

APRIL 2014

DEDICATION

This research work is dedicated to my parents, sisters and brothers, Aunts and Uncles, other relatives and anyone else who supported me in my study and has ever missed me during my study and to Almighty God who has given me life, strength and wisdom to do this work.

ACKNOWLEDGEMENT

In a very special way I very much thank my supervisor Mr. Sempungu Godfrey for his marvelous efforts and guidance towards this splendid accomplishment. May the good Lord reward him?

In a special and distinguished way, I very much thank my Uncle and parents who were every time with me during all my moments of financial constraints and missed me whenever I was away.

I also thank my family members, Mr. Byaruhanga Charles and others who helped me financially, morally and emotionally during my study.

I thank the management of Uganda Martyrs University and Pride microfinance who granted me permission to move up and down even during the time of work. I thank them very much.

I thank all the lecturers from Uganda Martyrs University who have given me the knowledge.

Above all, the glory be all to God Almighty. His name ever is praised. For without him I would have done nothing and I would be nothing.

LIST OF ABBREVIATIONS

PMI	- Pride Microfinance institution
B O U	- Bank of Uganda
UMU	-Uganda microfinance union
MFI	-Microfinance institutions
UCA	-Uganda Cooperative Institutions
L	-Lake
NGOs	- Non Governmental Organizations
LCs	-Local Councils

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ABSTRACT

This study was organized under the topic: Contributions of pride microfinance institution in the development of the fishing sector around Butiaba landing site on L Albert in Buliisa district. The study was guided by the following research questions:
What is the contribution of Pride-microfinance institution in the development of the fishing sector around Butiaba landing site? What is the contribution of training services in the development of the fishing sector around Butiaba landing site? And what is the relationship between savings and the development of the fishing sector around Butiaba landing site?

The literature review was organised based on the roles of Short term loans, savings and training services towards the development of the fishing sector around Butiaba landing site. Gaps identified include: poor fishing and preservation methods, poor transport net work, inadequate capital among fishermen to boost the fishing sector and others.

A descriptive research design was used since some knowledge existed about the topic of study. From a population (N) of 55 people, a sample (n) of 48 elements/people was selected since less time and resources were required. Interviews and questionnaires were some of the methods and tools that were used in the study respectively to collect data.

Data analysis, presentation and discussion of findings were done using SPSS program. It was established that most fishermen fall in age brackets of (31-40) and (40-50) years, some are educated and others are not. Fishermen purchase fishing equipments like nets, mobilize transportation of fish, improving on hygiene and others using the short term loans provided by PMI.

Summary, conclusions and recommendations of the study included: Fishermen, other people around Butiaba landing site and PMI staff were covered in the study. Problems like poor infrastructure, limited capital and poor hygiene are faced by fishermen and PMI. It was concluded that PMI contributes to the development of the fishing sector around Butiaba landing site and the researcher recommends improvements on road transport and security around the landing site so as to improve on the fishing sector.

CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

The study is aimed at investigating the contributions of pride micro finance institution in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

This chapter is about introduction of the study, background to the study, general and specific objectives of the study, conceptual frame work, scope of the study, justification of the study, and significance of the study.

1.1 Background to the study

In the world, fishing is carried out in oceans, lakes and rivers. The important marine organisms are grouped as follows; Dermersal fish which are bottom living fish such as cod and haddock. These species tend to concentrate on broad continental shelves, especially of the Atlantic.

Pelagic Fish

These are species that inhabit the water column, such as, mackerel, anchovy, and tuna. The most spectacular fish catch are made of surface – shoaling pelagic species Dermersal fishes and pelagic fishes combined make up the majority of the fish catch about 27 million tons per year.

Crustaceans

This group consists of bottom dwelling species (crabs and lobsters) as well as swimming invertebrates (Krill, Shrimp) Crustacans fisheries are important to many countries and

regions, such as Chesapeake Bay of the U S About 4 million tonnes of this group are harvested each year.

Molluscs and Cephalopods

These include various species of squid cuttle fish Octopus, more cephalopods stock are harvested by the Japanese than any other nation. They also serve as important source of protein for many Mediterranean and developing countries. About 2.5 million tons of cephalopods are harvested each year.

Marine mammals

This group has been heavily exploited for oil and meat, although they make relatively small portion of the fish catch. Following the commercial extinction of the large baleen whales such as the mink and sei are being taken. Dolphins and porpoises are hunted locally, particularly in some tropical archipelagos.

Over 20% of the world's living biomass is contained in oceans, which cover 71% of the earth's surface. At present, about 0.2% of marine products. Marine source provides about 20% of the animal protein eaten by humans. 5% is provided indirectly via livestock fed with fish. 60% of the fish consumption is by the developing world. Estimates that sea food protein from stock will be insufficient to meet growing US and global demand for the seafood products in the next century.

In Africa, fishing is carried out in places such as Zambia, along the Nile, Amazing, along the great lakes region and in other Lakes, rivers, ponds and other drainage areas such as ponds and many more.

Fish catch by water body

The catch by water body for the period 1999 to 2003 fisheries activities provide an important source of livelihood for many people in Uganda. By far the most important water body in the

country is Lake Victoria whose share to total catch was 61.3 percent in 2002 and 72.4 percent in 2003. Lake Kyoga followed this with shares of 25 percent and 13.6 percent in 2002 and 2003 respectively.

The fishing activities showed signs of recovery after three consecutive years of falling out with a growth of 2.6 percent in fiscal year 2009 to 2010, compared with contribution of 7.0 percent in 2008 to 2009. The recovery in the fishing activities was mainly attributed to the controls imposed by the fisheries authorities.

Overall fish production

Most fish in Uganda come from Lakes Victoria, Albert, Kyoga, Edward, George, and about 160 minor lakes and rivers. Fish production of most lakes in Uganda has changed considerably since development of most of the fisheries started during the first half of the 20th century. Analysis of the changes that have taken place in these fisheries provides useful information on the potential and management issues associated with fisheries in Uganda (Agriculture in Uganda volume IV livestock and fisheries)

Major lakes

Lake Victoria

Lake Victoria is the largest tropical lake and the third largest lake in the world. It has a surface area of 68,800km a shoreline 3,450 km long, a catchment area of 193,000 km2. a mean depth of 40 m and a maximum depth of 79 m. The lake is shared between Kenya (6%), Uganda 43%) and (Tanzania 51%)

Originally Lake Victoria had a diverse fish fauna (Graham 1929, Greenwood 1966). About 12 taxes comprised the commercial catches. The lake contained more than 300 species of haplochromines (Witte et al 1992). 0. esculentus and 0. variabilis were the most important

commercial species. Other taxa, especially P. aethiopicus, B. docmac, C. gariepinus, L. Jiarbus spp, Mormyrids, Synodontis species and S. intermedius were also commercially exploited.

The original fishing methods consisted of hook seine nets of papyrus and basket traps. These had little impact on the fish stocks. The pressure on Lake Victoria started to increase with introduction of more efficient flax gill nets in 1905. This resulted in an increase in fishing effort initially; it was possible to catch as much as 50 to 100 0. esculentus per net of about 50 each night (Jackson 1971) but this catch decreased rapidly over time. A fishery survey carried out in 1928 (Graham 1929) showed that 0. esculentus were being overfished and recommended that a minimum gill net mesh size limit of 127mm should be imposed. This was imposed in 1931. However, there was no limit to the fishing effort, especially the number of nets, boats and fishermen on the lake. As a result, the catches of 0. esculentus continued to decrease and was 1.6 fish per net by the 1 950s. As the catch in the larger mesh nets decreased, the fishermen shifted to smaller mesh gill nets. The catch in the smaller mesh gill nets was better than those in the 127 mm mesh nets and this made the mesh size limit so difficult to enforce that it was repealed (Agriculture in Uganda volume IV livestock and fisheries)

Lake Albert

Lake Albert is located in the western rift valley. It covers about 5,335 km2 and is shared between Uganda (54%) and Democratic Republic of Congo (46%).

The first fishery survey of Lake Albert (Worthington, 1929) showed that the most important commercial taxa on the lake were, in order of importance, Citharinus citharus, Lates spp

(comprising L. niloticus and L. macrophthalmus,) Nile tilapia, Bagrus spp, A. baremose, J-Iydrocynusforskallui, Synodontis shall, and Mormyrus caschive.

As for the other lakes, use of destructive fishing gears and methods had a negative impact on the fishery. C. citharus was originally the most important fish species. Stock of this species was depleted due to extensive use of seine nets (Agriculture in Uganda volume Iv livestock and fisheries)

The fish species composition of the lake has not changed much from what was recorded by Worthington. Fourteen taxa still occur regularly among commercial catches. Lates spp, tilapiines (mainly 0. niloticus), and two pelagic Characid taxa, Hydrocynus spp and Alestes spp were still among the most important commercial species. The only originally important species which was no longer abundant among commercial catches was C. citharus. This species was depleted due to overfishing during the first part of this century (Cadwallader and Stoneman 1966).

Lake Edward

Lake Edward (2203 km2) is shared between Uganda (29%) and the Democratic Republic of Congo (61%). Lake Edward is connected to Lake George via the Kazinga Channel and the issues related to these two lakes have often been documented together.

The most important commercial species in Lake Edward have been catfish .8. docmac, followed by 0. niloticus, P. aethiopicus, and C. gariepinus. The other species; B. altianalis, 0. leucostictus, M. kannume and L. forskallii contribute only a small proportion to the total catches (Crespi and Ardizzone 1995).

Although Lakes Albert and Edward are shared with the Democratic Republic of Congo, there is, however no regional mechanism for coordinating development and management of the fisheries on these lakes. This problem needs to be addressed by forming a body similar to

LFVO to coordinate development and management of the fisheries of the two lakes (Agriculture in Uganda volume IV livestock and fisheries)

Lake George

Lake George is situated astride the equator in the western arm of the East African rift valley at an altitude of 914 m. It is a shallow lake with a mean depth of 2 .5m, a maximum depth of 4m and covers an area of 250km2. The lake is wholly in Uganda. Most of the lake is bordered by Queen Elizabeth National Park.

0, niloticus, P. aethiopicus, C gariepinus and B. docmac have been the major commercial fish species on Lake George from the time the lake was opened to intensive exploitation in 1950 to the early 1990s. Experimental fishing during the 1970s (Gwahaba 1973) showed that the lake contained many more fish species than those occurring in commercial catches. There were up to 32 fish species belonging to eight families. The ten most abundant species (by weight) were, in order of importance: Enterochromis nigripinnis, 0. niloticus, Gaurochromis angustfrons, P. aethiopicus, C. gariepinus, B. docmac, Harpagochromis squamipinnis, 0. leucostictus,

Aplocheihchthys and Schubotzia edwardiana. Haplohromine cichhds were the most abundant () . taxa and contributed about 60/0 to total biomass of fish in the lake. A survey curned out m 1997 (Ogutu-Ohwayo, 1997) shows that there has been no major change in fish species composition in the lake (Agriculture in Uganda volume IV livestock and fisheries)

Uganda has a total of 291 fish species. During the early 1960's Oreochromis nil tics, Oreochromis leucosticus, tilapia ziillii, tilapia rendalli and the predatory Nile perch (lates nilotics) were introduced in Lake Kyoga and Victoria (Agriculture in Uganda livestock and fisheries)

The haplochromis and tilapia species are the endangered category as a result of increased predation by the introduced Nile perch. In addition, the following species oreochromics esculents, overaribilis and Haplochromine cichids, are classified as endemic to the Lake Victoria system (Agriculture in Uganda volume IV livestock and fisheries)

In a 1990 survey, none of the species in the families mustacembediae, Amphibians, Cyprindontidate and schilberdae known to occur in Uganda's water's have been recorded (feared extinct)

Poor fishing methods and gear

Gill-net and boat scines, the major fishing gear used by fisher folk on the lakes are improperly used. Gill nets are operated actively by casting several of the in the water and the fishermen then pound the water using a club locally called 'tycoon' to drive the fish in to the nets. This method locally known as 'sekeseke' in non-selective and frightens fish. It causes tilapia and haplocromines and frightens and exposes them to the danger. Boat selning operated in open waters of the lakes also involves the use of a 'tycoon'. This method is dengerious especially in the case of shallow Lake Kyoga, because the net when set, spreads all the way from the top to the bottom of the lake, sweeping the entire water column (Agriculture in Uganda volume IV livestock and fisheries)

Most-gill-nets, boats and mosquito seines currently used by fishermen are of illegal size than those recommended by law because they are unable to catch adequate number of fish using the recommended mesh nets. Instead of the legal 125 mm(5inches)gill nets, The mess size being used on lake Victoria and wamala to catch Nile perch is 87.5 and 62.5mm (3.5 and 2.5 inches) respectively. On Lake Kyoga, though the legal mesh size is 112.5mm (4.5 inches)

while all the seining boats used nets less than 112.5mm (4.5 inches) (Agriculture in Uganda volume Iv livestock and fisheries)

The mukene mosquito seine net supposed to be operated only during dark lunar phases (new moon period) is also used when there is full moonlight as a beach seine in inshore waters. Seines of 10mm mesh size meant to catch mukene are no longer used, instead 5mm sizes are used on Lake Victoria and Kyoga, respectively. Such smaller mesh sizes used in the mukene fishery are dangerous to the Juveniles of Nile perch and tilapia. Although beach seining was banned in Uganda because it contributes to the decline of fish catches by destroying breabing nests of mainly tilapia, haplochromines and Nile perch, it is still being practised in some parts of the country. Beach seines are not sustainable since the most important means of ensuring the required replacement of fish stock, is to protect the young and immature fish from being caught (Agriculture in Uganda volume IV livestock and fisheries)

The most baskets used to catch fish, though outlawed by the fisheries department, are still being used on Lake George and Kyoga. Basket fishing involves the use of large wicker baskets which are placed in suitable locations along rivers. There is a major concern that this method is harmful to the larger lake fishery, because fish moving up the rivers to breed are target of this practice.

The use of poison to catch fish, though illegal has been reported in mukono, nakasongola, Jinja, Busia and mpigi districts. Such poisonous chemicals kill the fish other aquatic organisms as recently reported at Gaba fish landing site. The residents of mutungo, kaazi and kivuba landing sites on Lake Victoria complain of stomach upsets after eating poisoned fish. The characteristic feature of dead poisoned fish is greenish colour, swollen stomach and body easily removed with by hand. End sulfan has been detected in poisoned fish and is suspected

to be widely used by some unscrupulous fishermen. Endosulfan is a broad spectrum insecticide used to control pests in crops and is known to be highly poisonous. It is commonly marketed as Endotat (r) 35Ec or Thiodan 35 Ec and is available in local selling agriculture inputs (Agriculture in Uganda volume 1v livestock in Uganda)

A number of fishermen are aware of the danger of using destructive fishing gears and methods. Although some of them try to avoid such illegal practices, their colleagues who are the prohibited gear get better catches than they do. The fishermen therefore suggest that for any intervention to be meaningful, it should have a lake wide approach involving all districts around each lake (Agriculture in Uganda volume IV livestock and fisheries)

The fisheries sector in Uganda contributes directly or indirectly to the livelihood of more than 700,000 people. It is recognised that many of them are extremely poor. In addition the sector currently contributes US $ 87 million to the economy through fish exports. These attributes highlight the strong relevance of fisheries to over- arching national development policies such as plan for modernization of fishing sector. However recent developments, especially the reducing fish stocks are posing a high threat to the sector. Data used in the study were obtained centres, fisheries resources research institutes and through a review of literature (Agriculture in Uganda volume 1v livestock and fisheries)

There are indications that excessive fishing efforts and use of unsustainable fishing methods over last decade have resulted in over exploitation of recourse above the maximum sustain.

Able yield due to inefficient national and regions Fish stock has subsequently diminished, leading to less catch per r boat and stagnation .Fish products at around 220000 tonnes in contrast, the demand for Uganda fish in local regional and international markets continues to

grow, fishermen incomes have tremendously reduced (Agriculture in Uganda volume 1v livestock and fisheries)

1.2 Problem statement

Despite the provision of training, micro credit (short term loans) and savings offered by pride microfinance institution, there is still low levels of development in the fishing sector around Butiaba landing site on Lake Albert in Bulisa district. Other Fishermen still undertake fishing on a small scale. Local tradition preservation methods like smoking, sun drying, salting and others are also still used around Butiaba landing site that leads to low levels of development in the fishing sector.

Several methods have been however proposed by the researcher in order to combat the problems of low levels of development in the fishing sector around Butiaba landing site on Lake Albert in Buliisa district. These include:

Improvement on the fishing and preservation methods, the use of recommended and improved fishing nets will help to increase on the fish capture. This is possible since only old fish will be extracted from the water and young ones will be given time to develop there by using fish resources sustaining ably.

Improvement on the preservation of fish such as use of refrigerators will lead to improved quality of the fish in the market. More so through rehabilitation of the roads, so as to ease transportation of the fish to the market centres will help to boost the fishing sector. This can be done by the government in order to develop the fishing sector around Butiaba landing site. The vision for all this is having the fishing sector put to National and international standards.

In conclusion, the low levels of development in the fishing sector around Butiaba landing site can be attributed to local traditional preservation methods, poor transport system network and

others can be solved through the use of improved fishing and preservation methods and improving on the transport network to eases transportation of fish to market areas.

1.3 Objectives of the study

1.3.1 General objectives

To assess the contributions of pride microfinance institution in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

1.3.2 Specific objectives

i. To find out the contributions of micro-credit (short-term loans) in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

ii. To find out the contributions of Education services offered by Pride-microfinance institutions to the fishermen in development of the fishing sector around Butiaba landing site on l Albert in Buliisa district.

iii. To establish the impact of savings offered by Pride-micro-finance institutions to the fisher in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

1.4 Research questions

i. What is the contribution of Pride-microfinance institution in the development of the fishing sector around Butiaba landing on Lake Albert in Buliisa district?

ii. What is the contribution of training services in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district?

iii. What is the relationship between savings and the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district?

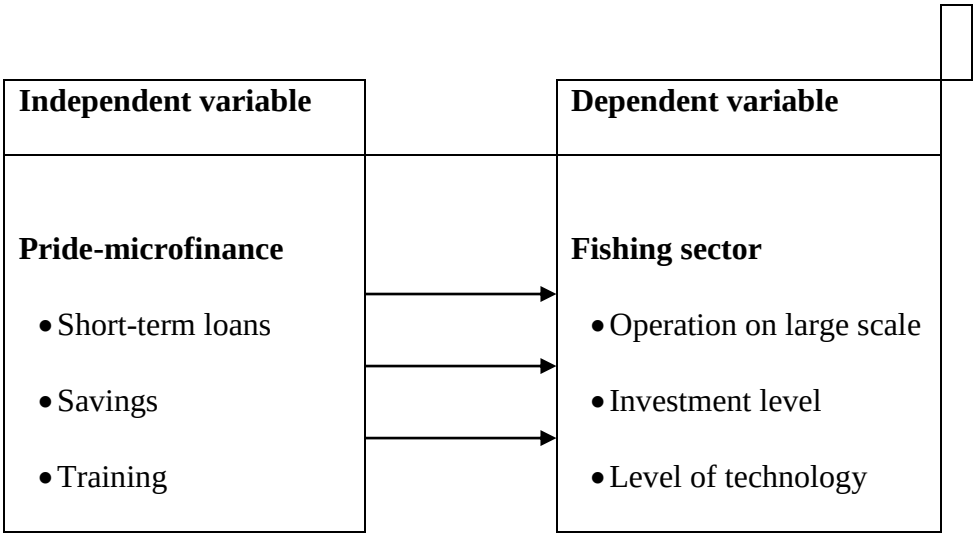
1.5 Conceptual frame work

This will be used by the researcher to outline possible courses of action or to present a preferred approach to an idea or thought.

The research will be based on conceptualization of pertinent problem and relationship between the problem variables and relationship between the variables and how they relate to one another.

An illustration in table 1.1 shows the conceptual frame work of the independent and the dependent variables and how they affect one another.

Table 1



Source: Primary data

1.6 Scope of the study

The study was conducted around Butiaba landing site on Lake Albert in Buliisa district in 2013. The study wills focus of 2010 to 2014.

The research was based on the contributions of pride microfinance to the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

1.7 Justification of the study

The research was conducted to find out why there are still low levels of development of the fishing sector around Butiaba landing site despite the contributions of pride microfinance through provision of loans, training and savings.

The research was also be conducted in order to identify the gaps within the contributions of pride microfinance towards the development of the fishing sector around Butiaba landing site on l Albert in Builisa district.

The study was conducted to establish possible measures to overcome the gaps within the contributions of pride microfinance in the development of the fishing sector around Butiaba landing site on l Albert in Buliisa district.

1.8 Significance of the study

The study devised measures that can serve to develop the fishing sector around Butiaba landing site on l Albert in Builisa district. It will help the researcher and other businesses people in the fishing sector to make better decisions and judgments basing on the proof provided by the research study. More researchers will also be able to build on the already existing findings of the study. The study will enable the other authorities to identify gaps with in both the fishing sector and pride microfinance contributions towards the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa District.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter looked at what other scholars say about pride microfinance (PMI) towards the development of the fishing sector in the world, Africa, Uganda and finally around Butiaba landing site on Lake Albert in Buliisa district. The literature review was organised according to the objectives of the study. Each objective was explained in paragraphs discussing the contributions of PMI in the development of the fishing sector. The emphasis was on the roles plaid by; Training, short term loans, and savings offered by PMI to the fishermen towards the development of the fishing sector and summary of the gaps identified in the study.

2.1 Assessing the contributions of micro credit (short term loans) in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

Participation in microfinance programs results in strengthening linkages of clients and their households to the agricultural sector. MFI clients are actively involved in the agricultural and natural resource based marketing chain. Loans to micro entrepreneurs strengthen their position in the agricultural sector. Microfinance program participation results in clients expanding the amount of land they cultivate and diversifying the crops they grow for sale and domestic consumption. Clients of MFIs are more likely than non-clients to increase their remittances to rural dwellers. Participation in microfinance programs enables clients to acquire valued skills in self-assessments; clients tend to mention acquisition of business related knowledge and savings skills among the most important positive results of participation in their microfinance program. Many clients also testified that they had learnt

leadership and public speaking skills from participation in MF groups. Numerous clients gave proof of this by joining wider institutions and standing for election in local councils. Participation in a credit with education program results in clients trying new health and nutrition practices and informing others about these practices.

The lending strategies of MFIs appear to be more of a deterrent to continued participation than factors within the client's households and enterprise. Reasons clients give for departing a MFI program tend to relate more to the lending methodology than problems with loan repayment. Most drop-outs complain about inadequate loan amounts and terms, mandatory weekly meetings and having to pay for group members who default. Participation in MFIs does not help the poor to meet their savings needs. Most MFIs only offer loan-linked, compulsory, locked-in savings system and no poor-friendly savings products. Also for legal reasons, Ugandan MFIs are not providing facilities that allow the poor to save in a way that would help them to meet their current needs and opportunities and to save for the future. As a consequence, the poor are often forced to use high risk (and often high-loss) informal savings mechanisms.

Gender and Empowerment

The vast majority of clients of Ugandan MFIs are women: loans to female clients constitute around 75% of the loan portfolio and 80% of the savings portfolio (*MFPED* 2000c). Some microfinance providers like FINCA, FOCCAS or UWFT only target female clients. Most MFIs focus on women for two reasons. First, lending to women is thought to benefit the whole family and strengthen the role of women in society. The second reason is that women, like in most other parts of the world, have proven to be better repapers. In some cases, women groups of female-only MFIs accept men if they replace their deceased wives.

CERUDEB, a commercial microfinance provider with slightly larger average loans than most other MFIs, pursues an equal access policy and asks for collateral. This sometimes excludes women. However, it is not uncommon that a loan is in the husband's name but the woman is running the business. In most microfinance institutions, especially in those only targeting women, at least half of the workforce is female. While MFIs increasingly recruit female credit officers and women constitute approximately half of senior management (varying form organization to organization), board members are still mainly men. Although most MFIs in Uganda specifically target women, only few have altered their methodology in significant ways for this reason. Most microfinance providers feel that women's empowerment is an important aspect of financial service provision, but that they are first of all obliged to seek efficiency and sustainability in order to guarantee a durable access to financial services to the greatest possible number of poor clients. As the impact studies conducted in Uganda (AIMS 2000; Barnes, Morris and Gaile 1998; Gaile, Duursma and Eturu 1999; Mutesasira et al 1999; *Wright* et al 1999a; Wright et al 1999) mainly evaluated MFIs with exclusive or at least large female clientele, the impact results presented above mainly concern women. Two studies (*Barnes*, *Morris* and *Gaile* 1998; *Wright* et al 1999a) looked at gender issues in more detail and generally confirm the gender-related findings of the other research initiatives. MFI participation helps women to protect themselves and their households against risks by rendering their enterprises more competitive, diversifying their income sources, broadening their asset base, re-stocking their business and smoothing consumption. The impact study conducted for CERUDEB (*Barnes*, *Morris* and *Gaile* 1998) found that women clients have significantly greater positive economic impacts relative to female non-clients than do male clients over comparable non-clients. Female CERUDEB clients also expressed greater satisfaction with the credit and savings services provided by the bank than did their male counterparts.

UMU provides a whole range of products, including current accounts, fixed deposits, working capital loans, individual lending with employer guarantees and capital asset loans. Solidarity groups exist for working capital loans as well as for capital asset loans, with the latter being larger and having longer loan terms than the former (1-6 months for working capital loans and up to 1 year for capital asset loans). At disbursement, each member of a solidarity group can decide for herself (70% of UMU clients are women) how much she wants to borrow (within certain limits), how long she wants the loan for (e.g. from 1 to 6 months in the case of working capital loans) and how she wants to repay: weekly, bi-weekly or monthly. UMU does not ask for blocked savings, weekly meetings or formal collateral, and it allows prepayments. The pre credit training only takes 1-2 hours and loans are disbursed three days afterwards. Once a month one or two members from each group have to attend a meeting, which is more of a forum for discussion and exchange of experiences than a monitoring meeting. UMU also offers loans to employed individuals without physical collateral, provided that their employer guarantees the credit. These loans are very popular among the working poor in urban areas. For example, half of the staff of one of the biggest microfinance capacity builders in Uganda has such a loan outstanding with the Uganda Microfinance Union. Currently, UMU's 10.000 clients are evenly spread around urban, peri-urban and rural areas. In spite of the fact that UMU is offering considerably lower effective interest rates (40% to 52%) than almost all other MFIs in Uganda, the MFI is close to operational self-sufficiency – after only 3 years of operation. UMU believes that its secret of success is that it is offering products that clients actually like and need. Moreover, UMU is cross-subsidizing loans to poorer clients with the low maintenance and more lucrative employer guarantee loans.

When UMU opened its doors three years ago, very few wanted to believe in the concept. It took UMU at least 2 years until it became accepted by the microfinance community and donors are still far from swamping UMU with money. However, nowadays the Ugandan microfinance industry has realized that UMU has set standards for client responsiveness and rapid progress and many MFIs have started to copy UMU's innovative and flexible approach. Partly following innovators like UMU (see box 2 above), partly due to increased competition and donor pressure, several microfinance providers have started to experiment with new products more responsive to the needs of the clients. For example, FINCA is trying to broaden its product range to reach clients both up-market and down-market from its original village banking product. Individual lending will be introduced in early 2000, mainly to retain those clients that graduate from groups and that would otherwise be skimmed off by providers offering larger individual loans. In response to internal studies, this found clients to complain about the burden of lengthy pre-credit training, FINCA plans to reduce its training sessions from five weeks to four or even less. Moreover, FINCA has introduced a health insurance scheme, which is especially attractive to poorer clients more vulnerable to external shocks. The launch of an agricultural lending product has also been considered, however, no appropriate methodological approach has yet been found. Other microfinance providers, including well established large MFIs as well as smaller ones, also think about introducing new products, or are already experimenting with them, including emergency loans, drought insurance and attractive savings facilities.

Competition and Commercialization of Microfinance Box 3: The Effects of Microfinance. In recent years, the market for microloans in Bolivia's cities has reached a high degree of saturation. On the order of 300,000 loans are outstanding, against a population of micro entrepreneurs estimated at 600,000. The resulting intensive competition among microfinance institutions and consumer lenders reveals effects that may occur elsewhere when competition

increases. Bolivian micro entrepreneurs are taking advantage of their choice of several providers to be more demanding and to access more credit. One notable effect has been a race to provide faster, more convenient services. Loan approval times are now measured not just in days but in hours. Customers have shown a strong preference for individual rather than group loans: most group lenders are adding individual loan products to protect themselves against client desertion, and individual lenders are growing faster than group lenders Customer loyalty has faded, as clients sample various institutions, attracted to whichever lender offers the largest loans. It has even become a status symbol to have more than one loan at a time. Loan size escalation and multiple loans have created a dangerous syndrome of *sobreendeudamento* (overindebtedness) in which clients exceed their debt capacity.

As a result, delinquency and default have surged throughout the system. Improvements in the credit bureau (*Central de Riesgos*) and tightening of regulations have helped but have not eliminated the problem. These conditions, combined with a recession, are creating great stress among Bolivian microfinance institutions. Profits are down, and several institutions are seeking merger partners. Most institutions are developing new products to attract customers. Some observers worry that competition will drive microfinance institutions away from the poor. Although it is clear that most lenders are making more large loans, they do not seem to be abandoning low-end customers. Bolivia's ex 48 perience shows that competition brings better services to clients, but makes life much more difficult for providers. Unlike in Bolivia (see box 3 above), where intense competition has increased delinquency and default, no serious negative consequences of growing competition can yet be observed in Uganda. Clients have become more experienced and cognizant about their choices, sometimes threatening to leave and switch to other providers. In response, some MFIs have loosened

their formerly rigid procedures and rules. For example one large provider seems to have accepted higher in-cycle delinquency, provided that clients pay at the end of the term.

As most MFIs are faced with a considerable drop-out problem, client retention has become one of their key concerns. Microfinance operators feel that they can no longer afford to push out all clients that miss some payments or attend meetings only irregularly, as long as they keep paying their dues. Clients are starting to take advantage of increasing competition also in other ways. In areas where competition is most intense, multiple lending is becoming a problem. Some clients seek multiple loans which exceed their repayment capacity, or move to new institutions to escape bad credit histories. Efforts to identify bad borrowers systematically have been thwarted by the lack of a national system of identification cards. Borrowers can simply change the names they use. Microfinance institutions have attempted to get hold of regular defaulters by circulating photographs or attending each other's meetings, without too much success, though. However, multiple lending seems to have had little effect on delinquency indicators yet, but providers are aware that it could endanger the health of their institution in the future. Observers of the Ugandan microfinance scene are also concerned that competition could result in MFIs concentrating on the wealthier and thus more profitable clients, leaving the poor behind. However, there is little evidence of such a trend. So far, only CERUDEB focuses primarily on upper-level borrowers by providing individual loans against collateral. CERUDEB is partly skimming off the most profitable clients from its competitors, which offer only group-based credit. As already mentioned above, many MFIs operating in competitive environments have already reacted and are planning to introduce individual loans, too. However, competition has so far not led providers to stop lending to the poor. FINCA, for example, is not only trying to grow up-market, but also attempts to serve more clients down-market. Among the strategies to do so, FINCA has introduced a health

insurance scheme, moves its operations to areas ever less prosperous, and generally putting more emphasis on understanding the true needs of poorer clients. FINCA's average first loan has not grown over the past two years, clearly demonstrating that FINCA is not moving away from the poor. Other providers have also indicated that their response to competition is more product and client diversification – in order to serve formerly untapped markets – than moving up-market. In addition, competition is strongest for larger loans in Uganda, providing less incentive to concentrate on wealthier clients. Critics of commercial microfinance usually mention that competition in microfinance may result in less attention to social goals and participation. In a competitive environment MFIs may not be able to afford maintaining the extra non-financial services that support social goals like better nutrition or empowerment (*Marr* 2000). In Uganda, larger MFIs follow a minimalist credit approach and concentrate on the provision of credit and savings services. Additional services hardly exist and can therefore not be eliminated. Those microfinance institutions that do provide extra services, like FOCCAS providing credit with education, usually operate in rural areas where little or no competition exists. The general manager of UWFT even believes that competition and commercialization enables the institution to better meet their social goals, because the attainment of these goals is based on institutional sustainability and maturity. Moreover, the coming legislation will permit sustainable MFIs to become licensed to provide savings facilities.

Some providers, especially the community-based organizations, see grassroots participation in governance as a core value. Commercialization may render such organizations less competitive, as they tend to be less technically versatile, less flexible and endowed with fewer resources to respond quickly to new market situations (*Rhyne* and *Christen* 1999). In Uganda, savings and credit associations and similar community-based organization have been

fraught with a number of management and governance problems, and have therefore had little significance as financial service providers. Currently, a number of initiatives are under way to strengthen and professionalize these organizations. Whether competition and success in urban microfinance has in the past been detrimental regarding support to rural community based initiatives and/or is now increasing interest in CBO-approaches, is open to speculation. Client participation in governance also plays a role in mainstream microfinance. In keeping up with the village banking movement worldwide, FINCA has phased out its internal loan product in response to insufficient capacity of groups to manage their own loans. FINCA has recognized that the original objective of creating self-sustaining village banks is difficult to achieve, and has moved away from it. Moreover, FINCA has also come to the conclusion the internal loans are competing with the MFI's own loans to the groups and denying the MFI the opportunity lend more and earn more. Most other MFIs regard client participation in governance as difficult to attain and even potentially dangerous when clients have too much control over operations and management. The current drive of the Ugandan microfinance industry for sustainability and commercialization is a response to the coming legislation, which provides that only sustainable MFIs will be granted licenses as deposit-taking microfinance institutions, as well as a result of an increasingly inherent commitment of MFIs to sustainability, fostered by donors and capacity builders. However, a number of MFIs complain that the donor community is putting too much pressure on them, asking for sustainability and expansion at the same time, without providing the necessary resources. Especially when asked to expand into rural areas and develop new products, providers feel that donors should continue to support them. Also, microfinance providers state that they will need extra resources to meet the possibly very stringent requirements to become licensed under the new law. Most of the donors and capacity builders agree that MFIs need further support for the development of new products and for pushing the frontier of finance into

more rural areas. However, they also feel that microfinance institutions should increasingly look for commercial funding sources.

Already, a number of Ugandan microfinance institutions have lines of credit with commercial banks, however, fully guaranteed by donor initiatives. Attracting private capital for microfinance will be very difficult in the prevailing weak state of the Ugandan financial sector, but it has been set as a goal by the microfinance industry. So far, savings mobilization as funding source has only been available to commercial banks. Those MFIs that plan to apply for a license as soon as the new regulation is in force, intend to make use of savings as funding source. One MFI, the new Commercial Microfinance Limited bank, has managed to attract social investors, which might inspire other investors to join the bandwagon. Other funding sources, such as issues of bonds, have not yet been tried for microfinance in Uganda. Some donors are thinking about setting up a joint guarantee fund, so that a common set of standards applies for all credit requests. The proposed donor guidelines will also help to reduce subsidies and promote access to commercial funds in a consistent way. (Andy Carlton, Hannes Manndorff, Andrew Obara, Walter Reiter, Elisabeth Rhyme Microfinance in Uganda)

The Bocs's novel credit scheme empowers sir Lankan fishermen. Recovery from the ill effects of a three war in the north and East and recent natural descriptors including floods, sir Lankan government now setting about bringing about stability through laying a foundation for strong economic development within the fishing industry high on the help to increase investment levels among the poor people, be able to purchase plants thus leading to the development of the fishing sector around Butiaba landing site.

The bank of Ceylon (BOC) has set apart Rs 1 billion for disbursement among fishermen under this schema For the first time, in sir Lankan bank of Cyion deputy general manager, product and development banking, Sam sanarasingle revealed in an exclusive interview with the Sunday times free hold section. The bank of Ceylon would provide loans at 8% interest rate. The repayment of period will be a maximum of up to 8 years including a 6% grace period he added.

These loans will be given to purchase fishing gear including multi- day fishing boats, Morden electronic communication and safety equipment presently used in fishing industry traditional craft with nets for marine and inland fishing, construction and maintenance of fish selling stall, motor cycles for fish trading, commercial ventures intended to support and upgrade inland fisheries and prawn production, nurseries, curing plants, processing plants, omamental fish aquatic plants tissues culture or namental aqua plant and many more.

Release of loans could be in stages on the basis of agreed disbursement scheme schedule and subject to actual progress of the project for which the loan is sanctioned. The main objectives of the credit scheme is to increase the total fish production of the country according to the fish enhancement proposal made by MORFARD generating income levels of the fishers by encouraging them to convert their gill net boats to effective and responsible fishing operation, encourage fisherman to explore unexploited fish recourses in coastal and mid keeps water, minimize the harvest loses and supply fish to foreign and on local markets in expected quality and quantity. Mr. Samaras hinge noted that minister of fisheries and aquatic development resources Dr has taken all measures through his plan to develop fish making available market facility and knowledge of fisher folk in order to give better social standings.

The fisheries and aquatic resources development ministry has signed an agreement with the Norwegian government to increase the number of multiday fishing boats from 3,150,000 up to 5,000,000 according to minister Rajitha seneatha, the government hopes to eradicate malnutrition from siranka by 2013 while increasing the percapita fish consumption to 21.9 kilograms. The ministry has established over 80 fisheries corporation fish stalls Islands wide to support it, plans were under way to triple fish production and double the inland fish production as well fisheries ministry sources said. (Andy Carlton, Hannes Manndorff, Andrew Obara, Walter Reiter, Elisabeth Rhyne Microfinance in Uganda)

2.2 Assessing the role of training programs in the development of the fishing sector around Butiaba landing site in Buliisa district.

Clients of Microfinance Institutions

Microfinance Providers in Uganda reach low-income households in both rural and urban areas, but not the poorest of the poor. The average client is female, married, between 30 and 39 years and sufficiently literate with an average household of 7 people, many of whom are dependents. Commerce is the main activity of clients, followed by agriculture, services and 1 Only CERUDEB, as a commercial bank, is entitled to mobilize savings, apart from savings and credit cooperatives. Clients of MFIs tend to cluster around the poverty line. Most users of MFI services appear to be non poor, but not wealthy: they tend to come largely from households that can usually meet their daily needs, have access to primary education and basic health services, and have accumulated some assets.

They tend to spend a high proportion of their earnings on basic needs such as food and education of children. This group of clients is in the “comfort zone”, they enjoy a relatively stable income source and sufficient livelihood diversification, allowing them to service regular repayments even when faced with small crises. However, they remain Vulnerable to

shocks and access to microfinance has proven to play an important role in managing this vulnerability (*AIMS* 1998; *COWI* 2000; *MFPED* 2000c; *Mutesasira* et al 1999; *Wright* et al 1999a). Those significantly below the poverty line do not seem to join Ugandan MFIs. This occurs for several reasons, including (*CGAP* 2000; *Wright* et al 1999b): exclusion by the MFIs themselves due to their focus on micro entrepreneurs with sufficient repayment capacity; exclusion by groups unwilling to take responsibility for the poor in case of delinquency; self-exclusion due to a fear of credit; product exclusion where the "one-size-fits-all" working capital loan on offer does not meet their needs; and emphasis on credit delivery and little attention to the needs of the poorest for safe and accessible savings services. However, critics of microfinance based on "not reaching the poorest" tend to overlook the dynamic nature of poverty. Not so-poor households hit by severe crisis (fire in houses and businesses, theft of business assets and chronic illness including HIV/AIDS, etc.) may be transformed into "poorest" households with alarming rapidity. This is why microfinance's role in assisting in development and maintenance of robust household economic portfolios is so important for everyone who does not have access to formal financial services (*Wright* et al 1999a). Presently, about 150.000 clients are served by MFIs in Uganda. Compared to an estimated 7.5 million economically active Ugandans living below the poverty line, this is still a relatively low outreach. Although many MFIs claim to serve predominantly the rural population, the participants of the two microfinance workshops in April and June 2000 estimated that 80% of the MFI clientele was urban and 20% rural. In these workshops, the microfinance community agreed on the vision

to expand the rural coverage to 40% of the total MFI clientele within the next five years.

Given that the microfinance industry is expected to grow by 50% per year in the same period, this estimate seems to be very optimistic. Although the population density in rural Uganda is

much higher than in most other parts of Africa, rural outreach expansion still faces the challenges of insufficient infrastructure, low education levels, increased intermediation costs, greater risks due to higher exposure to agricultural production, etc. As will be argued in Chapter 7, Community Based Organization (CBOs) and Savings and Credit Associations (SACCOs) operating in rural areas seem to be an appropriate vehicle to reach more rural savers and borrowers. However, most these institutions have displayed a formidable lack of systems, governance, ownership and management. Therefore, they will have to receive substantial amounts of capacity building until they will be able to serve large quantities of rural clients in an effective and sustainable way. 4.2 Client Impact of Microfinance Services Over the past years, a number of attempts has been made to assess the impact microfinance providers are having on the livelihoods of the poor in Uganda (*AIMS* 2000*; Barnes*, *Morris* and *Gaile* 1998; *Gaile, Duursma* and *Eturu* 1999; *Mutesasira*et al 1999; *Wright* et al 1999a; *Wright* et al 1999b). MFIs that participated in these evaluations included FINCA, PRIDE, FOCCAS, UWFT and CERUDEB. Although the studies place emphasis on different aspects, they all reveal positive impacts from participation in MFI programs: Participation in microfinance programs contributes to reduced vulnerability to economic risks.

The poor are very vulnerable to risks (such as illness or death of a household member, medical expenses, funeral costs, crop failure, the loss or theft of a key asset, or a dramatic change in prices), and microfinance services in Uganda have proven to help the poor to protect against these risks. Individuals and households pursue strategies to protect against risks ahead of time. As MFIs provide loans for working capital and to purchase productive assets, clients are able make their enterprises more competitive and increase profits (although in most cases only to a limited extent), diversify their income sources and broaden their asset base. Participation in microfinance programs also appears to enable clients to build the

households' human assets, for example by investing into children's education or household members' health. Even when loans are used for business, the household's own capital is thus freed for other investments, particularly in school fees and health care. Group-based lending schemes provide clients with an opportunity to build their social assets by reinforcing reciprocal relationships and social networks.

Membership of microfinance groups links individuals, households and enterprises into a vital web of business and personal relationships that enables members to better cope with the challenges of life. However, in some cases membership to groups can also become a social liability, especially where there is a consistent pattern of non-payment and mounting peer pressure. Access to financial services also allows the poor to cope with shocks or economic stress events once these take place. Clients use MFI loans to re-stock their businesses and to smooth consumption. As most MFIs offer only inadequate savings services, only few clients were able to use these as source of liquidity in times o emergencies. Andy Carlton, Hannes (Manndorff, Andrew Obara, Walter Reiter Elisabeth Rhyne Microfinance in Uganda)

Certificate in Fisheries Management and Technologies. Subjects taught in this two year course include Fish Culture, Fisheries Statistics, Fisheries Biology, Fish Technology, Fish Biochemistry, Fish Handling Processing and Preservation, Quality Control, Fishing Methods and Gear Technology, Navigation, Seamanship and Boat Handling, Marine Engineering, Mechanics of Refrigeration, Economics, and Fisheries Administration and Extension Service. Students are prepared for field service as extension workers with duties to advise and offer technical assistance to artisanal fishermen as well as commercial entrepreneurs of the industry.

- **Diploma in Fishing Methods and Gear Technology.** This course offers specialization in Fishing methods, Gear Technology, Navigation, Seamanship and Vessel Handling, Marine Engineering, Boat Construction and Maintenance and Economics. It is intended to equip students with more advanced knowledge in gear designs and fishing operations as well as management.
- **Diploma in Fish Technology.** Fish Technologists specialize in Quality Control and Inspection, Fish Processing, Nutrition, Boat Construction and Maintenance, and Economics. The students are equipped with specialized knowledge in various fish handling, processing and preservation techniques and practices in fish quality control and inspection.
- **Certificate in Boat Building.** This two-year course offers training in Workshop Practice, Boat Building and Craft Technology, Boat Handling, Technical Drawing and Mould-Loft, Applied Mathematics and Sciences, and Business Management. The course is designed to train students in production of new and improved designs as well as repairing all kinds of fishing vessels, work boats, launches, and yachts. The boat builder course qualifies students to sit for the Uganda National Examinations Board Craft Certificate Examination.
- **Diploma in Yacht and Boat Building.** Specialization is given in all subjects offered under the Certificate Courses in Boat Building but here emphasis is put on personal innovation and creativity to suit the demand for local needs.

Staff Postings

After successful completion of the two-year courses, FTI students are awarded appropriate Certificates, either in Fisheries Management and Technologies, or Boat Building Technology, and are designated as Fisheries Assistants (FAs) or Technical Assistants (TAs). Fisheries Marketing Assistants (FMAs) may also be recruited by the UFD to work in field stations.

FMAs are established staff that is given training on the job. Often they are recruited from those who have attended FTI certificate courses without successful completion.

After passing the one year specialization courses students are awarded Diplomas and automatically promoted to the rank of Assistant Fisheries Development Officer. While in service an officer can be promoted to the rank of Senior Assistant Fisheries Development officer (SAFDO), and then to Principal Assistant Fisheries Development Officer (PFDO). From this level there is no other promotion unless the officer goes for further studies at university.

University graduates are recruited at the rank of Fisheries Officer after which they can be promoted to Senior Fisheries Officer (Grades I and II) and then through the ranks of Principal Fisheries Officer, Senior Principal Fisheries Officer, Assistant Commissioner, Deputy Commissioner and finally to the rank of Commissioner for Fisheries, the highest office in the Department.

The Fisheries Department

The Fisheries Department was established in 1951 with a view to ensuring effective conservation, development and management of the natural aquatic resources for the optimal benefit both the present and future generations. The policy of the department recognizes the interests of all those concerned with fisheries. The current approach to the management of the fisheries is embodied in the existing provisions of the Fish and Crocodile Act, 1964, and is amended from time to time (Agriculture in Uganda volume 1v livestock and fisheries)

Mandate of the fisheries department

The Fisheries Department, under the Ministry of Agriculture, Animal Industry and Fisheries, is mandated to ensure the sustainability of fisheries resources at optimal levels and to

maintain their availability for both the present and future generations. The department, therefore, is responsible for the formulation of Government policies in the fisheries sector, development of national plans and strategies to achieve set goals within the policy guidelines, and monitoring and supervising the performance of the decentralized district authorities and the private sector.

An appropriate policy, legal and institutional framework has, therefore, been formulated by government to achieve the above mandate (Agriculture in Uganda volume 1v livestock and fisheries)

Policy objectives of the Fisheries Department in the fisheries sector, Government objectives are as follows:

- To increase production of fish for local consumption and export consistent with the long- term sustainability of the fishery resources;
- To develop resource management plans for the fisheries sector;
- To integrate fishing activities into the farming system through promotion of aquaculture;
- To privatize assets and operations of public bodies engaged in direct fishing or in the supply of fishing gear;
- To strengthen the Fisheries Department so that it can effectively carry out its mandate.

In order to attain the policy objectives, the Fisheries Department has programmed its activities in accordance with a number of inter-related tasks; the emphasis is to:

- Increase fish production from lakes, rivers and through aquaculture from the present level of about 220,000 tones towards the estimated maximum sustainable level of about 400,000 tone;

- Reduce post-harvest losses from the present level of 25% to less than 5% of the total production;
- Control water hyacinth and enhance the productive capacities of the water bodies;
- Review and update fisheries regulations and eliminate fishing malpractices;
- Privatize all publicly owned fisheries enterprises
- Establish a reliable fisheries database;
- Co-ordinate the regional or sub-regional authorities for shared lakes to facilitate the harmonization of management regulations;
- Strengthen the Fisheries Department capacity for efficient service delivery for the clientele (Agriculture in Uganda volume 1v livestock and fisheries)

Organizational structure

The Fisheries Department comprises 4 divisions:

- Administration and Co-ordination Division is responsible for policy formulation and the provision of policy guidance, coordinating the activities of the other divisions.
- Fisheries Planning and Development Division is responsible for fisheries statistics and socioeconomics, coordinating the collection of fisheries catch and market data, provision of statistical information, preparation of development plans and projects as well as projects monitoring, departmental reports and maintenance of fisheries data base.
- Fisheries Regulations and Control Division is responsible for the enforcement of Fisheries Regulations, licensing fishing vessels and fish traders, inspection of post-harvest fisheries activities and fish product quality and carrying out routine surveillance of the fisheries.

- Fisheries extension Services Division. These services are decentralized to the districts and the directorate of Agriculture Extension is expected to provide guidance, supervisory, and inspection services, training and to facilitate the transfer of technology. Fisheries officers in this division have been transferred to the Directorate of Extension without leaving a direct linkage to the Fisheries Department for direct policy and technical guidance. They are expected to operate independently in the provision of professional and technical guidance, inspection and supervisory services and training; furthermore, to facilitate the transfer of technology in the fisheries sector through the Commissioner of Animal production and the Directorate of Agriculture Extension in that order. The Commissioner for Fisheries is, however, in the Directorate of Animal Resources. This arrangement has met with difficulties and MAAIF is working closely with the Restructuring and Reform Secretariat to streamline the linkages (Agriculture in Uganda volume Iv livestock and fisheries)

Community participation

A recent development in the management and development of the fisheries of the Ugandan lakes has been growing involvement of fishing communities in the activities. At the national as well as at local levels, community leaders, notably the local committees (LCs) and heads of the main community organizations now regularly participate in the planning of the fisheries programmes. The organizations represented include the Uganda Fish Processors and Exporters Association (UFPEA), Uganda Fisheries and Fish Conservation Association (VFFCA), Uganda Fishing Co-operative Union (UFCU) and the fishing committees

established at the various fish landings (Agriculture in Uganda volume IV livestock and fisheries)

This participation is geared towards instilling a sense of ownership, responsibility and accountability in the resource users to facilitate the management of the resources and increase the chances of success of the development programme in the fisheries. To prepare them for this important role, training and sensitization through workshops have been planned under the Lake Victoria Environmental Management Project, funded by Global Environment Facility and the World Bank. As incentives to the participating communities, micro projects in areas selected by the beneficiary communities will be supported by the Management Project.

Fisheries projects

A few projects have been implemented in the fisheries over the last decade. The main ones included:

- The EEC funded input supply project, implemented in mid-1980s.
- The Sino-Uganda Joint Venture for mechanized fishing in the off-shore waters of Lake Victoria to harvest stocks which are out of the reach of the artisanal fishermen.
- The FAO/UNDP supported project to rehabilitate the fisheries statistics and information systems in the country, implemented towards the end of 1980s.
- Support from the International Development Research Centre (IDRC) of Canada support research on the Nile perch and associated species, lake productivity and studies of the fish commodity systems in Uganda (Agriculture in Uganda volume 1v livestock and fisheries)

  Among the current projects are:

- The on-going water hyacinth impact research and biological agents.
- Control of water hyacinth using manual, biological and mechanical options.

- Strengthening of fisheries research and fisheries management under the Lake Victoria

Environmental Management Project

- Stock assessment on Lake Victoria, funded by the European Union.
- Wetlands studies funded by the Swiss National Science Foundation, implemented in collaboration with the University of Zurich.

Plans are under way to implement an infrastructural development project aimed at improving the quality of fish by improving handling and sanitation facilities at the fish landings, including access roads to selected important landings.

Promotion

This creates awareness of sector value and potential awareness of the sector needs and vulnerability, it also encourage investment by private sector and by local government. There is also promotion of the best practice code of conduct for the responsible fisheries and a precautionary.

Support provides technical back up for local government staff. Acquire process and provides information for all stake holders, it also builds up capacity at local government level, minister local government and communities; it also creates funding strategies for sector development. Support also provides for development of new options for product and livelihood improvement.

The private sector is regarded as the engine for growth in fisheries development. All productive activities for profit making according to government policy have been left to the private sector such roles include management of the landing sites ownership and operation of production units, fish trade and commercial and intensive fish farming. (Agriculture in Uganda volume 1v livestock and fisheries)

Fisheries research

Fisheries research is undertaken by the Fisheries Research Institute (FIRI). The goal of the institute is to generate and release technology and knowledge for sustainable fisheries resource utilization for use by her clients who include the policy makers, investors, fishing communities and fish consumers. Projects and studies are carried out under four programs, namely:

The Water Environment Programme, the Fisheries programme, Post Harvest Fisherie and aquaculture.

Cutting across these programmes is the socioeconomic research which investigates the human aspects and the social and economic constraints in the utilization of technological developments. Research activities are carried out in collaboration with universities and other institutions both in the region and overseas. Planning of the research is undertaken with full participation of the clients.

The fisheries Department is responsible for generating statistics on the fisheries of Uganda. It is also required to conduct investigations on catch and effort as well as fishing technology.

Research on the agents for biological control of water hyacinth is done at Namulonge Agricultural and Animal Research institute while the impacts of the water hyacinth on fisheries and lake side communities are carried out by FIRI.

Training and research institution training in fisheries management and research exploitation is under the ministry of education, key institutions include; the fisheries training institute and the zoology department of Makerere University. Research is open to any interested party or as my be commissioned by the interested party, but fisheries research in the public interest invested in the government fisheries resources institute (FIRRI) (Agriculture in Uganda volume 1v livestock and fisheries)

Ministry of education

Fisheries training institute (FTI) responsible for training of gear technicians, boat building, fish guards and middle-level fisheries related workers and managers Zoology department, Makerere University responsible for training of fisheries managers and technicians. Inter government organisations committee for inland fisheries (joint planning) and advice on fisheries development and management. East Africa community (institution of joint development efforts and concerns and conflict resolution) (Agriculture in Uganda volume 1v livestock and fisheries)

Nongovernmental organisations, Uganda fish and fisheries conservation association Uganda fisheries allied with work union private sector commercial agencies Uganda fish processors and export association fish folk area-based organisation regional fish traders, fish buyers and transporters supply fish to processors and exporters. Uganda commercial fish farmers association, fish farmers' group and individual community level

2.3 Assessing the contributions of savings in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

The microfinance sector in Uganda has evolved to provide a savings facility that is convenient or rural financial intermediation in terms of accessibility and nature of services offered (micro save Africa, 2000)

Microfinance and its context Interest in microfinance have soared in the recent decade and the instrument is now seen as one of the most promising tools to tackle poverty in the developing world. The fascination with microfinance derives from the fact that the provision of financial services can contribute to poverty reduction and pass the test of sustainability at the same time. For donors, microfinance is especially attractive as it can be delivered in an institutional and financially sustainable manner that permits them to withdraw after making

relatively modest investments. However, microfinance has sometimes disappointed its supporters.

Only few of the hundreds of microfinance programs inaugurated in the last decade have proven their sustainability. Growing body of evidence indicates that the instrument does not meet the high expectations initially placed on it in terms of client impact. Few microenterprises experience sustained growth, while a majority grows only a little or maintain their operations at a constant level. It is also unusual for credit to trigger a continuous increase in technical sophistication, output or employment. It is much more common for each of these variables to reach a plateau after one or two loans and remain in a steady state. As far as empowerment is concerned, microfinance services have shown little potential to thoroughly change existing inequalities in power relations or the role of women in society. (*Buckley* 1997; *Goetz* and *Gupta* 1996; *Hulme* and *Mosley* 1996; *Zaman* 1998). However, empirical evidence shows that microfinance interventions have indeed the capacity to reduce poverty, contribute to food security, and change social relations for the better. Positive impacts have been detected at the enterprise as well as household level. Newer research indicates that participation in microfinance programs contributes to reduced vulnerability to economic risks.

Microfinance services help the poor to diversifying their income sources, building up physical, human and social assets, and focus on good money management, rebuild the household's base of income and assets after economic shocks have occurred and to smooth consumption (*Cohen* 1997; *Cohen* 1999; *Hulme* 1998, *Ito* 1998; *Sebstad* and *Chen* 1996). The success of a microfinance program – defined in terms of outreach, financial sustainability and/or socio-economic impact– depends on an interaction between the characteristics of the

program itself (both its design and the way it is managed) and the context in which the program is implemented. The program environment can influence the success and impact of microfinance interventions in two distinct ways. First, socio-economic conditions may affect both the ability of clients to benefit from their loans and their capacity to repay. Second, 10 the environment directly influences the operation of the program itself, for example by restricting the possible range of program activities or the terms on which services can be offered (*Snodgrass* 1997).

Uganda is generally seen as the country with the most vibrant and successful microfinance industry in Africa. Some MFIs have experienced strong growth and are now reaching a considerable number of clients, with three serving between 25.000 and 45.000 clients. A number of microfinance providers are close to financial sustainability or have already surpassed it. A series of impact studies conducted in Uganda in the past years have demonstrated that the provision of microfinance services contributes to reduce client vulnerability to economic risks, results in strengthening linkages of clients and their households to the agricultural sector, and enables clients to acquire valued skills.

Moreover, all observers agree that the success of microfinance in Uganda is closely linked to a number of enabling contextual factors specific to the country. The overview will therefore put emphasis on the description and analysis of the environment in which microfinance has developed over the past years. Thus, the objective of this paper is to contribute to the understanding of practitioners, policy makers and donors why microfinance has worked in Uganda and to draw some general conclusions in terms of external factors conducive and/or adverse to microfinance success. 2 Microfinance Contexts in Uganda Compared to other

well-advanced microfinance countries like Bolivia or Bangladesh, the microfinance industry in Uganda is fairly new.

Informal financial arrangements like ROSCAs have existed in many forms in Uganda for several decades. From the mid-1980s on credit schemes started emerging as side components of social welfare programs. Like in all other parts of the developing world, these components usually followed a project-oriented approach, disbursed credit at subsidized interest rates, had very poor repayment rates and were therefore typically rather short-lived. The first true microfinance institutions like FINCA and Uganda's Women Finance Trust (UWFT) appeared in the early 1990s. However, they did not start to expand in terms of significant client outreach and receive recognition until the mid 1990s. With increased interest from donors and NGOs discovering that they can make a lasting impact on poverty alleviation by offering sustainable financial services, the microfinance industry began to take shape. In January 1996, USAID sponsored a microfinance seminar that was considered to be an eye opener for many practitioners, who were exposed to best practice methodologies and the importance of sustainability for first time in earnest. At the same time, the government started to view the private sector as the most important contributor to economic growth and identified improving the access to financial services as one of the key strategies.

Microfinance became an issue for the Ministry of Finance and Economic Planning (MFPED) as well as the BOU, as both made themselves acquainted with national and international experiences and practices in this field. In early 1997, PRESTO/Center for Microfinance started to provide trainings and technical assistance to MFIs in key areas like loan tracking, interest rate setting, business planning, product development, and ownership and governance. Over the past years other projects and institutions also began to provide valuable capacity

building to the microfinance industry. From 1997 onwards a strong collaborative effort emerged among donors, government, the central bank, practitioners and capacity building providers. What started in 1998 as a consultative working group has now developed into a full Microfinance Forum which meets monthly to discuss topics, exchange information and share ideas on key issues affecting the sector. In 1997, the Association of Micro Enterprise Finance Institutions of Uganda (AMFIU) was set up to serve as a practitioner platform to share experiences and technologies and act as a lobby and advocacy body for Ugandan MFIs.

In mid 1999 many key players of the Ugandan microfinance scene, especially among donors, left the country. After a brief period of less intense coordination, a microfinance workshop facilitated by AFCAP brought the donor community together again in April 2000. A joint vision for the development of the microfinance industry for the next five years was mutually agreed on as well as strategies needed to achieve this vision. Donors defined very ambitious outreach expansion plans and agreed on a coherent strategy for a demand driven capacity building initiative. Other workshops and seminars also including practitioners, government and the Bank of Uganda followed and further strengthened the microfinance community.
At the moment, a number of initiatives like common donor guidelines, universal reporting standards, a rating system, guarantee funds, a capacity building initiative for MFIs graduating to formal status, etc. are discussed with broad participation from most stakeholders.

As outlined earlier, the closure of banks and bank branches as well as the adoption of more stringent lending policies among commercial banks left almost all micro and small entrepreneurs and poor households without access to financial services. The microfinance industry, which over the past years came under pressure to fill this gap and become self sustaining, has to some respect succeeded in doing so. A significant number of MFIs have

taken important steps towards Professionalization and transformation into well organized, well-managed and commercially viable institutions that provide financial services to an increasing number of clients with proven poverty reducing impact. The environmental conditions in which the Ugandan microfinance industry has thrived over the past years can generally be described as favorable, including macroeconomic stability, strong and competent MFIs, practitioners and donors committed to best practices, MFIs with international alliances, a by 18 and large supportive government and a constructive cooperation among stakeholders.

The industry was also able to overcome the results of former instability and bad practices. The long-lasting civil strife has probably destroyed part of Uganda's social capital, the history of poorly managed credit schemes has damaged the credit culture in some parts of the country, and the closure of a great many banks has eroded the trust of clients into financial institutions. However, none of the bigger MFIs faced serious delinquency problems once they had embraced professionalism. This can probably be ascribed to the fact that these MFIs have applied their methodologies in a much disciplined way and put a lot of emphasis on building an effective repayment culture among their clients. Currently, there is one commercial bank providing microfinance services (CERUDEB), one recently established privately owned credit institution (CML), about 15 larger MFIs and around 80 CBOs and NGOs providing savings and credit services on a smaller scale. The top five institutions (CERUDEB, FINCA, PRIDE, UMU, and UWFT) have already surpassed or are close to full financial sustainability. New providers continue to enter the market and join a relatively mature and professional industry. Competition in Kampala and the surrounding region is becoming strong and some providers fear that some urban areas in these parts of the country may already be close to saturation for the types of products offered. One of the most pressing challenges for a large number of MFIs in Uganda are high dropout rates, indicating that

clients make use of increased competition and shop around, but probably also suggesting that clients are not satisfied with the products offered. In fact, a closer look at the methodologies reveals that the services and products offered by the majority of microfinance providers are very similar to each other and are not adjusted to the specific needs of different client groups. The following chapters will discuss microfinance clients, the role of the government, the new legislation, stakeholder coordination mechanisms and initiatives, microfinance providers and capacity building initiatives in more detail.

Savings and Credit Cooperatives (SACCOs) are user owned and managed organizations under the Cooperative Act, and range in size from a handful to several thousand members. Most SACCOs are organized around the work place (formal employers), markets among vendors or around a specific product (the most prevalent being coffee) in rural areas. SACCOs are, in many ways, well poised for providing 39 savings and credit services to the poor, especially in rural areas, but are fraught with historical problems ranging from management capacity weakness to fraud (*Mutesasira* et al 1999).

According to the Uganda Cooperative Alliance (UCA), there are currently approximately 500 SACCOs countrywide. With ten SACCOs registering per week, they are the fastest growing sector of the cooperative movement. About 65% of members are men and 35% women. Some SACCOs receive technical support from the Uganda Cooperative Alliance or the Uganda Cooperative Savings and Credit Union (UCSCU). Out of the 500 or so registered, only 60 are considered “functioning” in one form or other. The majority of users are net borrowers with as few as 10% being net savers. Among members, SACCOs are popular because they are sources of easy and cheap loans compared to banks, are accessible and often located near member workplaces and homes, provide daily deposit collection services, and

extend quick short-term loans that can be used to ease cash flow pressure and smooth consumption. From a legal point of view, SACCOs have the advantage of being entitled to mobilize savings and use them for on-lending (*Mutesasira* et al 1999).

As in most other parts of the developing world, SACCOs in Uganda have faced a series of problems that have tainted their reputation as financial service providers. Traditionally, they suffer from opaque governance and lack of simple and transparent rules. The separation of ownership and management often does not work and some chairmen consider themselves as owners of the institution. The lack of involvement of the membership in the affairs of the institution regularly provides opportunities for the Board, management and their friends to take loans without living up to their repayment duties. Accounting systems are usually unnecessarily complex and often only half understood and half followed. Audits are infrequent and incomplete. In addition, as most members of SACCOs are generally net borrowers, they seek to minimize their interest rate charges on loans – resulting in inadequate incentives to save and insufficient revenues to run the organization. SACCOs often lend out both share capital and savings, leading to frequent liquidity management problems. Lending policies are usually poorly enforced and systems to track and manage arrears hardly exist. As a result, most SACCOs in Uganda have large portfolios in arrears, with overdue loan repayments stretching back into the distant past.

Many if not all SACCOs have experienced considerable difficulties realizing collateral – as community-based, community40 owned and managed organizations, the officers responsible are reluctant the seize and sell the assets from their relatives or neighbors (*Dichter* 1997; *Mutesasira* et al 1999, *Wright* 1999). Most key players in the Ugandan microfinance community believe that SACCOs and other community-based organizations have in theory

the potential to contribute to the expansion of financial service provision to the poor, especially in rural areas. However, due to their poor performance to date and their inherent governance problems, most stakeholders, including government officials, are wary about the future of CBOs. One executive manager of a large microfinance provider declared that democracy was fine in the polling booth, but that it did not work well in financial institutions. Both the Uganda Cooperative Alliance and the Uganda Cooperative Savings and Credit Union are considered weak and struggle with methodological and capacity building issues (*Wright* 1999). However, UCA is following a revised and potentially successful approach and a growing number of SACCOs, currently around 20, appear to perform well. In general, there seems to be some renewed interest in community based savings and credit organizations. The restructured RMSP as well as DANIDA's RFSC initiative will increase support to CBOs. Also, the World Council of Credit Unions (WOCCU) is planning to come to Uganda by the end of 2000, funded by USAID, to work with SACCOs. Savings and credit associations collaborating with WOCCU will have to hand over their operation and management to WOCCU and commit themselves to a comprehensive restructuring effort. Other CBOs, like Financial Service Associations (FSAs), have faced similar problems like SACCOs. However, owing to their different institutional set-up and management structure as well as to technical assistance, some FSAs have performed remarkably well, in spite of operating in difficult rural environments. Their more business-oriented approach gives them a comparative advantage over SACCOs and makes them potential vehicles to provide financial services to clients and areas that are usually not served by traditional mainstream MFIs (*DIFID* 2000). As already pointed out in Chapter 2, the **informal sector** is considered more vibrant than the formal financial sector.

As the poor have extremely limited access to formal financial institutions and only limited access to the new breed of MFIs, most people rely on the informal sector to manage their money. Often clients of commercial banks and microfinance institutions continue or sometimes even intensify their involvement in informal financial arrangements like ROSCAs. These group-based devices satisfy social needs and appeal to the poor due to their flexibility, speed and proximity. However, informal savings and credit mechanisms are often characterized by high transaction cost and high risks. As a consequence, the poor regularly lose their savings to fraudulent schemes, dishonest "friends" and neighbors, to thieves, to unnecessary spending or (in case of in-kind savings systems such as livestock) to illness. Moreover, informal credit arrangements often do not provide the liquidity and reliability the enterprising poor need (*Mutesasira* et al 1999).

Microfinance institutions offer credit services and to some extent savings facilities to micro and small-scale entrepreneurs and poor households who cannot obtain these services from the formal financial sector. MFIs now cover the whole country, although in some districts only one provider operates. Microfinance providers are concentrated in the central region, which can be explained by the high rate of economic activity prevalent in this part of the country. Some MFIs, like FINCA, PRIDE and UWFT, have close to or even more than 15 branches. With approximately 150.000 clients now using microfinance services, national coverage is still low in comparison with the population (about 21 million). However, competition in Kampala and the surrounding region is becoming strong and some providers fear that some urban areas in these parts of the country might already be close to saturation (*MFPED* 2000c; *MFPEF/UNDP* 2000). As already described in Chapter 2.1, clients of MFIs tend to cluster around the poverty line and primarily engage in commerce, followed by agriculture, services and manufacturing. A recent study (*MFPED/UNDP* 2000) revealed that the clients of the 42

MFIs supported by the largest capacity builder, CMFPRESTO, borrowed around USD 250 on averages. Savings per person in these MFIs was only approximately USD 40. The entire credit portfolio of all MFIs corresponds to more than 6% national domestic credit and the savings portfolio makes up 15% of the national financial savings, showing the importance of the microfinance sector (*MFPED* 20000c). According to PRESTO's unpublished information, there are presently around 17 well established and well performing MFIs in Uganda. Although there is no official classification of Microfinance providers yet, MFIs in Uganda could be broadly 42 categorized according to their respective stages of development.

Most Ugandan microfinance institutions follow the mainstream minimalist approach and offer only a single product. Also for legal reasons, savings are usually compulsory, blocked and used as guarantee for outstanding loans, providing little incentive to save more than necessary. A whole range of possible products has not been explored at all or is offered by only one provider, including payment systems, emergency loans, housing loan products, investment loans, insurance products, agricultural loans, leasing, etc. Only few MFIs provide additional services. For example, FOCCAS uses a village banking model combined with low-cost non formal education with the overall objective to improve household food security and nutritional status, particularly for rural women and children. During the weekly group meetings, which are used for repayments and savings, the field agent conducts interactive learning sessions on health and nutrition topics, group management and microenterprise development. A number of key players in the Ugandan microfinance community feel that quantity in terms of client numbers has received more emphasis than quality, and that blueprint replication, without reference to the local situation and environment is the norm. Many MFIs offer financial services following the Grameen-type approach, developed in distant lands and cultures, with little consideration of the clients' needs or the Ugandan context. Recent research indicates that conservative systems and products not responsive to

the needs of the clients are the main reason for high drop-out rates, which all larger MFIs are faced with and cost them dearly (one provider calculated that a new client costs them 17 times more than a retained client). Relatively well-off clients primarily leave to seek larger loans, usually on an individual basis.

The not-so poor seem to leave or are forced out as the loan and thus weekly repayment size mounts. Poorer clients drop out from MFIs primarily because they find problems repaying their loan, having fewer, less diversified sources of income and thus being vulnerable when illness or death strikes. So far, most microfinance providers have not responded to the different client characteristics and adjusted their products accordingly (*Mutesasira* et al 1999; *Wright* et al 1999c). However, some observers of the Ugandan microfinance industry feel that it has to be acknowledged that the methodologies used in Uganda have proven to attract significant numbers of clients and that the rigidity applied may have been quite appropriate for the start-up and learning period of the industry.

Determinants of degree of participation in the SACCO. Households joining SACCO programmes make financial savings decisions representing the degree of SACCO participation. In these decisions households choose whether or not to join a SACCO operating in the vicinity. This choice represents the choice between participation and non participation in semi-formal financial institutions. Households have to make a choice on whether or not to invest in membership fees-a pre-requisite to registration as a SACCO member and purchase of shares is economically or socially feasible. Next, the household must choose whether to acquire a deposit instrument such as a passbook savings account at the SACCO. This decision represents the choice between financial and non-financial assets. Since these outcomes are discrete and ordinal rather than nominal, that is resulting into the

ordering of individuals into non SACCO members, SACCO members who do not save and SACCO members who hold savings accounts. This decision is examined by formulating an ordered profit function of household savings behavior.

Results of the ordered profit function estimation are reported in Table 5. The estimated coefficients reflect the conditional probability of opening a savings deposit account in a SACCO for each of the identified independent variables. All coefficients have the expected signs, and all are significantly different from zero at the 10% level of probability or higher. The overall predictive accuracy of the model is reasonably high at 84.86%. The model Chi-square statistic is 86.64 (with 11 degrees of freedom) indicating that the model is statistically significant at the 1% level. A link test shows that the model is well specified.

Several factors initially included in the model had the expected signs but an insignificant effect on the model and were hence dropped from the analysis. The linktest2 in STATA shows that excluding the variables provides a better model in terms of model specification and that there is no omitted variable bias.

(Andy Carlton, Hannes Manndorff, Andrew Obara, Walter Reiter, Elisabeth Rhyne Microfinance in Uganda)

2.4 Summary of the gaps identified

The level of development of fishing sector around Butiaba landing site is still low, this is attributed to the following factors;

Inadequate capital to purchase fishing plants, poor management of the loans borrowed from pride institution, failure to implement the skills obtained through training, poor infrastructures, inadequate market since local people are low income earners which renders low prices for the fish species, poor infrastructures like the roads connecting to different

market centres, this mostly lead to the fish getting bas before they are bought especially the fresh ones.

Fishing methods

Gill-net and boat scines, the major fishing gear used by fisher folk on the lakes are improperly used. Gill nets are operated actively by casting several of the in the water and the fishermen then pound the water using a club locally called ‘tycoon’ to drive the fish in to the nets. This method locally known as ‘sekeseke’ in non-selective and frightens fish. It causes tilapia and haplocromines and frightens and exposes them to the danger. Boat seining operated in open waters of the lakes also involves the use of a ‘tycoon’. This method is dangerous especially in the case of shallow water because the net when set, spreads all the way from the top to the bottom of the lake, sweeping the entire water column. This leads decline of the fish in the water as a result of destroying young fish before they are mature.

Traditional fish processing systems are basically artisanal and consist of indigenous methods of fish processing which are well known in rural fishing communities of Uganda. There are four basic methods: smoking, sun drying, salting, and frying.

- Hot smoking is the most popular method and provides the best returns to the processor. On some Lake Victoria islands, virtually 100% of the catch is smoked. Unfortunately, the process consumes a lot of fuel wood and impacts on the environment through deforestation.
- Sun-drying is commonly applied to small pelagic fish species such as Haplochromis (Nkejje), Rastrienobola (Mukene). It is also used for larger fish species after they have been split open. It is also used to prepare fish maws (bladders) of Nile perch. It is popular on Lakes Edward, George, Albert and Kyoga.

- Salting is a common method of processing in the fisheries of the Western Lakes, especially Lakes Albert, Edward and George. It is also gaining popularity in Lake Victoria islands where it is mainly employed on small sized Nile perch. The resulting products are mostly destined for northern Uganda and the Congo Kinshasa market.

Frying is becoming a popular method as far as Nile perch is concerned. It is also popular on Lake Edward! George where it is mainly applied on tilapine species. Fried perch, often prepared in its own oil, is widely sold in the regular markets of urban centers around the lake shore. Fried Nile perch is also eaten as a snack4 especially in the local drinking joints.

Industrial fish processing was introduced in Uganda as early as 1950s. However, the early industrial fish processing ventures like TUFMAC and PELICAN collapsed in the early 1970s due to the then political-economic crises in the country (Agriculture in Uganda volume1V livestock and fisheries)

Fish marketing

Fish marketing in Uganda can be categorized into two systems, the domestic and export markets. On the domestic market, due to tropical temperatures and conditions, the distribution of fresh fish tends to be restricted to a narrow belt around the major water bodies. Distribution of fresh fish was more widespread in former years but declined with the general deterioration of roads and communication facilities over the last decades or so. Distribution and marketing of fish is primarily carried out by private traders operating to and from scores of local landing sites on foot, bicycle, or by lorry, pickup or public transport. Handling practices both at the landing sites and through the distribution networks are quite poor. Most sites lack even rudimentary handling and sanitary facilities; hygienic conditions within the wholesale retail chains are extremely poor.

Fish prices are generally determined by the demand and supply conditions and vary from one water body to another.

CHAPTER THREE

METHODOLOGY

3.0Introduction

This chapter covered the research design, population of the study, sample size of sampling technique, data collection methods and instruments, validity and reliability of the study, data collection procedures, data analysis, ethical issues in research, anticipated challenges for the study and finally anonymity.

3.1 Research design

The researcher will use descriptive design because some knowledge exists about contributions of pride microfinance institution in the development of the fishing sector. This design will provide the researcher with a variety of information about the details of the phenomenon around Butiaba landing site.

In this section, the researcher will use quantitative design because it is cheap since it does not require the use of many tools thereby saving time.

3.2 Population of the study.

Population refers to the entire group of people, events or things of interest that one wishes to investigate.

An element is a single member of the population for example in the population of 100 people there are 100 elements. The population of the study will include the following categories of people;

Fishermen, market vendors, pride microfinance institution staff members, and citizens around Butiaba landing site in Buliisa district. The researcher will use a sampling technique where few people will be selected to represent the entire population in providing information about fishing sector around Butiaba landing site on Lake Albert because it takes less time and resources like questionnaires, answer seats and others

3.3 Sample size of sampling techniques

The sample size will be determined using table developed by use of R...V. Krejcie and D.W. Morgan (1970), Determining sample size for research activities, educational and psychological measurement, 30, 608, Sage publication.

From the population (N) of 55 people, a sample (n) of 48 people/elements will be selected because it will be convenient to the researcher as few people will be dealt with, it requires less time and resources in terms of money and other requirements like tools for using in data collection such as papers.

Rationale for using sample size of sampling technique is that, it is cheaper compared to other methods since it covers few elements from the whole population and it is used when sampling frame is not readily available.

3.4 Data collection methods

Data refers to information, statistics, facts, figures, numbers or records. Data is called primary if it has been collected direct from the field and secondary if it has been captured from secondary sources such as text books, journals, manuscripts and others.

The following data collection methods were used by the researcher;

Observation

Here data will be collected through direct use of the physical eyes without asking respondents any questions, for example the researcher will observe how fishing is carried out around Butiaba landing site, categories of fish species caught, fish preservation methods and many more what will enable the researcher to come up with conclusions and recommendations about the fishing sector around Butiaba landing site.

Interview

This method involves asking of oral verbal questions seeking oral verbal responses. The researcher will ask direct questions to the respondents with intention to get response from them and there by collecting information about contributions of pride microfinance institution in development of fishing sector around Butiaba landing site in Buliisa district.

3.5 Data collection instruments

These are the tools that the researcher used to collect data in the field.

The researcher used cameras in order to observe fish species, respondents and other relevant objects while in the field.

Questionnaires

This involved the use of printed questions meant to guide the researcher in carrying out the research study. It enabled the researcher to focus on the objectives of the study and saving time by not asking questions outside the topic of the study.

Interview guide

These were set of questions about contributions of pride microfinance institution in development of the fishing sector around Butiaba landing site. This enabled the researcher to focus on the objectives of the study.

Pens, papers and rulers

These tools were be used by the researcher to write down information about the contribution of pride microfinance towards the development of the fishing sector around Butiaba landing site.

3.6 Validity and reliability of the study.

This was ensured through piloting (trial survey) it is from the pilot study that the researcher found out whether the instruments and questions were appropriate or need to be re-designed to improve the reliability and validity of data.

The researcher carried out a pre-test study by asking questions to related people with an aim of finding out whether the questions would be well answered by the respondents during the time of caring out the research study in the field. The questions would be adjusted according to the results of the pre-test study.

Trial survey also enabled the researcher to determine how long he would take in the field and how first the questions would be answered by the respondents.

Trial survey enabled the researcher to estimate the costs in terms of expenditures the study would require.

3.7Data collection procedures

The researcher prepared for the study by caring out the following activities;

Seeking permission from the chairperson in Butiaba landing site to permit the researcher conduct a study around Butiaba landing site on Lake Albert

Asking permission from the manager of pride microfinance institution Hoima branch so as to let him use the institution in the study.

The researcher printed out questionnaire copies, bought tools like pens, papers, rulers and then went to the field on a specified date.

3.8 Data analysis

Data obtained from the field was analyzed using SPSS computer software so as to make it meaningful. Descriptive statistics was mainly used where tables were used to present information in percentages and frequencies. An explanation was there after given for each of the tables used in the analysis.

3.9 Ethical issues in research

The researcher ensured confidentiality during the research study as much as possible where it was necessary. The researcher also made ensured that people gave out answers willingly without any form of bribe or payment.

There was also equality of all respondents irrespective of sex, income levels and any other form of inequality was avoided as much as possible while selecting samples.

This helped to obtain information that was free from bios.

3.10 Anticipated challenges

The researcher anticipated a high expenditure in buying of the tools like papers, pens, rulers and others. Transport costs were incurred as the researcher travelled to Butiaba landing site where the study was conducted from. All these may required a lot of money.

The researcher also anticipated a problem of language barrier since local people around Butiaba landing site did not wish to use English and instead used local languages which would not be understood by the researcher so as to capture the required information from the field.

3.11 Anonymity

The researcher informed respondents that all the information that was gathered from the field would only be for study purposes. The following were done so as to ensure confidentiality of the information: Materials such as papers bearing any information from the field were destroyed after use, relevant files, papers and the final dissertation are to be kept safely and ensuring that no one else apart from the concerned members such as data collectors and supervisors are to be allowed to access any information obtained from the field.

CHAPTER FOUR

ANALYSIS, PRESENTATION AND DISCUSSION OF FINDINGS.

4.0 Introduction

This chapter contains data analysis, presentation and discussion of the findings of the study. The chapter also covers findings on characteristic of respondents, objectives of the study, research questions, themes of the study / major fields of study related objectives, variables of the study and methods used by the respondents to collect data. The objectives of the study are as follows:

i. To find out the contributions of micro-credit (short-term loans) in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.
ii. To find out the contributions of Education services offered by Pride-microfinance institutions to the fishermen in development of the fishing sector around Butiaba landing site on l Albert in Buliisa district.
iii. To establish the impact of savings offered by Pride-micro-finance institutions to the fisher in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

The characteristics of the respondents were measured in terms of age group, level of education, perceptions towards the contributions of the research variables in development of the fishing sector and other questions related to PMI in development of the fishing sector around Butiaba landing site in Buliisa district.

4.1Descriptive statistics

Table 2: Shows Age bracket of respondents around Butiaba landing site.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30 years	13	26.0	26.0	26.0
	31-40 years	16	32.0	32.0	58.0
	41-50 years	12	24.0	24.0	82.0
	Above 50 years	9	18.0	18.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

From table 2, 26 percent of the respondents fall between the age brackets of (20-30) years, 32 percent, fall between (31-40) years, 24 percent fall between (41-50) years and 9 percent of the respondents fall above 50 years of age.

It therefore indicates that people in the age brackets (31-40) years are more engaged in the fishing sector with a percent of 32 followed by age bracket (20-30) years, age brackets (41-50) years takes 24 percent and 18 percent being for people above 50 years.

It therefore indicates that the fishing sector is composed of all classes of age brackets around Butiaba landing site.

Table 3: shows distribution of Education level of respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Doctorate	1	2.0	2.0	2.0
	Masters	3	6.0	6.0	8.0
	Bachelors	13	26.0	26.0	34.0
	Diploma	16	32.0	32.0	66.0
	Certificate	17	34.0	34.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Results from table 3 indicate that the fishing sector is widely covered by semi-educated people since most respondents fall in the diploma and certificate classes of education.

This is so because only 2 percent of the respondents studded up to the level of doctorate, 6 percent had masters level, 26 percent had bachelors, and 32 percent had diploma level and 34 percent being for certificate.

Table 4: shows how short term loans are easily accessed by fishermen around Butiaba.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Purchasing fishing gears	7	14.0	14.0	14.0
	Facilitate transportation of fish to markets	24	48.0	48.0	62.0
	Improving on hygiene	14	28.0	28.0	90.0
	Paying school fees	3	6.0	6.0	96.0
	Research	2	4.0	4.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Table 4 above indicates that a bigger percent of fishermen benefit from short term loans from PMI by facilitating transportation of fish that is to say 48%, this is followed by improving on hygiene with 28%, 14% of the fishermen purchase fishing gears while 6% and 4% is spent on paying fees and research respectively.

Table 5: shows how savings are easily accessed by fishermen around Butiaba landing site.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Loan payment	8	16.0	16.0	16.0
	Future investment	22	44.0	44.0	60.0
	Keeping money safely	13	26.0	26.0	86.0
	Reducing on gambling activities	4	8.0	8.0	94.0
	Reducing on poverty levels	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Table 5 above indicates that a bigger percent of fishermen benefit from savings from PMI to invest in future with 44 %, this is followed by keeping money safely with 26 %, 16% for loan repayment, and 8% being for reducing gambling activities and reducing poverty levels respectively.

Table 6 below: shows how fishermen benefit from training offered by PMI

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Improving on hygiene	5	10.0	10.0	10.0
	Improves on conditions of living	16	32.0	32.0	42.0
	Use of recommended fishing methods	18	36.0	36.0	78.0
	Reduced losses	8	16.0	16.0	94.0
	Better skills of loan management	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

Primary: Primary data.

Table 6 above indicates that a bigger percent of fishermen benefit from training from PMI to use recommended fishing methods with 36 %, improving on conditions of living takes 32 %, 16 % helps to reduce on the losses while 10 and 6 % being for improving hygiene and better skills of loan management respectively.

Table 7: Describes how savings leads to accumulation of capital for the fishermen around Butiaba landing site.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	9	18.0	18.0	18.0
	Agree	13	26.0	26.0	44.0
	Strongly disagree	13	26.0	26.0	70.0
	Disagree	13	26.0	26.0	96.0
	Do not know	2	4.0	4.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Table 7above indicates that a percent of fishermen 26 agree that short term loans are easily accessed by fishermen, 26 % also strongly disagree with statement, 26 % disagree with the same statement, 18 % strongly agree with the statement and only 4 % of the respondents do not know anything about the statement.

Table 8: Describes how savings generates income to the fishermen for purchasing fishing gears around Butiaba landing site.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	7	14.0	14.0	14.0
	Agree	11	22.0	22.0	36.0
	Strongly disagree	16	32.0	32.0	68.0
	Disagree	12	24.0	24.0	92.0
	Do not know	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Table 8 indicates that a percentage of 32 of fishermen strongly disagree that savings generate income to purchase fishing gears, 24 % disagrees with the statement, 22 % agrees with the statement, 14 % strongly disagree, and only 8 % do not know anything about the statement.

Table 9: How training improves trade activities of fish around the landing site.

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Strongly agree	7	14.0	14.0	14.0
	Agree	12	24.0	24.0	38.0
	Strongly disagree	15	30.0	30.0	68.0
	Disagree	13	26.0	26.0	94.0
	Do not know	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Table 9 indicates that a percentage of 30 of respondents strongly disagree with the statement that training improves on the fishing and preservation methods, 26 % disagree with the statement, 24 % agree, 14 % strongly agree and only 6 % do not know anything about the statement.

Table 10: describes the problems faced by fishermen in obtaining short term loans from PMI.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fishermen are required to form groups	1	2.0	2.0	2.0
	Conditions on how to use the loans	11	22.0	22.0	24.0
	Ignorance on how to acquire loans	22	44.0	44.0	68.0
	Poor loan management skills	10	20.0	20.0	88.0
	Services are located far from the landing site	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Table 10 above indicates that a percentage of 44 respondents is faced the problem of ignorance on how to acquire the loans, 22 % have a problems that they are given conditions on how to use the loans, 22 % are faced by poor loan management and 12 % complain that the services are located far away from the landing site.

Table 11 below describes the Suggestions to problems in obtaining short loans offered by PMI.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Training.	3	6.0	6.0	6.0
	Enlighten people about benefits of loans.	15	30.0	30.0	36.0
	Reducing on time taken acquire loans.	14	28.0	28.0	64.0
	Allow individuals acquire loans other than groups only.	10	20.0	20.0	84.0
	Use of translators to educate fishermen.	8	16.0	16.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Table 11 indicates that a bigger percent of respondents of 30 suggest that problems facing fishermen around Butiaba landing site can be solved by enlightening fishermen about the benefits of loans, 28 % said that time it takes to acquire the loans should be reduced, 20 % suggested that individuals should be allowed to acquire loans though they are not in groups, 16 % suggested that translators should be used to solve the problem of language barrier in training the fisher men, and 6 % suggested that training of fishermen will help to reduce on problems faced by fishermen.

Table 12: describes the challenges faced by fishermen in the process of acquiring training services offered by PMI.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Language problem.	5	10.0	10.0	10.0
	Poor attitude towards training.	13	26.0	26.0	36.0
	Services are located far.	14	28.0	28.0	64.0
	Diseases.	13	26.0	26.0	90.0
	Inadequate lab our.	5	10.0	10.0	100.0

Source: Primary data.

From table 12 above, 28 % of the respondents argued that fishermen face the problem of services being located far away from the landing site while receiving training, 26 % say that fishermen lack attitude towards training services, also 26 % say that diseases affect fishermen, 10 % say that there is language problem during training, and 10 % said that there is in adequate capital among labor to train fishermen.

Table 13: below describes the solutions to challenges in receiving training offered to the fishermen from PMI.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Use local people to train.	9	18.0	18.0	18.0
	Enlighten people about training services.	12	24.0	24.0	42.0
	Provision of health services.	17	34.0	34.0	76.0
	Employ more lab our.	7	14.0	14.0	90.0
	Provision of defense	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

From table 13 above, 34 % of the respondents suggested that provision of health services can reduce problems in receiving training services, 24 % said that enlightening people will reduce problems in training, 18 % percent noted that local people can be used to train the fishermen, 14 % recommended employing more labor and 10 % suggested that emphasis should be put on defense.

Table 14: describes the problems faced by fishermen in savings organized by PMI.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Misuse of loans	9	18.0	18.4	18.4
	Low incomes	15	30.0	30.6	49.0
	Theft	14	28.0	28.6	77.6
	High interest rate	9	18.0	18.4	95.9
	Conditions on the use of money	2	4.0	4.1	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

Source: Primary data.

Table 14 above indicates that respondents noted that 30 % of fishermen have low incomes, 28 % are affected by theft, 18 % face high interest rates, 18 % misuse loans, and 4 % complain of conditions on how to use the loans.

Table 15: describes the solutions to problems in savings organized by PMI.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extending services near	5	10.0	10.0	10.0
	Train people on loan management	15	30.0	30.0	40.0
	Reduce interests on loans	21	42.0	42.0	82.0
	Reduce conditions on loans	8	16.0	16.0	98.0
	Improving on defense	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Table 15 above indicates that reducing interests on loans were given much emphasis by respondents as a solution to reduce problems in obtaining short term loans. This was supported by 42 % followed by training people on loan management with 30 %, reducing conditions about the use of loans, extending services was supported by 10 % of the respondents and only 2 % supported the improving of defense.

Table 16: below describes the problems faced by PMI in developing fishing around Butiaba landing site in Buliisa district.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Low incomes	8	16.0	16.0	16.0
	Illiteracy level	15	30.0	30.0	46.0
	Low support from people	20	40.0	40.0	86.0
	Poor saving culture	6	12.0	12.0	98.0
	Diseases	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

From table 16 above, results show that PMI face the problem of low support from the people as 40 % respondents raised this point, 30 % said illiteracy level is also a problem, 16 % talked about low incomes, poor saving culture took 12 % and diseases also took 12 %.

Table 17: below describes possible measures to the problems faced by PMI in developing fishing around Butiaba landing site.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Develop infrastructures	6	12.0	12.0	12.0
	Use local people to train	23	46.0	46.0	58.0
	Forming groups to increase capital	17	34.0	34.0	92.0
	Enlighten people about the services	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Source: Primary data.

Results from table 17 above show that among the measures to overcome the problems faced by PMI in developing fishing sector, use of local people to train took 46%, 34 % of the respondents suggested forming groups to increase on capital, 12 % suggested development of the infrastructures and 8 % suggested enlightening of the fishermen.

Table 18: below describes areas that require research in PMI.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completion advantage	7	14.0	14.3	14.3
	Objectives	26	52.0	53.1	67.3
	Vision	13	26.0	26.5	93.9
	Goals	2	4.0	4.1	98.0
	Polices	1	2.0	2.0	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

Source: Primary data.

Table 18 above indicates that among the areas that require research regarding PMI, objectives take 52 % according to respondents, 26 % of the respondents talked about vision, 14 % said competitive advantage need research, 4 % talked about goals, and2 % mentioned policies.

4.2 Discussion of the findings

PMI is the lending microfinance deposit taking institution (MDI) with a network of 31 branches and 4 contact offices in Uganda.

People involved in PMI are: Senior management team, managers, staff (officers), and other support staff. Others are clients, third party people including suppliers, venders among others.

Fishermen around Butiaba realize these benefits from PMI; Loans facilities for their social and economic growth, they save their income with PMI. This enable them have their money saved in safely with the institution.

Roles played by PMI in development of the fishing sector include: Extending credit facilities to the fishermen, sensitizing them on how to adequately utilize the loan facilities.

Problems faced by fishermen around Butiaba landing site include: Epidemic diseases like malaria caused by mosquitoes, flooding especially during rainy season leading to loss of lives and property, inadequate capital to purchase fishing nets and transport the fish to market centers. Others are dangerous animals which attack people and interfere with the fishing activities. Inaccessibility since Butiaba is within the western rift valley. Strict laws against the use of some fishing methods and others.

Solutions to problems faced by fishermen include; Selling of fish to other markets for example some fish can be exported so as to enjoy high prices, improvements on the transport network so as to easily transport fish spices to market centers, loans can be obtained by fishermen to increase on their capital, investments in other economic activities can help to increase capital to the fishermen. Extension of health services so as to reduce on the spread of diseases and sensitizing of the community about hygiene.

Developments in PMI include: Increasing on the number of branches to 31and 4 contact offices in Uganda. The institution has also registered an increase in the number of customers thus increasing on its capital.

Other contributions done by PMI are; supporting education by extending loans to people such as group salary loan (SFL), mortgage / asset financing loan and others. These loans have led to improvement in education services, agriculture and other activities around the landing site.

Other organizations that support fishing sector include other financial institution like banks, ministry of agriculture in Uganda and others.

Loans given out by PMI are; Group Guarantee loan scheme, mortgage and asset financing among others.

Training programs are conducted during group guaranteed loan product weekly meeting with clients. Also on a monthly basis programs are held on different topics organized by PMI so as to sensitize the public about fishing activities and other social and economic well being.

Savings have been mobilized through the media. Advertisements are done on radios and televisions among others.

Developments in the fishing sector include: Establishment of new markets, improvement in the fishing and preservation methods where refrigerators are now used to transport fish to market centers, road network improvements where by now there is direct access to the landing site and others.

Challenges to development of the fishing sector include: Steep slopes in some areas around the landing site makes transport system difficult, diseases like malaria caused by mosquitoes, illiteracy among others.

Measures to problems facing the development of the fishing sector are: Extending medical services to the people, improvements on the housing structures so as to reduce on death rates caused by flooding, raining the people, improvement on the road network to ease transportation of fish among others.

Other economic activities carried out around the landing site are: Salt mining by the local people on small scale, grazing of domestic animals, transport activities, agriculture on the

small scale where maize, tobacco and other crops are planted along the slops of the hills and a considerable amount of crude oil deposits have been discovered in the district and others.

Fish species such as Nile perch, Tilapiines (ngege), Hapolochromines (Nkejje), Bagrus spp, B.bayad, Clarias and others species are harvested around Butiaba landing site.

Fishing methods used are: Casting (CS): Fishing from shore or a vessel using a pole and casting reel. Includes techniques such as whipping, jigging, dunking, slide baiting, fly-fishing or any technique using a pole and line,

Deep-sea hand line (BF): Fishing from a vessel using a vertical mainline with single/multiple baited hooks and weight, lowered near the bottom.

Short line (SL): Fishing using a horizontal mainline, less than or equal to one nautical mile in length and suspended from the ocean surface with floats, from which leaders with baited hooks are suspended.

Vertical line (VL): Fishing using a vertical mainline, suspended from the surface with float, from which leaders with baited hooks are attached and ending with a terminal weight.

Trolling: Fishing by towing or dragging line(s) with artificial lure(s) or dead or live bait using a sail, surf or motor-powered vessel.

a) Trolling with Bait (TB): Trolling with bait (dead or alive.)

b) Trolling with Lures (TL): Trolling with artificial lures.

c) Trolling with Green Stick (TS): Trolling with the bird, green stick and danglers.

Methods of preserving fish are: Salting, use of refrigerators, smoking, and sun drying.

Fish species are sold in markets such as trading centers and towns near butiaba landing site, others are sold to districts like Kampala and others are exported.

4.3 Answering research objectives

This sub-section answers the study objectives which include;

To find out the contributions of micro-credit (short-term loans) in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district, to find out the contributions of Education services offered by Pride-microfinance institutions to the fishermen in development of the fishing sector around Butiaba landing site on l Albert in Buliisa district and to establish the role of savings offered by Pride-micro-finance institutions to the fishermen in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

To find out the contributions of micro-credit (short-term loans) in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district. The researcher found out the following from respondents about contributions of short term loans in development of the fishing sector.

Short term loans are used to purchase fishing gears, facilitating transportation of fish to market centres, improving on hygiene, fishermen also pay school fees of their children, and research is carried out using short term loans from PMI.

To find out the contributions of Education (training) services offered by Pride-microfinance institutions to the fishermen in development of the fishing sector around Butiaba landing site on l Albert in Buliisa district. The researcher found out the following from respondents about contributions of education services in development of the fishing sector.

Education (training) leads to improved hygiene in community around the landing site, it leads to better standards of living, fishermen use recommended fishing methods and tools such as fishing nets, fishermen also do not incur many losses from the fishing activities since they apply skills given to them, there are better skills of loan management among fishermen, fishermen have acquired saving culture. There are hopes of having sustainable fishing around the landing site.

To establish the role of savings offered by Pride-micro-finance institutions to the fishermen in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district. The researcher found out the following from respondents about contributions of education services in development of the fishing sector.

Gambling activities have reduced around the landing site, theft of money has also reduced around the landing site, and poverty levels have gone down, fishermen organise for future investments and engage in other income generating activities and even children's school fees are often raised from savings organised by PMI.

4.4 Methods used to collect data / information.

The research made use of the methods below:

Observation

Here data was collected through direct use of the physical eyes without asking respondents any questions, for example the researcher observed how fishing is carried out around Butiaba landing site, categories of fish species caught, fish preservation methods and many more what enabled the researcher to come up with conclusions and recommendations about the fishing sector around Butiaba landing site.

Interview

This method involved asking of oral verbal questions seeking oral verbal responses. The researcher asked direct questions to the respondents with intention to get response from them and there by collecting information about contributions of pride microfinance institution in development of fishing sector around Butiaba landing site in Buliisa district.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMENDATIONS

5.0Introduction

This chapter discussed the summary, conclusions, recommendations, Summary and suggestions for further research of the study.

The summary is as follows: Research questions were: What is the contributions of PMI in the development of the fishing sector around Butiaba landing site, what is contributions of training services in the in the development of the fishing sector around Butiaba landing site and what is the relationship between savings and the development of the fishing sector around Butiaba landing site.

Objectives included: To find out the contributions of micro-credit (short-term loans) in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district, to find out the contributions of Education services offered by Pride-microfinance institutions to the fishermen in development of the fishing sector around Butiaba landing site on l Albert in Buliisa district and to establish the impact of savings offered by Pride-micro-finance institutions to the fisher in the development of the fishing sector around Butiaba landing site on Lake Albert in Buliisa district.

PMI is the lending microfinance deposit taking institution (MDI), people involved in PMI include: Senior management team, managers, staff (officers), and other support staff. Others are clients, third party people including suppliers, venders among others.

Benefits that fishermen obtain from PMI include Training services, short term loans and savings. Roles played by PMI in development of the fishing sector around Butiaba landing site are sensitizing fishermen about the development of the fishing sector, improving on the hygiene and others.

Other areas of discussion are future plans for developing the fishing sector, effects oil exploration and the development of the fishing sector, developments in PMI, other contributions PMI to the community. Other organizations that support fishing around Butiaba landing site,

The discussion also identifies other economic activities carried out around the landing site such as trading in other items like salt, grazing animals like goats and others. Types of fish harvested include: Nile perch, Tilapiines (ngege), Hapolochromines (Nkejje), Bagrus spp, B.bayad, Clarias and others species are harveste around Butiaba landing site. Fishing and preservation methods used and markets where fish is sold.

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5.2 Conclusions

Basing on the findings of the study, it can therefore be concluded that PMI contributes in the development of the fishing sector around Butiaba landing site. This is done through provision of short term loans, organizing savings and training of the fishermen. The fishing sector is one of the developing economic activities in Buliisa district. There are some problems that are still letting down the fishing sector such as poor roads to transport fish to market centers, low income making it difficult to develop the fishing sector and others. The landing site has several fish species such as Nile perch, Tilapiines (ngege), Hapolochromines (Nkejje) and

others. People in the fishing sector are in the age bracket of above 20 years and are semi-illiterate.

5.3 Recommendations

Basing on the findings of the study, the researcher recommended that in order to further develop the fishing sector; the following should be put in to consideration;

Transport system should be improved so as to ease transportation of fish to market centers, Emphasis should be put on research so as to improve on fishing and preservation methods, improve on quality of the fish so as to attract high prices,

Fishermen can form groups so as to come up with innovative ideas aimed at boosting their small business. In the same way they can combine income to purchase fishing equipment like nets, purchasing vehicles and refrigerators that can easily transport fish to markets centers at low costs and in good conditions compared to hiring vehicles on individual basis.

The ministry of heath should come up to enlighten people around the landing site on health issues so as to reduce on the spread of diseases.

PMI should extend its services nearer to the people so as to reduce the distance that people cover in order to access the financial services.

Strict laws should be put up so as to avoid poor fishing methods that easily lead to destruction of fish since young ones are harvested. This may lead to extinction of some fish species if not controlled.

Security around the landing site should be should be improved though currently Uganda police defense force is deployed in some places. This will help to reduce on the theft levels around the landing site and the neibouring places.

Fishermen can operate other economic activities aimed at generating additional capital to support the fishing sector.

Both the citizens and government should work together to construct permanent houses so as to minimize on the loss of lives and property caused by flooding.

5.4 Suggestions for further research

Other areas that require research are; Future plans about development of the fishing sector around Butiaba landing site by government, impacts of oil exploration and the development of the fishing sector around Lake Albert.

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APPENDIX: I

Definitions of terms and concepts

Fishing refers to extraction of aquatic life from water bodies such as Oceans, lakes, rivers, swamps and ponds.

Stock is the portion of a species or population that is harvestable.

Harvest rate is the fraction or amount of stock harvested per year.

Stock assessment is the estimation of abundance of a resource, rate at which it is being moved, and reference rate for sustainable yields.

Production rate is the sum of growth of individual, plus the addition of biomass to natural morality.

Production function

It shows the relationship between production rate and fish effort increase, the biomass drops the production function typically goes through fairy maximum.

APPENDIX: II QUESTIONNAIRE

My name is Byabagambi David a student of Uganda martyrs University studying a Bachelors degree in Business administration and management. I am carrying out a research under the topic: **"Contributions of pride microfinance institution in the development of the fishing sector around Butiaba landing site in Buliisa district".**

The questionnaire aims at finding out whether the fishing sector has improved as a result of contributions of pride microfinance institution through provision of short term loans, savings and training.

Please choose the right option using a tick to fill in the spaces provided in the boxes.

1. What is your age bracket?

20 – 30		41- 50	
31 – 40		Above 50	

2. What is your highest level of education attainment?

Doctorate		Masters		Bachelors	
diploma		Certificate			

Others (specify)…….

3. How do fishermen around Butiaba landing site benefit from the following services Offered by pride-microfinance institution in the development of the fishing sector?

   i. Short term loans.

   ……
   ……
   ……
   ……

   ii. Savings.

   ……
   ……
   ……
   ……

iii. Training.

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SECTION (B)

Please use numbers (1 to 5) to represent the appropriate responses for the following statements in the table below.

Strongly agrees, 2 agree, 3 strongly disagree, 4 disagree and 5 do not.

4) How pride microfinance institution contribute in the development of the fishing around Butiaba landing site in Buliisa district?

Short term loans are easily accessed by fishermen.	
Short term loans improve on the investment levels.	
Savings generates income to purchase fishing gears.	
Savings leads to accumulation of capital for future investments.	
Training improves on the fishing and preservation methods.	
Training improves trade activities of fish around the landing site.	

5) What problems are faced by fishermen around Butiaba landing site in the process of obtaining short term loans from pride microfinance institution?

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b) What are the possible suggestions to the problems you have identified in question (1) above?

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6) What problems do fishermen around Butiaba landing site face while receiving training services from pride microfinance institution?

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b) Can you suggest possible solutions to the problems you have identified in question (2) above?

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7) What problems are encountered by fishermen around Butiaba landing site within the Savings organized by pride microfinance institution?

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b) Can you suggest possible solutions to the problems you have identified in question (3) above?

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8) What problems are faced by pride microfinance institution in the development of the fishing sector around Butiaba landing site?

……

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b) What measures can be adopted to overcome the problems faced by pride microfinance institution in the development of the fishing sector around Butiaba landing site?

……..

……

……

……

9) Which other areas require research regarding pride microfinance institution?

……

……

……

Thank you.

APPENDIX: III INTERVIEW SHEDULE.

Please use the answer seats provided to answer the following questions.

1. What is pride microfinance?
2. Which people are involved in pride microfinance organization?
3. What are some of the benefits that fishermen around Butiaba landing site realize from pride microfinance institution?
4. What roles are being played by pride microfinance institution in the development of the fishing sector around Butiaba landing site?
5. What problems are being faced by fishermen around Butiaba landing site?
6. What solutions can be brought out to solve problems facing the fishermen around Butiaba landing site?
7. Can you name any development from pride microfinance institution?
8. What other contributions has pride microfinance done around Butiaba landing site?
9. Which other organization supports the fishing sector around Butiaba landing site?
10. What kind of loans is given out to the fishermen by pride microfinance institution?
11. How are training programs conducted by pride microfinance institution to enlight fishermen around Butiaba landing site?
12. How have savings been mobilized among fishermen so as to develop the fishing sector around Butiaba landing site?
13. What are some of the developments in the fishing sector around Butiaba landing site?
14. What are some of the challenges towards the development of the fishing sector around Butiaba landing site?

b. Can you suggest possible measures to the challenges in question (15) above?

15. Which other economic activities are carried out around Butiaba landing site?
16. Which type of fish species are harvested around Butiaba landing site?
17. Can you mention some of the fishing methods used around Butiaba landing site?
18. What are the mostly used methods to preserve fish around Butiaba landing site?

19. What are some of the market places for the fish species harvested around Butiaba landing site in Buliisa district?

END

APPENDIX IV

APPENDIX: IV BUDGET ESTIMATE

ITEM	**QUANTIYY**	**COST PER UNIT (UG SHS)**	**TOTAL COST (UG SHS)**
Transport			100,000
Papers	One A4 ream	15,000	15,000
Photocopying, typing and printing			20,000
Food and drinks			15,000
Others			50,000
Total expenditure			**200,000**