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## **CPAR Uganda Ltd**

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### **Rural Development Innovation Programme**

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#### **Project 001: 500 women of Ochelakur Sub-County access finance**

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##### **Project summary**

This is an affirmative action project that will facilitate households of a disadvantaged and traditionally fishing community that is no longer permitted fishing livelihoods due to government fishing restrictions on Lake Kyoga to transition to other livelihood options and to improved their quality of life. Five hundred women will access finance and financial literacy training sessions; be able to start and to operate viable businesses through which they will earn a living; and be able to meet the basic needs - food, water, clothing, shelter - of their respective households.

##### **The Problem**

The people of Ochelakur Sub-County, in Teso Sub-Region, in North-Eastern Uganda, who are estimated to be over 14,000, used to depend on fishing in Lake Kyoga for their livelihoods. Ochelakur is one of six sub-counties of Kalaki District; a district which in 2019 was curved out of Kaberamaido District; of which the latter was curved out of Soroti District in 2001.

Government restrictions, the suspension of fishing in Lake Kyoga, have made it impossible for Ochelakur to remain primarily a fishing community. Worse still, the suspension was not accompanied with affirmative action to assist and to enable fishing communities to transition to alternative livelihoods. Residents of Ochelakur are therefore failing to adequately meet their basic needs and their genuine needs, because the only way they knew how to make a living, fishing and fish mongering, is no long accessible to them.

People of Ochelakur are starving and are malnourished, since they have insufficient access to food. They are living a low quality of life, for they are without adequate access to appropriate clothing, clean air, clean water and appropriate shelter. They are emotionally distraught. Worse more, failing to find alternative livelihoods, some have lost their lives attempting to fish at night, in order to circumvent the fishing ban. And others have been killed in the process of evading capture when they are caught “illegally fishing.”

There is an emerging light at the end of the darkness of destroyed fishing livelihoods of Ochelakur. Women of Ochelekur, in a bid to be able to meet the basic needs of their families, are innovating and are attempting to earn a living by engaging in small scale businesses – mostly, street and market vending - selling tomatoes, eggplants, silver fish (mukene), onions, and pancakes; a few artisanal enterprises, like tailoring; and farming as a business. The challenge, however, is that they do not have enough capital to operate their businesses, due to insufficient access to finance.

For a few of them, their only access to finance is borrowing from saving groups that they belong to; while the majority, generally, have no access to finance. It should be noted, also, that lending conditions of savings groups in Ochelekur can be prohibitive for businesses. In addition to the limited quantity of loans and the loan sizes that they can give, groups often charge high interest rates - as high as 20 percent, even for short-term loans.

The only other alternative for women in Ochelakur, especially those who are not members of groups, is worse. They can only borrow from individuals who often also charge high interests and rarely take the risk of lending to those without ‘technical-know-who’.

In the whole of Kalaki District there are no formal financial institutions, like banks or registered and regulated microfinance services providers. Not even banking agents are present in Ochelakur, nor in the whole of Kalaki District. This is the case also for the neighbouring district of Kaberamaido. The nearest financial institutions are in Soroti District, 57.2 kilometres away or in Dokolo District, 36.9 kilometres away.

With poor infrastructure and insufficient public services, using bodaboda motorbikes, a round trip from Ochelakur to Soroti and back can cost as high as Shs. 20,000 (USD 6); and from Ochelakur to Dokolo and back as high as Shs. 18,000 (USD 5).

### **The Solution**

Through our rural innovator, a born of Ochelakur, Robert Oluka, establish the CPAR Uganda ***"Ochelakur Loan Scheme."*** Within a one-year period access low interest loans to at least 500 enterprising Ochelakur women to invest in businesses - street and market vending, artisanal enterprises; and farming as a business. And alongside lending activities, conduct tailor-made financial literacy training for our borrowers, in order that they achieve the best livelihood outcomes from loans. Encourage beneficiaries to share learning with others in their community for a multiplier effect.

Access to finance at an affordable interest rate will help to boost capital of women owned small businesses. It will also motivate other women to get loans that will enable them to start-up income generating businesses, instead of them living as dependants.

This intervention specifically targets women, because within the Kumam/Teso communities of Ochelakur, it is often the case that it is the women who play the central role of feeding members of their households. Women also play the key role of caregiving in times of ill-health of family members and they are the ones who are more likely to carry the decision-making burden related to accessing healthcare services.

Enabling women to have reliable and sustainable income will contribute to enhancing the ability of their respective households to provide for their basic and genuine needs, thus ensuring food, nutrition and emotional security for them and their households. It will also enhance their purchasing power and consequently contribute to economic development within their communities. And importantly, their self-esteem will be boosted for they themselves and with dignity will be the ones in control of their own destinies.

### **Long-Term Impact**

Standards of living will improve for households of at least 80 percent of the women who will access finance and financial literacy through this project. At least 50 percent of benefiting households will successfully use accessed finance to engage in profitable income generation, earn sufficient incomes for them to be able to meet their basic and genuine needs, including feeding on balanced diets. And 90 percent of benefiting women will testify attaining improved social standing in their wider community.

### **Author**

This project proposal was originated by Robert Oluka, a beneficiary of the CPAR Uganda ***"Mentoring Young Adults into Innovators Against Poverty in Rural Uganda"*** project. Robert did all the research and consultation with relevant leaders of Ochelekur, the basis on which he authored this proposal. Ms. Norah Owaraga, CPAR Uganda Managing Director and Lead Mentor reviewed and approved this proposal for fundraising and implementation by CPAR Uganda.