

CBMS SESSION

partnership for
economic
policy



**COMMENTS ON DETERMINANTS OF FINANCIAL INCLUSION
AMONG THE YOUTH IN UGANDA: EVIDENCE FROM THE CBMS DATA
AND STRATEGIES FOR INSTITUTIONALIZING CBMS IN UGANDA**

PRESENTER: MAYANJA GONZAGA

ORGANIZATION: OFFICE OF THE PRIME MINISTER, REPUBLIC OF UGANDA

2019 PEP Annual General Meeting
CBMS Session, May 30-31, 2019
Capetown, South Africa

Comments on the CBMS Thematic Paper- Relevancy

- Government of Uganda established the National Development Plan (currently NDPII) with a vision of transforming the Ugandan society from a peasant to a Modern and Prosperous country within 30 years.
- The Main thrust of the Plan is to tackle poverty at National and Household level through interventions geared towards uplifting the living conditions for women, youth, people with disabilities, people who suffered during the 1986 liberation struggle, cattle rustling in Karamoja and the 20 year war in Northern Uganda (Kony war).
- Despite the various interventions, and huge investments targeting the above, poverty levels are increasing across the country. National average 21.4% (UNHS, 16/17) but some areas like Karamoja are at around 70%.
- The biggest visible challenge is on beneficiary targeting. For example availing a cow to someone who does not have a grazing area, supplying planting materials in a dry period, availing start up capital without proper feasibility study...
- The research study is very relevant in articulating the missing links and proposing possible practical remedies.
- There is sufficient information on policy issues examined by the research study, information can be obtained from Uganda Bureau of statistics, Economic policy research centre, Ministry of Finance, Planning and Economic development, Ministry of Gender, Labour and social development....

Comments on the CBMS Thematic Paper- Research finding validating the current situation in Uganda

- Generally all research findings are critical, but as government a lot of emphasis is being put on the removal of barriers to financial inclusion. This will open space for holistic inclusion.
- Government has come up with a skilling programme to impart skills to the youth in an effort to promote self reliance.
- Government has supported reforms in the financial sector, most banks now have bank agents in the rural areas, mobile money agents are every where in the country side, youth/women groups have been formed and government is channeling funds to them for development projects (Youth Livelihood programme, Women fund..).
- Government established a Micro Finance Support Centre to support Saving and Credit Cooperative Societies (SACCOs) by offering them cheap financing at 13% interest rate per Annum.
- However, as government tries to fix the gaps, the get rich quick syndrome is at its maximum especially amongst the youth. For example, they sell land to buy motor cycles which are prone to theft and accidents. Their engagement in long term projects is a big challenge.
- Most youth currently have mobile phones, or even access to them. This is because it's being perceived as a life style facility. They are currently cheap Chinese phone of around US\$10.
- Dishonesty among the youth affect them from accessing credit, even in groups, some members swindle the funds and the burden of payment is shifted to other group members

Comments on the CBMS Thematic Paper- Policy recommendation

- The most appropriate policy recommendation from the study could be skilling the youth. Of recent various agencies both government and civil society have come out to support the youth, however the issue of lack of functional skills is pronounced.
- Funds in form of soft loans and grants have been extended to the youth but without tangible results. Youth Livelihood funds (YLP), community driven development (CDD) are some of the examples.
- Youth need to be skilled and equipped with the appropriate tools to practice the skills acquired.
- With skills acquired, start up capital could be provided because it will be meaningful and add value to the enterprise of their choice.
- Once the youth have the skills they will be in position to sustain themselves and even join the formal banking/monetary sector.
- In addition to the above, issues of attitude amongst the youth need to be addressed, exposure visits to the youth are also critical, they open up their minds and eyes.

Strategies Towards Institutionalizing CBMS-Use and strategy

- **The entry point in LGs could be through community development officers, because of their community development responsibility.**
- **Orientation of LG councils and TPC on CMBS to appreciate it and have it allocated resources**
- **UBOS to customize it and have it included during the preparation of National standard Indicators for LGs a process we are about to embark on.**

- **Already in the Monitoring and evaluation of Government programmes, we have community monitoring fora's (Baraza) where community accountability is given. Issues affecting society and service delivery are articulated and collective actions are undertaken.**
- **The National Monitoring and Evaluation Technical working group is a technical arm of government handling monitoring and evaluation of programmes/projects. Their involvement helps in ensuring that recommendations are integrated in the sector programmes which allows their implementation and sustainability.**

EVIDENCE UNDER COMMUNITY MONITORING FOR A (BARAZA) MEETING



partnership for
economic
policy



END

