

**Knowledge Network
Dutch Consortium for Rehabilitation
Research Brief #11**

**DCR Local Economic
Development
activities in
Northern Uganda
and Karamoja**

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This brief is part of a series of research briefs of the DCR consortium. The purpose is to communicate lessons and corresponding recommendations for programme quality improvement. For information on the research methodology please refer to the full report, available upon request.

This research brief summarizes a report that examines the current status quo of Local Economic Development (LED) activities from government and NGOs in Northern and Eastern Uganda, as well as the impact of DCRs LED project activities on local communities. These LED activities are implemented by DCR members ZOA and Save the Children. The study reveals that LED is a fairly new and unexplored concept in Uganda and the districts. However, a series of key blockages are impeding the widespread and successful implementation of LED at all levels. Whilst some noteworthy LED successes have been achieved within individual projects, there are key constraints related to shortages of funds, security, staff, skills, capacity and resources, particularly at local government level. Additionally, the report has established that LED is not living up to expectations and the integrated concept formulated in strategies and policy papers. There seems to be confusion regarding its definition and application. Furthermore, there is confusion regarding the purpose of LED, and whether LED is purely about poverty relief or whether it is about encouraging economic growth. Ideally, it should be about a combination of the two.

At the provincial level, key policy documents, most notably the specific District Development Plans (in some cases) and the National Development Plan create a framework for local development, which has significant LED ramifications. However, the research undertaken into the impact of the LED projects in the districts reveals that few projects have become sustainable; few if any permanent jobs have been created; there are concerns over project mismanagement; and the lack of adequate business and market planning and training inhibits success. In addition, projects seldom seem to involve the private sector and it is apparent that poverty is not really being addressed in a long term, sustainable way.

Lesson 1: The concept of Local Economic Development is a fairly new and unexplored concept in Uganda and the districts

The documentation and the interviews in the various districts highlighted that the topic of Local Economic Development is mostly disregarded in the actual project design. During the course of this research, a lack of strategic approach to livelihood development, with linkages to the poverty reduction interventions of the country programme became evident. The various livelihood interventions were compartmentalized and activity-driven.

Although on a national level and in some of the visited Districts a LED policy is in place, the linkages towards actual projects and interventions are not apparent. The approaches used are rather generic and only in a few cases show a proven record of success. The interventions are rather a continuance of previously designed development activities, which has been the practice for decades. Specific tailored approaches as defined in the concept of LED, can only be seen in the produced goods and the inclusion of the local community.

Lesson 2: LED also offers space for new methods and approaches

Based on the different LED evaluation cases and the individual opportunities listed in the report, the following recommendations are proposed to enable an improved evaluation of (DCR-) LED project and strategies:

1. The DCR-LED programming needs to emphasize a culture of creativity towards new business opportunities, synergies, unique ventures and diversification.
2. Workshops focused on business planning and developing business ideas for project staff and the target community should be initiated for future project design.

Lesson 3: Harsh external conditions challenge the LED activities in Northern Uganda

One of the biggest challenges for the project is the poor infrastructure in the region. Not only roads, but also warehouses to store the products are missing or unused. Furthermore, the groups mentioned that they face challenges with regard to wild animals and a major challenge due to the climatic changes and the subsequent droughts and flooding. This issue goes hand in hand with one of the weaknesses of the design of the activity. As the core intervention by ZOA is limited to the seasonal calendar and in this case reflected by a short term intervention of only one year, sustainable results needs to be achieved within this time to support the group financially for the next season as the funding of the project will be stopped by then. With this in mind, a drought, hail or heavy rain or any other

Recommendations

Cultural characteristics of the region as seen in the Karamoja case should be constituent for the design of future initiatives.

Vegetation, environmental and social attributes need to be reflected in the activities and the projected outcomes #1

Programme Planning should include the strategy of the District Government and incorporate decision makers and the local community in the process of the activities #1

Support formation/ strengthening of farmer organisations to handle bulk production, post-harvest. Additional infrastructure is needed to store and balance shifts in the prices #3

Develop a long term support plan for the group, which goes beyond the annual circle or the 4 years support of the FFS network and support the groups in forming linkages with other districts, supplier and traders #3

negative effect on the harvest pushes the farmers into a situation where they cannot continue the project. Furthermore, the allocation of land to investors in parts of northern Uganda has exacerbated residents' fears of land grabbing.

Lesson 4: Empowerment of women would greatly contribute to better implementation of the analysed activities in the region

Even though both men and women participate in crop production, the role of women is much greater than that of men, especially in weeding, processing and storage. Unfortunately, very often women hardly take part in the decision-making process at the household level, which is an area that is almost entirely controlled by men. The exercise found that women especially through group approaches are at the forefront of mitigating conflict/creating peaceful co-existence in community. It was also found that women at home are very keen and quick to identify signs of emerging conflict and quick as well, to advise on mediation solutions that create peace in the community as opposed to their male counterparts. The community mentioned that women now are playing powerful roles through influencing of luring their spouses to seek meditative solutions to peace as opposed to legal justice. The presence of income in households reduced the level of violence in the communities as members' used the generated income of the schemes to solve household issues such as school fees and medical bills.

Lesson 5: VSLA is a strong tool and has substantially increases household assets, household's economic security, personal self-confidence and social capital/participation.

The researched Village Saving and Loan Association (VSLA) programmes of the DCR allowed the members to access resources that helped them to pay school fees or balance out losses. From the data gathered during the focus group discussions it appears that saving has given most members the capacity to improve their livelihood and that of their families, independent of the benefits of borrowing from the VSLA. In the VSLA programme, savings also facilitates the loan function as community members borrow money from each other to invest in income generating activities or to start a new business, which presents further opportunities to improve the overall well-being of the household. The Village Saving also has increased the capacity of individuals and the community as a whole to save money and evolved into a new culture, which compels them to save money among members of the VSLA. Moreover, members have also benefited from training in improved farming methods, which was given by the Voluntary Initiative Support Organization (VISO) in collaboration with Save the Children. The training included demonstration sites that serve as a source for improved seeds and agricultural practices. Nevertheless, the study also showed that the

Recommendations

Anticipate harsh climate conditions by using early warning systems. The use of resistant breeds and varieties of inputs can address issue of pests and diseases. Use of certified input dealers addresses the issue of poor inputs **#3**

Through stronger gender mainstreaming it is possible to increase production and productivity and guide farmers better to make profit, reduce crop losses in the field and post-harvest **#4**

The role of women within the VSLA groups should be encouraged, as the interest of women to participate is already high **#4**

The positive effects, such as an increase in women's social capital and accumulation of female-controlled semi-liquid property, such as small livestock and household goods, have several cross-cutting effects which are a common benefit of the VSLA initiative and should be fostered further **#4**

short loan period that is normal during the first few cycles limits investment in long-term activities and fixed-asset investment. Especially at the end of the cycle, the participants tend to use the full saved cash towards more leisure related items. Looking into the spending and loan cycle during this research, it became evident that funds are not always available at appropriate times and therefore investments cannot always be made when necessary.

Recommendations

Alternative Income Generating Activities (IGAs) should be introduced and groups could receive business-planning workshops where they are stimulated to think outside the box and develop new business concepts and open alternative markets #5

Additional funds are necessary to cope with major life-cycle events or emergencies, or to fund necessary housing improvements or education expenses #5

The fact that the saving circle is on an annual saving scheme basis leads to the result that by the end of the year the savings are depleted. To overcome this issue and to be able to initiate a more long-term approach, it is suggested to create a change of mind in the community towards the annual circle and initiate a long term saving period #5

Furthermore, an intensive training on business planning and development of start-ups should be considered. With the help of such projects a more active and diverse economic community can be established #5