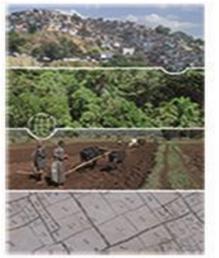




Catalyzing Innovation

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Financial Inclusion Through Increasing Land Access Rights and Improving Security of Tenure a Major Pillar to Reduce Inequality and Poverty in Uganda

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INTRODUCTION

African societies are characterised by income inequality and poverty. Whereas there are many alternative avenues to escape poverty, access to financial inclusion is critical. The most cited barriers that cause financial exclusion are income related inefficiencies, ignorance and illiteracy but also key is lack of collateral and documentation. Land being one of the best collateral items also fails the indigenous man because there is a high rate of undocumented land ownership.

There is a need to improve the livelihood of the indigenous Ugandan through the provision of subsidies and efficient financial services as well as enabling them to acquire land.

MATERIALS | METHODS

The Uganda Financial Services Inclusion program indicates that 1.78 million men, 2.4 million women, and the majority of small and medium businesses in Uganda do not have access to services that allow them make maximum utilisation of their resources especially land. The lack of access to financial services is a key constraint to both economic growth and poverty alleviation. Financial services significantly increase open opportunities for the poor to escape poverty.

Buganda Land Board (BLB) has contributed to closing the undocumented land ownership gap by subsidizing costs to acquire land titles for tenants on the Kingdom land. This is a drive together with financial institutions.

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RESULTS

The Finscope report 2013 shows that the percentage of people with access to financial institutions in Uganda is 54%. Usage from a gender perspective leaves the men at 14% and women at only 5%. Women remain a weaker gender despite the struggle to have them uplifted.

In 2010, Buganda Land Board introduced the Land Title Access Financing Initiative (LAFI) intended to enable millions of tenants living on Buganda Kingdom land to get credit from formal financial institutions to acquire land titles. With over 7million people living on land managed by BLB, more than 90% derive their livelihood from self-employment in micro businesses which typically do not have trading licenses or rental agreements. Under the LAFI intervention, over 1,000 people have processed their land titles.

A client receives her title Through a campaign that promoted access titles at subsidized costs.



Recommendations:

- More community sensitisation about land matters and importance of acquisition of proper land documentation.
- Need to reduce interest rates on loans in order to improve access

CONCLUSIONS

The indigenous people are a ready source of labor. However, Labor without Land access, Land ownership rights and sustainable land use practices may not yield fruits to development. Land ownership rights facilitate the access to finance which can also be referred to as capital. Access to finance enhances the ability of people to engage in economic activities that lead to development. Incentives to have financial inclusion expanded and land access affordable are required.

LITERATURE CITED

- Uganda Finscope 2013 report
- Uganda financial services inclusion program 2012
- Buganda Land Board Annual Report 2017
- Article by Joel Muhumuza in the Newvision Newspaper - Uganda