

REPUBLIC OF TANZANIA

**KAGERA DISTRICTS FISHERIES
DEVELOPMENT PROGRAMME
GCP/URT/110/NET**

TECHNICAL REPORT

**KAGERA FISHING/FARMING COMMUNITY
DEVELOPMENT & CREDIT SCHEME**

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1. **FISHING/FARMING COMMUNITY DEVELOPMENT IN LAKE VICTORIA KAGERA REGION**

1.1 **INTRODUCTION**

The Kagera District fisheries Development Programme GCP/URT/110/NET a project executed by the FAO and financed by the Government of Netherlands and United Republic of Tanzania started in 1996 March through November 1998.

The project succeeded a pilot phase project namely URT/90/005, Integrated Development of Fisheries Villages – Kagera Region which was implemented between 1992 to 1994. These two projects in fact fall under the Kagera Fisheries Development Programme; KFDP.

The major purpose of these projects is to try and address problems facing the fishing/farming communities along and in the Islands of Lake Victoria, Kagera Region. Others were to enhance fisheries resource management and its environment.

Various studies conducted prior to the Kagera Development Programme identified the following as major constrains of the Kagera fishery particularly for Biharamulo, Muleba and Bukoba districts which borders the Lake.

Kagera Fishery Constraints

- (i) Accessibility to fishing inputs and lack of capability for the fishers to get loans from the financial institutions
- (ii) Low fishing knowledge where the infective gears dominated.
- (iii) Lack of modern fish processing techniques
- (iv) Low priority accorded to the sector despite the vast waters of Lake Victoria under the jurisdiction of the Kagera Region.
- (v) Fisheries related environment problems including discriminate exploitation of forests for fish processing specific in the coastline and the islands.
- (iv) Non delivery of social welfare to the fishing/farming communities particularly those in the islands and isolated fishing villages along the coastline.

Such social welfare include:

- Education
 - Primary Health Education
 - Reliable and safe transport
 - Health Centres
 - MCH
 - Security
 - Communication
 - Other development/health campaign conducted on the mainland does not equally benefit the islands of Muleba district as those on the main land.
- (v) Lack of reliable market for fish and fishery products produced in Kagera region.

2. MEASURES TAKEN TO ADDRESS THE IDENTIFIED PROBLEMS

2.1 Problems related to Fish Production

Various measures taken to arrest problems related to the industry

- (i) A Fisheries Credit Scheme was sited as a way to try and address the problems of gear accessibility. The scheme was adopted by more or less copying that of Kigoma region along Lake Tanganyika. This whole some copying lead to problems in implementation as some concepts of the scheme could not fit exactly to the Kagera Environment. For example in Kigoma they dealt with only Kigoma district where the project area can easily be covered compared to that of Kagera region where three isolated districts are involved and the islands some of which are seven to ten hours sailing i.e. Goziba (depending on weather). While in Kigoma movements are expected along the coastline and into the interior of Kigoma, in Kagera, fishers move longitudinally along the cost as well as from the islands to the mainland. Both regions border other countries where movement outside the country and the region is very easy.

Individual loans were adopted in both regions. The Fisheries Credit Scheme was done through and in collaboration with Cooperative and Rural Development Bank, CRDB, which prior to 1996 was a government institution. Therefore the project being under the government it was just assumed that management and administration of the credit could be run jointly and harmoniously.

Changes that took place within the government (restructuring) and on the financial side (privitization and restructuring) and both undertook personnel retrenchment whereby very few staff were left to deal with the credit scheme this resulted into serious implementation and monitoring problems.

KDFDP realized this problem and requested for an international credit expert to look into these problems. A Credit Scheme report loans has been produced but it is optimistic that funds were not available to implement the proposals made to address various issues related to the scheme.

Since 1992 when loan disbursement was started only 213 people have been fitted. This figure is extremely small particularly when one takes into consideration that it was a Revolving Fund.

Recovery has been a major set back. Given such problems, the recovery was at 60% on average. However, on individual district basis, some have done considerably well i.e. for loans issued from 1992 to 1995: Bukoba Rural and Muleba the recovery performance of loans to fishing activities was bout 70%, Bukoba Urban it was 50% while Biharamulo district it was 33%.

An alternative was to establish savings and credit co operative societies, SACCOS in the fishing/farming communities. Very unfortunately such an approach requires adequate time and financial resources from the impact stage to the stage where SACCOS are operational and can sustain themselves.

Financial capability i.e. the economic power is crucial in fisheries because in fishing as like agriculture, even at small scale level the initial required investment is comparatively higher. Table I below indicate investment required for the most common used fishing methods in Kagera region.

Table 1: Investment Costs for Various fishing gear/methods

Type of fishing gear standard quantity	Unit estimated cost
Gill netting	3,096,100
Hurry up dagaa fishing	935,900
Lift Net	3,914,100
Scoop Netting	332,900

As it will be cited later in this report, the problem of fishing gear accessibility still requires to be addressed. The illegal fishing practices that are rampant today is an indication that, the small scale fishers cannot easily get the fishing inputs they need to do fishing.

- (ii) Introduction of new fishing techniques through out the implementation of Kagera Fisheries Development Programme effort has been geared towards introducing more effective fishing methods. This was done in consistent with the existing fisheries regulations.

More effort was directed towards the less exploited sardine, *R. argentea* (locally known as dagaa). The project advocated for the use of surrounding nets rather than scoop nets, which are commonly used in this fishery. Surrounding nets for sardine light attraction fishing include Hurry up and the catamaran. Although catamaran has high yield compared to the Hurry up, it needs large capital layout. Net webbing of not less than 10mm was always recommended for dagaa fishing.

Nile perch fishery is dominated with gillnetting fishing method. Long lining is practiced but to less extent. Gill net recommended is above 5'. However given the intensity of this Nile perch fishery the catch rates have considerably gone down. This calls for more capital outlay to invest. For example people are now using up to 100 nets and three nets are connected to cover a large column of water to optimize fish catches. Fishers have to go very far out seeking for good catch this means more reliable and large boats propelled by outboard motor engines with increased running costs. Therefore, again, the small-scale operators find themselves in trouble since their economic power does not allow such high investment layout.

The fact is that Nile perch fishery is soon going to be dominated by well off fishers. This will put off much more artizanal fishers from the industry. In view of this much assistance is needed to be directed to the small scale operators and let the well off fishers get loan service through the financial institutions.

The under water sardine light attraction method did not succeed. Appropriate fishing vessel and know how for this fishing technique is still a problem. Success of such a technique could greatly improve sardine catches and would possibly lead to industrial dagaa fishery in the lake.

(iii) Introduction of New Processing Techniques.

The project has introduced and insisted of better-processed fish products namely sardines and the table fish particularly Nile perch and Tilapia.

Regarding dagaa processing, fishers and other processors was urged to process dagaa in a more hygienic manner. Instead of sun drying on grass and sand beaches they have been urged to dry dagaa in raised plat forms/racks where direct contamination can be avoided. Increased shelf time for the processed products was insisted.

The problem with dry sardine is that the market does not advocate for better quantity product such that processors don't see the need to improve the quality of the product. Such improvement is considered an added cost and therefore to them it means more investment. This aspect has made the project and fisheries division in general fails to control marketing of inferior dagaa product in the Lake zone regions.

Most of the dagaa from this region is sold to reparation countries namely Uganda, Rwanda and Burundi. Most of the product is marketed through Mwanza. Prices are relatively low when compared to the real value of the product regardless of the quality for time being.

Smoked Spiced Dagaa

The project has produced a different sardine product from the Lake Victoria namely "Smoked Spiced Dagaa". This is salted smoked dagaa with hot pepper (chill) to remove the bitter taste experienced when Lake Victoria sardine is sun dried.

Marketing of this product has indicated that people like the product. However, the chill added in a way determines the preference of consumer as it depends on who uses the product and the quantity of pepper used. For example, when people taking beer use it, more pepper is preferred. But if used by a family, children wont bear bitter taste of the pepper. So it has been difficult to come up with a standard product. In Most cases processors will process according desired order received from the customer. Moderate pepper will be added just to overcome the bitter taste and the product is acceptable to the consumers.

This product has the following added advantage

- (i) Longer shelf time: If well packed can be preserved up to 3 months.
- (ii) Acceptable for direct human consumption
- (iii) Easy to market to distant markets.
- (iv) Reduced contamination risk compared to sardine prepared on grass or sandy beaches
- (v) High value added.
- (vi) Reduced post harvest loss particularly during rain seasons

The product though acceptable here in Bukoba and elsewhere but just through relatives and friends. It has not been studied and tasted marketwise elsewhere. There is a need to conduct a study which should include marketing locally (internally) and even abroad.

Samples could be sent to various places within the country and elsewhere abroad. Through consumers recommendations, that processor can be advised on the required improvement(s) and on the availability of the market.

The project prepared a booklet on the procedure for preparing smoked spiced dagaa. This can be perfected through further studies so that the techniques if possible applied to sardines elsewhere in the country.

Improvement and promotion of this product can improve the income of the Dagaa fishery in Kagera and Lake Victoria and the riparian regions considerably. It's a challenge worth undertaking.

Profitability of the smoked/spiced dagaa is as illustrated in table 2 below

Table 2: Investment Costs and Profitability of Smoked Spiced Dagaa

Item	Estimated Cost	Sales in T.shs	Profitability	%
1. 1 bucket of Dagaa = 20kgs	2,500.00	172 packets @ 50.00		
2. Fuelwood	500.00			
3. Salt 1kg	400.00			
4. Chill (Powder)	500.00			
5. Packages	200.00			
6. Labour	1,500.00			
Total	5,600.00	7,500.00	3000.00	54%

iv. Fisheries Priority

Before the Kagera Fisheries Development Programme started. The sector was generally not given priority as an economic activity, which could boost the economy of the Kagera people.

However, Kagera District Fisheries Development Programme has greatly helped to show to the districts and the region that the sector deserved priority and has a high potential in terms of the economy of the region. Muleba district for example has their annual revenue collected from fisheries increased from few thousands to over 18.0mTshs (1997). This district has the largest potential in fishing. If fishery is well taken care the revenue can increase to not less than 30.0mTshs per annum.

Lack of processing plants in Kagera Region has lead to unpropotional income from the sector. This is because almost all the Nile perch fished in the Kagera (Muleba) islands find their way to Mwanza Region. Taxing all the volume is not easy and is currently done on estimations basis.

Prices changed for the fresh fish is minimal compared to the profit the processing plants get. There has been no study done to show the processing plants profitability and therefore to stardelize the fish price for the benefit of the fishers.

A fisheries center at Nyamirembe in Biharamulo district was rehabilitated so that processing could be done but since then nothing has been done. Another semi processing plant was at Bukoba (Customs area) town this also is currently not working. This plant used to employ about 60 people and used to be a market for Nile perch fishery in Bukoba. Since it was stopped people fishing Nile perch are complaining of lack of reliable market.

Lack of fishmeal processing factory in Kagera cause the price of sardine to be extremely low. Had the region accorded priority to the sector, it could have promoted development of such plants so those value-added products are marketed for the benefit of the fishing community since the prices could improve. At the same time the government could get revenues. It could be easy to control illegal fish trade practiced today in this region at the disadvantage of the region and the country at large.

v. Fisheries Related Environmental Programme

(i) Combating Water Hyanthns

All the time the project insisted that fishers who are the stockholders be involved in control of this notorious water weed. Bukoba Rural and Biharamulo did a good initiative by holding meetings with the fishing communities along the lakeshore. After people have understood the problem related to the weed they participated in harvesting and destroying the weed in their own areas. The project helped the district to provide working tools for this purpose.

(ii) Tree planting

Processing of fish use fuelwood mostly in smoking. Also a lot of trees (young) are used to construct huts in the fishing camps. Most of the islands remain bare due to this fact. Also due to lack of fuel wood for fish smoking, processor use grass. Fish smoked by grass is black, cooked and with very short shelf time.

In order to assist in addressing this problem, the project started a side activity where tree seedlings were raised and seedlings distributed to fishing/farming communities. Upon termination of the project the forestry section has been devolved to the staff who have proved and demonstrated that they can continue with the nursery as a private commercial entity.

Areas, which responded well, today they have good and big trees, which can provide fuel wood and poles, needed for constructing the camps.

Natural forests remaining in the islands are preserved under the management of the district councils.

(vi) Non Delivery of the social Welfare services to fishing/farming communities.

Social welfare services are not equally provided to the fishing communities like in the lake hinterland where agriculture dominates.

Primary Schools are interminantly available. Pupils walk and or sail to very district places to reach schools.

Health Centers are very few and sparsely located. Given the fact that the transport available is fishing canoes it is serious when it comes to ferrying sick people to the mainland where hospitals exist.

It could be a good idea to have reliable transport at all the time. Also that rescue boats be centered at selected centers in the islands. Now that there is radio communication if such service is available it can be useful to combat problem which face these communities which contribute to the districts councils just like others.

In terms of security, there is no single police post in any of the islands. Given the geographical distance to the mainland it may be an ideal ideas to establish at least two police posts which can combat illegal practices taking place in the islands in particular.

It is imperative that any development or social campaign-taking place on the main mainland should take place in the island as well. For example the islands remain to be AIDs buffer zone since unfortunate victims do run to the islands where they continue with normal life while most of the fishers have their families on the mainland. Meaning that a circle of contamination is practically established. Therefore if health campaigns are conducted on the mainland only it may be practically difficult if not impossible to combat the disease.

It may therefore be concluded that fishing/farming community development in Kagera region needs to be addressed first and foremost from the social point of view.

The issue of accessibility to credit deserves much consideration since if a deliberate effort is not done, unfriendly environment fishing practices will dominate at the expense of the fish resource.

Management of the fish resource and its environment requires an approach where fish stockholders are partners to the government Co-resource management is considered ideal approach for that matter. In view of this it is necessary that the mobilized groups/associations are cared for and assisted and slowly and fact fully involve in resource and environment and control.

The established Fisheries Credit Scheme needs to be continued and the problems identified solved. While the idea of dividing the available Credit Revolving Fund in 50/50 % bases between women and men is acceptable, care should be taken to avoid credit demand drive motive without analysing the fishery in terms of level of investment and whether the loans will positively contribute to the industry. At this level it is the active fishing which in most cases require large investment capital. This being the primary stages it needs boosting most before the secondary stage deserves consideration.

Capacity building to the district fisheries department staff is vital so that realistic development plans can be developed and implemented. Also that the fishing industry contribute sustainably to the district council's coffers. Part of the realised revenue need to be ploughed back for the development of the sector.

3. THE FISHERIES CREDIT SCHEME AND CREDIT REVOLVING LOAN FUND

3.1 Its Background and Implementation

The Fisheries Credit Revolving Loan Fund, FCRLF was established during the pilot phase of the Kagera Fisheries Development Programme namely URT/90/005, Integrated Fisheries Development in Rural Fishing Villages – Kagera Region.

The fund was initiated so as to address the gear and other fishing inputs problems facing the Kagera fisheries. The FCRLF was manned by the project but it was tied up to the Cooperative and Rural Development Bank, CRDB. Regarding loan disbursement and Management of the loans, CRDB collaborated with the Project and the regional Fisheries Department. Loan recovery and follow up was entrusted to CRDB with close relation to fisheries department.

FCRLF beneficiaries and target groups are the artizanal fishers of Kagera region along the Lake Victoria coastline within which the project covers. The districts covered include Bukoba (Rural and Urban), Muleba and Biharamulo district.

Selection of the identified artizanal fishers who are the would be beneficiaries was done by the Region Loan Committee, RLC which was has the following members; Project Coordinator, Regional Development Director and the Chief Technical Advisor, CTA of the Project, CRDB including the Branch Manager and one Credit Staff. It was planned that the Assistant Fisheries Officers would be included but that was not always done in practice. The potential borrower names were received from the districts, analysed by the bank and letters presented to the RLC which approved the applications and leave the Bank to continue with loan processing. The approved applicants had to be interviewed by CRDB prior to loan disbursement. The loans were provided in kind where fishing gears; nets; pressure lamps, outboard engines and other accessories.

Table 3 below summarizes the loan disbursement status from 1992 to 1997. There was no disbursement in 1995 and in 1997 only one group and an individual benefited from the scheme.

Table 3: Loan Disbursement since 1992-1997 by Districts.

Amount disbursed (000Tshs 1)

Year	Bukoba Rural	Bukoba Urban	Muleba	B'mulo	Total
1992	4,091	5,334	8,424	6,070	23,919
1993	11,318	6,956	8,880	770	27,924
1994	0	1,675	0	0	1,675
1995	7,449	4,929	2,134	0	14,512
1996	0	0	0	0	0
1997	0	70	3,580		3,650
TOTAL	22,858	18,994	23,018	6,840	7,680

3.2 LOAN RECOVERY STATUS

The status of loan recovery from the borrower is better analyzed annually. The reason being that there are some factors, which affected the loan recovery over these years.

Initially the loan repayment was very encouraging. As years went by the rate of repayment declined due to various reasons as summarize below.

- (i) There was no team specifically assigned the recovery work from the bank. This gave room for the Bank not to fulfill this very important task though the bank charged as an interest for the recovery. The interest charged from the Credit Fund had to cover the following components, loan recoveries, loan fund management and administration.
There was no risk on the side of CRDB since these loan funds were not a Bank Capital. This is one of the reasons that the Bank did not use its regulations to charge the defaulters.
- (ii) Loan follows up and monitoring of the loanees was not programmed and the bank policy on defaulting was not strictly followed.
- (iii) Funds to facilitate the loan recovery were not provided from the very start and it was assumed that the fund would be taken from the available recovered/and or from the bank. As a result every part i.e. Fisheries and the Bank find and considered it to be an expensive exercise. This concept is true only when the fund to

facilitate the recovery is not built in the loan packages and paid as down payment so that from the first day fund to facilitate loan recovery is available.

- (iv) Given the Policy and Administrative charge both with the Bank and the Government, the whole Machinery was paralysed to the extent that loan follow up and recovery were severely affected. Charges referred here include:-

- (a) Restructuring
- (b) Personnel Retrenchment
- (c) Privatization of the bank
- (d) Government restructuring.

These had two major effects. One is that within the period of these charges, staffs were not sure of their future as a result their working morale went down. Secondly, the retrenchment left the bank with skeleton staff who could not cope with the banking workload on the other hand the bank had shifted from its traditional development banking to commercial banking. While both give more effort to profit making, the later is more inclined to profit maximization.

Charges, which took place, could not take into consideration the already started programmes particularly the Credits, which needed immediate to be continued. The Bank could not provide alternative to the Donor funded credits which they handled. This is still the case today. Several inquiries from bank and top level could not bear any encouraging fruits. This is quite a discouraging situation.

On the project side the fund to facilitate recovery was taken from the project fund which could not provide for in smooth management and administration of the FCRLF and recovery of the loans.

(iii) The Credit Scheme to a large extent was copied from that of Kigoma but measures were not taken to incorporate local aspects specific to Kagera Region. For example the geographical coverage of programme and therefore the Credit Scheme.

(iv) Laxity to loan management and recovery has also resulted to the current situation where even up dating of the loans so that situation is known is not done accordingly. This has resulted to the poor loan recovery and poor record available at the Bank.

Table 4: Summary of the loan recovery as at September 1997

YEAR	BUKOBA RURAL	BUKOBA URBAN	MULEBA	B'MULO
1992	75.34	51.23	77.81	35.98
1993	70.37	45.55	67.23	7.76
1994	ND	49.64	ND	ND
1995	67.97	53.19	73.42	ND
1996	ND	ND	ND	ND
TOTAL	22,858	49.51	72.50	32.890

The loan up dating was jointly done by CRDB, Credit specialist and Community Development/Credit assistant from the Project in September 1997 and there has been no other up dated data is available. This is supposed to have been done by CRDB on monthly basis as one of their obligations. However, this was done since, the projects had to study project Fishers Credit Component and provide recommendations on ways of controlling and sustaining past and future initiatives in the scheme.

3.3 PROPOSAL MADE TO ADDRESS THE IDENTIFIED PROBLEMS

1. Study of the Kagera Fisheries Credit Scheme

An international credit expert was recruited in September 1997. The objective was to have his in put for, a period of twelve months with the project, a period which could give him enough time to study the Credit Scheme, possibility of establishing credit saving and societies in the fishing/farming communities within the project area and initiate it.

Two proposals can be sited in the expert's report namely short-term measure and along term one. These are briefly explained below.

Short term measures.

This took into account the fact that currently there is no financial institution-offering bank service at rural and community level. Such an institution could provide financial linkage between the individual borrowers or groups and the bank.

In view of that, it is proposed that the district administrations have to take up the responsibility and act as intermediaries between the town based banks and the borrowers. In the closure of a central unit to coordinate all the district credit scheme, the individual district will have to enter into

contract with the bank where terms and mode of operation will have to be stipulated clearly. While obligation of each part shall be clearly explained and agreed upon, the contract should be binding and strictly adhered to. One problem, which became very apparent in the Kigoma and Kagera Credit Schemes, is that there was neither binding contract nor memorandum of understanding, which could allow bold follow-up. This together with the fact that Cooperative and Rural Development Bank, CRDB had no capital invested in these schemes, they could not take it seriously consequently the rate of repayment became very low.

Involvement of the districts in credit administering calls for prior preparation. Such preparations include training in credit management and administration; more specifically it involves loan disbursement, loan application appraisals, loan repayment record keeping and recovery.

The district fisheries staff responsible for the scheme will have to select fishers/fisher groups for credit assistance, prepare loan proposals for submission to the bank for loan disbursement and finally ensure that the loans are fully recovered.

This proposal is made for short term where a more sustainable approach cannot be established with the time and financial position at the disposal of the project. The current credit approach is to use groups rather than individuals. The advantage being that more people could be reached and benefit from the scheme. It would be easier to monitor loan recovery. In case of loan to individuals these should also be in-groups and must be guaranteed by group. These groups need to be tied up to the village and district administrations.

In order for the scheme to be monitored and properly managed, the interest charged on the loan is to be paid up front by the borrowers and shared between the bank and the districts.

The bank responsibility would be maintenance of loan account and providing periodic reports and backstopping on the scheme. They would also include the status of the disbursement, recovery and therefore the position of the Credit Revolving Fund.

Approval of the loans and utilization of the fund interest has to come from the district authorities and the District Development Advisors. These will have a control of the Fishers Credit Scheme and the fund in general.

Revitalization of the Project and the CRDB Working Relationship.

This is another option, which is at the disposal of the districts to effectively run the credit scheme.

Although the current policy of the bank puts it clear that they are prepared to deal with these credits, the problem is practicability in real implementation.

The doubt is based on the costs involved and the few staff available in the bank. The Micro-Finance Bank branches, which are based in the districts, do not have the capacity currently to service the rural community. The same applies to the National Bank of Commerce (1977) Ltd. that is only available at regional headquarters, Bukoba.

Long Term Approach

The long-term approach proposed involves establishment of either community banks or Rural Finance Company. By utilizing local staff such banks can be cheap to maintain and with support from the communities themselves its possible to sustain them unlike the town based banks where high salaries and running costs are involved. With such banks its possible to provide rural financial services. Although the Kilimanjaro SACCOs have performed reasonably well they had added advantage that the transfer costs for any financial nature is cheaper as they operate with very accessible areas unlike Kagera.

In view of the above, Rotational Savings and Credit Associations (ROSCAs) could be more advantageous in the Kagera Fishery environment. The already mobilized and established groups and associations could provide a base for such institutions. However as stated elsewhere in this report, the groups lack financial capability to invest and therefore mobilization of reasonable savings. In this respect the available Credit Revolving Fund of about Tshs. 31,92m can be used to support economic activities for few selected registered groups and associations to start with. It is not realistic and in fact not possible to support all the 36 mobilized groups. Care is needed in appraising the loan application from the individual groups. Through analysis of the groups themselves is necessary prior to consideration of the loan aspect. The main reason is that some of groups were started not because they wanted to help the individual members of the group but rather because they came to realise that the project is changing its credit scheme approach. Shopping list of such groups should be completely avoided. Few but determined groups are therefore

recommended for group loan disbursement to start with. A full list of the 36 mobilized groups is shown in Annex 1. Table 5 below shows the groups recommended for group loans.

Table 5: Fisher Groups/Associations recommended for Group loans

	District	Name of Group		Location
		Women	Fishermen	
1.	Bukoba Urban	Tumaini Women Group	Kashule Fishing Group	Bukoba Town Rwamishenye
2.	Bukoba Rural	-	Biroro F.P. Co. Society Ltd Kabuhara F.P. Co. Society Ltd	Kemondo Bay Kabuhara
3.	Muleba	Bweyambiro Women Group Jipe Moyo Tweyambe Fishing Enterprise - -	- - - Chawadaki Aminifu	Katunguru Kinagi Island Ruhanga Mazinga Kinagi
4.	Biharamilo	Kujitemea Kikundi cha wanawake, Bwina	- Umoja Fishing Group	Chato Bwina, Chato

Kagera Fishers Groups/Associations evaluation survey done by the project team recommended the 12 groups to be considered for the group loan disbursements. Thorough scrutiny of the groups proposed is insisted. The group listed should never be taken for guaranteed.

The proposal for this approach tries to move from the supply driven credit scheme into a more integrated programme for providing financial service

to the rural communities for enhancement of the fishing/farming communities in Kagera region.

In order to have effective scheme that the approach is adopted the question of capacity building to the groups or associations is vital. These will require training in book keeping and day to day group management.

The experience acquired from the Tweyambe Fishing Enterprise Women group teaches us that the training performed so far is never enough.

In view of rejuvenating the fisheries credit scheme, capacity building at the level of both district staff and the groups is prerequisite.

Measure Taken

A plan of action was prepared so that the proposals made could be initiated. This was based on one-year period i.e. from October 1997 to September 1998. The more crucial aspect was whether the proposals made on the Credit Experts report was acceptable and therefore measures taken to implement the workplan. During the period when the expert left and closure of the project, there was no written comment from the responsible institutions regarding the projects credit expert report. Surprisingly the official delivery of Mr. Shelly report was made to project in September 1998.

Credit Management Training Workshop

The planned training to the fisheries department (Fisheries Extension) staff was not conducted. The former training workshop to selected groups was done, though not specific to the target groups with which the groups loan disbursement suggested. Also the proposed study tour to enable those who will be responsible to be exposed to the actual fisheries credit elsewhere was not done. This might be due to limited financial resources, which were at the disposal to the project.

To conclude on this credit aspect for the Kagera Fisheries,

- (i) The need for the credit is there and all measures should be taken to ensure that the available fund for fishers credit is utilized for that purpose:
- (ii) The revolving fund approach is considered very appropriate since more small-scale fishers will have access to this capital accessibility.

- (iii) The interest charged to the loan, the loan beneficiary should pay package first before the loan is disbursed. The interest can then be readily available for loan recovery.
- (iv) It should be noted that stiff and monitoring follow up is most important to the borrowers when it come to fisheries credit schemes.
- (v) Fishers should be encouraged to save and contribute to the Fisheries Credit Scheme. This will help to build the fund package.
- (vi) Depending on the nature of investment, short term loans are preferable
- (vii) Loan application should be properly appraised. There is a need for the bank to be involved in loan appraisals to take the advantage of the long experience they have. However, some may not be very knowledgeable about the dynamics and risks involved in the fishing industry. In this respect a joint appraisal team is recommended. Training fisheries extension responsible for the Credit Scheme is un dispensable requirement.
- (viii) The available stock of spare part if sold can contribute to Fishers Credit Scheme quite considerably.
- (ix) Group Loan disbursement is considered a realistic approach if more fishers are to benefit.

3.4 Women Credit Revolving Fund

The fund was meant to assist women to secure small loans of up to Tshs. 50,000/= (US\$ 75) to support their income generating activities and projects. The fund has been solely managed by the project. This does not mean that women were not accessible to the fishers credit revolving fund where bigger loans were provided.

About Tshs. 1,230,000/= (US\$ 14,925) has been used for the women small loans. About 80 women have benefited from this fund. Through revolving this fund a total of 6,150,000/= Tshs. have been loaned since 1993 and recovery has been 88%. Annual recoveries have been over 90% on average. This has been a success because the project was fully responsible. Table 6a & 6b refers.

Table 6a: Disbursement under Women Credit Revolving Fund

Year	Recovery performance (%) per district				
	Bukoba Urban	Bukoba Rural	Muleba	B'mulo	Cumulative
1993	150	650	0	1300	2100
1994	0	0	0	0	0
1995	0	0	200	350	550
1996	0	0	300	0	300
1997	0	0	0	0	70
Total	70	650	500	1650	3020

Table 6b: Recovery performance of Women Credit Revolving Fund

Year	Recovery performance (%) per district				
	Bukoba Urban	Bukoba Rural	Muleba	B'mulo	Cumulative
1993	100.00	81.54	ND	85.62	85.38
1994	ND	ND	ND	ND	ND
1995	ND	ND	100.00	100.00	100.00
1996	ND	ND	83.33	ND	83.33
1997	71.43	ND	ND	ND	71.43
Total	85.50	81.54	91.67	92.81	85.04

The problems related to this special fund is that the amount used to be provided i.e. Tshs. 50,000/= now is quite small compared to the capital needed even for small business. If this scheme is to be continued then there is a need to increase to a minimum of Tshs. 100,000. Unless the request stipulated is less than that and its proved that the activity will pay and does not prove to be a burden to the applicant such applications should be discouraged. It has to be noted that some women due to fear requested marginal loans

but in practice they turn to be a burden because they don't get enough profit to repay them.

Lack of education on formulating profitable income generating projects and entrepreneurship has been a hindrance to most women.

In view of this women groups can be quite advantageous as they can help each other and its easy to help them in case of an assistance from outside the group.

Over the 33 months period of the project about 22 women groups have been mobilized. Out of these 4 are registered. In 1997, Tweyambe Fishing Enterprises Women group managed to get a big loan of Tshs. 3,580,000/= (US\$ 5,725) for a transport boat project. The project has not managed to provide any other loan to women. Most of the time has been spent for capacity building that is educating and mobilizing women to join their effort through establishment of women groups.

It is recommended therefore that the Women Credit Revolving Fund is utilized by continuing with small-scale loans as more women will benefit rather than individual big loans. However, it is not practical and logical to give small loans to groups with average members of say 15 women. In such a case thorough study of the group, its cohesiveness and if the proposed economic project can be implemented by women taking into consideration their local environment, tradition, and social norms in our socialites. This does not negate the obvious need to promote women in economic terms. What is suggested here is that women be given opportunity to contribute to the family in come without creating frictions to the community but rather slowly build up the entrepreneurship gradually.

What Areas Should Small Women loans be directed to?

People differ when it comes to where to invest given the scarce capital at their disposal. The project recommends that priority is given to fish processing, small activities at fishing camps/villages which help the fishers in doing their work. These would include activities like tearooms, local brew shops, and kiosks, tailoring and where favorable gardening for vegetable growing. Such activities may not require large capital but are useful to maintain the fishing industry at production level.

Training in entrepreneurship can be another area for such fund utilization. Some women may need to improve their understanding in small business through training.

Since these are small loans, individual women can be beneficiaries except that they have to be well studied and must have guarantees. Again group guarantee is recommended. The village/camp administration where they will operate should guarantee the applicant. There should also be one surety.

In case of large loans above Tshs. 100,000/= (150 US\$) they should be in groups and the individual applicants should be guaranteed by the group. Where women would like to go into fishing operations, transport (waterborne) fish marketing and distribution, they are to be considered under the Fishers Credit Revolving Fund. This will enable proper appraisal of the intended project.

In any loan, there must be a signed loan agreement which is a legal document to enable the Kagera Fisheries Credit Scheme administration to recover the loaned sum and take legal measures where defaulting will arise.

Immediate withdraw of loaned equipment is highly recommended. In case of some default, items should be seized promptly and auctioned to recover the money.

4. CONCLUSION AND RECOMMENDATIONS

4.1 Conclusions

4.1.1 Fishing/Farming Community Development

During the project implementation problems related to development in the Kagera fishing industry have been revealed. The fishers have been made aware of the need for them to join effort in terms of working groups so that they can together be able to identify, seek solutions and where possible solve them.

The fishing/farming communities have also been educated on the need to have a body which will address fisheries problems at community level but also that they need to have an apex body which will look at the interests of the sector in terms of development both socially and economic.

Fishers have been trained in various areas necessary in promoting fishing industry at primary level. And that they need to change towards effective and profitable ventures in the industry.

The issue of fish resource management and environment control has been elaborated to them and they are now aware of the consequence of unfriendly environment practices adversely effecting the fisheries resource as well as the environment.

4.1.2 Accessibility to social services

Leaders of the fishing/farming community have been made aware of the fact that these communities are not enjoying equal social benefits compared to their counterpart. Such services can be considered if they will be properly involved in the planning stage. They are aware now that it is their right to participate in all development endeavors and they should demand that right following the well-laid down procedures by the councils.

4.1.3 The district administrations have been fully involved in discussing problems related to the fishing industry of Kagera region, Lake Victoria Integrated Community based development planning has been advocated and insisted by the project.

The project has facilitated department staff mobility and communication such that it is now practicable to promote and monitor fisheries development.

4.1.4 Kagera Fisheries Credit Scheme

The project spent time and financial resource to study problems related to the scheme. The low loan repayment can in fact be reversed taking into consideration the remedial measures proposed.

Women have benefited less in the scheme. This can be addressed by relationally dividing the fund while considering the need of investment between fishing and support service mostly done by women.

4.1.5 Fishers Groups and Associations

The thirty-six groups identified are left at a stage where they can easily perish. The reason being that they have not attained a level where they can stand on their own for future sustaining. Much support is needed specifically in terms of capacity building and capital accessibility. The idea of Group loans is considered ideal to assist and strengthen them at this particular stage.

4.1.6 Integrated Planning

Effective integrated planning at district level is considered vital in view of promoting the fishing/farming community development. Unless all sectors are interacting at the stage of development plan formulation it is considered difficult to have plans which cooperate all sectors and thus have true representation of all sectors of the economy.

4.1.7 Gender Outlook in fisheries sector.

This is quite a new concept in the sector and in particular to the fishing communities. Seminars and workshops conducted have shed light to these communities. It is important that the idea does not end up as the project terminates. There is a need to have trained animators to continue this important aspect to these communities.

Women in Development has to be taken up from this end and used to bring changes in the fishing/farming communities members who

as aforesaid get little education since most social/health etc. Service does not reach them.

4.2 Recommendations

- 4.2.1 Regarding the Fishing/Farming community development it is recommended that district administrations effectively involve the leaders in their communities in developing development plans. As well they need to be educated of all the development aspects planned for them and their expected role towards implementation of such plans.

The fisheries departments needs to be fully integrated in the planning machinery so that they can help the fishing/farming communities to interpret the plans so that the fishers do understand exactly what is happening. In this way they will fill to be part of the plan and therefore participate more effectively.

- 4.2.2 The question of accessibility to social service it is recommended that the Community Development Department and all other visit the fishing/farming communities so that they can witness what studies have revealed and therefore see how best they can plan to address problems confronting these communities.

It is recommended that integrated planning be given an upper hand to have plans which will bring about balanced development at district/village levels.

- 4.2.3 It is recommended that the district administrators take time to visit the fishing farming communities along the Lake Victoria and in the islands so that they can see and discuss with the fishers folk on development aspects. Deliberate plans have to be developed to arrest gaps, which do exist and therefore hinder development of this sector. The sector has large capacity in employment, income generation, and recreation and can contribute to a great extent to the district council revenue. But, as well it needs to be developed.

4.2.4 The Kagera Fisheries Credit

The scheme has some funds available, let along the un-recovered loan, which if recovered can increase the credit funds.

It is recommended that the funds are used specifically for the accessibility of the fishing in puts and related support activities of the sector Deliberate effort is done to recover the over due loans.

The report by the credit specialist revisited and the proposals made cautiously implemented.

The training of the Fisheries Staff in credit aspects is quite necessary. Unless this training is done to facilitate credit management and administration its better to consider an alternative use of the fund that can benefit the fishing community.

- 4.2.5 It is recommended that the established fishers groups and associations be properly cared. The District Cooperative departments in collaboration with fisheries and community development should take care of them and assist them to realise their aims and objectives of which they were formed.

Capacity building is recommended to the group leaders so that they can sustain these groups in future. The need to have an apex association is recommended as they will be useful in addressing issues related to resource exploitation, management and environment control within the sector.

- 4.2.6 In view of integrated planning it is recommended that districts and the region look into this issue critically and see how best it can be effected.

There is all to gain in integrated planning. The L.F.A approach adopted by DRDP is useful but practically it has not been fully realized. It is important that all heads of departments are conversant with this approach for effective planning.

- 4.2.7 Most of people are not very clear about gender. Neither its I importance well acknowledged. It is therefore recommended that to start with the district administrators are made aware and sensitized in gender so that they can then use the gender approach to influence the fishing/farming communities. So that this can be done in practice. It is thus recommended that district administrations train or employ gender experts to help in this area. Then gender animators can be allocated to assist the fishing/farming communities in gender related aspects.

MOBILIZED GROUPS AND ASSOCIATIONS ESTABLISHED

District	Name of group	Registered		Organised	
		Women	Men	Women	Men
Biharamuro	1. Tegemeo			x	
	2. Chisakilane			x	
	3. Tupendane			x	
	4. Santa Maria			x	
	5. Mwanamsekwa			x	
	6. YEGOS Fishing				
	7. Kujitegemea			x	
	8. Shabaha				v
	9. Motomoto				
	10. Bukamira				
	11. Shabaha		x		
	12. Umoja				v
Muleba	1. Tweyambe		x		
	2. Bweyambilo				
	3. Kimawaka				
	4. Jipemoyo				
	5. Yote kwa Mungu				
	6. Kaza Moyo				
	7. Lunyanja				
	8. Bora imani				
	9. Nyarugusu				
	10. Kashenye			x	
	11. Chawadaki				
	12. Kiwake			x	
	13. Aminifu				
	14. Tujiendeleze				
Bukoba Rural	1. Biroro F. P. C. Soc				v
	2. Kabuhara F.P.C.Soc				v

Bukoba Urban	1. Tujiendeze		V			
	2. Ujirani mwema		V			
	3. Tumaini		V			
	4. Kashagati				x	
	5. Vijana Kazi		V			
	6. Kashule		V			
	7. Kabarage					V
	8. Musira				x	
	Total	2	7	8	1	16
Grand Total		36				