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**COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES (COBAMS) SCHOOL OF
BUSINESS**

**ASSESSING ACCESS TO FINANCE FOR SMALL SCALE FARMERS
CASE OF BUYUMA ISLAND**

BY

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**A REPORT SUBMITTED TO THE COLLEGE OF BUSINESS AND MANAGEMENT
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DECLARATION

I **NAMUJJU PAULINE BISASO**, declare that this research report titled, “*Assessing Access to Finance for Small Scale Farmers Case Of Buvuma Island*” is my original work and has never been submitted to any University or Institution of learning for any award.

Signature: Date: 23/09/2025

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APPROVAL

This research report authored by NAMUJJU PAULINE BISASO has been prepared under my supervision and guidance. With my endorsement, it is now finished and ready for submission to Makerere University.

Signed: 

Date: 23/09/2025

Ms. NAMUJJUZI SYLVIA

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LIST OF ABBREVIATIONS AND ACRONYMS

CVI	Content Validity Index
GDP	Gross Domestic Product
IT	Information Technology
MBA	Master of Business Administration
NGOs	Non-Governmental Organizations
SD	Standard Deviation
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for the Social Sciences
TL	Trading License
UBOS	Uganda Bureau of Statistics
UGX	Uganda Shillings
UN	United Nations
VSLAs	Village Savings and Loan Associations
WBG	World Bank Group

ABSTRACT

This study investigated access to finance for small-scale farmers in Buvuma Island. The study was premised on three research Objectives; to assess the specific challenges faced by small-scale farmers in accessing formal financial services in Buvuma Island District, Uganda, to assess the level financial inclusion of small-scale farmers in Buvuma Island district and to determine potential solutions to address the financial exclusion of small-scale farmers in the district. The study employed a descriptive research design and adopted a quantitative approach, involving the collection of numerical data from 244 farmers in Buvuma Island using simple random sampling through a survey questionnaire. Data were analysed using the Statistical Package for the Social Sciences (SPSS), Version 27. The study revealed that small-scale farmers in Buvuma Island District face significant challenges in accessing formal financial services, notably long distances to financial institutions (mean = 3.55, SD = 1.019), complex loan application procedures (mean = 3.55, SD = 1.245), and limited institutional support (mean = 3.59, SD = 1.174). Financial inclusion was found to be moderate, with most farmers owning bank or mobile money accounts (mean = 3.76, SD = 1.131), receiving payments through formal channels (mean = 3.59, SD = 1.250), and trusting financial institutions (mean = 3.57, SD = 1.268), though confidence in using digital services remained low (mean = 2.36, SD = 1.015). To address financial exclusion, farmers strongly supported involving local leaders to build trust (mean = 4.01, SD = 1.239), training on digital platforms (mean = 4.01, SD = 1.239), expanding mobile and agent banking (mean = 3.83, SD = 1.184), and subsidizing loan interest rates (mean = 3.81, SD = 1.321). These findings underscore the need for accessible, affordable, and context-specific financial solutions that empower farmers through education, trust-building, and tailored services. Thus, The study recommends improving financial inclusion for small-scale farmers in Buvuma Island District through five key strategies: expanding mobile and agent banking to reduce geographic barriers, delivering targeted financial literacy programs through trusted community channels, simplifying account and loan application procedures to reflect farmers' realities, designing loan products aligned with agricultural cycles, and involving local leaders to build trust and encourage engagement with formal financial institutions. These recommendations aim to make financial services more accessible, relevant, and inclusive for rural farming communities...

Key words: Access to Finance, Financial inclusion, Farmers access to Credit,

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The chapter presents the background to the study, the problem statement, the purpose, the objectives and research questions, the scope and significance of the study

1.2 Background

Globally, access to finance plays significant role in enhancing agricultural productivity Louman et al. (2022). Finance is a broad concept representing the provision of fund to meet operating and investment costs of any economic activity (Bakashaba et al., 2024). Especially, agricultural finance specializes in financing agricultural sector, which goes beyond provision of credit. Agricultural credit is the most specialized division, which provides credit service only to agricultural firms (Mersha & Ayenew, 2018a). However, small-scale farmers worldwide struggle to access financing, with an estimated annual funding gap of \$170 billion, which is a major barrier preventing them from acquiring the essential inputs needed to boost crop yields and income (Savoy, 2022).

In Africa, while agriculture remains a key economic activity employing about 55% of the population, only approximately 1% of bank lending goes to the agricultural sector (Nakhokho et al., 2025). Furthermore, only 4.7% of adults in rural areas in Africa have a loan from a formal financial institution (World_Bank, 2023). According to Adekunle et al. (2020) financing agricultural production is a huge challenge within most Sub-Saharan Africa. Smallholders lack of access to land ownership, many have insecure tenure rights to land, depriving many smallholders of the collateral required to mobilize finances (Adekunle et al., 2020). For

smallholder farmers to be effective suppliers of agricultural commodities, it is important to find means of financing the sector., and the high-risk nature of agricultural credit (Savoy, 2022).

In Uganda, the government has implemented measures such as the Agricultural Credit Facility (ACF), which has disbursed UGX 100 billion (~USD 27 million) in loans to farmers since 2009 (ACF, 2022). However, challenges in accessing finance for small-scale farmers persist, with 75% lacking access to formal financial services and only 15% having loans from formal financial institutions (Finscope, 2023, 2024). This lack of access to financial services limits their ability to invest in their farms, manage risk, and improve their overall well-being. The issue stems from both supply and demand factors (Kasirye & Lakal, 2019). Supply-side challenges include weak institutional frameworks, policy inconsistencies in agricultural financing, high interest rates, and limited financial literacy. On the demand side, small-scale farmers struggle with a lack of collateral, absence of bankable projects

The challenge of accessing finance for small-scale farmers is more pronounced in island districts of Uganda due to factors such as limited banking infrastructure, poor transport networks, and high transaction costs (Amugoli et al., 2022). In Buvuma Island, farmers face difficulties in securing credit because of their lack of collateral, the high perceived risk of agricultural lending, and the absence of specialized financial products tailored for smallholder farmers (Louman et al., 2022). Additionally, the seasonality of agricultural income, coupled with inconsistent market access, makes it difficult for farmers to meet traditional loan repayment schedules (Tulyaganana, 2022). This study aims to contribute to the development of sustainable financial systems that cater to the unique needs of small-scale farmers in Buvuma Island District, Uganda, by addressing these structural barriers and recommending targeted financial solutions.

1.3 Problem Statement

In Buvuma Island District, Uganda, 75% of small-scale farmers lack access to formal financial services, with only 15% having a loan from a formal financial institution (Finscope, 2022). To address this, the government has implemented measures such as the Agricultural Credit Facility (ACF), disbursing UGX 100 billion (~USD 27 million) in loans to farmers since 2009 (ACF, 2022), and microfinance institutions (MFIs) have expanded their services, with 20 MFIs operating in the area (Association of Microfinance Institutions of Uganda, 2022).

Despite these efforts, the problem persists, with the percentage of farmers accessing formal financial services remaining stagnant at 15% (Finscope, 2022). As a result, the effects are dire, with 70% of the district's population living below the poverty line, agricultural productivity remaining low at 1.5 tons per hectare, and limited economic growth, with the district's GDP per capita stagnating at UGX 1.2 million (~USD 330) (UBOS, 2022; World Bank, 2022).

Research has shown that financial inclusion can have a positive impact on agricultural productivity and poverty reduction. For example, studies have demonstrated that access to formal financial services can increase agricultural productivity by 15% (International Growth Centre, 2019), reduce poverty rates by 10% in rural areas (African Development Bank, 2020), and increase rural incomes by 20% (Reserve Bank of India, 2018). Additionally, financial inclusion has been shown to increase agricultural investment, productivity, and income (Journal of Agricultural Economics, 2020), and reduce poverty and inequality by increasing access to financial services for disadvantaged groups (World Bank, 2019).

However, there is a significant empirical gap in understanding the specific challenges faced by small-scale farmers in accessing formal financial services in this region, necessitating a comprehensive investigation to identify effective solutions and develop more inclusive financial systems (Finscope, 2022; UBOS, 2022; World Bank, 2022). This study aims to address this knowledge gap and contribute to the development of sustainable financial systems that cater to the unique needs of small-scale farmers in Buvuma Island District.

1.4 Purpose of the study

To investigate access to finance for small-scale farmers in Buvuma Island.

1.5 Research Objectives

- i. To assess the specific challenges faced by small-scale farmers in accessing formal financial services in Buvuma Island District, Uganda.
- ii. To assess the level financial inclusion of small-scale farmers in Buvuma Island district.
- iii. To determine potential solutions to address the financial exclusion of small-scale farmers in the district.

1.6 Research Questions

- i. What are the specific challenges faced by small-scale farmers in accessing formal financial services in Buvuma Island District, Uganda?
- ii. What is the level of financial inclusion of small-scale farmers in Buvuma district?
- iii. What are the potential solutions to address the financial exclusion of small-scale farmers in the district?

1.7 Scope of Study

1.7 Scope of the Study

This section is categorized into three key perspectives: content, geographical, and time, as outlined below.

1.7.1 Content Scope

This research focuses on access to finance, specifically examining specific challenges faced by small-scale farmers, assessing the financial exclusion of small-scale farmers in Buvuma Island district and determine potential solutions to address the financial exclusion of small-scale farmers in the district. By exploring these aspects, the study aims to provide actionable insights for policymakers, financial institutions, and development organizations to enhance financial inclusion in Buvuma Island District.

1.7.2 Geographical Scope

The study was conducted in Buvuma Island, a district located in Lake Victoria, comprising 52 islands. The local economy relies heavily on small-scale fishing, subsistence agriculture, and emerging oil palm farming. However, access to finance remains a significant challenge due to limited banking infrastructure, high loan requirements, weak financial literacy, and the high perceived risk of lending to small-scale traders and farmers. Many entrepreneurs struggle to secure credit due to lack of collateral and inconsistent market access, limiting their ability to expand businesses and improve livelihoods. This study aims to examine these financial constraints and propose sustainable solutions to enhance financial inclusion for small-scale traders and farmers in Buvuma Island.

1.7.3 Time Scope

This research was conducted over an eight-month period, from February 2025 to September 2025, allowing sufficient time for data collection, analysis, and interpretation. The literature review covered studies published between 2009 and 2025, ensuring relevance to recent financial trends and developments. This timeframe is chosen to examine the period since 2009, when the government introduced the Agricultural Credit Facility (ACF), which has disbursed UGX 100 billion (~USD 27 million) in loans to farmers, significantly impacting agricultural financing in Uganda.

1.8 Significance of the Study

The study will be significant to the different stakeholders as shown below

Small-Scale Farmers

This study directly benefits small-scale farmers by highlighting the specific financial barriers they face, such as limited access to loans, lack of collateral, and poor financial literacy. By identifying these constraints, the research can inform practical interventions like mobile banking services, savings groups, and tailored loan products. These improvements can empower farmers to invest in better inputs and farming practices, increasing their yields and overall income.

Financial Institutions

Banks, microfinance institutions, and SACCOs can use the study to better understand the financial behaviors and needs of smallholder farmers in Buvuma. The findings offer guidance on designing flexible loan schemes, risk management tools, and outreach strategies suitable for rural clients. This enables institutions to expand their client base while contributing to financial inclusion and local economic development.

Government and Policy Makers

For government actors, the study provides evidence to shape effective policies that improve rural finance access. It highlights systemic challenges such as infrastructure gaps, lack of regulation, and insufficient financial support for farmers. These insights can inform strategic investments, subsidies, and policy reforms aimed at boosting agricultural productivity and rural livelihoods.

NGOs and Development Agencies

Development organizations can use the findings to design targeted programs that address the root causes of financial exclusion among farmers. The study helps NGOs focus on practical solutions such as training, cooperative support, and farmer–finance institution linkages. It also offers a baseline for monitoring progress and measuring the impact of ongoing development initiatives.

Researchers and Academics

This research contributes valuable data on rural finance, especially from an under-researched context like Buvuma Island. It serves as a foundation for future studies in agricultural economics, development finance, and rural development. Researchers can build on the findings for comparative studies or to explore the effectiveness of various financial interventions.

Agricultural Input Suppliers and Cooperatives

The study helps input suppliers understand why farmers may struggle to purchase inputs due to financial constraints. It can encourage the development of credit-based input supply systems or partnerships with financial providers. For cooperatives, it provides a case for organizing farmers to improve access to finance, reduce risks, and strengthen market participation.

1.9 Organization of the Report

This study was organized into five chapters. Chapter One provided an introduction to the study, including the background, problem statement, research objectives, and significance of the study. Chapter Two reviewed the existing literature on financial inclusion, agricultural productivity, and poverty reduction. Chapter Three outlined the research methodology employed in the study. Chapter Four presented the findings of the study, and Chapter Five concluded the study, including recommendations for policymakers, financial institutions, and development organizations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the theoretical and empirical review of theories and past studies on access to finance for small scale farmers.

2.1 Key Concepts of the study

2.1.1 Access to finance for small scale farmers

Access to finance has been defined by various scholars, each offering unique perspectives. (Claessens, 2006) describes it as the ability of individuals or businesses to secure financial services, such as loans, under reasonable terms and conditions, emphasizing availability, affordability, and adequacy. Similarly, Demirgüç-Kunt and Klapper (2012) define access to finance as a vital component of financial inclusion, enabling individuals and firms to invest, save, and manage risks, thereby fostering economic opportunities and reducing financial exclusion. Schwarcz and Leonhardt (2021) highlight the role of financing in reducing inequality and promoting economic growth, stressing the need to address barriers that limit financial opportunities while aligning with market expectations. Collectively, these definitions underscore the multifaceted nature of access to credit, encompassing economic empowerment, inclusion, and equitable opportunity.

According to this study, access to finance refers to the ability of small-scale farmers and businesses to secure funding through regulated financial institutions such as banks, credit unions, or microfinance organizations. For small-scale farmers, financial access plays a crucial role in fostering entrepreneurship, economic growth, and financial independence by enabling them to

fund business ventures, purchase assets, and manage unforeseen financial challenges Jauriyah (2014). However, they often face unique obstacles, including stringent collateral requirements, high interest rates, information asymmetry, and systemic biases within the financial sector (Tiamiyu, 2022).

In this study Access to finance will be measured in terms of timeliness, relevance and usage, physical availability, access, and use of financial services adapted from Claessens (2006).

In Uganda, small-scale businesses are essential to the economy, significantly contributing to GDP and job creation. Despite this, access to finance remains a major challenge. With interest rates ranging from 20% to 24%—higher than the global average—and a lack of tailored financial products, women entrepreneurs frequently encounter severe financial exclusion (Byamukama et al., 2024; Pozhidaev, 2020). Limited asset ownership, informal operations, and inadequate documentation further hinder access to formal loans, highlighting the urgent need for policy interventions and gender-sensitive credit schemes to enhance financial inclusion for small-scale farmers in Uganda (Uganda Investment Authority, 2017).

2.2 Empirical review

2.2.1 The challenges faced by small-scale farmers in accessing formal financial services

Chanda (2024) examined the challenges Smallholder farmers face in accessing financial services, despite government and donor-led financial sector reforms. Many remain in poverty with limited ability to secure loans and safety nets. This study investigated factors influencing smallholders' decisions to access rural finance and their level of participation in financial markets. A household survey was conducted across five provinces, selecting thirteen districts purposively, and using both purposive and random sampling techniques. A pre-tested questionnaire was administered to 1,326 households, with data analyzed using a double hurdle model. Findings

revealed that household head education level, household size, and the number of daily meals significantly affected access to finance, while loan payback period, mobile phone ownership, and personal savings influenced participation intensity. These results highlight the need for targeted financial inclusion strategies to improve access to formal financial services for smallholder farmers in Zambia.

Bukhosini and Moyo (2023) examined farmers' responses to the 2014–2016 droughts in Mfekayi, KwaZulu-Natal, using a mixed-method approach with a convergent parallel design. Findings indicate that farmers adopted various strategies such as purchasing expensive supplements, crop diversification, and relying on indigenous knowledge, including livestock movement. Despite these efforts, livestock deaths and crop failures were significant challenges. Farmers also struggled with recovery costs, ongoing losses, and limited access to crucial information. The study recommends that the government provide targeted relief assistance and implement policies that specifically address the needs of small-scale farmers.

Mersha and Ayenew (2018b) investigated how smallholder farmers in southwest Oromia zones finance their farming activities and examine problems associated to access to finance in ethiopia. To achieve this objective, 400 sample smallholder farmers who are members of agricultural cooperatives were selected from three zones (Jimma, Buno Bedele and Illu Aba Bora) and survey were conducted. Both structured and unstructured interview were made with farmers and officials of selected primary cooperatives operating in the three zones to scrutinize the issue in depth. The data collected were analyzed using descriptive statistical tools to come up with appropriate conclusions. The finding of the study showed that despite the expansion of cooperatives and MFIs to rural area, there is still a challenge to get credit from these formal

financial sources. Some of the problems include: absence of interest free loan for Muslims, long lending procedures, problems related to repayment period. As a result of these, smallholder farmers tend to prefer informal sources such as credit from traders, family members, friends, and Iqube.

Shabangu (2016) examined the challenges faced by smallholder farmers in the Hhohho region of Swaziland, focusing on their impact on sustainable agriculture and food security while highlighting the role of Extension Officers (EOs) in supporting farmers. The study used primary data that was collected through formal interviews with 45 small-scale farmers and 20 EOs who had been farming for over a year. Findings revealed that while there is an existing relationship between farmers and EOs, it needs to be strengthened through increased interactions and the recruitment of more EOs to provide farmers with consistent support. Additionally, 60% of small-scale farmers sold their produce in the informal market, while 40% accessed formal markets. Farmers primarily based their selling decisions on price (85%), with transport availability (15%) also influencing their market choices due to the distance between formal markets and production areas. The study highlights the need for improved access to Extension Officer support and better market integration for smallholder farmers.

2.2.2 The financial inclusion of small-scale farmers

Omeje et al. (2022) examined the penetration of financial inclusion in the agricultural sector using evidence from small-scale farmers in Enugu State, Nigeria. The study utilized survey data generated from 425 questionnaires administered to small-scale farmers in both rural and urban locations in Enugu State. The study applied the adequacy gap, timeliness gap and penetration gap indices to measure the penetration of financial inclusion among the small-scale farmers in Enugu State. The study found that different lending agencies, except for some cooperative societies,

were unable to meet the credit needs of small-scale farmers in Enugu State as shown by the adequacy gap index. The timeliness gap index revealed the existence of time gap in the credit receipt of small-scale farmers given that agriculture is rain-fed in Enugu. The penetration gap index indicated that there is gap in the penetration of agricultural credit grants to small-scale farmers in Enugu State, showing a shallow penetration of financial inclusion in agricultural sector.

Adebite (2021) assessed financial inclusion among rural smallholder farmers in Nigeria, emphasizing its multidimensional nature beyond formal account ownership. Using secondary data from Nigeria's 2016 smallholder dataset, a stratified two-stage sampling approach selected 2,300 respondents, and analysis applied the Alkire-Foster method to compute a financial inclusion index based on financial participation, capability, and well-being. Findings revealed that 78% of rural farmers remained financially excluded, with male farmers experiencing higher inclusion than females, and southern zones showing better financial access than northern regions. The South-South geopolitical zone had the highest financial inclusion levels, while North-West and North-East zones ranked lowest in key indicators. Gender gaps were evident in financial resilience and control over finances, demonstrating that formal access alone is insufficient for sustainable inclusion. Financial inclusion significantly reduced farmers' sole dependence on farm income, encouraging engagement in non-farm income activities.

Kumar and Gupta (2020) investigated the role of financial inclusion in empowering small and marginal farmers in India and its potential to reduce poverty. Using primary data from a sample of 280 farmers, the research measured the degree of financial inclusion from the demand-side and examined its relationship with various demographic variables. Findings revealed that a

significant majority, 75.71% of farmers, experienced a low degree of financial inclusion, while only 7.85% enjoyed a high degree, highlighting a concerning gap in access to financial services. The analysis further showed that demographic factors such as gender, marital status, and family size were not significantly associated with financial inclusion, whereas landholding size, age, education level, and annual family income were positively correlated. These results underscored the need for targeted policy interventions to enhance financial access for the most vulnerable farming populations.

Fu et al. (2022) examined how cooperatives influence the inclusion of small-scale farmers in China's agricultural modernization agenda. Using field research data, the study identified that cooperatives employ both explicit and implicit screening mechanisms that disproportionately exclude smallholders. Theoretical analysis revealed that this exclusion is a strategic decision aimed at enhancing efficiency, driven by shifts in organizational structures. These structural adaptations and the exclusionary practices are mutually reinforcing, leading to a scenario where cooperatives increasingly resemble alliances of rural elites. As China pursues agricultural modernization, the study underscores the critical need to address the marginalization of small-scale farmers by cooperatives.

Siti et al. (2019) conducted a study aimed at identifying and ranking the key factors influencing the demand for Takaful insurance in Iran, amid the rapid development of the Islamic financial services sector. The researchers began by outlining the fundamental aspects of Takaful insurance, followed by a comprehensive literature review that helped categorize influencing factors into five domains: economic, social, demographic, marketing and sales, and product characteristics. To evaluate the relative importance of these indicators, they conducted a field

study using a questionnaire administered to experts in the field. Hamzeh and Ghanbarzadeh examined a comprehensive study to identify and rank the key factors influencing demand for Takaful insurance in Iran, responding to the growing role of Islamic financial services in the region. Initially, they categorized relevant indicators through a literature review and grouped them into five domains: economic (E), social (S), demographic (D), marketing and sales (MS), and product characteristics (P). These indicators were then validated and refined through a field survey using a 5-point Likert scale, administered to 34 insurance industry experts—71% of whom were women and over 61% held doctoral degrees or higher.

2.2.3 Potential solutions to address the financial exclusion of small-scale farmers

Louman et al. (2022) explored the role of financial access in fostering sustainable and inclusive landscapes, focusing on factors that enable or hinder financing for micro, small, and medium-sized enterprises across sectors in tropical regions. A literature review was conducted to assess key elements influencing inclusive landscape finance, including governance, financial literacy, access to finance technology, and integrated finance mechanisms. Findings highlight major challenges, such as unsuitable financial products, lack of livelihood assets, low transparency in financial systems, limited business scalability, and high perceived risks among financial providers. The study proposed financial inclusion components that enhance the existing framework developed by the Finance Solutions Design Team for the 1000 Landscapes for 1 billion People Initiative suggesting ways to apply and refine financial mechanisms for integrated landscape management while guiding future research.

Purnawan et al. (2021) examined the impact of the Kawasan Mandiri Pangan (KMP) microfinance program on farmers' production, marketing, and food security. Using a qualitative

mixed-methods approach, including interviews and focus group discussions (FGDs), the research analyzed two farmer groups. Findings show improved productivity and food availability, but only one group sustained the program. Marketing decisions remained unchanged, driven by selling price, relationships, and commitments. Food access improved with better crop prices, while food utilization was shaped by local wisdom. Success depends on effective management, farmer commitment, and agricultural extension support. The study recommended local enterprises to stabilize crop prices, ensuring better food accessibility and utilization.

Nyakweba (2019) examined financial service accessibility strategies for economic empowerment among small-scale tea farmers in Kisii County, Kenya. Guided by multiple financial theories, it employed a descriptive research design with simple random and stratified sampling, surveying 398 registered KTDA farmers through questionnaires. Data was analyzed using SPSS version 20, employing descriptive and inferential statistics. Findings revealed a positive relationship between financial service accessibility, physical proximity, economic and social factors, and economic empowerment. Limited infrastructure and education levels significantly affected financial accessibility. The study recommended tailored financial products, improved land ownership policies, and collaborations between KTDA and financial institutions for financial literacy training. Future research suggested exploring political, cultural, and climatic influences on financial access strategies in Kenya and Africa.

Gy ri (2019) explored the existing and potential solutions to reduce financial exclusion - theoretical considerations and practical initiatives at the meeting point of finance and ethics. Rooted in stakeholder theory, banks are expected to create multidimensional value by serving society beyond their owners, acting as informal regulators and economic catalysts.

Simultaneously, responding to social and environmental changes enhances competitiveness, strengthens consumer commitment, motivates employees, and fosters collaboration. As economic and societal shifts push for ethical finance, CSR initiatives have gained prominence, including values-based banking practices. This paper examines the evolution of CSR in banking, analyzing theoretical and practical aspects, with a focus on financial inclusion efforts by Global Alliance for Banking on Values (GABV) member banks.

2.3 Research gaps

Based on the reviewed empirical literature, several gaps emerge in the study of small-scale farmers' access to finance, particularly within localized or marginalized settings like Buvuma Island. Most studies reviewed (e.g., Chanda, 2024; Mersha & Ayenew, 2018; Okeyo et al., 2022) focus on broader national or regional contexts in Zambia, Ethiopia, and Kenya, using large sample surveys and sophisticated econometric models. While these contribute valuable insights into general access barriers such as limited collateral, long lending procedures, and exclusionary cooperative practices, they lack contextual specificity. Few studies directly address isolated and underdeveloped regions like Buvuma Island, where geographical isolation, infrastructural limitations, and socio-economic dynamics might uniquely shape financial access outcomes. Furthermore, the reviewed literature often aggregates findings without disaggregating by micro-regions, which limits the applicability of solutions to Specific Island or lake-based agricultural communities.

In addition, while some studies (e.g., Adegbite, 2021; Fu et al., 2022) explore multi-dimensional financial exclusion and the role of institutions like cooperatives or gender-based disparities, they generally overlook informal systems or community-based financial practices that often substitute

for formal access in remote settings. Moreover, the empirical focus remains heavily on quantitative approaches, leaving a gap in qualitative, narrative-based insights that could reveal deeper behavioral, cultural, or trust-related barriers to financial inclusion. Studies like Shabangu (2016) and Purnawan et al. (2021) begin to address this with mixed methods but are not grounded in island or semi-autonomous rural economies. Therefore, there is a clear need for place-based research that incorporates both qualitative and quantitative approaches to assess the nuanced and localized barriers small-scale farmers face in accessing finance on Buvuma Island.

2.4 Chapter summary

The reviewed literature highlights significant challenges in achieving financial inclusion for small-scale farmers across various global contexts, with a consistent pattern of exclusion due to inadequacy, inaccessibility, and inefficiency of formal financial services. Studies from Nigeria, India, China, and Kenya reveal low penetration of financial services, gender and regional disparities, and the exclusionary nature of cooperatives, with formal access often failing to translate into real empowerment or improved livelihoods. Additionally, proposed solutions emphasize the importance of integrated finance mechanisms, tailored microfinance programs, financial literacy, and ethical banking practices that align with community needs. However, a notable research gap persists in localized and marginalized contexts like Buvuma Island, where geographical isolation, socio-economic constraints, and informal financial systems play a critical role. Most existing studies rely on broad, quantitative methods and overlook place-specific, qualitative insights. Thus, future research must adopt mixed-method approaches to better understand and address the unique barriers faced by small-scale farmers in remote regions

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the research methodology employed in the study, detailing the procedures undertaken throughout the research process. It covers key aspects such as the research design, target population, sampling approach, sample size, data sources, and data collection instruments. Additionally, it addresses the validity and reliability of these instruments to ensure the accuracy and consistency of the collected data.

3.1 Research design

The study utilized a descriptive cross-sectional design to gather data and draw conclusions about a specific population at a single point in time. This approach is chosen for its ability to provide a systematic, factual, and accurate description of the study (Amin, 2005). To examine small-scale farmers' access to finance in Buvuma Island, the study adopted a quantitative approach, which is useful for statistically analyzing the study variables and identifying key contributing factors (Saunders et al., 2009).

3.2 Study area

The study was conducted at Buvuma Island Buvuma Island, located in Lake Victoria, is home to small-scale farmers who rely on subsistence agriculture, growing crops like cassava, maize, and bananas. They face challenges such as limited financial access, poor infrastructure, and environmental concerns like deforestation. While oil palm farming offers economic opportunities, it raises concerns about food security. Many farmers depend on informal financial

networks and mobile banking to access credit, highlighting the need for improved financial inclusion to support agriculture and livelihoods.

3.3 Study population

The study focused on 1,500 small-scale farmers on Buvuma Island, chosen due to the challenges of limited financial access (Buvuma district, 2025). These farmers primarily engage in subsistence agriculture, cultivating crops such as cassava, maize, and bananas, alongside the growing oil palm industry. Many rely on informal financial networks and mobile banking solutions due to the lack of formal financial services and infrastructure, highlighting the urgent need for targeted financial inclusion strategies to support their livelihoods.

3.4 Sample Size

The study selected 306 small-scale farmers as the sample size, determined using Krejcie and Morgan's (1970) table, which is widely used to calculate appropriate sample sizes based on population size and category proportion. From the 1,500 small-scale farmers on Buvuma Island, this subset served as the primary unit of inquiry and analysis, as they possess valuable insights relevant to the study.

3.5 Sampling method and design

The study used simple random sampling to select small-scale farmers on Buvuma Island as participants. This method is chosen because it ensures that every farmer in the population has an equal chance of selection, promoting fairness and reducing bias in the sample (Bhardwaj, 2019).

3.6 Data Collection Methods and Instruments

This study employed a questionnaire survey approach to collect data from respondents, providing an effective way to gather responses from a large sample size before applying a quantitative methodology, as suggested by Saunders et al. (2009). To assess respondents'

attitudes toward the subject, a 5-point Likert scale was used, allowing them to indicate their level of agreement with given statements, ranging from 1 to 5. This scale is chosen for its simplicity, ease of understanding, and ability to capture a neutral standpoint (Darnton, 2023). Additionally, the questionnaire was refined and improved following a pilot study to ensure clarity and effectiveness.

3.7 Source of Data

Primary data was collected using self-administered questionnaires, featuring systematic questions tailored for effective data collection. This method is widely utilized as it allows respondents to complete the questionnaire at their convenience, making it suitable for large sample sizes. The questionnaire included both open-ended and closed-ended questions to ensure comprehensive and insightful responses (Amin, 2005).

3.8 Data collection Procedure

The researcher obtained an introduction letter from the College of Business and Management Sciences, which was presented to respondents when seeking permission to conduct research within their businesses. Upon receiving approval, the researcher selected participants and distribute questionnaires for immediate completion to ensure a high response rate. Once filled, the questionnaires were collected for analysis, facilitating accurate data processing and interpretation.

3.9 Validity and Reliability

The questionnaire was carefully structured to align with specific research objectives, ensuring that it effectively captures relevant data. Measures were taken to guarantee its validity and reliability, allowing for accurate and consistent responses that support meaningful analysis.

3.9.1 Validity

The study conducted both face and content validity to ensure the accuracy of the questionnaire. Face validity involved the supervisor reviewing the questionnaire items and providing necessary guidance, while content validity was assessed by the supervisor to verify that the questions effectively measure the intended dimensions. This validation process ensures that the results obtained from the questionnaire survey accurately reflect the aspects being examined (Sürücü & Maslakci, 2020). A minimum value of CVI (Coefficient Validity Instrument) of 0.7 and above is required for the instrument to be accepted as valid. The validity of the questionnaire was established through consultation with the supervisor, pre-testing, and final adjustments. The Content Validity Index (CVI) was computed using the formula

$$CVI = \frac{\text{No.of questions declared valid}}{\text{Total No.of questions}} * 100$$

Table 3. 1: Validity Results

Variables	No of items	Content Validity Index
Specific challenges	10	0.786
level of financial inclusion	10	0.723
Potential solutions	10	0.814

Source: Primary data (2025)

3.9.1 Reliability

The study assessed the internal consistency of research instruments using the Cronbach alpha coefficient, calculated in SPSS version 27. To enhance reliability, the questionnaire underwent pre-testing with pilot samples, and the resulting computations were evaluated for accuracy.

Reliability testing ensured that the items function effectively as valid measurement tools (Melo et al., 2021).

Nunnally (1978), states that a coefficient alpha of 0.7 or higher is sufficient for establishing reliability, indicating strong internal consistency in a measurement instrument. Cronbach's alpha, a widely used reliability metric, evaluates how well items within a scale correlate and measure the same underlying concept. Higher alpha values suggest strong coherence among items, while lower values indicate inconsistencies or possible measurement errors. In social sciences and psychological research, an alpha between 0.7 and 0.9 is typically considered reliable, whereas values above 0.9 may imply redundancy among items. To enhance reliability, researchers frequently conduct pilot studies and item analyses to refine instruments, ensuring they effectively capture the intended concept.

Table 3. 2: Reliability Results

Variables	No of items	Cronbach Alpha
Specific challenges	10	0.886
level of financial inclusion	10	0.793
Potential solutions	10	0.824

Source: Primary data (2025)

3.10 Data Analysis

Data was coded and analyzed using the Statistical Package for Social Sciences (SPSS). The quantitative analysis followed a descriptive approach, presenting findings through tables and graphs to summarize numerical variables and support meaningful conclusions. Additionally, key

statistical measures such as percentages, mean, and standard deviations were calculated and interpreted to enhance data understanding.

3.11 Ethical considerations

The researcher obtained informed consent from respondents by clearly explaining the study's purpose, duration, procedures, and their rights. Additionally, aspects such as confidentiality, data coding, and potential benefits of the research were communicated to ensure transparency and ethical participation

Informed consent: The researcher obtained an introduction letter from the college, which was presented to Buvuma leaders and individual respondents to seek their participation in the study. Participants received a detailed explanation of their roles and rights before involvement. Only those who voluntarily consent were given questionnaires, while those who choose not to participate were excluded (**Nijhawan et al., 2013**)

Privacy/ Anonymity. The names of the respondents, their locations, and any other identifying information that could have led to tracing or recognizing the individuals were not displayed anywhere on the data collection tool, except for those who had explicitly agreed to share such details (Elkoumy et al., 2021)

Confidentiality: For confidentiality purposes, the responses obtained from the questionnaire survey were strictly used for academic objectives, and access to the collected data was limited to individuals directly involved in the study, in accordance with ethical guidelines outlined by (Elkoumy et al., 2021)

Avoid harm: During the study, the researcher did not intentionally or unintentionally cause harm to the respondents. All necessary precautions were taken to ensure that participants were protected from any form of physical, emotional, or psychological harm, including bodily pain, stress, unwarranted anxiety, diminished self-esteem, or invasion of privacy (Khaled & Al-Tamimi, 2021).

Plagiarism: Participants engaged in the study voluntarily and without any form of coercion. They retained the freedom to withdraw at any stage of the research without being required to provide an explanation. This approach ensured that respondents maintained full autonomy in deciding whether to participate or discontinue their involvement, in line with ethical standards outlined by (Khalil & Er, 2023) .

Voluntary participation; Participants in the study were not subjected to any form of coercion, and their involvement was entirely voluntary. They were given the freedom to withdraw from the survey at any point without needing to offer any explanation. This approach ensured that respondents retained full autonomy throughout the research process, in line with ethical principles outlined by Nijhawan et al. (2013).

Summary of the chapter

This chapter outlines the research methodology, covering aspects such as research design, population, sample size, data sources, data collection instruments, and validation techniques. Ethical considerations have also been addressed to ensure compliance with established research standards. The study adopted a descriptive cross-sectional design, collecting quantitative data from 306 small-scale farmers in Buvuma Island. The data was analyzed using SPSS version 27, focusing on percentages, means, and standard deviations to derive meaningful insights.

CHAPTER FOUR

ANALYSIS, PRESENTATION, AND INTERPRETATION OF RESEARCH FINDINGS

4.1 Introduction

This chapter provides a detailed analysis, presentation, and interpretation of the research findings. It covers the response rate, summarizes descriptive statistics, and discusses results related to the study's objectives. The chapter also interprets the findings and explores their relevance within the context of the research. The investigation was guided by three key objectives: to identify the specific challenges small-scale farmers face in accessing formal financial services in Buvuma Island District, Uganda; to evaluate the extent of financial inclusion among these farmers; and to explore potential strategies for addressing their financial exclusion.

4.2 Response rate

In this research, 274 valid questionnaires were collected from an initial sample of 306 participants, resulting in a response rate of 89.5%. This high response rate indicates minimal risk of non-response bias, as it significantly exceeds the 50% threshold recommended by Lindner and Wingenbach (2002) for quantitative studies (2002). This high response rate is attributed to the fact that participants were actively engaged through consistent follow-up, clear communication of the study's purpose, and the relevance of the research topic to their lived experiences as small-scale farmers in Buvuma Island District.

4.3 Demographic characteristics

This section outlines the demographic profiles of the small-scale farmers in Buvuma Island District, including their gender, Gender, Age, Access to a mobile phone, Education level, Years of Experience in Farming, to have access to the internet, and belonging to farmer group or cooperative. This background information is important for analyzing how various study factors differ across these demographic groups. The details of the demographic distribution are presented in Table 4.1 below.

Table 4. 1:Demographic characteristics of the respondents

Item	Classification	Frequency	Percent
Gender	Female	121	44.2
	Male	153	55.8
	Total	274	100.0
Age	20-29	31	11.3
	30-39	149	54.4
	40-49	87	31.8
	50-above	27	9.9
	Total	274	100.0
Access to a mobile phone	Yes	254	92.7
	No	20	7.3
	Total	274	100.0
Education level	Diploma	66	24.1
	Bacheloars	36	13.1
	Advanced level certificate	63	23.0
	Ordinary level certificate and below	109	39.8
	Total	274	100.0
Years of Experience in Farming	Less than a year	19	6.9
	Between 1 and 5 years	42	15.3
	Between 5 and 10 years	65	23.7
	More than 10 years	148	54.0
	Total	274	100.0
have access to the internet	Yes	123	44.8
	NO	151	55.1
	Total	274	100.0
Belonging to farmer group or cooperative	Yes	102	37.2
	No	172	62.8
	Total	274	100.0

Source: Primary data (2025)

This table provides a comprehensive overview of the demographic profile of the 274 small-scale farmers who participated in the study. These characteristics are essential for understanding how

personal and socioeconomic factors may influence access to financial services and levels of financial inclusion as they are further explained below;

4.3.1 Gender

The gender distribution shows that 55.8% of respondents are male, while 44.2% are female. This relatively balanced representation ensures that both male and female perspectives are captured, which is important given that gender roles may influence financial decision-making, access to resources, and participation in farmer cooperatives.

4.3.2 Age

The majority of respondents (54.4%) fall within the 30–39 age bracket, followed by 31.8% aged 40–49. Only 11.3% are aged 20–29, and 9.9% are 50 years or older. This indicates a predominantly middle-aged farming population, which may be more experienced and stable in their farming practices but also potentially more resistant to adopting new financial technologies or services compared to younger farmers.

4.3.3 Access to a Mobile Phone

A striking 92.7% of respondents have access to a mobile phone, suggesting high potential for mobile-based financial services such as mobile money and digital banking. This is a critical enabler of financial inclusion, especially in remote areas like Buvuma Island.

4.3.4 Education Level

Education levels vary, with 39.8% having an ordinary level certificate or below, 23.0% holding advanced level certificates, 24.1% with diplomas, and 13.1% with bachelor's degrees. This distribution shows that while a significant portion of farmers have basic education, a notable

number possess higher qualifications, which could positively influence their ability to understand and engage with formal financial systems.

4.3.5 Years of Experience in Farming

Over half of the respondents (54.0%) have more than 10 years of farming experience, indicating a mature and seasoned farming community. This experience may correlate with greater financial needs for scaling operations, but also with entrenched habits that could affect openness to formal financial services.

4.3.6 Access to the Internet

Only 44.8% of respondents have internet access, while 55.1% do not. This digital divide may hinder access to online financial platforms, agricultural information, and e-learning opportunities, limiting the effectiveness of digital financial inclusion strategies.

4.3.7 Belonging to a Farmer Group or Cooperative

Just 37.2% of respondents belong to a farmer group or cooperative, while 62.8% do not. This low level of cooperative membership may reduce opportunities for collective bargaining, shared financial literacy, and access to group-based financial products such as SACCOs or microfinance loans.

The demographic data reveals a farming population that is largely male, middle-aged, experienced, and well-connected via mobile phones but with limited internet access and low cooperative participation. These factors suggest that while there is strong potential for mobile-based financial inclusion, challenges remain in digital literacy, cooperative engagement, and reaching farmers with lower education levels. Tailored interventions that consider these

demographic realities—such as mobile outreach, simplified financial products, and cooperative strengthening—will be essential for improving access to formal financial services in Buvuma Island District

4.3. Descriptive Analysis

4.3.1 Findings on the specific challenges small-scale farmers face in accessing formal financial services in Buvuma Island District, Uganda

The respondents were asked to evaluate the specific challenges small-scale farmers face in accessing formal financial services in Buvuma Island District, Uganda using a 5-point scale: strongly disagree, disagree, neutral, agree, and strongly agree. Descriptive statistics were then applied to gauge the level of agreement or disagreement with each statement on this scale. According to the adopted scale, ratings of strongly agree (5) and agree (4) reflect the statement's relevance, while neutral (3), disagree (2), and strongly disagree (1) suggest the statement's insignificance. Mean scores above 3 indicate agreement with the statement, a score of 3 shows indecision, and scores below 3 suggest insignificance. Additionally, standard deviation was used alongside mean scores to assess the variability of responses, with a lower standard deviation indicating greater consensus on the significance of the statement.

Table 4. 2: The specific challenges small-scale farmers face in accessing formal financial services in Buvuma Island District, Uganda

Statements on the specific challenges small-scale farmers face in accessing formal financial services in Buvuma Island District, Uganda	N	Min	Max	Mean	Std. Deviation
I find it difficult to access banks or financial institutions due to long distances.	274	1	5	3.55	1.019
I do not have the necessary documents (e.g., ID, land title) to open a bank account.	274	1	5	3.44	1.101
The interest rates charged by formal financial institutions are too high for me.	274	1	5	3.51	1.133
I lack awareness or knowledge about available financial services.	274	1	5	3.44	1.236
Financial institutions do not understand or support the needs of small-scale farmers.	274	1	5	3.59	1.174
I prefer informal saving groups (e.g., SACCOs, VSLAs) over formal financial institutions.	274	1	5	3.15	1.279
I have been denied a loan due to lack of collateral.	274	1	5	3.30	1.310
The process of applying for loans from formal institutions is too complicated.	274	1	5	3.55	1.245
I fear losing my property if I fail to repay a loan.	274	1	5	2.15	1.279
Poor mobile network or internet access limits my use of digital financial services.	274	1	5	3.30	1.310
Interpretation of Mean; Mean of above 3.0 = Agreed, Mean Below 3.0 Disagreed and Mean =3.0 were undecided, F= frequency					

Source: Primary data (2025)

The findings reveal that distance to financial institutions is a significant barrier, with a mean score of 3.55 and a standard deviation of 1.019, indicating general agreement among respondents. This suggests that many farmers find it difficult to physically access banks due to their remote locations, which is consistent with the geographical isolation of Buvuma Island. Similarly, the complexity of loan application procedures also scored a mean of 3.55 (SD = 1.245), reinforcing the idea that bureaucratic hurdles discourage farmers from engaging with formal financial systems. These two challenges highlight the need for decentralized financial services and simplified loan processes tailored to rural populations.

Another prominent issue is the lack of institutional support, with the statement “financial institutions do not understand or support the needs of small-scale farmers” receiving the highest mean score of 3.59 (SD = 1.174). This reflects a widespread perception that formal financial institutions are disconnected from the realities of smallholder farming. Additionally, high interest rates were flagged as a major concern (Mean = 3.51, SD = 1.133), suggesting that even when loans are available, they may be unaffordable for most farmers. These findings imply that financial products must be redesigned to better align with the income cycles and risk profiles of small-scale farmers.

The issue of documentation requirements also emerged as a barrier, with a mean score of 3.44 (SD = 1.101). Many farmers lack formal identification or land titles, which are often prerequisites for opening bank accounts or securing loans. Similarly, limited awareness of financial services (Mean = 3.44, SD = 1.236) points to gaps in financial literacy and outreach. These challenges suggest that improving access will require not only policy reform but also targeted education and community engagement to raise awareness and build trust in formal financial systems.

Interestingly, while many farmers agreed with preferring informal saving groups like SACCOs and VSLAs (Mean = 3.15, SD = 1.279), the relatively lower score compared to other challenges indicates that informal systems are seen as more accessible but not necessarily more effective. The lack of collateral (Mean = 3.30, SD = 1.310) and poor mobile network access (Mean = 3.30, SD = 1.310) also contribute to financial exclusion, especially in a digitally evolving financial landscape. These findings underscore the importance of designing inclusive financial products that do not rely heavily on collateral and are compatible with local infrastructure.

Finally, the only statement that received a mean score below 3.0 was “I fear losing my property if I fail to repay a loan” (Mean = 2.15, SD = 1.279), indicating disagreement among respondents. This suggests that while farmers are concerned about access and affordability, fear of asset seizure is not a dominant deterrent. Overall, the data paints a picture of systemic barriers rooted in geography, institutional design, and socio-economic realities. Addressing these challenges will require a multi-pronged approach involving financial innovation, regulatory reform, and community-based outreach.

4.3.2 Findings on the financial inclusion of small-scale farmers in Buvuma district.

The respondents were asked to assess the financial inclusion of small-scale farmers in Buvuma district using a 5-point scale: strongly disagree, disagree, neutral, agree, and strongly agree. Descriptive statistics were then applied to gauge the level of agreement or disagreement with each statement on this scale. According to the adopted scale, ratings of strongly agree (5) and agree (4) reflect the statement’s relevance, while neutral (3), disagree (2), and strongly disagree (1) suggest the statement's insignificance. Mean scores above 3 indicate agreement with the statement, a score of 3 shows indecision, and scores below 3 suggest insignificance. Additionally, standard deviation was used alongside mean scores to assess the variability of

responses, with a lower standard deviation indicating greater consensus on the significance of the statement.

Table 4. 3: The financial inclusion of small-scale farmers in Buvuma district

the financial inclusion of small-scale farmers in Buvuma district	N	Min	Max	Mean	Std. Deviation
I have a bank or mobile money account in my name.	274	1	5	3.76	1.131
I regularly save money using formal financial services (e.g., banks, mobile money, SACCOs).	274	1	5	3.44	1.277
I have access to credit or loans from formal financial institutions.	274	1	5	3.45	1.245
I feel confident using mobile money or digital financial services.	274	1	5	2.36	1.015
I receive payments for my agricultural produce through formal financial channels.	274	1	5	3.59	1.250
I have received financial literacy training or education.	274	1	5	3.49	1.302
Financial services have helped me improve my farming business.	274	1	5	2.81	1.137
I trust formal financial institutions to keep my money safe.	274	1	5	3.57	1.268
I can easily access financial services when I need them.	274	1	5	3.50	1.334
I feel included in the financial system compared to other people in my community.	274	1	5	3.50	1.334
Interpretation of Mean; Mean of above 3.0 = Agreed, Mean Below 3.0 Disagreed and Mean =3.0 were undecided, F= frequency					

Source: Primary Data (2025)

The data reveals that a majority of small-scale farmers in Buvuma District are financially included at a basic level. The statement “I have a bank or mobile money account in my name” received the highest mean score of 3.76 with a standard deviation of 1.131, indicating strong agreement among respondents. This suggests that most farmers have access to formal financial platforms, particularly mobile money, which is widely used in rural Uganda. Similarly, the statement “I receive payments for my agricultural produce through formal financial channels” had a high mean of 3.59 (SD = 1.250), showing that formal financial systems are actively used in agricultural transactions.

Savings behavior also reflects moderate financial inclusion. The statement “I regularly save money using formal financial services” had a mean of 3.44 (SD = 1.277), while “I have access to credit or loans from formal financial institutions” scored 3.45 (SD = 1.245). These figures suggest that while many farmers engage with formal financial services, access to credit remains limited for some. The relatively high standard deviations indicate variability in responses, possibly due to differences in income levels, financial literacy, or geographic access to financial institutions.

Confidence in using digital financial services appears to be a major barrier. The statement “I feel confident using mobile money or digital financial services” had the lowest mean score of 2.36 (SD = 1.015), indicating disagreement among respondents. This points to a lack of digital literacy or trust in technology-based financial platforms, which could hinder broader financial inclusion efforts. Similarly, the statement “Financial services have helped me improve my farming business” scored 2.81 (SD = 1.137), suggesting that many farmers do not perceive a direct benefit from formal financial engagement in terms of business growth.

On the other hand, trust in financial institutions is relatively strong. The statement “I trust formal financial institutions to keep my money safe” received a mean of 3.57 (SD = 1.268), indicating general agreement. This trust is crucial for encouraging deeper engagement with formal financial services. Additionally, the statements “I can easily access financial services when I need them” and “I feel included in the financial system compared to other people in my community” both scored 3.50 (SD = 1.334), suggesting that farmers feel moderately empowered and included, though there is room for improvement.

Overall, the findings indicate that while basic financial inclusion is present, especially in terms of account ownership and transaction use, there are notable gaps in digital confidence, perceived impact on farming, and access to credit. These insights highlight the need for targeted financial literacy programs, simplified loan products, and improved digital infrastructure to enhance the depth and effectiveness of financial inclusion among small-scale farmers in Buvuma District.

4.3.3 Findings on potential solutions to address the financial exclusion of small-scale farmers in the district

The Third objective of this study involved examining potential solutions to address the financial exclusion of small-scale farmers in the district presented in Table 4.4. The items were scaled using the five-point Likert scale where code 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, and 5 = Strongly Agree. For each of the items measuring Challenges facing Bancassurance performance, descriptive statistics that include frequencies, percentages and means are presented. Responses with ‘strongly agree’ and ‘agree’ were combined into ‘agree,’ while those with ‘strongly disagree’ and ‘disagree’ were combined into ‘disagree’, in addition those who indicated un decided were taken to be neutral (A=agree, DA=disagree, N=Neutral). In

addition, those Table 4.3 presents a summary of the findings concerning respondents' views on strategies to improve control systems.

Table 4. 4 Potential solutions to address the financial exclusion of small-scale farmers in the district

Potential solutions to address the financial exclusion of small-scale farmers in the district	N	Min	Max	Mean	Std. Deviation
Financial institutions should reduce the requirements for opening accounts (e.g., ID, collateral).	274	1	5	3.45	1.093
Mobile banking and agent banking should be expanded to reach remote farming communities.	274	1	5	3.83	1.184
Government should subsidize interest rates for agricultural loans.	274	1	5	3.81	1.321
More financial literacy programs should be provided to small-scale farmers.	274	1	5	3.74	1.334
Farmer cooperatives should be supported to help members access group loans.	274	1	5	3.58	1.369
Financial institutions should design loan products tailored to the farming cycle.	274	1	5	3.74	1.311
Local leaders should be involved in promoting trust in formal financial services.	274	1	5	4.01	1.239
Government should invest in improving mobile network and internet access in rural areas.	274	1	5	2.58	1.379
Partnerships between NGOs and financial institutions can improve access to credit.	274	1	5	2.74	1.411
Farmers should be trained on how to use digital platforms for saving, borrowing, and payments.	274	1	5	4.01	1.239

Interpretation of Mean; Mean of above 3.0 = Agreed, Mean Below 3.0 Disagreed and Mean =3.0 were undecided, F= frequency

Source: Primary Data (2025)

The data indicates strong support for expanding mobile and agent banking services to reach remote farming communities, with a mean score of 3.83 and a standard deviation of 1.184. This reflects widespread agreement that proximity and accessibility are key to improving financial inclusion. Similarly, the proposal for government subsidies on agricultural loan interest rates received a high mean of 3.81 (SD = 1.321), suggesting that farmers view affordability as a major barrier and believe that public intervention could ease access to credit.

Training and education also emerged as critical solutions. The statement “More financial literacy programs should be provided to small-scale farmers” scored a mean of 3.74 (SD = 1.334), while “Farmers should be trained on how to use digital platforms for saving, borrowing, and payments” received one of the highest mean scores at 4.01 (SD = 1.239). These findings highlight the importance of equipping farmers with the knowledge and skills needed to navigate formal financial systems and digital tools. The relatively high standard deviations suggest diverse levels of current awareness and digital readiness among respondents.

Institutional reforms were also well supported. The idea that financial institutions should reduce requirements for opening accounts, such as ID or collateral, had a mean score of 3.45 (SD = 1.093), indicating moderate agreement. Additionally, the suggestion that loan products be tailored to the farming cycle scored 3.74 (SD = 1.311), reflecting the need for financial services that align with agricultural realities. Support for farmer cooperatives as a means to access group loans also received a favorable mean of 3.58 (SD = 1.369), pointing to the value of collective financial strategies.

Trust-building measures were highly endorsed. The statement “Local leaders should be involved in promoting trust in formal financial services” received a mean score of 4.01 (SD = 1.239), indicating strong agreement. This suggests that community-based advocacy and leadership can

play a vital role in bridging the trust gap between farmers and financial institutions. Such involvement may help demystify formal systems and encourage broader participation.

However, not all proposed solutions were equally supported. The idea that government should invest in improving mobile network and internet access in rural areas received a lower mean score of 2.58 (SD = 1.379), indicating disagreement or skepticism about its feasibility or impact. Similarly, partnerships between NGOs and financial institutions to improve credit access scored 2.74 (SD = 1.411), suggesting limited confidence in external collaborations. These responses may reflect past experiences or perceived inefficiencies in such initiatives. Overall, the findings underscore the importance of localized, farmer-centered solutions that combine education, accessibility, and institutional reform to effectively address financial exclusion in Buvuma District.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1. Introduction

This chapter presents the summary of major findings, conclusion, discussions and recommendations. The study identified the specific challenges small-scale farmers face in accessing formal financial services in Buvuma Island District, Uganda; evaluated the extent of financial inclusion among these farmers; and explored potential strategies for addressing their financial exclusion.

5.2. Summary of major findings

The summary of the major findings is in accordance with research objectives as described below;

5.2.1 The specific challenges small-scale farmers face in accessing formal financial services in Buvuma Island District, Uganda

The results indicate that small-scale farmers in Buvuma Island District face several notable challenges in accessing formal financial services. The most agreed-upon issues include long distances to financial institutions (mean = 3.55, SD = 1.019), complicated loan application procedures (mean = 3.55, SD = 1.245), and a perceived lack of institutional support for farmers' needs (mean = 3.59, SD = 1.174). Farmers also reported difficulties due to high interest rates (mean = 3.51, SD = 1.133), lack of necessary documentation (mean = 3.44, SD = 1.101), and limited awareness of available financial services (mean = 3.44, SD = 1.236). Preference for informal saving groups was moderately agreed upon (mean = 3.15, SD = 1.279), while challenges such as lack of collateral (mean = 3.30, SD = 1.310) and poor mobile network access

(mean = 3.30, SD = 1.310) were also significant. Notably, the fear of losing property due to loan default was largely disagreed with (mean = 2.15, SD = 1.279), suggesting that while access and affordability are major concerns, asset loss is not a primary deterrent to engaging with formal financial institution.

5.2.2 The financial inclusion of small-scale farmers in Buvuma district

The results from Table 4.3 indicate that small-scale farmers in Buvuma District experience moderate levels of financial inclusion, with most respondents agreeing that they have access to basic financial services. The highest level of agreement was recorded for having a bank or mobile money account (mean = 3.76, SD = 1.131), followed by receiving payments through formal financial channels (mean = 3.59, SD = 1.250) and trusting formal financial institutions to keep their money safe (mean = 3.57, SD = 1.268). Farmers also reported moderate agreement on regularly saving money (mean = 3.44, SD = 1.277), accessing credit (mean = 3.45, SD = 1.245), and receiving financial literacy training (mean = 3.49, SD = 1.302). However, confidence in using digital financial services was notably low (mean = 2.36, SD = 1.015), indicating a significant barrier to deeper financial engagement. Additionally, the perceived impact of financial services on farming business improvement was limited (mean = 2.81, SD = 1.137), suggesting that while access exists; the benefits may not be fully realized. Overall, the findings highlight a foundational level of financial inclusion, with room for improvement in digital literacy, service accessibility, and the effectiveness of financial products tailored to farmers' needs.

5.2.3 Potential solutions to address the financial exclusion of small-scale farmers in the district.

The results from Table 4.4 highlight several potential solutions to address financial exclusion among small-scale farmers in Buvuma District. The most strongly supported interventions include involving local leaders in promoting trust in formal financial services (mean = 4.01, SD = 1.239) and training farmers on how to use digital platforms for saving, borrowing, and payments (mean = 4.01, SD = 1.239), indicating widespread agreement on the importance of community engagement and digital literacy. Expanding mobile and agent banking services (mean = 3.83, SD = 1.184) and subsidizing interest rates for agricultural loans (mean = 3.81, SD = 1.321) also received high levels of support, suggesting that accessibility and affordability are key priorities for farmers. Additional solutions such as providing financial literacy programs (mean = 3.74, SD = 1.334) and designing loan products tailored to the farming cycle (mean = 3.74, SD = 1.311) reflect the need for education and context-specific financial tools. Moderate agreement was observed for reducing account opening requirements (mean = 3.45, SD = 1.093) and supporting farmer cooperatives to access group loans (mean = 3.58, SD = 1.369), indicating that institutional reforms and collective approaches are also valued. However, lower mean scores were recorded for government investment in mobile network infrastructure (mean = 2.58, SD = 1.379) and partnerships between NGOs and financial institutions (mean = 2.74, SD = 1.411), suggesting skepticism or limited confidence in these strategies. Overall, the findings emphasize the importance of locally driven, farmer-centered solutions that combine trust-building, education, and tailored financial services to effectively reduce financial exclusion.

5.3 Discussion of the Results

5.3.1. The specific challenges small-scale farmers face in accessing formal financial services in Buvuma Island District, Uganda.

The findings on the specific challenges small-scale farmers face in accessing formal financial services in Buvuma Island District are consistent with several scholarly studies conducted in Uganda and across sub-Saharan Africa. Kawuki and Nantogo (2019) found that rural farmers often struggle with long distances to financial institutions, lack of documentation, and limited financial literacy, all of which mirror the challenges identified in Buvuma. Their study emphasized that geographic isolation and administrative barriers significantly hinder farmers' ability to engage with formal financial systems.

Murangi (2014) in his case study of FINCA clients in Mbarara District, similarly reported that high interest rates, complex loan procedures, and lack of collateral were major deterrents for small-scale farmers. His research also highlighted a strong preference for informal saving groups such as SACCOs and VSLAs, which aligns with the moderate agreement observed in Buvuma regarding reliance on informal financial mechanisms.

Kolo (2025) supports these findings by noting that smallholder farmers across Africa face high transaction costs, poor access to financial information, and limited institutional responsiveness. These barriers are reflected in the Buvuma study, particularly in the farmers' perception that financial institutions do not understand or support their needs. The digest also emphasized the importance of designing financial products that are tailored to the realities of rural farming communities.

The Center for Strategic and International Studies (CSIS) has also documented a substantial funding gap for smallholder farmers, citing lack of collateral, absence of nearby financial institutions, and exclusion from formal economic systems as key contributors. These challenges are directly echoed in the Buvuma findings, where farmers reported difficulties due to documentation requirements, poor mobile network access, and limited credit availability (Khan et al., 2024).

Finally, a chapter published by Springer on smallholder farmers' access to inputs and finance in Africa reinforces the notion that poorly developed agri-finance systems and inadequate infrastructure are major obstacles. The study found that financial institutions often fail to tailor their services to the agricultural cycle and the unique needs of small-scale farmers, which is consistent with the Buvuma respondents' concerns about institutional support and loan accessibility. Together, these scholarly works validate the challenges identified in the study and underscore the need for targeted, farmer-centered financial reforms.

5.3.2. The financial inclusion of small-scale farmers in Buvuma district.

The challenges identified in this study are supported by a range of scholarly findings that highlight similar barriers to SME compliance in developing economies. Benjamin and Mbaye (2012) found that high licensing costs and complex procedures are among the leading reasons why many African SMEs remain informal. Their research aligns with the current study's results, where high costs (mean = 3.46) and procedural complexity (mean = 3.44) were rated as major obstacles. Similarly, Ayyagari, Demirgüç-Kunt, and Maksimovic (2011) emphasized that administrative burdens and financial constraints significantly reduce the likelihood of formalization among small enterprises.

The issue of limited access to licensing centers and insufficient information from regulatory authorities is also echoed in previous studies. Devas and Grant (2003) noted that decentralization without adequate infrastructure often leads to service delivery gaps, making it difficult for businesses in remote areas to comply with licensing requirements. This supports the current study's findings on limited access (mean = 3.36) and lack of information (mean = 3.45). Additionally, Kaufmann, Kraay, and Zoido-Lobaton (1999) emphasized that transparency and access to information are critical for improving governance and compliance, reinforcing the need for better outreach by KCCA.

Concerns about harassment and corruption during the licensing process (mean = 3.59) are consistent with findings by Fisman and Svensson (2007), who demonstrated that corruption significantly increases the cost of doing business and discourages formalization. Their study revealed that firms exposed to corrupt practices are less likely to engage with regulatory systems. Similarly, Tanzi (1998) argued that corruption undermines trust in public institutions and creates a hostile environment for compliance, which mirrors the sentiments expressed by SMEs in Kawempe Division.

Finally, the perception that small or informal businesses are not suited for licensing (mean = 3.49), along with low perceived benefits (mean = 3.57) and weak enforcement (mean = 3.50), reflects broader structural challenges. La Porta and Shleifer (2008) found that informal businesses often operate outside regulatory frameworks due to limited incentives and weak enforcement mechanisms. Their work supports the notion that unless licensing is clearly linked to tangible benefits and backed by consistent follow-up, SMEs will continue to operate informally. These scholarly insights reinforce the study's conclusion that addressing both systemic and perceptual barriers is essential for improving compliance.

5.3.3 Potential solutions to address the financial exclusion of small-scale farmers in the district.

The findings on potential solutions to financial exclusion among small-scale farmers in Buvuma District are supported by a range of peer-reviewed studies from different regions, which emphasize the importance of community engagement, digital literacy, and tailored financial services. Dsouza et al. (2025), in their study on smallholder women farmers in rural Zambia, found that participation in village savings and loan associations significantly enhanced access to financial services and adoption of climate-smart agriculture. Their research highlighted the role of digital tools and financial education in translating financial inclusion into tangible agricultural outcomes, which aligns with the Buvuma farmers' support for training on digital platforms and financial literacy programs.

Pinto (2023), writing in the *World Journal of Advanced Research and Reviews*, examined financial inclusion strategies for underbanked rural populations globally and emphasized the effectiveness of mobile banking, agent banking, and community savings schemes. Her findings support the Buvuma farmers' endorsement of expanding mobile and agent banking services and involving local leaders to build trust in formal financial institutions. The study also stressed the importance of public-private partnerships and regulatory reforms in scaling inclusive financial services, although it acknowledged persistent skepticism toward NGO-led initiatives, similar to the limited confidence expressed by Buvuma farmers.

Simba et al. (2024) in their article published in *Small Business Economics*, explored involuntary financial exclusion among African SMEs and found that institutional barriers such as collateral requirements and rigid account opening procedures hinder access to credit. Their findings

reinforce the Buvuma farmers' call for reducing documentation and collateral demands, and for designing loan products that reflect the seasonal nature of farming. The study also emphasized the need for gender-sensitive financial policies and localized trust-building efforts to improve inclusion.

Alvarez et al. (2023), in their study on rural financial inclusion in Peru published in the *Journal of Latin American Studies*, demonstrated that farmer cooperatives and community-based financial models are effective in extending credit and savings opportunities to marginalized groups. This supports the Buvuma farmers' moderate agreement on the importance of cooperative support in accessing group loans and building collective financial resilience.

Finally, Beck (2020) writing in the *Journal of Development Economics*, argued that financial inclusion must go beyond access and focus on usability, relevance, and institutional responsiveness. Their study emphasized that financial products should be tailored to the specific needs of rural populations, including farming cycles and income patterns. This aligns with the Buvuma farmers' support for context-specific loan products and highlights the broader need for inclusive financial design that reflects the realities of small-scale agriculture.

5.4. Conclusions

5.4.1. Specific Challenges Faced by Small-Scale Farmers in Accessing Formal Financial Services

The study concludes that small-scale farmers in Buvuma Island District face a complex array of barriers that limit their engagement with formal financial institutions. Physical distance to financial service providers remains a major obstacle, compounded by bureaucratic procedures that make loan applications difficult to navigate. The lack of institutional responsiveness to the

unique needs of farmers further discourages participation, while high interest rates and stringent documentation requirements create financial and administrative hurdles. Limited awareness of available services suggests a gap in outreach and education, and the preference for informal saving groups reflects a lack of trust or accessibility in formal systems. Although collateral and mobile network limitations are also significant, the low concern over asset loss indicates that fear of loan default consequences is not the primary deterrent. Overall, these findings highlight the need for structural reforms, improved outreach, and more inclusive financial products that address the realities of rural farming communities.

5.4.2 Financial Inclusion of Small-Scale Farmers in Buvuma District

The findings reveal that while small-scale farmers in Buvuma District have achieved a foundational level of financial inclusion, their engagement with formal financial services remains limited in depth and impact. Most farmers possess bank or mobile money accounts and use formal channels for receiving payments, indicating basic access. Trust in financial institutions is relatively strong, and there is moderate participation in saving, borrowing, and financial literacy programs. However, the low confidence in using digital financial platforms points to a significant digital divide that restricts broader financial engagement. Moreover, the limited perceived impact of financial services on farming productivity suggests that existing financial products may not be well-aligned with agricultural needs. These insights underscore the importance of enhancing digital literacy, improving service accessibility, and designing financial tools that are responsive to the economic realities of small-scale farmers.

5.4.3 Conclusion: Potential Solutions to Address Financial Exclusion

The study identifies a range of practical and community-driven solutions that could significantly reduce financial exclusion among small-scale farmers in Buvuma District. The strongest support was given to involving local leaders in trust-building efforts and training farmers to use digital financial platforms, indicating that social capital and digital literacy are key enablers of inclusion. Expanding mobile and agent banking services and subsidizing agricultural loan interest rates were also highly endorsed, reflecting the need for accessible and affordable financial infrastructure. Farmers emphasized the value of financial literacy programs and loan products tailored to the farming cycle, suggesting that education and contextual relevance are critical to effective financial engagement. Moderate support for reducing account opening requirements and strengthening cooperatives points to the importance of institutional flexibility and collective financial strategies. However, skepticism toward government investment in mobile networks and NGO-financial institution partnerships suggests that top-down or externally driven solutions may lack credibility or effectiveness. In conclusion, the findings advocate for locally anchored, farmer-centered interventions that combine education, trust-building, and tailored financial services to foster meaningful inclusion.

5.5. Recommendations

The study recommends that financial institutions decentralize their services by expanding mobile and agent banking networks to rural and remote areas such as Buvuma Island District. This would reduce the physical distance barrier and make financial services more accessible to small-scale farmers.

The study recommends that targeted financial literacy programs be developed and delivered through farmer cooperatives, local leaders, and agricultural extension services. These programs should focus on improving farmers' understanding of formal financial products, digital platforms, and loan procedures.

The study recommends that financial institutions simplify account opening and loan application requirements by reducing documentation and collateral demands. Tailoring these processes to the realities of small-scale farming will encourage more farmers to engage with formal financial systems.

The study recommends that government and financial institutions collaborate to design loan products that align with the agricultural cycle, including flexible repayment schedules and seasonal disbursements. This would ensure that credit offerings are relevant and supportive of farming operations.

The study recommends that local leaders and trusted community figures be actively involved in promoting trust and awareness of formal financial services. Their engagement can help bridge the gap between institutions and farmers, fostering confidence and encouraging broader participation..

5.6 Contribution of the study

This study contributes valuable insights into the financial realities of small-scale farmers in Buvuma Island District by identifying the specific challenges they face in accessing formal financial services, assessing their current level of financial inclusion, and proposing practical, community-driven solutions to address financial exclusion. It enriches the existing body of knowledge by providing localized evidence that highlights the interplay between institutional

barriers, digital literacy gaps, and socio-economic factors in shaping financial access. The findings offer a foundation for policymakers, financial institutions, and development partners to design targeted interventions that are responsive to the unique needs of rural farming communities. Moreover, the study serves as a reference point for future research on inclusive finance in remote and underserved regions.

5.7. Limitations and Areas of further research

While this study provides important insights into the financial exclusion and inclusion of small-scale farmers in Buvuma District, it is not without limitations. The research relied on cross-sectional data, which captures perceptions and experiences at a single point in time, limiting the ability to assess changes or trends over time. Additionally, the study focused on one district, which may constrain the generalizability of findings to other regions with different socio-economic or infrastructural contexts. Building on these findings, future research could adopt longitudinal designs to track how financial inclusion evolves in response to policy changes, technological advancements, or institutional reforms. Further investigation into the role of emerging technologies such as mobile applications, artificial intelligence, and block chain could offer valuable insights into how digital tools might enhance access, reduce transaction costs, and improve transparency in financial service delivery. Comparative studies across different districts or between urban and rural farming communities could help identify context-specific barriers and successful models of inclusion. Moreover, exploring cultural, social, and behavioral factors that influence farmers' trust in financial institutions and their willingness to engage with formal systems would provide a deeper understanding of the human dimensions of financial inclusion. These areas of inquiry would contribute to the development of more inclusive, adaptive, and farmer-centered financial ecosystems

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- Learning from the Experiences of Microfinance Institutions in Latin America.

APPENDICES

Appendix 1: Questionnaire

MAKERERE UNIVERSITY

QUESTIONNAIRE For small-scale farmers in Buvuma Island District

Dear Respondent,

My name is NAMUJJU PAULINE BISASO, and I am a student at Makerere University currently undertaking a study titled assessing access to finance for small scale farmers case of Buvuma Island as part of the requirements for my Master of Business Administration degree. You have been chosen to participate in this study because your insights are highly valued. I kindly request that you take a few moments to respond to the questions or statements as openly, honestly, and independently as possible. Please rest assured that your responses will be kept confidential and anonymous, as this research is conducted solely for academic purposes.

Thank you very much for your time.

SECTION A

Please answer all questions and indicate your responses by ticking () in the appropriate box as requested.

A1 Gender

Male		1
Female		2

A2 - Years of Experience in Farming?

Less than a year		1
Between 1 and 5 years		2
Between 5 and 10 years		3
More than 10 years		4

A3 What's your age bracket

18-29		1
30-39		2
40-49		3
50-59		4
60 years and above		5

A4 What is your highest Level of education

Ordinary level certificate		1
Advanced level certificate		2
National certificate or Diploma		3
Bachelor's degree		4
Master's degree		5
Other, please specify below:		6

A5. Do you belong to any farmer group or cooperative?

Yes		1
No		2

A6 Do you have access to a mobile phone?

Yes		1
No		2

A7 Do you have access to the internet??

Yes		1
No		2

Statements relating to the specific challenges faced by small-scale farmers in accessing formal financial services in Buvuma Island District, Uganda

Please indicate the extent to which you agree with the statements where (1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree)

	Statements relating to the specific challenges faced by small-scale farmers in accessing formal financial services in Buvuma Island District, Uganda					
B1	I find it difficult to access banks or financial institutions due to long distances.					
B2	I do not have the necessary documents (e.g., ID, land title) to open a bank account.					
B3	The interest rates charged by formal financial institutions are too high for me.					
B4	I lack awareness or knowledge about available financial services.					
B5	Financial institutions do not understand or support the needs of small-scale farmers.					
B6	I prefer informal saving groups (e.g., SACCOs, VSLAs) over formal financial institutions.					
B7	I have been denied a loan due to lack of collateral.					
B8	The process of applying for loans from formal institutions is too complicated.					
B9	I fear losing my property if I fail to repay a loan.					
B10	Poor mobile network or internet access limits my use of digital financial services.					

Section c: Statements relating to the financial inclusion of small-scale farmers in Buvuma district.

Please indicate the extent to which you agree with the statements where (1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree).

	<i>Statements relating to the financial inclusion of small-scale farmers in Buvuma district.</i>	1	2	3	4	5
C1	I have a bank or mobile money account in my name.					
C2	I regularly save money using formal financial services (e.g., banks, mobile money, SACCOs).					
C3	I have access to credit or loans from formal financial institutions.					
C4	I feel confident using mobile money or digital financial services.					
C5	I receive payments for my agricultural produce through formal financial channels.					
C6	I have received financial literacy training or education.					
C7	Financial services have helped me improve my farming business.					
C8	I trust formal financial institutions to keep my money safe.					
C9	I can easily access financial services when I need them.					
C10	I feel included in the financial system compared to other people in my community.					

Please indicate the extent to which you agree with the statements where (1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree).

	Statements to the determine potential solutions to address the financial exclusion of small-scale farmers in the district	1	2	3	4	5
D1	Financial institutions should reduce the requirements for opening accounts (e.g., ID, collateral).					
D2	Mobile banking and agent banking should be expanded to reach remote farming communities.					
D3	Government should subsidize interest rates for agricultural loans.					
D4	More financial literacy programs should be provided to small-scale farmers.					
D5	Farmer cooperatives should be supported to help members access group loans.					
D6	Financial institutions should design loan products tailored to the farming cycle.					
D7	Local leaders should be involved in promoting trust in formal financial services.					
D8	Government should invest in improving mobile network and internet access in rural areas.					
D9	Partnerships between NGOs and financial institutions can improve access to credit.					
D10	Farmers should be trained on how to use digital platforms for saving, borrowing, and payments.					

Appendix 2: Acceptance Letter

Chief Administrative Officer
Deputy Chief Administrative Officer
Principal Assistant Secretary:
District Personnel Officer:
Chief Finance Officer

0701 442 302
0772 837141
0773 547269
0752 494 197
0754 494 125



**BUVUMA DISTRICT LOCAL
GOVERNMENT
OFFICE OF THE CHIEF
ADMINISTRATIVE OFFICER.
P.O. BOX 103
LUGAZI**

In any correspondence on this subject please quote
No. **CR/BUV/353/01**

DATE: 4th /08/2025

The Assistant Coordinator,
Graduate Programmme, and
Research college of Business and
Management Sciences
School of Business
Makerere University
P.O, BOX 7062
Kampala –Uganda.

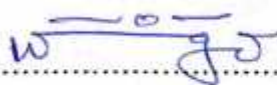
RE: MISS PAULINE NAMUJJU BISASO.

Reference is made to your communication dated 22/7/2025 in relation to provide research support to the above named person.

Buvuma District Local government wish to inform you that its ready to render support to the above student in relation to fulfillment of key requirement in her research study.

The Purpose of this communication is to affirm to you that the Buvuma District will render support to her in any way possible.

Thanks for your usual cooperation



SERUNJOGI WILSON

SENIOR ASSISTANT CHIEF ADMINISTRATIVE OFFICER- BUVUMA

CC; LCV –Buvuma

CC. RDC-Buvuma

CC. District Education Officer-Buvuma



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COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES
School of Business
Office of the Dean

22/07/2025

TO WHOM IT MAY CONCERN

Dear Sir/Madam

INTRODUCING MS. PAULINE NAMUJU BISASO TO YOUR ORGANISATION FOR RESEARCH SUPPORT.

This is to introduce to you Ms. Pauline Namuju Bisaso, a Master of Business Administration student, registration number - 2023/HD06/22832U, who is currently conducting a **Plan B** research study on “Assessing Access to Finance for Small Scale Farmers. Case Study: Buvuma District.” for research support. Your support towards Pauline will enable her to fulfil a key requirement for the award of the Degree of Master of Business Administration at Makerere University.

While the research being pursued is mainly for academic purposes, upon its completion is expected to inform policy and contribute to the overall operations of organisations. Therefore, Pauline is reaching out to your organisation for assistance in the realisation of the aforementioned endeavours.

Any research assistance extended to her will be our pleasure, and we look forward to your continued support.

Yours sincerely,

Dr. Diana L.K Ssekiboobo,
Assistant Co-ordinator, Graduate Programmes and Research.
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Leveraging 100 years of Excellence in Building a Transformed Society

Appendix 3: Krejcie and Morgan Table (1970)

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970