



## IMPACT ASSESSMENT

### VSLA PROGRAMME – SIRONKO DISTRICT

Seeds has been working in the Sironko District since 2014. Within this district, Seeds has formulated 133 VSLA groups, consisting of an average 36 members, creating an outreach of almost 4,800 individuals. The district is divided into two main parts; the lowlands and the mountainous areas. Given the elevation of the latter, there are regional differences in the weather conditions, with the lowlands being a lot drier than the mountainous areas. Given that the population depend on subsistence farming for their livelihoods, the differential weather patterns and differing soil fertility significantly affect a community's income, its resilience in drier seasons, and ultimately food security. Seeds carried out 167 extensive questionnaires, with the objective of conducting an impact assessment in order to gain a more insightful understanding of the respondent's socioeconomic conditions, and how the VSLA programme has affected them, if at all.

Seeds works with men and women in rural areas who cannot access financial services, due to their inability to afford interest rates or remote location. Whilst Seeds wanted the VSLA programme to work with only women, claims that men felt excluded from the programme meant that we have had to allow their involvement to avoid any gendered tensions within the community and within households. Of the 167 respondents from which we took questionnaires, 144 of them are female, and 15 of those women are widows. Seeds has maintained that at least two thirds of the elected chair board for each VSLA must be women to ensure that the decision making process is primarily managed by women, and for men to understand that their role is to support and collaborate with women in such a process.

#### **Living Conditions**

The questionnaires revealed a better understanding of the living conditions of the population that Seeds works with. On average each household contains 7.3 individuals. With those households containing less than the average, there are 2 bedrooms for every 5 individuals, and above the average, this is halved to only 1 bedroom for every 5 individuals. 85% of those households are mud huts, and just 27% of all households have electricity. Across the 20 communities from which the questionnaires were taken, only 2 communities had piped water, with the majority of respondents getting their water source from either a borehole or a river. Here there was a noticeable link between use of loans for health purposes and source of water, with only 8% of those with piped water using loans for health purposes, relative to 25% of those using a river or borehole.

Almost every household obtained their livelihoods from subsistence farming (over 99%). Prior to the VSLA, whilst the wealthier half of the communities owned on average 1.5 acres, the poorer communities owned on average 0.8 acres. It is a sad paradox that in spite of such a livelihood, many of the respondents could not afford a basic need like food, as 50% of those were unable to have on average three meals a day. However, 80% reported experiencing food insecurity in the last month, with not enough money or food to feed their family, with many having to eat fewer and smaller meals, and in some cases, resulting to selling productive assets. In terms of education, 75% of respondents had had no education or had been to primary school, and only 4% had completed secondary school or higher. The questionnaires revealed a gendered difference, whereby almost half of male respondents had had some secondary education or higher, by comparison to one fifth of women.



## seeds Financial Inclusion

For the vast majority of individuals a savings institution is not accessible to them so they keep their savings in the house. Out of 167 only 4 individuals have access to a commercial bank account and 32 are members of a *Savings and Credit Cooperative Society (SACCO)*. It is therefore notable that this impacted the accuracy of which they could calculate their household cash income, which would have been of utility for analytical purposes. The desire to organise multiple VSLA groups in order to form a SACCO was the most prominent comment by respondents, as well as the demand for more groups to be formulated in more communities. Only 16% of individuals had accessed a loan before joining the VSLA, with some commenting that 'those people borrowing banks loans have stopped'. This is particularly relevant given that the banks in the area have very high interest rates. By comparison, 72% of respondents had taken a loan from the VSLA, with the average loan equating to 150,000 UGX per person (35€), and their agreed interest rate being paid back into the VSLA group.

### Use of loans & Savings

Given the level of education and food insecurity, it is not surprising that the two primary reasons for obtaining loans was to pay for school fees or to buy food. Though under the government free education is supposed to be accessible to be all, in reality the costs of uniforms, stationary and meals hinders the ability of parents to afford such costs. The order in which respondents prioritised these is differentiated by the way in which they ranked their wealth within the community; whilst those who considered themselves amongst the richest in society were more likely to prioritise their primary use of loans for school fees, those who considered themselves amongst the poorest households in the community were much more likely to primarily use their loan to buy food or to make agricultural investments such as renting land, with school fees as a secondary use.

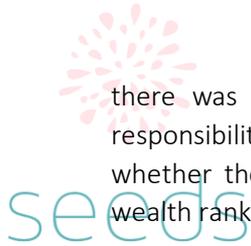
Agricultural investments, household needs and health, were the next most important use of loans. During the VSLA, those who considered themselves within poorer half of the community were significantly more likely to use the money to rent land, renting on average 1.3 acres, accompanied by the investment of basic agricultural machinery, such as axes and hoes. Regardless of wealth, chickens and goats were the most sought after livestock, with 77 and 486 being bought accumulatively across 138 respondents. In terms of basic household needs, whilst mosquito nets are supposed to be provided by the government, mosquito nets were found to be the household asset most invested in with over a third of all respondents acquiring them during the VSLA. Other household assets included mattresses, tables and chairs.

### Food Security

For respondents who had been in a VSLA for over 3 years, the likelihood of experiencing food insecurity reduced dramatically from 81% to 27%, suggesting that such investments may have a long term impact on food security.

### Decision Making

It was extremely rare that only men or only women made all the decisions in the household, except for in the obvious case of widows. In 35% of households, the majority of decisions were made together by the husband and wife. In the remaining households, household decisions were divided dependent on what was being decided on. Whilst men were much more likely to make decisions regarding the income generating activities, women reported being significantly more likely to make the decisions regarding savings and loans. For decisions such as child's education or doctor's visits,



there was no significance between whether a husband or wife was more likely to have this responsibility. Though 31% of those married had a polygamous husband, this had no impact on whether the husband or wife were likely to make the majority of household decisions. Similarly, wealth ranking in the community and education level had no impact on this either.

### **Beneficiaries Sentiment on the Programme**

For those who had not obtained any loans at all, an opportunity to save and the financial support that the VSLA provides in the case of emergencies were perceived as the most valuable service that the programme provided. For those who had taken loans, the general comments pertained to the increased ability for parents to send to their children to school, or to handle unforeseen health issues, and the improved standard of living through being able to make small investments. Others denoted the advantage of learning how to come together as a community, claiming their status as a community had been bolstered. As expected, many are eager for grants to be provided to VSLAS's to aid the enrichment of their community, or to have further income generating activities set up to offer increased financial support. Means of extra support were particularly requested for widows and orphans, given the added difficulties they face. However, as a small organisation we make clear the organisation's role and the financial constraints that exist in order to avoid inflated expectations.