

OFFICE OF THE PRIME MINISTER



# THE THIRD NORTHERN UGANDA SOCIAL ACTION FUND (NUSAF3) MIDTERM REVIEW REPORT





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### LIST OF ACRONYMS

**ANOVA** Analysis Of Variance

CAO Chief Administrative Officer

**CAPI** Computer Assisted Personal Interviews

CAQDAS Computer Aided Qualitative Data Analysis System

**CDO** Community Development Officer

**CFs** Community Facilitators

**CIG** Community Interest Group

**CPCs** Community Procurement Committees

**CPMC** Community Project Management Committee

**CWSC** Community Watershed Committee

**DEO** District Environment Officer

**DIST** District Implementation Support Team

**DRF** Disaster Risk Financing

FCS Food Consumption Score

**FGDs** Focus Group Discussions

**GPS** Global Positioning System

**HH** Household

HIV Human Immunodeficiency Syndrome

IG Inspectorate Of Government

IHISP Improved Household Investment Support Program

**LC** Local Council

**LIPW** Labor Intensive Public Works

**LLA** Lead Local Artisan

MTR Mid-Term Review

MUBS Makerere University Business School

NDO NUSAF3 Desk Officer

NDPII National Development Plan Two

NUSAF3 Third Northern Uganda Social Action Fund

**OPM** Office Of The Prime Minister

**PPI** Pro-Poor Index

**RDC** Resident District Commissioner

SACCO Savings And Credit Cooperative Organization

SEIA Social And Environmental Impact Assessment

**SLP** Sustainable Livelihood Pilot

SPSS Statistical Package For Social Sciences

**SWC** Soil And Water Conservation

TAAC Transparency, Accountability And Anti-Corruption

**TST** Technical Support Team

**UPE** Universal Primary Education

**USPP** Uganda Social Protection Policy

**VSLAs** Village Saving And Lending Associations

### **EXECUTIVE SUMMARY**

The Third Northern Uganda Social Action Fund Project (NUSAF 3) is a five-year project (2016 to 2021) implemented in 62 districts of Uganda by the office of the Prime Minister. The program seeks to establish a comprehensive safety net for vulnerable groups by creating temporary work opportunities through public works, providing grants to promote income generating activities, and improving organization and monitoring mechanisms to promote transparency, accountability, coordination, and program management. The project development objective is to provide effective income support and build the resilience of poor and vulnerable households in Northern Uganda.

.The core interventions are provision of regular and short term deployment of labour; engagement in market driven enterprises; and engendering a positive attitudinal change towards work, production and savings. These interventions are intended to boost income of the target households, part of which will be saved and the other spent on consumption (education, health and nutrition etc) and investment in business among others. These interventions are made through two main components: Labor Intensive Public Works (LIPW) and Disaster Risk Financing (DRF); Improved Household Investment Support Program (IHISP) and Sustainable Livelihood Pilot (SLP); Strengthened Transparency, Accountability and Anti-Corruption (TAAC); and Safety Net Mechanisms and Project Management.

### THE MIDTERM REVIEW

This report highlights the results of a midterm review (MTR) which was conducted by Makerere University Business School in February 2019. The purpose was to assess broader achievements towards the PDO, and determine if all is on course; draw out lessons and best practices thus far; and make recommendations for remedial actions. In answering these objectives a combination of qualitative and quantitative approaches was used.

Both qualitative and quantitative methods of data collection were employed to track the same cohort of households that participated in the baseline survey in April 2017. These households were selected scientifically and allocated to the 8 regions and 17 districts proportionately. A total sample of 2756 households participated in the MTR and all their data were relayed daily to a server at the University. A detailed qualitative inquiry was also conducted and data were collected at five levels: technical support team; districts; subcounties; community project management structures and beneficiaries. These were engaged through strategic interviews, key informant interventions, focus group discussions, and in-depth interviews, taking into account political representation, technical involvement and participation, administrative involvement, gender, youth and special interest groups. A total of 369 qualitative interviews were conducted and electronically recorded.

### **MAJOR FINDINGS**

### Project design and theory change.

The project was designed to support poor households through temporary employment and engagement in productive income generating activities as tools for boosting income, leading to sustainable livelihoods. Part of the project conceptualization was that it would boost savings, consumption, investment and expenditure in human capital (education, health, etc). The Mid Term Review (MTR) ascertained that the theory of change on which the project was anchored was still valid and relevant. The project has been able to offer temporary work opportunities as well as support investment in productive enterprises. Savings have significantly improved, food consumption improved as well as investment in education and health. The design strengthened community potential to substantially contribute to initiating new community-based institutional arrangements, through watershed concept, improving social bonds and networks and promoting social inclusiveness. The project encouraged the observance of market needs as a driver for investment initiatives, allowing communities to invest in market driven enterprises. The project targeted the right people and was helping to improve livelihoods of these target beneficiaries.

### Progress of implementation- output achievement

The project implementation is on track as there is positive variance on all indicators of performance. At the same rate of performance, all outputs are likely to be achieved before the project end date in 2021. On most of the indicators involving specific action for women, there has been tremendous performance. The project exceeded the target of female beneficiaries by 137%, achieving the overall target of year three in year two. The high percentages of target outcomes of rapid achievement of number of household beneficiaries of the project from 939,000 to 1,545,375 (65% increase), increased safety nets programs for women (116%) and all other measures showing positive trajectories are signs of positive indicative trends of project outputs. This good performance was attributed to extensive mobilization of beneficiaries, basing Projects on Community Needs and Capabilities and utilisation of a people-centered project design.

### PROGRESS ON PROJECT OUTCOMES

### Household Income and expenditure

There was a non-statistically significant increase in general income of beneficiaries from UGX103,439 at baseline to UGX107,188 taking care of about 8 people in a household. About 20% of all beneficiaries earned a regular monthly income compared to 19.5% registered at baseline. This change was statistically insignificant. Most households earned their incomes seasonally (80.2%), and the proportion of such households significantly increased from 77.9% to 84.8% for LIPW beneficiaries. The seasonal earning was attributed to the predominance of farming as the main economic activity for the households. Thus any shock

affecting farming, such as excessive droughts, floods, pests and diseases and decline in soil fertility was likely to affect the earning potential of the households.

### **Food consumption**

Food consumption is a key component of NUSAF3. There was a significant improvement in food consumption ( $X^2$ , 160.073, df (3), p<.05). The proportion of people having one meal a day fell by half from 27.6% to 14%. This drop level is further observed among LIPW beneficiaries (from 32.9% to 15.2%) and IHISP beneficiaries (from 22.3% to 12.8%) implying that in both groups of beneficiaries, meal frequency improved. Beneficiaries having two meals a day increased from 60.7% to 65.90% and those having more than three meals increased from about 10% to 17.4%. This increase in food consumption was associated with growing of more food (and failure to find market) as well as being able to afford buying food.

The food consumption score (FCS) showed that whereas the frequency of food consumption increased, beneficiaries with a poor diet increased from 17% to 24.4%. Those with an acceptable diet fell from 50.2% to 38.9%. As a result, beneficiaries with a borderline diet increased by 4% from 32.8% to 36.8%. Most beneficiaries did not have a balanced diet which is likely to affect their health, especially that of children and expectant mothers. And the differences in quality of diet were significant across the evaluation time periods  $(X^2 = 48.425, df(2), p < .05)$ .

### Comparing daily income and daily food consumption

Up to 61.5% of household expenditure was on food. There was a strong positive relationship between household income and food consumption as well as expenditure on food, suggesting that availability of income enabled households to buy food and have frequent meals. The average daily expenditure on food was UGX6170 at baseline but it had significantly dropped to UGX5528 by the midterm evaluation (F(1-3102)=29.224, p<.05). This expenditure was on food that fed an average of 8 people per household. However, the daily household income (excluding NUFA3 wage) remained unchanged at UGX $\underline{2}$ 824 (F(1-3239)=.028, p>.05). Thus paying UGX5500 as a daily wage was way above the average daily household income but below the daily food needs of households.

### Household assets

There was an overall increase in ownership of household assets from 42.9% to 47% for LIPW beneficiaries. Change was observed in ownership of ox ploughs which increased from 12.8% at baseline to 18.6% at MTR for LIPW beneficiaries. This increase was statistically significant (  $^2(1) = 20.182$ , p < .05). Although the proportion was still small (under 20%), such an asset was expected to boost crop production as one would till more land than the traditional hand hoe method. There was also a significant increase in ownership of telephones (from 56.4% to 61.4%), bicycles (from 31.5% to 33.7%), and radios (from 38.2% to 42.8%). These assets are expected to improve communication and access to information among beneficiaries. There was also a statistically significant increase in ownership of livestock from 37% to 66.3% (  $^2(1) = 124.108$ , p < .05). There was an increase in the number of households with chicken, goats, sheep and cows. Furthermore, ownership of mattresses

increased from 72.5% to 89.1% suggesting that people slept fairly better than they did at baseline. See appendix 1 for number of assets owned per household.

About 78.1% of IHISP households registered an increase in household assets. These assets included radio, motorcycles, bicycles, ox ploughs, and mattresses. The increase in all of these assets was statistically significant. The most notable increase was however on ox ploughs which increased from 11.9% at baseline to 31.8%. Ownership of radios (from 43% to 53.3%), bicycles (from 39.3% to 46%), mattresses (76% to 82%) all increased since baseline. Ownership of livestock increased significantly from 42.6% to 77%, implying an improved investment in assets with potential to generate income. While more people owned livestock, the actual quantity owned per household reduced largely because of the epidemics.

### Household welfare

Household welfare was measured using the wealth index. Overall, household welfare improved since baseline. The households belonging to the poorest category reduced from 12.2% to 6.6% and the poor fell from 10.6% to 8.3%. However, the better households fell from 11.9% to 9.4% just as the wealthiest households reduced from 11.8% at baseline to 9.5%. While not many people became better, the beneficiaries dropping out of the poorest and poor categories significantly fell. These improvements in household welfare may not immediately translate into progress out poverty but certainly imply that household welfare is improving as a result of NUSAF3. Among the LIPW beneficiaries, a vast majority of people dropped out of the poorest category and those in the categories of better and wealthier significantly increased. However, for IHISP households, an improvement was only observed in the category of beneficiaries dropping out of the poorest quintile.

### Access to community assets

LIPW was expected to create community assets which whole communities would use and benefit from. These assets included access roads, general markets, livestock markets, water infrastructure and food markets. Since inception only access to general markets significantly improved. The average distance travelled to these markets fell from 5.2km to 4.5km. This demonstrates improved access to general markets and reflects the priorities of the beneficiaries in selecting community projects. Access to clean water source decreased significantly as the distance changed from 1km to 1.2km. The main reason for this decline was the dry season which dried up nearby water sources as well as breakdown in boreholes. Overall, there were no major changes in the distance to community access roads, livestock and food markets.

### **Engagement in business enterprises**

Generally, a vast majority of households (about 80%) did not engage in business enterprises. This proportion has remained the same as was found in the baseline study. Even the IHISP groups that were expected to be entrepreneurial did not increase business engagement. The inability to do business was attributed to a number of factors, some internal and others harboured within the environment of business. The attempts made by several groups to do business were confronted by declining prices of especially produce which

was the main economic commodity. The attempts to grow maize for instance were met with a sharp decline in prices, thus discouraging many prospective entrepreneurs. Several beneficiaries grew cassava only to get stuck without market. Others grew sunflower, a product with a small market yet ground nuts would have provided better results. Those that engaged in fish farming lacked both in skill and ability to avoid natural calamities such as floating islands which took away the cages with the fish. Statistically, for a majority of beneficiaries, engagement in business negatively influenced household income ( =-.122, p<.05). This influence was expected because households invested more in production but were let down by prices and thus earned little income. However, there were some cases of successful household business engagement resulting from NUSAF3 project initiatives.

### Household savings

All beneficiaries of NUSAF3 owned savings which were compulsorily deducted from their project earnings. Beneficiaries kept personal savings and these increased from 54.6% to 57.3%, signaling an improvement in the saving culture. There was a significant improvement in savings among LIPW beneficiaries ( $X^2 = 20.29$ , (df,1), p<.05) while that of IHISP beneficiaries dropped. Although declining (from 68.6% to 53%), most households kept their savings in the Village Saving and Lending Associations (VSLAs). Majority of the beneficiaries saving in these associations were women. There was a significant increase in the number of households keeping their savings with SACCOs (from 6.6% to 33.8%).

Household savings were positively related to the household size (r=.055, p<.05) as well as household income (r=.144, p<.05). Ideally, the higher the income and smaller the family size, is the higher the likelihood of accumulating more savings. Other factors that were related to savings included ownership of poultry (r=.104, p<.05), ownership of ox ploughs (r=.094, p<.05), use of fertilizers (r=.085, p<.05) and food consumption (r=.185, p<.05). However, the major determinants of household savings were ownership of poultry (r=.076), use of improved seeds (r=.079), and household income (r=.090).

### Sources of livelihoods

Commercial crop production was increasing especially among IHISP beneficiaries from 4.3% to 12.4%. However, subsistence farming was still the major source of livelihood though slightly declining, accounting for over 60% of both IHISP and LIPW beneficiaries. Casual labour was increasing among LIPW (from 12.9% to 15.2%) but declining among IHISP beneficiaries. Such results imply that LIPW beneficiaries could be utilizing their energy and the new skills to find more opportunities for income generation.

### Stakeholder satisfaction with the project

About 95% of the beneficiaries were very satisfied with the project interventions. The satisfaction was high among the beneficiaries, project implementation teams, the political leadership and key administrative staff of the local governments. Satisfaction was particularly related to the design of the project which ensured that the beneficiaries were in control of the project and achieved a number of benefits. Stakeholders were happy with

LIPW interventions because these interventions provided opportunities for paid labour; acted as a social bonding factor to work together to solve community problems; helped in community and individual capacity development; and increased opportunities to share ideas on household improvement and interactions among community members which used to be rare. Resident district commissioners and Local council chairpersons praised NUSAF3 for improving access roads at minimal costs, for devising a design which made it difficult for technical people to divert the project funds. CIG members expressed their satisfaction with IHISP interventions. The reasons for their satisfaction were based on entrepreneurial skills and motivations acquired through NUSAF3. These included training in business management and promotion, motivation for achievement that was formerly lacking, collective risk taking by each CIG, locus of control, desire for wealth creation, stock of financial capital provided through NUSAF3 intervention, social ties among themselves and to various suppliers, and their growing career experience in small-scale business operations. They also noted development of self-efficacy to muster and implement the necessary collective financial resources provided.

### **Progress out of poverty**

Despite good progress on all project indicators, general household income poverty remained constant as at baseline at 54.5%. However, Elgon, Teso and West Nile sub regions were improving on poverty scores but other regions were on a downward trend when compared with baseline data. Signs of behavioural poverty were still evident among beneficiaries.

### **Relevance of NUSAF3 Interventions**

Many district leaders considered the NUSAF3 interventions as a timely strategy when attempting to implement SDGs and the National Development Plan II. The interventions have created opportunities to implement SDG 1 (district poverty reduction targets) in order to build the community resilience against food insecurity, poor nutrition and diets, and low incomes. The other SDGs that the project directly contributes towards are #2: zero hunger; #3: good health and wellbeing; #10: reduced inequalities and #12: responsible consumption and production. The implementation of environmental and social safeguards, gender inclusiveness by targeting women, vulnerable groups like elderly, pregnant women and youth are attempts to build resilient communities in northern Uganda. The concept of watershed enables the community to build capacity to deal with change in their lives. This approach moves beyond viewing the community as external drivers of watershed ecosystem dynamics and rather looks at how they are part of and interact with their watershed ecosystem – the sphere of air, water and land that surrounds them and on which all their lives depend.

### **Project efficiency**

NUSAF3 provided financial engineering instruments for watershed physical infrastructure and enterprise development through IHISP sub-component as CIG venture capital funds and

LIPW. A tiered approach was developed with different ladders for effective implementation. This acted as a key driver to perform various functions to deliver results and indeed all results were delivered within budget. The implementation ladders formed the implementation structures from OPM (NUSAF3 national office), district structures and watershed structures. Of particular interest in project delivery is the local level tier comprising the districts. sub-counties and watersheds. The district and community level structures were helpful in delivering the project outputs. Where variations existed, it was largely due to district and sub-county willingness and ability to mobilise create awareness and sensitize the population and also natural differences in capacities to deliver. Overall, a number of district stakeholders applauded the NUSAF3 structure and were extremely pleased with it. The process of project generation, approvals, synergies, coordination and responsibilities played by different implementing structures were very impressive. A combination of bottom-up and top-down approaches enabled the success of the project. This combination facilitated community mobilization, community-project selection using bottom-up approach for approvals, channelling funds using top-down strategically to minimize delays and increase project impacts. Many stakeholders considered the financial flow mechanism efficient as it minimised many bureaucratic tendencies. Some concern was however with the flow of funds from the districts to the communities. Significant delays were observed at this stage.

### Gender dynamics and social inclusion

The investment activities of financial instruments promoted through NUSAF3 projects are considered as a form of 'impact investing'. The gender dynamics of program delivery in LIPW and IHISP have largely been positive. The beneficiaries of NUSAF3 strategic interventions were to a large extent women and other marginalised groups i.e. PWDs, youth, elderly/old people, HIV affected and child headed families. Performance indicator on gender dimensions show that 60% of all project beneficiaries were women and marginalised people. This means that NUSAF3 targeting and participation in LIPW and IHISP were achieved, thus proving the validity of the program's theory of change. Women participation in digging, clearing and leveling access roads for the residents was significantly noticed. Likewise, many women, youth and elderly joined CIGs to run agricultural enterprises that could collectively benefit the groups. To this extent, NUSAF 3 operations are impact investments with measurable socio-economic outcomes and facilitating local development in watersheds that share the same concern on bringing about durable impacts on sustainable rural and urban development. A number of beneficiaries acknowledged that the support encouraged household investment in livestock (cattle, goats, piggery, poultry and crop growing). With the incomes they earned from participating in LIPW and IHIPS activities, the poor people were able to afford to take their children to school. Likewise, the construction of community access roads through LIPW sub-component aided movement between home and primary schools for their children. NUSAF3 was expanding access to and affordability of vital water sanitation services to help communities especially women, children and the old. There was a notable increase in access to health services, improved sanitation and hygiene. Their household diets improved as a result of the women's increased household incomes, with a number of families having more than one meal a day and with improved nutritional supplements.

NUSAF3 projects gave women equal participation and equitable representation rights at all levels of the project process and public life in each community watershed. This participation enabled women to articulate their concerns and needs in enterprise development, collective CIG investments and project leadership. The increased participation of women in the community public life, especially those that were selected as members of the beneficiary appointed committees (CPC and CPMC), helped improve women's status in the community and also enhanced their decision-making capacity at different levels and in all spheres of life.

### **KEY LESSONS LEARNED**

Market research and value chain analysis is key for guiding market driven initiatives for IHISP projects. A market analysis would allow for identification of the right enterprise as well as the necessary market access channels, market environment, the needs, linkages and potential threats/risks in the market. Undertaking a value chain analysis would allow for identification of opportunities and gaps within the value chains of the enterprises selected. The project would then pay attention to these gaps so that CIGs are able to invest and earn a return on their investments. Many groups went into enterprises that had significant challenges right from inputs up to market identification.

Formation of groups is important but not sufficient without socio-economic action plans. Gainful production can take place when people work in groups and engage in mass production of a given product. While beneficiary mobilisation was commendable, groups should have been allowed more time for forming, norming, storming and performing and allow them time to develop socio-economic goals, for the groups and for each member for motivation.

When fully empowered, communities can improve welfare. When communities are well mobilized, fully empowered with right information and the right local structures, they can fully take charge of their welfare in terms of designing appropriate interventions which in the end benefit whole communities as well as individual households.

**One-off trainings may not impart sufficient business skills** and a positive business attitude. Many groups were trained on how to do business before they actually started doing business. This was commendable however, continuous training would create the right attitude and allow for unlearning of what does not work and adoption of what works.

**Saving with a plan keeps groups together.** Compulsory savings are good as they introduce communities to the practice of saving their incomes. Putting these savings to better use would offer a natural incentive to beneficiaries to continue saving their incomes. Groups that saved their own money kept together and were more productive.

**Project monitoring delivers better results** if it is regular and done at all levels of local government structure. Monitoring at the lower levels, community level and sub-county level helps to guide community management committees and other committees to keep on track in terms of implementation.

Timely delivery of project inputs lies on the critical path of project success. Supplying seeds right at the beginning of the rainy season improves yields and allows beneficiaries to gain from the project. There were significant differences in outcomes of households that received seedlings in time and those that received them late.

**Effective coordination** among the technical and political leadership helps to avoid a lot of disagreements, delays and approvals. A harmonious working relationship improves project delivery.

### **KEY ISSUES IDENTIFIED**

**Inadequate Group Capacity Building.** Some on-off, ad hoc generalized training was provided to IHISP beneficiaries without addressing the specific needs and circumstances of the different groups. Many of the groups lacked entrepreneurial and business management skills. A vast majority of them invested between 60-80% of the money received on the ox ploughs and allocated insignificant amounts to actual production.

**Delays in release of funds** to implement watershed projects, especially for LIPW component. Many beneficiaries received funds for road digging at the end of the rainy season when the surface was hard and thus expected mileage could not be constructed. Seedlings meant to be planted arrived during dry season were still kept in sub-county stores. Consequently, there were delays in the purchases of tools, equipment and materials for use.

Many LIPW beneficiaries had fewer days of work than planned. The design of the project required that a household would participate in LIPW activities at least three times. This would allow such households to earn regular income from their labor. However, nearly all households participated only once in LIPW activities, suggesting that they earned only about one third of what they should have earned.

A vast majority of watershed management committees were not functional yet the project manual assigned these committees important roles and responsibilities. The main reason for their redundancy was inadequate resources to facilitate their work. In the same way, District Implementation Support Teams were fairly redundant, unable to execute their responsibilities as expected.

**Sustainability:** All beneficiaries saved a portion of their earnings. As for LIPW beneficiaries, up to 25.5% of their daily wage was kept in savings while the proportion was 30% for IHISP groups. These savings were kept in commercial banks. There were no proper guidelines on how to utilise these savings and the money was idle in the commercial banks.

**Program design:** The structure of NUSAF does not provide for effective supervision. While there were resource people in the receiving, disbursement and accountability of NUSAF3 funds, they were not involved in supervision and follow up of the projects. The role of most of the district staff was limited to all activities up to approval of projects and not implementation and post implementation follow up. There was also a belief among core TST members that core project staffs were the ones playing a "facilitative role" such as accounting, auditing, and procurement. The technical implementation people were not considered core to project delivery and this is a structural challenge that originates from project design. It thus appears that more emphasis is put on compliance with procedures than on outcomes and impact.

The project was not addressing behavioral poverty which evidence elsewhere suggests that these behaviors hold people in poverty. And there was no deliberate focus on the core indicators of poverty which are used to measure progress of households.

Evidence based project decision making was weak. Whereas the project gathered data through the MIS platform, there was little proof that decisions at all levels (TST and district) were based on evidence that previous activities had produced results. Also there was expansion of watersheds without necessarily using a scientific approach to the expansion.

Data collection and use of MIS by districts was still a challenge. Many districts were connected to the MIS platform of the project but rarely updated their data.

### **MAJOR CONCLUSIONS**

The structure of NUSAF3 implementation and theory of change implementations are effective and valid. These are reflected in the credibility, transferability, dependability, and conformability of LIPW and IHISP projects leading to improved livelihoods of the poor through household asset building, stimulation of collective community actions in watersheds and empowerment actions of the poor.

NUSAF3 project initiative to support the poor and vulnerable people to improve livelihoods is fairly effective in achieving its targets by mobilizing the poor and vulnerable people in the communities to participate in sustainable livelihood projects. LIPW and IHISP subcomponent project activities of financial instruments can be considered as a form of 'impact investing' on the poor and vulnerable. The communities have been well mobilized for development and are ripe for transformation.

LIPW is a good Approach to social protection of the poor and vulnerable. The LIPW beneficiaries received their pay for work done and this enabled them to meet their basic household needs in a timely manner. The MTR data shows that LIPW beneficiaries have increased their incomes and welfare.

Social inclusiveness makes NUSAF3 project people-centred striving for a just, equitable and inclusive interventions and the commitment to promote sustained and inclusive livelihood means, social development and environmental protection and thereby to benefit all. NUSAF provided both men and women full participation in the LIPW and IHIPS projects. The wages earned from participating in NUSAF3 helped to improve women's access to secure livelihoods, economic resources and self-reliance.

NUSAF3 has empowered women. NUSAF has given women equal participation and equitable representation at all levels of the project, political process and public life in each community and enabled women to articulate their concerns and needs through their project representatives. The increased participation of women in the community public life, especially those that were selected as members of the beneficiary appointed committees (CPC and CPMC), helped improve women's status in the community and also enhanced their decision-making capacity at different levels and in all spheres of life.

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### RECOMMENDATIONS

### Design and delivery

- The project should use more efficient payment systems to reduce on the delays that the LIPW beneficiaries experience in receiving their pay. A biometric system of tracking the number of days a person has worked, when and on what project would easily facilitate payment. An automated payment system would confirm who is paid when, and this could well be integrated in the already developed MIS at OPM.
- There should be a mechanism to allow graduation of LIPW beneficiaries into Livelihood groups. Whereas there were IHISP groups that lacked focus, there were several LIPW households that saved their income and put these incomes to better use. Such progressive households should be identified, and mobilised into groups to do business. They could benefit from the trainings in IHISP core principles and household best practices.
- → A value chain approach to the IHISP interventions can deliver better results. For every business idea raised by the CIG, a value chain analysis should be done and gaps identified. NUSAF3 should focus on closing these gaps for specific enterprises (or a critical mass of enterprises in a given watershed).
- Recursive capacity building through structured group capacity-building approach will lead to (1) context support (e.g. group and task design, rewards, and information system) and effective leadership to influence group performance; (2) team beliefs, (sharing project ideas, team-building for interpersonal risk taking, CIG planning); and (3) team learning behavior (activities carried out by group members through which a group obtains and processes data that allow it to adapt and improve). This will lead to the chain components that involves a four-step phase, thus how "inputs" provided by NUSAF3 project affect "activities" of IHISP, which generate "outputs" that affect "outcomes". The proposed model can guide CFs to improve project delivery and sustainability on the lives of the poor and vulnerable people.
- → A number of technical staff at the district are by project design supposed to play core roles yet few of them are keen to fully participate. Increasingly, more workloads are left to the NDO, CFs and community structures. A vast majority of enterprises are in the area of agriculture, trade, environment and works yet communities struggle on their own

on a number of issues such market information, pest and disease control, weather information, etc. The OPM may need to pass an instrument to have these line sectors play their meaningful roles in NUSAF3 implementation.

### **Implementation for Results**

- □ Integrate results based management at all project levels to plan and implement for results. Train all project stakeholders/ implementers in results based management to enable a shift from outputs to outcomes.
- Guide NUSAF3 beneficiary groups to have socio-economic action plans to guide their household and community development. These plans should then guide their investments when they earn incomes from project interventions. NUSAF3 should leverage the benefits of social cohesion in the groups. Groups should not only meet to save money but should discuss a range of developmental ideas, issues affecting households and community such as GBV, environment, etc.
- **⊃** Establish effective channels of communication with beneficiaries. Use of community based approaches like Barazas at watershed level is recommended.
- Use evidence based approaches in project management. Use data from the MIS to guide decision making on project implementation.

### **LIPW and IHISP Focus**

- Rather than double watersheds and thus the number of beneficiaries, engage every household at least three times to create more income opportunities for LIPW beneficiaries.
- ➡ LIPW beneficiaries have demonstrated ability to improve on a number of levels, therefore there should be a mechanism to allow graduation of LIPW beneficiaries into IHISP groups. They could benefit from the trainings in IHISP core principles and household best practices. Mobilize LIPW beneficiaries into village savings groups so that their savings can grow. The saving culture among LIPW beneficiaries will lead them to financial inclusion.
- Deliberately address Poverty Indictors. Tackle key indicators of poverty in programming project activities as highlighted in the PPI amongst project beneficiaries. Sensitization of beneficiaries on key poverty indicators and having a clear action plan on how to deal with them before and after project activities is key in addressing poverty.
- ➡ Engage the Community Watershed committees in mobilization of beneficiaries for community development activities. They should regularly review the watershed development plans, conduct regular watershed meetings to discuss social action plans, engage beneficiaries on poverty issues and report on watershed activities.
- Conduct a market assessment and Value chain analysis for enterprises to guide IHISP investments.
- → The project should establish quarterly and annual review processes right from OPM down to Community level to address challenges and re-plan adjustments to increase implementation flexibility.





### CHAPTER ONE: BACKGROUND

### 1.0 PROJECT THEORY OF CHANGE AND ASSUMPTIONS

The third Northern Uganda Social Action Fund (NUSAF3) is a special programme that focuses on providing effective income support by building the resilience of poor and vulnerable households in Northern Uganda. The programme is implemented by the Office of the Prime Minister, with funding from the World Bank. High levels of poverty and vulnerability remain a key challenge for northern Uganda. NUSAF3 aims at addressing these two challenges by (a) creating productive community assets, (b) supporting initiatives that increase incomeearning opportunities of the poor households, and (c) providing access to a safety net during shocks for the poor and vulnerable people to protect their assets and livelihoods. The theory of change on which NUSAF3 is anchored emphasizes a pathway of three broad interventions that will help the poor attain sustainable livelihoods.

**NUSAF3 PATH WAY** POOR HHs SUSTAINABLE LIVELIHOODS THEN WHAT Smooth consumption needs **Temporary** & build resilience **EARN INCOME** employment through LIPW LIPW Investing in productive enterprises Positive attitudinal **SAVINGS** change to work, savings & prod'n **Diversifying investment** THEN WHAT options Engaging in **EARN INCOME** productive income Spend on education, generation Health, etc

Figure 1: Theory of Change NUSAF 3

The core interventions are provision of regular and short term deployment of labour; engagement in market driven enterprises; and engendering a positive attitudinal change towards work, production and savings. These interventions are intended to boost income

of the target households, part of which will be saved and the other spent on consumption (education, health and nutrition etc) and investment in business among others.

NUSAF3 project assumptions to attain sustainable livelihood and build socio-ecological resilience in community watersheds for positive changes in livelihood improvements are based on:

- Critical mass of households is the community
- Community ownership
- Work over a medium term plan (5 years)
- Convergence with other livelihood interventions in the area
- Spatial geographical distribution of projects using community watershed concept and beginning with at least 4 watersheds in each district selected
- Consistent capacity building / technical support
- Accumulation of savings for revolving capital

The review focused on NUSAF 3 project and the theory of change validity for either continuation or adjustments.

### 1.1 Summary of interventions

The project is implementing two major components and they include;

Labour Intensive Public Works (LIPW) and Disaster risk financing (DRF): The LIPW subcomponent was designed to offer men and women in 499,000 vulnerable households 54 days of work on public works projects. Workers are compensated with wages of UGX 5500 per day (USD 1.4). The main objectives of LIPW are to (1) provide short-term employment to improve food security and consumption smoothing during the lean season, and (2) create infrastructure assets to mitigate the impacts of environmental degradation and improve access to markets and services. The program finances wages, equipment, materials, and administrative costs for LIPW at the cost of USD \$49 million.

Improved Household Investment Support Program (IHISP): The IHISP sub-component is designed to provide skills development training, livelihood grants, and mentoring support to 100,100 households. IHISP facilitates group creation (of 10 to 15 households) and savings; groups may then apply for grants of up to USD \$5,000 to support existing and new enterprises; to invest in market driven enterprises. USD \$42.5 million will be utilized to finance grants, technical support, administrative costs, and program capacity building. IHISP targets poor but less-vulnerable households than LIPW.

The first 2 main components of LIPW and IHISP are implemented at the watershed level to encourage systematic and sustainable natural resource management and development. Both sub-components are implemented in the same watersheds for the purpose of creating synergies: LIPW is expected to create assets that benefit IHISP participants; IHISP aims to expand the scope of market activities available in the local economy.

### 1.2 Evaluation Approach

A mixed method approach, using both qualitative and quantitative designs was used to undertake the midterm review of the two project components. The two complimentary designs involved extensive consultations and active participation of the key stakeholders. The purpose was to triangulate the data for better information. The study used cohort tracking of NUSAF3 beneficiaries. There was no control group because it is believed that a social program in a poor community is a basic necessity. Therefore, if people in the same community are excluded from a social service (intervention) then there's potential for political, ethical and social tensions. Thus the evaluation was designed to measure the before and after effects. It was the same sample of beneficiaries reached at baseline were re-contacted at midline to be able to measure change on a number of indicators. The significance of this change was tested.

The selected beneficiaries were representative of the region and sub components (IHISP and LIPW). The baseline sample was selected scientifically using a three-stage cluster random sampling (to select the regions, districts, and watersheds where the households were located). In total, the Mid-Term Review (MTR) was based on 17 districts (two from each sub-region and three from Karamoja sub-region). Overall, the MTR targeted to cover 3,677 beneficiary households for both LIPW and IHIP. However, a sample of 2756 households was attained, representing 75% response rate. Such a response rate is scientifically sufficient to allow for a meaningful comparison with baseline data. Table 1 summarises the households sampled in each region and by project sub-component.

Table 1: NUSAF3 Midterm Evaluation Study Sample

	IHISP		LIF	PW .	Total baseline sample	Total midline sample
	Baseline	Midline	Baseline	Midline		
Bukedi	193	122	232	226	425	348
Elgon	132	127	298	275	430	402
Teso	101	107	295	177	396	284
Karamoja	261	153	247	181	508	334
West Nile	311	214	314	214	625	428
Acholi	324	220	162	145	486	365
Lango	320	194	154	153	474	347
Bunyoro	227	175	106	73	333	248
Total	1,869	1,312	1,808	1,444	3,677	2,756

In the sampled district, data was collected from poor households living in specific watersheds where the project is being implemented. The field team followed up the same villages and households where baseline data was collected. As a data validation method, the GPS coordinates were collected once again. From each selected HH, all women (above 18 years), men (above 18 years) were eligible to participate in the study, although only one was selected per household to represent the rest of the household members. It was not

necessarily the same respondent who provided data at baseline provided data again. The team ensured that it was the same household and any adult (above 18 years) could provide data. However, preference was for the household head.

A team of 149 enumerators, 17 supervisors and 3 regional coordinators was recruited to support data collection. The enumerators were typically university graduates, with experience in data collection and were eloquent in the local languages of the regions they were assigned to. The majority of these enumerators had participated in the baseline survey. It was beneficial to have enumerators that were familiar to the settings because they could easily trace the targeted respondents.

Data was collected using two main forms. A household survey was administered to the sampled project beneficiaries of LIPW and IHISP in the sampled districts in the 8 sub regions of NUSAF3 a total of 2756 households were interviewed. The household survey enabled the evaluation team to capture information on aspects of household/personal demographics, Progress out of Poverty Index Indicators (PPI); livelihoods, incomes, economic assets and investments, demand and access to Community assets; education, social capital, consumption, production, health as well as sanitation among others.

In addition to the survey, the evaluation team conducted a qualitative inquiry. In the qualitative inquiry, the team conducted in-depth interviews with key informants and focus group discussions at TST level, district level, lower local government level, community project management structures, and the beneficiaries of the project. In total 369 qualitative interviews were conducted

The qualitative inquiry took an embedded case approach, where, data were collected at several levels at TST and in each district. The embedded approach was useful because it involved triangulation, which reduces bias. It also provided a wider perspective on the activities and processes of NUSAF3. In each of the districts, the team had interviews at the Technical level, i.e. with district officials, specifically the CAO, NUSAF Desk officers, community Development officer, chief finance officer, procurement officer, LC5, RDC and the District implementation support team. These data were triangulated with more interviews from the Operational level participants, which included, subcounty chief, subcounty CDO, community Facilitators (CFs), and lead local or village artisans (LLA).

In addition to the in-depth interviews, the team further held focus group discussions (FGDs) at the beneficiary level. FDGs are useful in gaining insights from a large number of people. They provide a setting that is suitable for free conversation and lively participation of participants. They involved Community procurement committees (CPCs), Community project management committees (CPMCs) and Community Watershed committees (CWSCs).

In each district, there was special focus on special demographic groups, i.e. female, male and youth and therefore FGDs for each of these categories were conducted. Each FGD had between 4 and 12 participants. All but a few interviews were audio recorded. Participants in the study were aware of their right for voluntarily participation. They explicitly agreed to participate and have the interviews audio recorded and in some cases photos were

taken. The audio recorded data was transcribed in preparation for analysis. These data were analyzed deductively.

Quantitative data was collected and captured electronically using Computer Assisted Personal Interviews (CAPI) devices. Prior to field data collection, a specialised software was installed and all tools programmed into the software. All field staff (enumerators, supervisors and team leaders) were trained on how to use the application. The hardware used included Tablets, Power banks for interviewers, Laptops and Internet Modems for field supervisors. On the other hand, the software used was Survey CTO. The data processing largely involved: the design of questionnaires in the Survey CTO Interface as well as inclusion of consistency checks, skip patterns and validation rules. The Application was then tested for the flow of questions and entries before training of the field staff. During training field staffs were familiarized with the use of the application and field practice was undertaken for quality assurance purposes. During fieldwork, all data collected in Survey CTO was transferred to the Servers, both at MUBS and NUSAF3 head offices in Kampala. This facilitated for further scrutiny and quality assurance by researchers and users. The raw data is still securely stored on the Makerere University Business School Servers.

Quantitative data was converted and exported to SPSS 25 for further checks and quality assurance as well as for generation of statistical tables. The data in SPSS was tested for consistency and all possible errors were removed before conducting the analysis. The data was merged with the previous dataset. Some variables were transformed to suitor facilitate the indicators under inquiry. The analysis was done using mainly descriptive statistics (i.e. frequencies, percentages, means, and cross-tabulations) and inferential statistics. The analysis included Analysis of Variance (ANOVA), Student t-tests, cross-tabulations using Chi-square to test significance of differences, correlation and regression analysis. The qualitative data was exported into Atlas ti, a Computer Aided Qualitative Data Analysis System (CAQDAS). This facilitated organization of the large amounts of data that was transcribed from the interviews and focus group discussion. In Atlas, data were coded, deductively, based on major project themes. It was through coding that the conceptual analysis progressed.

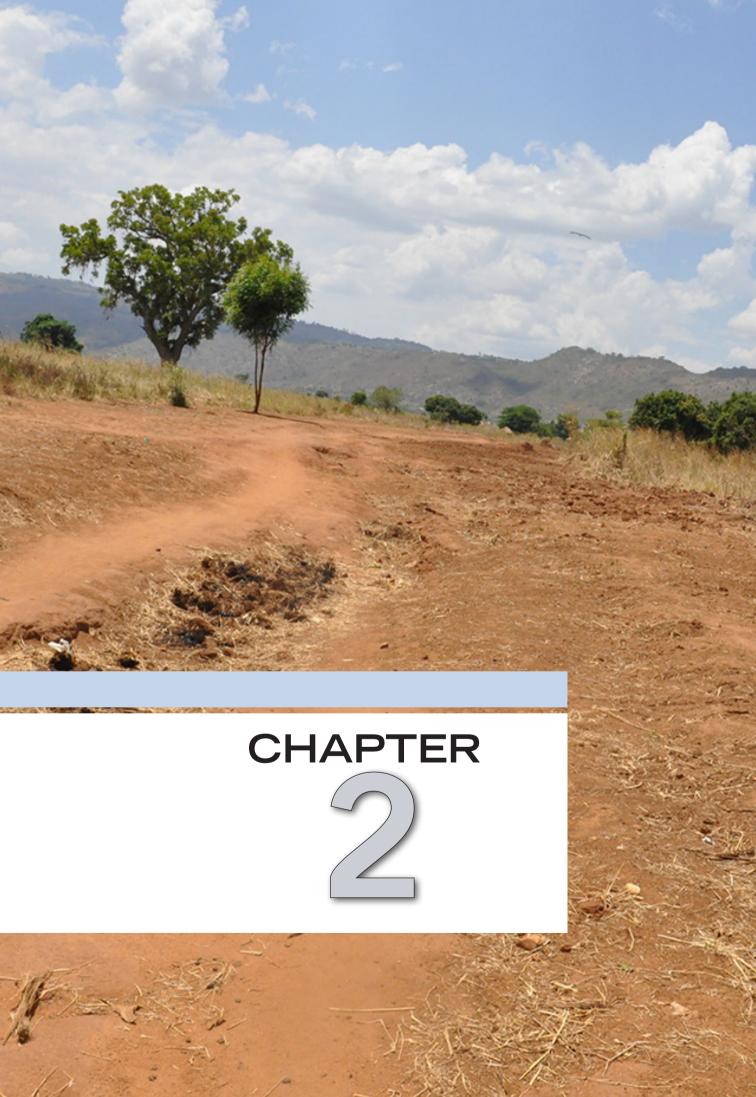
### 1.3 Challenges of the Evaluation Approach

A number of limitations were experienced particularly in the process of data collection. These affected data collection process in terms of time, and meeting the respondent targets. But, strategies were developed in order to minimize biasness and non-responses. Table 2 gives the details of limitations experienced during data collection process and ways to minimize them aimed at improving accuracy and acceptability of the results.

Table 2: Challenges experienced in conducting MTR

Limitation	Coping mechanisms
Migration of respondents especially in Kiryandongo and Kaabong districts	Replaced with other beneficiaries from the same villages.
Unavailability of respondents due to community social events, garden preparation, and firewood collection among others	Tried going back to same households several times until some success was achieved.
Refusal to participate in study especially in Nwoya district	Only conducted oral interviews and did not do household interviews with the beneficiaries that refused to participate in the study.
Poor, and at times impassable road infrastructure; with field teams at times walking long distances to households. This was most common in the Karamoja, Acholi and Elgon regions.	More days of field work were added for the respective regional teams and they were eventually able to complete the exercise.
Poor telephone network connection in remote areas, which delayed transmission of data through computer tablets.	Teams delayed transmission of data onto the servers until they would be back to towns where networks were better and they could transmit their data in the evening after work.
Electricity outages were a common problem in most regions, especially Karamoja and Pader. These outages meant that the field teams were unable to charge their tablets in time, sometimes leading to delays in the time for starting work.	The field teams had to purchase external charging devices (power banks) and also relied on the charging systems of the motor vehicles.

Generally, the methodological approaches for data collection and analysis were found to be effective for NUSAF3 performance and process evaluation. The methods collected accurately the required data for mid-term evaluation with a focus on the NUSAF 3 project approach performance, implementation strategies through LIPW and IHISP, inputs, outputs and short-term outcomes. These methods answered a wide range of important questions about mid-term status and performance of NUSAF3. The methods used were able to assess NUSAF3 implementation processes, progresses and challenges during the mid-cycle so that World Bank, OPM, districts, watershed committees and other stakeholders can have objective assessment of implementation process. This is expected to enable them to make mid-course corrections where necessary.



## CHAPTER TWO: RESULTS OF THE MIDTERM REVIEW

### 2.0 INTRODUCTION

This chapter provides key findings from the Midterm review of what NUSAF3 has so far achieved in terms of its performance, implementation processes and inputs, impacts on the target groups and area, and effectiveness of project implementing structure in delivering intended outcomes.

### 2.1 Achievement of Outputs

The performance measurement framework for NUSAF3 projects operations had to meet the expectations of a range of targets and indicators set in the project conceptualization. The targets include deployment of labour in productive LIPW; engagement in market driven enterprises; and engendering a positive attitudinal change towards work, production and saving. These interventions are expected to boost income, smooth consumption and increase access to different services of the target households. Expected outcomes should provide stimulus for improved livelihoods. Table 3 summarizes the overall project performance indicators against the target outputs.

Table 3: Project performance against targets in the Results Matrix

Output and Output indicators	Midterm review Target (planned)	Midterm review Target (achieved)	Variance between achieved & planned targets
	# planned	# achieved	Number (%)
Number of household beneficiaries of the project	939,000	1,545,375.00	65%
Number of female beneficiaries	375,600	888,865.00	137%
Number of Households benefiting from post-disaster activities	21,000	58,166.00	177%
Percentage increase in the value of household assets of beneficiaries of LIPW and LIS	N/A	22%	
Percentage of project beneficiaries satisfied with project interventions	60%	95%	58%
Intermediate results			
Beneficiaries of social safety net programs	770,000	899,820.00	17%

Output and Output indicators	Midterm review Target (planned)	Midterm review Target (achieved)	Variance between achieved & planned targets
Beneficiaries of Safety Nets programs - Female	308,000	666,300.00	116%
Beneficiaries of Safety Nets programs - Unconditional cash transfers (number)	66,500	89,982.00	35%
Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number)	693,000	1,190,650.00	72%
Female beneficiaries participating in LIPW sub-projects	277,200	484,890.00	75%
Number of person days of employment created	8,316,000	12,859,020	55%
Number of community assets built by LIPW	978	1,390	42%
Number of household beneficiaries of Livelihood Income Support	33,800	70,945.00	110%
Number of female beneficiaries of Livelihood Income Support	16,900	44,513.00	163%
Number of Income Generating sub- projects completed	2,600	5,372	107%
Percentage of NUSAF3 SHGs who have accessed funds from VLIC in pilot villages for their livelihood business plans	20	99.3	397%
An MIS for LIPW and LIS developed and functional	System design and software complete	MIS Development finalized and operational	0%
Systems in place to collect and analyze data for triggers of DRF	System designed	System operational	0%
A national Guideline for LIPW design, targeting, implementation and M&E developed	In use	National Guideline for Labor Intensive Public work has been finalized and published	0%

The results in table 3 above indicate that project implementation is on track as there is positive variance on all indicators of performance. In many respects, the project implementation team exceeded the project targets, suggesting that at the same rate of performance, all outputs will be achieved even before the project end date in 2021. For instance, on most of the indicators involving specific action for women, there has been tremendous performance. As an example, the project exceeded the target of female beneficiaries by 137%, achieving

the overall target of year three in year two. It is expected that this performance will translate into outcomes, and eventually impacts. The high percentages of target outcomes of rapid achievement of number of household beneficiaries of the project from 939,000 to 1,545,375 (65% increase), increased safety nets programs for women (116%) and all other measures showing positive trajectories are signs of positive indicative trends of project outputs.

### 2.1.1 Key drivers behind the delivery of outputs

The output performance observed in table 3 above was driven by a number of factors. These are explained below:

### **Extensive Mobilization**

It was evident that many of the communities were able to mobilise a critical number of households to participate. In the focus group discussions, it emerged that the community facilitators, sub-county and parish artisans and watershed system mobilized poor and vulnerable households to participate. Two approaches were considered prompt in household participation; watershed meetings, selection systems and trainings. In a focus group discussion, a watershed committee in Kapchorwa District noted that their roles are to:

1) mobilize the communities and make them aware on what is happening as far as their program is concerned, and (2) monitor the implementation of the programs and oversee the accounts creation and deposit of group funds. While CAO Pader District noted the role played by CDOs in mobilizing the public to create understating and sensitizing the community on the various aspects of the project, a sub-county chief in Tororo underscored the role of local administration in community mobilization:

"The role I play is mobilization to mobilize the groups and tell them government does not give individually it needs a group of 10-15 people so my work is to mobilize them and tell them about the government programs in the sub county and to direct them to the CDO in terms of registration and all the other necessities needed" Subcounty Chief Tororo.

The above excerpt points to the role played by various stakeholders in mobilising communities. These stakeholders explained the opportunities that the project offered to the beneficiaries and thus engendered a positive response. The positive response to take advantage of the opportunities provided by LIPW and IHISP sub-component projects to engage the poor and vulnerable people by offering labour and CIG formation as village-based entrepreneurial development was immensely noted as key to the success of NUSAF3 project initiatives.

Focus group discussions held with beneficiaries attested to the intensity with which members were mobilised. For example, a total of eight groups, each with 15 members was quickly mobilised in Oguta watershed, Panymur subcounty, Nebbi district and they all actively participated in fish farming, a business they had never done before. This extensive mobilisation resulted into a positive variance (65%) in number of beneficiaries than had been planned for project implementation. Local communities respond well to programs only when they are engaged by people perceived to be like them and not middle class people from rich backgrounds (La Ferrara et al., 2009; Rao & Walton, 2004; and Nguyen, 2008). Therefore, the choice of using local structures to mobilise the community was advantageous to the success of the project.

### **Basing Projects on Community Needs and Capabilities**

The fact that communities were asked to select a project of interest, necessitated them to display more responsibility and ensure project success. Additionally, since some of the members were part of the procurement and management committees, it boosted their esteem and interest in the activities that were implemented. This was underscored by the specific actions to involve many women in the projects. The women' interest and commitment to the projects was useful in ensuring that tasks are done to completion, since the goal of increasing household assets and educating children resonated with their gender roles. This is very evident in the Karamoja region.

"when we were told about NUSAF, then finally they said we have to elect 3 signatories, so we had a meeting and we chose ourselves that this one should be chairperson, this one should be treasurer and this one just like that..." CPMC Konyangareng Amudat- committee made up of women.

"Before NUSAF came, our lives were miserable, since NUSAF intervened, our community has actually improved in such a way that some of us have acquired assets that we could not afford before NUSAF3" FDG women Kreswo Kaabona

"NUSAF has really helped us especially me. In the past, we were moving to those Western places Lango, Teso, Kampala different places to look for money but now NUSAF has brought the money to help us. You can even pay school fees, even when children are sick you can take them to the hospital, even in saving groups, you can even join those savings groups then you can borrow money, you do your business then you return the money just like that so it has helped FGD women of Konyanga Amudat.

The excerpts above indicate that beneficiaries were in control of the projects they wanted and derived a great sense of ownership. Because each community group for IHISP project was asked to select a project of interest, they were obliged to do the selection diligently and with responsibility. This is because what each group selected was based on their existing socio-economic domain and livelihood activities. This approach ensured project success.

### 2.2 Impact of NUSAF3 on Poverty

In order to assess progress out of poverty among project beneficiaries at both midline and end- line, the evaluation team computed the progress out of poverty Index (Grameen Foundation, 2015) using Uganda's household demographic surveys. The index uses scores based on responses on each of the 10 questions measuring key elements related to livelihood. These indicators include size of household, attendance of school for children of school going age, literacy of household head, material used in construction of house (wall, roof and floor), household energy sources, toilet facility used, ownership of mobile phones, radio and clothing. The results below summarises the PPI findings, comparing baseline and midterm evaluation waves.

Table 4: Progress out of Poverty Index

	Baseline			Midline				
	N	Mean	Std. Dev.	N	Mean	Std. Dev.	t-test	Sig.
LIPW	1807	29.6	9.4	1444	28.9	10.7	2.128	0.033
IHISP	1868	27.7	10.7	1312	28.4	11.1	-1.924	0.054
Total	3675	28.7	10.0	2756	28.7	10.9		
Poverty estimate (US\$1.9/day)		54.5%			54.5%			

The results in table 4 shows that overall household income poverty remained constant as at baseline (54.5%). Such a finding implies that beneficiaries were still poor and were yet to improve their dwellings, clothing, education, sanitation, communication and energy use. Other studies (UBOS, 2018; 2014) have shown that poverty is generally high (about same level as the MTR results) and has been on the rise since 2014. Additionally, it would be too early to expect a significant change in the poverty levels of beneficiaries within two years of project implementation (Daniels, 2012). These communities have been poor for generations and thus getting them out this situation would require interventions over a sustained period of time.

The qualitative inquiry shows that there were still signs of behavioural poverty, such as alcoholism, polygamy, poor use of labor, large families, overload of women with work, subsistence activities by family heads, and illiteracy. Munene, et al, (2005) highlights that these poverty carriers keep people in poverty. Moreover, Lawson et al. (2006) find that chronically poor families tend to be large and more likely to be involved in subsistence farming without any type of wage employment. Similarly, Okidi and McKay (2003) found that families with a mean size of six members compared to four members for families are more likely to be chronically poor.

Mitigating behavioral poverty requires policies which go beyond reducing material deprivation and focus on attitudes and beliefs as well (Dalton, Ghosal & Mani, 2011). Negative attitudes exacerbate learned helplessness and pessimistic tendencies which lower people's incentives to put effort in alleviating poverty. The evaluation team found that there was little emphasis on behavioral change and thus poverty carriers remained rampant, helping to keep beneficiaries stuck in poverty. For instance, many beneficiaries used their wage income y to consume alcohol when they could have invested it in more productive assets. Others harvested their output and consumed it rather than looking for markets to earn an income. There were several cases of beneficiaries who belonged to groups but were inactive and eventually drifted to their old habits, especially after the first harvest. All these are signs of behavioral traps or misfits that are likely to continue holding beneficiaries in poverty.

With regard to LIPW beneficiaries the regions varied significantly in the progress of poverty performance (F (7-3243) =6.388, P=.000). Whereas the overall poverty estimate did not change, Karamoja, West Nile and Acholi registered positive changes in the mean poverty scores among LIPW households. In fact, Acholi poverty estimate declined from 54.5% at

baseline to 37.5% at midterm review. However, there was a downward trend for Lango, Bukedi, Teso and Elgon regions. In these regions, poverty among LIPW households was rising as shown in table 5.

Table 5: Progress out of Poverty among LIPW beneficiaries by region

		Baselin	e			
	N	Mean	Poverty estimate	N	Mean	Poverty estimate
Bukedi	231	33	37.5%	226	29	54.5%
Elgon	298	32	37.5%	275	31	37.5%
Teso	295	30	37.5%	177	26	54.5%
Karamoja	247	25	54.5%	181	28	54.5%
West Nile	314	27	54.5%	214	29	54.5%
Acholi	162	29	54.5%	145	30	37.5%
Lango	154	29	54.5%	153	26	54.5%
Bunyoro	106	33	37.5%	73	33	37.5%
Total	1807	30		1444	29	

There were significant differences in the progress out of poverty across sub regions on the IHISP component (F (7 - 1304) = 36.125, P=.000). Whereas the poverty of LIPW beneficiaries increased in Teso, the level of poverty for IHISP beneficiaries in the same region significantly declined from 68.3% to 54.5%. The poverty score for Lango also improved for IHISP yet that of LIPW worsened. Generally, only Teso and Lango registered a positive change for IHISP component with Karamoja worsening and other subregions remaining constant. It thus emerges from the evaluation that different components of the project impacted households differently in different regions. These differences are attributable to the key drivers of project performance (section 2.1.1) as well as several conditions prevalent in a given district. Whether there were positive changes or not, overall the beneficiaries were still poor, scoring way above the national average. Table 6 shows these results.

Table 6: Progress out of Poverty Index

		Baseline			Midline	
	N	Mean	Poverty estimate	N	Mean	Poverty estimate
Bukedi	193	30	37.5%	122	30	37.5%
Elgon	132	33	37.5%	127	33	37.5%
Teso	101	24	68.3%	107	28	54.5%
Karamoja	261	20	68.3%	153	19	73.5%
West Nile	311	32	37.5%	214	32	37.5%
Acholi	323	26	54.5%	220	26	54.5%
Lango	320	31	37.5%	194	33	37.5%
Bunyoro	227	26	54.5%	175	26	54.5%
Total	1868	28		1312	28	

## 2.3 Progress on Project Outcome Indicators

The project had a number of performance indicators. These included household income and expenditure, participation in business, household assets, community assets, food production and consumption, savings, social inclusion, sources of livelihood, and household coping strategies. The project performance on each of these indicators is explained in this section.

## 2.3.1 Household Income

One of the core objectives of LIPW was to ensure that beneficiaries earn income. It was expected that this income would improve consumption levels and some of it would be invested, either in direct assets or business enterprises as a way of improving livelihoods of beneficiary households. The household survey data revealed that about 20% of all beneficiaries earned a regular monthly income compared to 19.5% registered at baseline. This change was statistically insignificant. The monthly income earned by the households was almost the same since baseline. The amount was about UGX107,188 up from UGX103,439 (see figure 2). None of the project sub components registered a statistically significant change in income. Moreover, the modest positive change in income was taking care of an average of about 8 people that lived in a household.

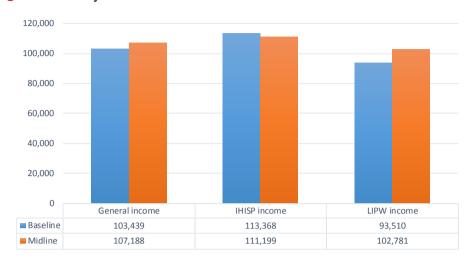


Figure 2: Monthly Household income

Most households earned their incomes seasonally (80.2%), and the proportion of such households significantly increased from 77.9% to 84.8% for LIPW beneficiaries. The seasonal earning was attributed to the predominance of farming as the main economic activity for the households. Thus any shock affecting farming, such as excessive droughts, floods, pests and diseases and decline in soil fertility are likely to affect the earning potential of the households. Emphasis on agricultural improvement would go a long way in improving the earning potential of LIPW beneficiaries. Thus LIPW interventions that directly impact agricultural improvement would be worth considering.

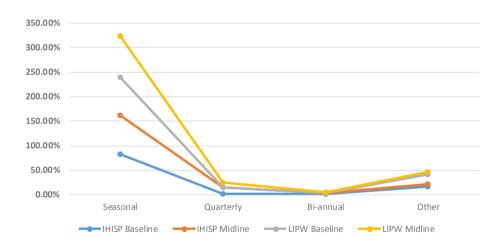


Figure 3: Frequency of household income

While the income earned was small, households registered a significant improvement in the amount of time devoted to income generating activities. Each week the number of days devoted to income generating activities increased from an average of 4.8 to 5, each day registering over 6 hours of labor towards income generating activities. This result

coincides with the timing of the farming season where most households were preparing their gardens for the upcoming rainy season. Intensifying effort in income generating activities (farming) is indicative of the changing attitude from purely subsistence farming to income-oriented farming.

Table 7: Time invested in income generating activities

		N	Mean	Deviation	95%	% CI	Min	Мах		
				Std. Devi	Lower Bound	Upper Bound			F	Sig.
Days devoted	Baseline	807	4.81	1.721	4.69	4.93	0	7	3.231	0.072
to income	Midline	723	4.97	1.616	4.85	5.08	1	7		
generation per week	Total	1530	4.89	1.673	4.8	4.97	0	7		
Hours	Baseline	807	5.66	2.2841	5.503	5.818	0	16	9.108	0.003
devoted	Midline	723	6.016	2.3173	5.847	6.185	1	14		
to income generation per week	Total	1530	5.828	2.3059	5.713	5.944	0	16		

While household income slightly improved and the beneficiaries devoted more time to income generating activities, the key outlets for the earned income were food, school fees, medical care and agricultural inputs. Although a decline was observed for both LIPW and IHISP beneficiaries, food remained the biggest outlet constitution over 50% of household expenditure. For people living in rural areas (with abundance of land) to spend a lot on food is indicative of the level of food scarcity. However, the expenditure fell from 51.8% to 44% for IHISP beneficiaries and from 65.1% to 57% for LIPW beneficiaries. This fall was attributed to an increase in food production as explained below:

"... the cassava projects, much as there is no serious market for cassava, it has helped them to reduce on the problem of food shortage, because almost all the households have plenty of cassava. Even if the market is not there the cassava has helped to reduce on the hunger." CDO, Nwoya Distict

Expenditure on school fees for the children significantly increased from 32.4% to 42% for IHISP beneficiaries and from 23.5% to 29.6% for LIPW beneficiaries. The expenditure on school dues is almost the same as expenditure on food for IHISP beneficiaries, suggesting a significant increase in the value that these households attach to education. It is thus evident that NUSAF3 is indirectly impacting education. Thus, if people earn more incomes, there is a good chance that they will invest in their children's education. However, there is need for more emphasis on growing of food as this item accounts for a great proportion of household expenditure.

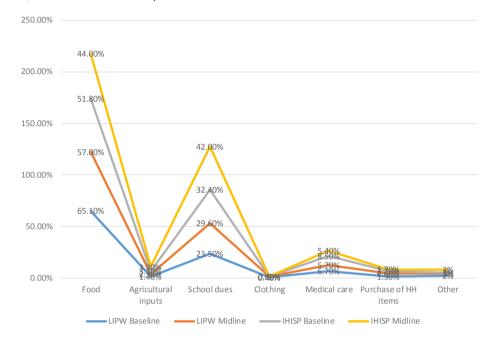


Figure 4: Household Expenditure Items

#### Comparing daily income and daily food consumption since baseline

Up to 94% of household expenditure was on food (61.5%), school dues (26.2%) and medical care (6.2%). Expenditure on school dues was made once in every three months while expenditure on medical care was irregular and generally one-off. The most regular expenditure was on food, and this happened daily. It is thus plausible to compare daily expenditure on food with the daily wage paid to the beneficiaries. First and foremost, it was established that there was a strong positive relationship between household income and food consumption (r=.204, p<.05) as well as expenditure on food (r=.207,p<.05). Thus availability of income enabled households to buy food and have frequent meals. The average daily expenditure on food was UGX6170 at baseline but it had significantly dropped to UGX5528 by the midterm evaluation (F(1-3102)=29.224, p<.05). This expenditure was on food that fed an average of 8 people per household. However, the daily household income (excluding NUFA3 wage) remained unchanged at UGX2824 (F(1-3239)=.028, p>.05). Thus paying UGX5500 as a daily wage was way above the average daily household income but below the daily food needs of households. If households were supported with UGX5500 per work day, their daily income would rise to UGX8324. Such a daily wage would ensure sustained food consumption if it was paid throughout the year, which was unfortunately not the case. It is therefore evident that the NUSAF3 wage was not sufficient to engender sustained food consumption. Even if it was paid regularly, it would only allow households to afford food, leaving other household needs (school dues and medical care) unattended.

Table 8: Pearson correlations

		₽	2	ω	4	ъ	6	7	∞	9	10	11	12	13	14	15	16
1	Number of people in HH	1															
2	HH monthly income	.110**	Ľ														
3	Cattle	.163**	.104**	₽													
4	Goats	.101**	.097**	.465**	₽												
5	Poultry	.140**	.188**	.264**	.231**	1											
6	Own hands	-0.006	068**	047*	0.023	-0.004	1										
7	Ox ploughs	.112**	.156**	.237**	.094**	.180**	088**	<u></u>									
8	Tractors	.052**	.045*	.224**	.284**	.080**	0	0.034	1								
9	Hoes/pangas/slashers	0	035*	132**	097**	-0.003	078**	-0.02	071**	⊢							
10	Improved seed	0.014	.053**	.106**	.070**	.115**	-0.009	.130**	-0.007	.038*	1						
11	Using fertilizers	0.005	.141**	.044*	0.015	.072**	103**	.040*	0.016	.067**	.342**	1					
12	Expenditure on food	.234**	.207**	.058**	0.016	.054*	052**	.164**	0.021	.048**	0.002		1				
13	Expenditure on health	.095**	.102**	.054*	0.032	.100**	-0.032	.114**	.072**	074**	0.016		.132**	1			_
14	School expenditure	.060**	0.005	0.024	0.003	0.022	046*	0.037	-0.003	-0.025	0.002				1		
15	children in school	.682**	.100**	.082**	0.01	.141**	-0.03	.092**	-0.008	0.021	.035*	.043*	.241**	.116**	.072**	₽	
16	Food consumption	0.012	.204**	.073**	0.016	.149**	077**	.082**	0.023	060**	.077**		.148**	.083**	-0.019	.099**	_
17	Household savings	.055**	.144**	-0.01	-0.013	.104**	-0.034	.094**	-0.016	.066**	.096**	.085**	.071**	0.02	-0.018	.092**	.185**

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

 $<sup>^{\</sup>ast}.$  Correlation is significant at the 0.05 level (2-tailed).

Pearson correlation analysis revealed that there were strong positive relationships between household income and several household assets (table 8). These assets included cattle (r=.104, p<.05), goats (r=.097, p<.05), poultry (r=.188, p<.05) and ox ploughs (r=.156, p<.05). Ideally, increase in ownership of these assets was more likely to lead to increased household income. Furthermore, used of improved seeds (r=.053, p<.05) and fertilizers (r=.141, p<.05) were positively related to household income. These variables accounted for about 8% of the variance in household income (see table 9). However, the three main variables that significantly influenced household income were ownership of poultry ( $\beta$ =.133, p<.05), ox ploughs ( $\beta$ =.103, p<.05) and use of fertilizers ( $\beta$ =.107, p<.05). These factors positively influenced household income, implying that any investment in them would increase the earning potential of households. Interestingly, ownership of cattle and goats did not influence household income.

Table 9: Multiple Regression Analysis

	Unstandardized	d Coefficients	Standardized Coefficients		
Model	В	Std. Error	Beta	t	Sig.
(Constant)	127745.360	15444.843		8.271	.000
Number of people in HH	2288.142	902.397	.054	2.536	.011
Engagementin business	-39056.965	6781.486	122	-5.759	.000
Cattle	939.826	1267.566	.018	.741	.459
Goats	1642.257	927.245	.043	1.771	.077
Poultry	2769.797	465.412	.133	5.951	.000
Own hands	-9082.280	7609.442	025	-1.194	.233
Ox ploughs	29703.952	6352.619	.103	4.676	.000
Tractors	-5555.469	21735.681	006	256	.798
Irrigation equipment	41767.014	37566.406	.024	1.112	.266
improved seed	-45940.328	17503.603	060	-2.625	.009
Using fertilizers	74583.743	16242.041	.107	4.592	.000
F-statistic	16.947				
Sig.	.000				
Df	11	•			
R-square	.082				
Adjusted R-square	.077				

Dependent Variable: Average HH monthly income

### 2.3.2 Household engagement in business enterprises

Households engagement in business enterprises is regarded as key in transformation of the poor and vulnerable people as well as building their socio-economic resilience in NUSAF3 projects. Countryside population often depends on the small- and medium-size enterprises as one of their sources of livelihood. The evaluation team collected information on whether (or not) an individual or household collectively engaged in any business enterprise. This investigation was guided by the fact that the Government of Uganda has made attempts to transform households from subsistence production and consumption to commercial enterprise development. The results in figure 5 reveal that generally a vast majority of households (about 80%) did not engage in business enterprises. This proportion has remained the same as was found in the baseline study. Even the IHISP groups that were expected to be entrepreneurial did not increase business engagement.

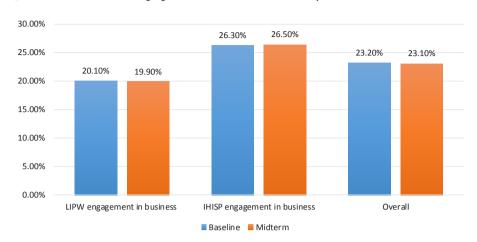


Figure 5: Household Engagement in Business Enterprises

The inability to do business was attributed to a number of factors, some internal and others harbored within the environment of business. The attempts made by several groups to do business were confronted by declining prices of especially produce which was the main economic commodity. The attempts to grow maize for instance were met with a sharp decline in prices, thus discouraging many prospective entrepreneurs. In Kiryango, Buliisa District the only IHISP group was praised by many as the most successful group. The group however grew maize on over 20 acres of land only to harvest little quantity due to bad weather and poor farming methods. The market price was UGX100 per kilogram of maize at the time of harvest compared to uGX700 at the time of planting and this was very discouraging. The members decided to share the maize produce for home consumption. Yet, in the same neighborhood are safari lodges serving guests to Murchison Falls National Park who need lots of fresh produce and vegetables. Failure to identify these lodges as a potential source of market and thus quide in enterprise selection could have accounted for the failed entrepreneurial endeavor by the group. In Nwoya, several beneficiaries grew cassava only to get stuck without market. In Pader, beneficiaries grew sunflower, a product with a small market yet ground nuts would have provided better results. In Nebbi, households engaged in fish farming, investing over UGX140 million only to earn UGX11 million. This was because of lack of skills in fish cage farming as well as lack of market (because the fish was undersize). The same farmers would have preferred to rear pigs which have ready market but the swine fever was a big hindrance. In Kaberamido, households engaged in cage fish farming only for their cages to be washed away by floating islands. All these examples demonstrate the barriers and many challenges that are associated with doing business. It is the true entrepreneurs that can survive in such environments, and thus a proportion of 20% of households doing business is no mean feat. The case study below confirms this assertion.

Statistically, for a majority of beneficiaries, engagement in business negatively influenced household income ( $\beta$ =-.122, p<.05). This influence was expected because households invested more in production but were let down by prices and thus earned little income. However, qualitative findings provided some cases of successful household business engagement

resulting from NUSAF3 project initiatives. The case of Kiwanuka confirms how the project helped in developing entrepreneurial abilities among the poor and vulnerable households.

"NUSAF has helped me to raise from the poverty level to another level right now. My life has improved from what it originally used to be. My plans have expanded. Before NUSAF, I used to plough only one acre of land but right now, I can plough like three or four acres of land and this has increased my income. My hope for my children is that unlike me who dropped out of school they will be able to achieve the highest level of education." Kiwanuka, NUSAF project beneficiary (from Alarotinga Village, Yamaha Sub-parish, Mutunda Subcounty, Kiryandongo District)

This case with many others illustrate how NUSAF3 projects initiated the idea of commercial production through training, provision of improved farm implements procured through the CPC and change in mindsets of the beneficiaries. Kiwanuka informed the evaluation team that his accumulated savings were used to complete the construction of his permanent house and to pay school fees for his child who was able to finish Senior 4. However, the case of Kiwanuka confirms the statistical finding as he did not invest earnings back into business to increase overall household income. Instead he invested his income in assets that did not directly increase income.

#### 2.3.3 Household Assets

The household survey established that there was an overall increase in ownership of household assets from 42.9% to 47% for LIPW beneficiaries. One notable change was observed in ownership of ox ploughs which increased from 12.8% at baseline to 18.6% at MTR for LIPW beneficiaries. This increase was statistically significant ( $r^2(1) = 20.182$ , p < .05). Although the proportion was still small (under 20%), such an asset was expected to boost crop production as one would till more land than the traditional hand hoe method. There was also a significant increase in ownership of telephones (from 56.4% to 61.4%),



bicycles (from 31.5% to 33.7%), and radios (from 38.2% to 42.8%). These assets are expected to improve communication and access to information among beneficiaries. There was also a statistically significant increase in ownership of livestock from 37% to 66.3% ( $r^2(1) = 124.108$ , p < .05). In fact, there was an increase in the number of households with chicken, goats, sheep and cows. Furthermore, ownership of mattresses increased from 72.5% to 89.1% suggesting that people slept fairly better than they did at baseline. See appendix 1 for number of assets owned per household.

Table 10: Frequency of Household Income

		LIPW	IHISP	LIPW	IHISP
Radio	N	691	803	618	699
	%	38.2%	43%	42.80%	53.30%
Motorcycle	N	67	87	70	99
	%	3.7%	4.7%	4.80%	7.50%
Bicycle	N	570	735	486	604
	%	31.5%	39.3%	33.70%	46.00%
Boat	N	8	7	1	10
	%	0.4%	0.4%	0.10%	0.80%
0x plough	N	232	222	268	417
	%	12.8%	11.9%	18.60%	31.80%
Mattress	N	1310	1420	1156	1081
	%	72.5%	76%	80.10%	82.40%
Telephone	N	1020	1184	886	815
	%	56.4%	63.4%	61.40%	62.10%
Livestock	N	665	796	957	1010
	%	37%	42.6%	66.30%	77.00%

About 78.1% of IHISP households registered an increase in household assets. These assets included radio, motorcycles, bicycles, ox ploughs, and mattresses. The increase in all of these assets was statistically significant. The most notable increase was however on ox ploughs which increased from 11.9% at baseline to 31.8%. Such an increase suggests that more household land would be opened up for production, and such households would have opportunities to hire the bulls out for some income. Ownership of radios (from 43% to 53.3%), bicycles (from 39.3% to 46%), mattresses (76% to 82%) all increased since baseline. It is however, notable that while not statistically significant, there was a fall in ownership of mobile phones from 63.4% to 62.1%. Ownership of livestock increased significantly from 42.6% to 77%, implying an improved investment in assets with potential to generate income. Whereas investment in livestock increased, knowledge of modern methods of livestock keeping was limited and thus a large number of these animals often died of the seasonal epidemics. Indeed, while more people owned livestock, the actual quantity owned per household reduced largely because of the epidemics. And this partly explains why livestock (cattle and goats) did not generally increase household income.

Qualitative inquiry revealed that households purchased a number of assets. These included chairs, solar panels, clothes, and torches for use at home. The money used to buy these assets was the income earned from NUSAF3 activities.

"We were given a project under NUSAF3 where we planted soya bean and personally I planted 4 acres and I was able to fetch 4 bags of soya bean. I sold all the bags and was able to get another bull that costed me UGX788,000 ...I intend to use the bull this season for ploughing" Moses, Kiryandongo.

"In NUSAF3, Logose has gained a lot of knowledge or skills. The money she got at first she bought piglets. These four pigs produced very many piglets and she bought goats, and she sold all that and bought land" Youth FGD, Budaka.

"I worked on tree nursery project. With the money I got I was able to buy five chairs, a table, solar panel and some plates for my family. My husband was very happy" Amina, Nwoya District

"When NUSAF came I managed to buy some chicken, pigs, and even some ducks that you see floating around here." John, Moringwa

"From the savings I made I used the money to buy some household materials like food, soap paraffin and even some money I used for buying feeds for the pigs." Jacob, Budaka

"With some of the money that I made from the harvest, I was able to open a kiosic to sell tomatoes, onions" Alice, Budaka

The above testimonies attest to how NUSAF3 earnings have helped beneficiaries acquire household assets. Although these assets may not translate into income in the short term, it is expected that eventually the beneficiaries will translate these into income generating opportunities.

#### 2.3.4 Household welfare

The evaluation team used the household assets and a few other variables such as income and food consumption to compute the wealth index of the beneficiaries. The purpose was to assess the progress made by these households in the area of welfare and standard of living. This index ranks households into poorest, poor, average, better and wealthiest households. Studied over time, one is able to observe changes at different time intervals. As shown in table 11 below, household welfare improved since baseline. The households belonging to the poorest category reduced from 12.2% to 6.6% and the poor fell from from 10.6% to 8.3%. However, the better households fell from 11.9% to 9.4% just as the wealthiest households reduced from 11.8% at baseline to 9.5%. These results indicate that while not many people became better, the beneficiaries dropping out of the poorest and poor categories significantly fell. These improvements in household welfare may not immediately translate into progress out poverty but certainly imply that household welfare is improving as a result of NUSAF3.

Table 11: Wealth Index

				Total			
		Baseline	Midline		<b>X</b> <sup>2</sup>	df	Sig.
Poorest	N	782	423	1205	37.333	4	0.000
	%	12.20%	6.60%	18.70%			
Poor	N	681	535	1216			
	%	10.60%	8.30%	18.90%			
Average	N	691	583	1274			
	%	10.70%	9.10%	19.80%			
Better	N	764	603	1367			
	%	11.90%	9.40%	21.30%			
Wealthier	N	758	612	1370			
	%	11.80%	9.50%	21.30%			
Total	N	3676	2756	6432			
	%	57.20%	42.80%	100.00%			

There were significant variations across components with regard to welfare performance. Within the LIPW beneficiaries, a vast majority of people dropped out of the poorest category and those in the categories of better and wealthier significantly increased. However, for IHISP households, an improvement was only observed in the category of beneficiaries dropping out of the poorest quintile. See appendix 2 for detailed welfare performance by component.

#### 2.3.5 Access to community assets

LIPW was expected to create community assets which whole communities would use and benefit from. These assets included access roads, general markets, livestock markets, water infrastructure and food markets. The evaluation team assessed the distance from households to these assets. As shown in table 12 below, since inception only access to general markets significantly improved. The average distance travelled to these markets fell from 5.2km to 4.5km. This demonstrates improved access to general markets and reflects the priorities of the beneficiaries in selecting community projects. Access to clean water source decreased significantly as the distance changed from 1km to 1.2km. The main reason for this decline was the dry season which dried up nearby water sources as well as breakdown in boreholes. Overall, there were no major changes in the distance to community access roads, livestock and food markets.

Table 12: Distance to Community assets

		N	Mean distance (km)	Std. Dev	95%	6 CI	Min	Max		
					LB	UB				
Passable	Baseline	1078	1.09	1.44	1.00	1.17	0.0	16.0	0.139	0.709
community access road	Midline	577	1.06	1.59	0.93	1.19	0.0	20.0		

		N	Mean distance (km)	Std. Dev	95%	6 CI	Min	Max		
General	Baseline	853	5.22	4.52	4.91	5.52	0.1	26.0	10.724	10.724
Market	Midline	648	4.50	3.79	4.20	4.79	0.0	20.0		
Livestock	Baseline	118	5.53	5.43	4.54	6.52	0.1	28.0	0.980	0.323
market	Midline	101	4.89	3.94	4.11	5.66	0.5	20.0		
Food/	Baseline	664	1.64	2.11	1.48	1.80	0.0	25.0	0.046	0.830
roadside market	Midline	391	1.67	1.75	1.49	1.84	0.0	15.0		
Clean/	Baseline	1146	1.05	1.15	0.98	1.11	0.0	15.0	4.938	0.026
safe water source	Midline	737	1.16	0.92	1.09	1.22	0.0	10.0		

Qualitative evidence suggests that a lot of progress has been made towards building of community assets. These assets have been helpful to communities, particularly easing transport and communication. The excerpts below from political leaders substantiate this claim:

"NUSAF is able to connect villages which had no roads because there are those roads which have been opened up by NUSAF like I can give you example from here the subcounty to Nagulyalule road is now working". S/C Chief, Napak

"...the project has helped to open up good roads, it has helped people in business like in Morigwan, they have helped the youth...I have seen a lot of successful stories in the groups of NUSAF3 even when we can go now we have 2 roads that had stayed for long and is now passable, it's a good crossing over from one sub county to another and it is basically NUSAF3" LC5 Chairperson, Tororo district.

The above statements imply that stakeholders are happy with the work of NUSAF3 especially in the area of opening up access roads. While these roads were opened up, beneficiaries also earned money which they used to acquire a number of household assets. This LIPW approach is therefore plausible for supporting growth of both household and community assets.

# 2.3.6 Smooth consumption

Food consumption is a key component of NUSAF3. It was expected that some of the income earned would be used to improve food consumption. Generally, there was a significant improvement in food consumption (X², 160.073, df (3), p<.05). As seen in figure 6 below, the proportion of people having one meal a day fell by half from 27.6% to 14%. This drop level is further observed among LIPW beneficiaries (from 32.9% to 15.2%) and IHISP beneficiaries (from 22.3% to 12.8%) implying that in both groups of beneficiaries, meal frequency improved. Indeed, beneficiaries having two meals a day increased from 60.7% to 65.90% and those having more than three meals increased from about 10% to 17.4%. All these findings indicate that food consumption significantly improved and problems associated with lack of food may be avoided. This increase has been associated with growing of more food (and failure to find market) as well as being able to afford buying food. These observations have already been explained in the preceding sections of this report. Additionally, the testimonies below further substantiate the findings presented in figure 6.



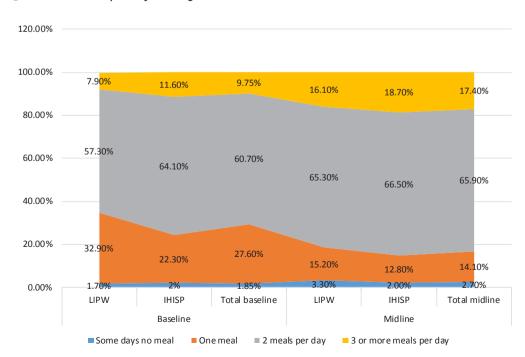
"At least now I have some little money I used to look terrible and my children would go to school hungry. But now they have a minimum of two meals a day and even eat vegetables with their food. All of us are looking healthy now." (Kapchorwa)

"We used to sleep hungry. We could only eat once in a day. But now days we are taking all the three meals" (Lira).

"We made money from the block farming and we were able to then buy food for our household use." (Budaka)

All the testimonies above suggest that improvement in meal frequency is associated with participation in NUSAF3 activities. To this end, NUSAF3 has helped to improve meal frequency among the beneficiary households.

Figure 6: Meal frequency among NUSAF3 beneficiaries



Having meals is necessary but not adequate without understanding the kind of meals that households had. Thus computing a food consumption score (FCS) is paramount in understanding the diet of the LIPW beneficiaries. It represents households' dietary diversity and nutrient intake. The FCS is calculated by inspecting how often households consume food items from the different food groups during a 7-day reference period. Whereas the frequency of food consumption increased, beneficiaries with a poor diet increased from 17% to 24.4%. Moreover those with an acceptable diet fell from 50.2% to 38.9%. As a result, beneficiaries with a borderline diet increased by 4% from 32.8% to 36.8%. These findings suggest that most beneficiaries did not have a balanced diet which is likely to affect their health, especially that of children and expectant mothers. And the differences in quality of diet were significant across the evaluation time periods ( $X^2 = 48.425$ , (df,2), p<.05). Thus, as already reported in the preceding sections, the wealth status of beneficiaries could have affected the food consumption, which further confirms that these are still poor people.

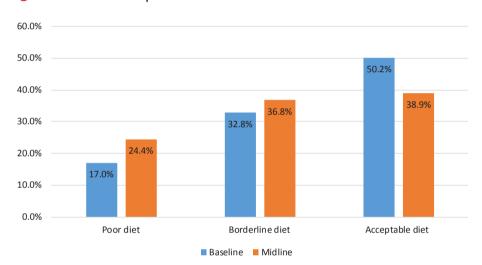


Figure 7: Food consumption score

## 2.3.7 Sources of livelihood

Household income is the most direct determinant of the nature of livelihood a household can enjoy. A household with high levels of income will be able to acquire things that define good living. This relationship intertwines income with livelihood. However, a household can derive income from several sources. In such circumstances, there will be one source (of income) which the household regards as the main source of their livelihood. In this study, respondents were asked to indicate the main source of livelihood for their household and figure 8 shows the results. It is worth noting from these results that commercial crop production is increasing especially among IHISP beneficiaries from 4.3% to 12.4%. However, subsistence farming is still the major source of livelihood though slightly declining, accounting for over 60% of both IHISP and LIPW beneficiaries. Casual labour is increasing among LIPW (from 12.9% to 15.2%) but declining among IHISP beneficiaries. Such results imply that LIPW beneficiaries could be utilizing their energy and the new skills to find more opportunities for income generation. It is generally imperative upon NUSAF3 to ensure that the proportion of subsistence farming significantly reduces while that of commercial farming increases. It appears that agriculture is an area that beneficiaries are already engaged in, and its commercialization would go along in improving livelihoods of the beneficiaries.

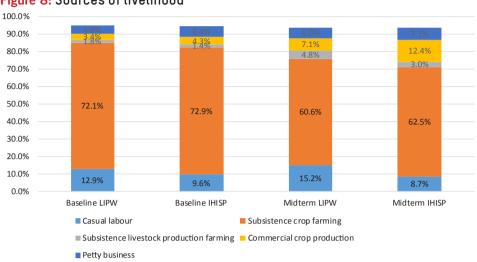


Figure 8: Sources of livelihood

# 2.3.8 Household coping strategies

At the start of the project beneficiaries were asked how they would cope with food scarcity, and to identify which strategy was most effective. They were asked the same question at MTR and their responses were still the same although significantly stronger. A vast majority of them, just as at baseline would cope by buying food. The IHISP beneficiaries believing in this strategy declined ten points from 79% at baseline to 69% at MTR. However, those believing that friends would help more than doubled from 10.7% to 24.6% (see table 13). These two predominant coping strategies imply that many people believed that food was available and neighbours and friends would be helpful in times of need. This further points to the social capital available among beneficiaries. Citing willingness to buy food is indicative of availability of money, at least for food. However, there was a notable decline in the amount of money spent on food by IHISP households (F (1 – 3019) =117.3, P=.000). At baseline the seven people in a household spent about UGX6500 daily on food but the amount declined to UGX5200 at MTR (see appendix 3). This improvement is attributed to the fact that many people had food to consume. Indeed, the food consumption frequency supports this assertion.



			Soliciting support from those who have	Soliciting government support	Buying food	Staying without food at all	Other	Х²	df	sig.
IHISP Ba	aseline	N	199	12	1479	103	75	163.9	4	0.000
		%	10.7%	0.6%	79.2%	5.5%	4.0%			
Mi	idline	N	323	29	912	41	6			
		%	24.6%	2.2%	69.6%	3.1%	0.5%			
To	otal	N	522	41	2391	144	81			
		%	16.4%	1.3%	75.2%	4.5%	2.5%			
LIPW Ba	aseline	N	179	23	1426	110	69	270.3	4	0.000
		%	9.9%	1.3%	78.9%	6.1%	3.8%			
Mi	idline	N	378	101	912	42	10			
		%	26.2%	7.0%	63.2%	2.9%	0.7%			
To	otal	N	557	124	2338	152	79			

Table 13: Food coping strategies for NUSAF3 beneficiaries

%

17.1%

3.8%

As with IHISP the most predominant coping strategy for LIPW beneficiaries was buying food. However, there was a significant decline in the proportion of households believing in this strategy, from 78.9% at baseline to 63.2% at MTR ( $X^2 = 270.3$ , (df,4), p<.05). Like it is with IHISP beneficiaries, there was a significant decline in the amount of money spent on food by LIPW households (F (1 - 3102) =29.2, P=.000). At baseline the seven people in a household spent about UGX6100 daily on food but the amount declined to UGX5500 at MTR (see appendix 3). This improvement is attributed to the fact that many people had food to consume. However, it could also mean that households may not have money to buy food or could adopt other better options. Indeed, relying on others such as friends and relatives improved from about 10% to 26.2%. Thus poor people rely on each other as the second best strategy for dealing with food shortage. This response demonstrates the power of social capital in these communities, and NUSAF3 ought to leverage the benefits of this capital in delivering intended impacts.

71.9%

2.4%

4.7%

Further inquiry was made regarding improved coping strategies against shocks among LIPW beneficiaries (because these are considered the poorest of the poor). These strategies did not significantly differ between male and female beneficiaries. Majority of them (61%) believed in seeking contributions from their network actors. This strategy remained strong at MTR just as it was at baseline. Most importantly, those who believed in borrowing money, selling livestock and looking for other sources of income reduced in proportion. These are all signs that livestock and money were scarce in these communities, further pointing to how well the LIPW incomes were utilized by the beneficiaries. More women than men improved their belief in borrowing to solve the shock and pay later (40.4% versus 37.8%).

Table 14: Improved coping strategies for LIPW beneficiaries

		Total	Data F	Period	Gen	der
			Baseline	Midline	Male	Female
Pay with cash on hand/	N	814	408	406	402	412
savings	%	25.0%	22.6%	28.1%	26.6%	23.7%
Seek contributions/gifts from	N	1988	1103	885	929	1059
friends, relatives, community members, church help etc	%	61.2%	61.0%	61.3%	61.4%	61.0%
Borrow from a friend or	N	1275	760	515	573	702
relative or savings group and pay back later	%	39.2%	42.1%	35.7%	37.8%	40.4%
Look for another source of	N	305	173	132	137	168
income near my home	%	9.4%	9.6%	9.1%	9.0%	9.7%
Sell small livestock,	N	422	294	128	223	199
household goods or items used in the household	%	13.0%	16.3%	8.9%	14.7%	11.5%
Sell bicycle, land, tools or	N	93	49	44	47	46
other items that help produce income	%	2.9%	2.7%	3.0%	3.1%	2.6%
Others	N	330	170	160	162	168
	%	10.20%	9.40%	11.10%	10.70%	9.70%

#### 2.3.9 Access to basic services

The basic services that households were expected to access include savings, credit, markets, roads and water infrastructure. Under the section on community assets, access to water, markets and roads was discussed. In this section, focus is on access to savings and credit.

## 2.3.9.1 Household savings

Household saving is the main domestic source of funds to finance capital investment which is a major impetus for long-term economic growth for a household. Thus a household that is not able to save part of its income is at risk of not finding the resources needed to finance developmental projects. Most importantly savings can help improve resilience of households to shocks as they will have some resources to fall back to. It is evident in figure 9 that beneficiary households with savings increased from 54.6% to 57.3%, signaling an improvement in the saving culture. Note should be made that these savings exclude the mandatory savings deducted from NUSAF3 earnings.



Figure 9: Household savings

It was established that there was a significant improvement in savings among LIPW beneficiaries ( $X^2 = 20.29$ , (df,1), p<.05) while that of IHISP beneficiaries dropped. The proportion of LIPW households with savings increased from 44.5% to 52.5% at MTR. However, men (51.1%) appeared to save more than their female counterparts (45.5%). Households kept their savings in various places (see table 19). Although declining (from 68.6% to 53%), most households kept their savings in the Village Saving and Lending Associations (VSLAs). Majority of the beneficiaries saving in these associations were women. Most of these associations were started at the inception of the project but over time, morale reduced. This is because households hardly had any money to save in the associations but most importantly mindset change towards saving was weak. In situations where proper training was done, a lot of positive results were generated. The example below demonstrates that once proper support is provided, a saving culture can emerge and a lot of benefits will ensue.

"We used to have a lot of chaos in our savings groups, because we didn't know how to count or write. So NUSAF sent people to educate us, and now we know how to save and pay in time, how to write minutes. We have saving records showing how we borrow and how we pay back. We even have records in case one wants to borrow an item from the group. They are able to come and sign and we give them the wheel barrow or cows you go use them for a specific period of time and return them." IHISP group, Budaka

"I have benefited more in NUSAF3 because I got bulls, I am saving, I have taken children in private schools, I have a business and now I am ok with my family", Jane Kiryandongo

The above excerpts demonstrate the benefits of saving in groups and how useful training can be to the people intending to save. The first case also shows that education can help in ensuring adherence to principles of record keeping, regular saving and borrowing, timely payments and regular meeting. A group that used to have chaos appears organized, with meeting minutes.

Table 15: Places where LIPW beneficiaries keep their Savings

		Total	Data	Period	Gen	der
		Total	Baseline	Midline	Male	Female
	N	1563	805	758	773	790
Keeping money in a VSLA	N	954	552	402	446	508
	%	61.0%	68.6%	53.0%	57.7%	64.3%
In a SACCO	N	309	53	256	168	141
	%	19.8%	6.6%	33.8%	21.7%	17.8%
In a secret place within	N	279	178	101	133	146
the HH	%	17.9%	22.1%	13.3%	17.2%	18.5%
In a secret place out of	N	16	3	13	8	8
the HH	%	1.0%	.4%	1.7%	1.0%	1.0%
With a friend/relative	N	24	8	16	12	12
	%	1.5%	1.0%	2.1%	1.6%	1.5%
In material assets	N	22	11	11	14	8
	%	1.4%	1.4%	1.5%	1.8%	1.0%
Others (specify)	N	188	99	89	102	86
	%	12.0%	12.3%	11.7%	13.2%	10.9%

There has been a significant increase in the number of households keeping their savings with SACCOs (from 6.6% to 33.8%). This trend is more promising because SACCOs are more organized, structured and managed. Therefore, moving away from other ways of saving, households are likely to generate more savings and thus more resources for investment. The keeping of money in the house or with friends and relatives significantly reduced while SACCOs became more prominent. This is a sign of improving financial inclusion of the poor.

Further analysis was made on the households that kept their savings in the VSLAs. The purpose was to establish which associations these were, and determine if the groups formed as part of NUSAF3 were among. Whereas the savings in the groups reduced, the number of LIPW households belonging to the savings groups increased from 57% at baseline to 69% at MTR. Majority of these households (70.3%) belonged to NUSAF3 formed savings groups, and this was an improvement from 45% at baseline. The revelations below support these findings.

"The biggest achievement we have from NUSAF3 is the savings scheme. We have over 2 million shillings and some members have over 300,000 as their savings. We meet every week to bring our savings, have records (of both our money and harvests), we lend members and they pay back with 10% interest. WE are very happy with our savings scheme." IHISP group in Tokkodo, Pader

"We are now doing the VSLA, we now lend out to people in the community and they pay back with interest, even the outside people (i.e. non-NUSAF members) are benefiting from NUSAF3 because they come to our group to borrow money." Agweng, Lira

"Money is deducted from our NUSAF wages, for savings purposes and now we have so far saved 16 million shillings and we have started a SACCO where we shall start borrowing the money." LIPW beneficiaries, Budaka.

"When I was not in NUSAF, I was unable to get money, for paying school fees for my children and I also had a problem of famine in my family. However, since NUSAF provided us with cassava, beans to plant and later make some money and save the rest, my life and that of my family members has changed. Now when am unable to get money am not worried that my family will starve. Since am a member of a savings group, I just go there and get a loan and I finish up with my problems." Felix, Budaka

The excerpts above demonstrate a growing change in the way beneficiaries save. If about two thirds of beneficiaries had savings and their mindset was as depicted above, then there is a strong likelihood that savings will grow among the beneficiaries. It is however important to note that 70% of the beneficiaries had less than UGX 100,000 as savings (see figure 10). Among the LIPW beneficiaries there was a drop in the proportion of beneficiaries with less than UGX50,000 and an increased was observed in the category keeping between UGX50,000 and UGX100,000. The same trend was observed for IHISP households. Overall, LIPW households have more savings compared to IHISP households

300.00%
250.00%
200.00%
150.00%
100.00%
0.00%

State That Andre State Total midterm

Midterm LIPW Midterm IHISP Total midterm

Baseline LIPW Baseline

Baseline LIPW Total baseline

Figure 10: Amount of money kept in savings

## Key determinants of household savings

It is evident in table 10 that household savings are positively related to the household size (r=.055, p<.05) as well as household income (r=.144, p<.05). Ideally, the higher the income and smaller than family size, is the higher the likelihood of accumulating more savings. Other factors that are related to savings include ownership of poultry (r=.104, p<.05), ownership of ox ploughs (r=.094, p<.05), use of fertilizers (r=.085, p<.05) and food consumption (r=.185, p<.05). However, the major determinants of household savings were ownership of poultry ( $\beta$ =.076), use of improved seeds ( $\beta$ =.079), and household income ( $\beta$ =.090) as highlighted in table 16 below. Increase in ownership of poultry and use of improved seeds would have a significant effect on household savings. It goes without saying that the higher the income, the greater the household savings. Generally, increasing peoples' income is more likely to engender household savings.

Table 16: Multiple regression analysis for household savings

	Unstanda Coeffic		Standardized Coefficients		
Model	В	Std. Error	Beta	t	Sig.
(Constant)	.428	.021		20.344	.000
Poultry	.006	.002	.076	3.465	.001
Improved seed	.221	.065	.079	3.407	.001
Using fertilizers	.087	.059	.034	1.465	.143
Hoes/pangas/slashers	.068	.023	.064	2.990	.003
Average HH monthly income	3.290E-7	.000	.090	4.086	.000

Dependent Variable: Household savings

# 2.3.9.2 Access to Health

Access to health services is fundamental to the existence of humanity. More than 97% of households who had a sick family member accesses medical care. A vast majority of the patients received the care from public health facilities (74%) and others went to private facilities (24%). These proportions remained almost constant since the baseline study. Overall, the results in table 21 reveal that access to health facilities has improved especially for LIPW households and being the poorest of the poor category, this is positive. The distance to health facilities significantly reduced from an average of 5.5km per household to 4km (F (1-3199)=11.24, P=.001), thanks to opening up of access roads. However, for IHISP there is no observed change in distance to health facilities. Overall, improvement in distance implies improved access to health facilities. The excerpt below confirms this assertion:

"Before NUSAF we had very many challenges... we could not even access health facilities easily. But now with the community access roads we can access health centers and even pay for medical bills with our savings." Mary, Lira

Table 17: Distance to health facilities

		Baseline			Midterm			Sig.
	N	Mean distance	Std.	N	Mean distance	Std.		
		(km)	Dev.		(km)	Dev.		
LIPW	1807	5.5	16.7	1394	4.0	3.1	11.240	.001
IHISP	1354	3.9	3.2	1264	3.9	3.0	.016	.901
Total	3161	4.7	10.0	2658	3.9	3.1		

## 2.3.9.3 Access to education

Investment in education builds into the long term human capital of members of society. It is a key channel through which skills are built, and these are core to societal development as they help transform resources into goods and services. As already explained, a vast majority of beneficiaries spent their earned income on paying school dues for their children. It is seen in table 18 that households had an average of three children in school irrespective of whether they were LIPW or IHISP beneficiaries. A household incurred an average of UGX50,000 per child per term and altogether paid about UGX150,000 per term. These expenses were mainly on school requirements because more than 87% of the children were in UPE schools where school tuition was paid by government. A trend analysis showed that there was an insignificant decline in the amount of school dues paid per household since the start of the project. Overall, it appears that UPE schools are not necessarily free because eventually parents are having to pay money to cater for a number of needs.

Table 18: Children in school and amounts paid in school dues

		N	Mean	Std. Dev	Minimum	Maximum
Children in school	LIPW	1,443	3	2	-	13
	IHISP	1,311	3	2	-	13
	Total	2,754	3	2	-	13
Amount paid at	LIPW	1,142	150,967	224,068	-	,800,000
school (UGX)	IHISP	1,056	55,087	232,804	-	,900,000
	Total	2,198	52,946	228,264	_	,900,000

A number of households revealed that NUSAF3 helped them raise resources to take care of their children's school needs. The examples of such revelations are presented below:

"My children were being chased from school but because of NUSAF, I get income and now my children cannot be chased away from school. One is in senior 1 and another senior 2." Juma, Kiryandongo.

"From the money I have got from NUSAF out of the work I have done, I have been able to pay school fees for my children and buy school materials." Jane, Kaberamaido



"My life has changed since NUSAF because, my children are going to school, I pay my school fees in time, I don't have any deficit at school, and my children go to school in uniform." Moringwa

"I am doing very well because of NUSAF. I feel that I can educate all my children in good private schools." Oketch, Amuria

The above statements clearly show that NUSAF3 is empowering households to educate their children. Majority of these households understand the benefits of education and they try, with the income earned to send their children to school.

# 2.4 Social capital

About one third of households belonged to social groups of varying types out of which they counted a number of benefits. These benefits included having close friends with whom they shared their problems, training on how to manage finances and friends who helped with financial assistance. Most importantly, up to 68% of the households believed that their friends were trustworthy. These households were asked whether they would volunteer resources and time to solve problems affecting their communities. As shown in table 19, about 70% were very likely to participate in such social activities. Such an overwhelming response implies that social cohesion is high in the community irrespective of whether the beneficiaries were IHISP or LIPW. Such togetherness provides opportunities for community development initiatives by the project and this should be exploited by NUSAF3.

Table 19: Likelihood of whole community working together to address community needs

		Very likely	Somewhat likely	Neither likely or unlikely	Somewhat unlikely	Very unlikely	Total
LIPW	N	1001	350	51	26	15	1443
	%	69.40%	24.30%	3.50%	1.80%	1.00%	100.00%
IHISP	N	914	310	42	30	15	1311
	%	69.70%	23.60%	3.20%	2.30%	1.10%	100.00%
Total	N	1915	660	93	56	30	2754
	%	69.50%	24.00%	3.40%	2.00%	1.10%	100.00%

#### 2.5 Household engagement in business enterprises

Countryside population often depends on the small- and medium-size enterprises as one of their sources of livelihood. The evaluation team collected information on whether (or not) an individual or household collectively engaged in any business enterprise. The results in figure 11 reveal that generally a vast majority of households (about 80%) did not engage in business enterprises and the proportion remained the same since baseline. Ideally, the same number of people doing business remained implying that NUSAF3 activities may not have sparked business activity. Even the IHISP groups that were expected to be entrepreneurial did not step business engagement.

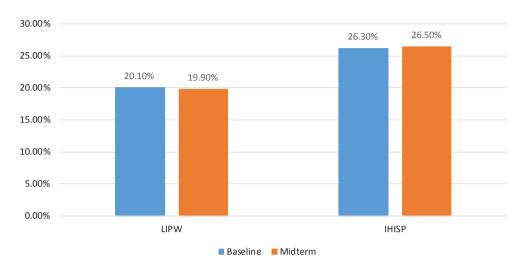


Figure 11: Household engagement in business enterprises

The inability to do business was attributed to a number of factors, some internal and others harbored within the environment of business. The attempts made by several business to do business were confronted by declining prices of especially produce which was the main economic commodity. The attempts to grow maize for instance were met with a sharp decline in prices, thus discouraging many prospective entrepreneurs. In Kirvango, Buliisa District the only IHISP group was praised by many as the most successful group. The group however grew maize on over 20 acres of land only harvest little quantity (due to bad weather and poor farming methods). The market price was UGX100 per kilogram of maize at the time of harvest which was very discouraging. The members decided to share the maize produce for home consumption. Yet, in the same neighborhood are safari lodges serving guests tof Murchison Falls National Park who need lots of fresh produce and vegetables. Failure to identify these lodges as a potential source of market and thus guide in enterprise selection could account for the failed entrepreneurial endeavor by the group. In Nwoya, several beneficiaries grew cassava only to get stuck without market. In Pader, beneficiaries grew sunflower, a product with a small market yet ground nuts would have provided better results. In Nebbi, households engaged in fish farming, investing over UGX140 million only to earn UGX11 million. This was because of lack of skill on fish cage farming as well as lack of market (because the fish was undersize). The same farmers would have preferred to rear pigs which have ready market but the swine fever was a big hindrance. In Kaberamido, households engaged in cage fish farming only for their cages to be washed away by floating islands. All these examples demonstrate the barriers and many challenges that are associated with doing business. It is the true entrepreneurs that can survive in such environments, and thus a proportion of 20% of households doing business is no mean feat. The case study below confirms this assertion.

# Box 1: Case study of a successful NUSAF beneficiary

NUSAF has helped me to raise from the poverty level to another level right now. My life has improved from what it originally used to be.' These were the words of Kiwanuka one of the NUSAF beneficiaries from alarotinga village, yamaha sub parish, mutunda sub county, Kiryandongo district.

Prior to NUSAF, Kiwanuka was very poor with nothing to his name. Then when NUSAF came he was selected to be part of a group within the community that was trained and later given an ox plough and money. They then procured materials as a group and planted cassava initially on a small scale and then later on a large scale. What started as something small i.e. planting cassava then yielded a good harvest.

As a group they were able to sell the cassava and make some money. The income from the cassava was used both at a household level and to start up a savings group. Kiwanuka used his accumulated savings to complete the construction of his house and to pay school fees for his child in Senior 4. His son has since joined a technical college and he is also paying for that course. According to Kiwanuka NUSAF has benefited not only him as an individual but the community as well by opening up a feeder road which made it easy for the children in the village to access school.

NUSAF has broadened Kiwanuka's mindset and changed his outlook to life. He now goes to bed without fear and is able dream big with no limitations. As he stated in his own words 'My plans have expanded. Before NUSAF, I planned to plough only one acre of land but right now, I can plough like three or four acres of land and this has increased my income. My hope for my children is that unlike me who dropped out of school they will be able to achieve the highest level of education.

# 2.6 Satisfaction with the NUSAF3 Project Interventions

In the mid-term NUSAF3 project review, the beneficiaries were found to be satisfied with the interventions. Amongst all the qualitative interviews conducted, slightly more than 95% of respondents were satisfied with the project. The satisfaction was high among the beneficiaries, project implementation teams, the political leadership and key administrative staff of the local governments. Satisfaction was particularly related to the design of the project which ensured that the beneficiaries were in control of the project and achieved a number of benefits. Stakeholders were happy with LIPW interventions because these interventions provided opportunities for paid labour; acted as a social bonding factor to work together to solve community problems; helped in community and individual capacity development; and increased opportunities to share ideas on household improvement and interactions among community members which used to be rare. Resident district commissioners and Local council chairpersons praised NUSAF3 for improving access roads at minimal costs, for devising a design which made it difficult for technical people to divert the project funds. The statements below are some of the examples of many happy political leaders:

"The members are the owners of that project, they go to the bank and pick their money and go and do their activities according to the guidelines and the money is spread and paid. For this reason, I am very pleased with NUSAF3" RDC, Nwoya District

"I see it has been one of the best projects the government has ever got. NUSAF3 is a bottom-up approach where you find the communities themselves engaged in each and everything." LC5 Chairperson, Tororo District

The above statements demonstrate the confidence that the local leaders have in NUSAF3's ability to deliver results. The fact that beneficiaries participated in making decisions on what should be done in their areas is reason for the high level of satisfaction among stakeholders.

CIG members expressed their satisfaction with IHISP interventions. The reasons for their satisfaction were based on entrepreneurial skills and motivations acquired through NUSAF3. These included training in business management and promotion, motivation for achievement that was formerly lacking, collective risk taking by each CIG, locus of control, desire for wealth creation, stock of financial capital provided through NUSAF3 intervention, social ties among themselves and to various suppliers, and their growing career experience in small-scale business operations. They also noted development of self-efficacy to muster and implement the necessary collective financial resources provided through NUSAF3 household livelihood improvement interventions, skills, and competencies to attain a certain level of achievement. Self-efficacy has made CIGs to build task-specific self-confidence in increasing agricultural production and productivity, and fish stock for commercialization among others. The happiness of stakeholders, including beneficiaries was particularly stimulated by the approach of the project and the fact that the project targeted the poor to improve their livelihoods. The excerpts below provide proof of the stakeholder happiness.

I am very satisfied with performance of the program (NUSAF3) and it is moving us in the right direction in terms of increasing house hold income and conserving the environment. Household income is critical because this region is the second poorest in this country then environment conservation is also very important because of the challenge of climate change we are conserving water sources, we are protecting water sources, we are planting trees and all these should be good to mitigating the challenges of climate change. This is why I am happy with NUSAF3." CAO, Nebbi District

"From my own perspective and from perspective of the district local government, I think this is one of the projects which have really benefited the most needy community and those who are trying to cope with the after effects of the long period of war in northern Uganda. This is a project that has turned around the lives of people and it's providing for their livelihood and I see it being very relevant especially the modalities they are using to identifying the beneficiaries. And how the whole process is executed, the sense of commitment and the sense of support from the political leadership and the community who are the beneficiaries of the project." CAO, Pader District

The opinions of the chief administrative officers above point to the validity of the project theory of change as well as the appropriateness of the project design. In their assertions is proof that the project targeted the right people and is helping to improve livelihoods of

these target beneficiaries. The commitment and motivation of the teams, particularly at the local level will go a long way in delivering the long anticipated change in communities. This is the reason why many local leaders, technical and political were happy with NUSAF3. Indeed, the quantitative results attest to the changes that are taking place in beneficiary households.

# 2.7 Appropriateness of NUSAF3 Interventions

Appropriateness determines the relevance of the intervention as a poverty reduction strategy. Many district leaders considered the NUSAF3 interventions as a timely strategy when attempting to implement SDGs and the National Development Plan II. According to them, these interventions have created opportunities to implement SDG 1 (district poverty reduction targets) in order to build the community resilience against food insecurity, poor nutrition and diets, and low incomes. The other SDGs that the project directly contributes towards are:

- #2: zero hunger
- #3: good health and wellbeing
- #10: reduced inequalities
- #12: responsible consumption and production

Majority of districts officers also noted that the implementation of environmental and social safeguards, gender inclusiveness by targeting women, vulnerable groups like elderly, pregnant women and youth are attempts to build resilient communities in northern Uganda. The concept of watershed enables the community to build capacity to deal with change in their lives. This approach moves beyond viewing the community as external drivers of watershed ecosystem dynamics and rather looks at how they are part of and interact with their watershed ecosystem – the sphere of air, water and land that surrounds them and on which all their lives depend.

Appropriateness coupled with beneficiaries levels of satisfaction are in line with the Government of Uganda's Agricultural Sector Development Strategy and Investment Plan, 2010 to raise rural household incomes, increase agricultural production and productivity, increase access to market and value addition and strengthen agricultural institutions. Particularly through IHISP interventions, CIGs have acted as basic agricultural institutions in each watershed to achieve NUSAF3 objective of supporting initiatives that increase income earning of the target poor households and increase rural productive capacity through market-driven interventions. This links with the appropriateness of NUSAF3 interventions as strategies to build community resilience, and thus the aspect of timeliness. Therefore, the appropriateness of NUSAF3 interventions are in line with "Principles for Building Community Resilience" for sustaining watersheds. The seven principles are 1) maintain redundancy, 2) manage connectivity, 3) manage feedbacks, 4) foster complex adaptive systems thinking, 5) encourage learning, 6) broaden participation, and 7) promote polycentric governance systems.

Functional redundancy, or the collective endeavors by CIGS or through LIPW increases poor household performance and provides 'insurance' within a system by allowing collective efforts to compensate for the loss or failure to build wealth and assets. In short, redundancy is embodied in the fact that through NUSAF3 interventions, strong local communities can be built in the watersheds and districts. This enables adequate community access road provision, building enthusiastic and motivated people, establishing community organisations that work well with a long term 'vision' for the community and a strong focus on practical action to achieve the vision of poverty reduction and livelihood improvement. In this way the NUSAF3 interventions encourage local people to 'drive' poverty reduction action; develop community 'allies' — people or organisations that can help; use the existing assets of the community for their development; have access to some resources and celebrate successes.

The principle of connectivity management is linked to how easy the poor connect together to achieve common goals of improving livelihoods. In this sense, connectivity refers to the nature and strength of the interactions between the poor and vulnerable in the watersheds and various components. From a social network perspective, people are individual actors within a system embedded in a web of connections that NUSAF3 interventions build through collective actions.

Feedback management principally implies that NUSAF3 aims to strengthen feedbacks that maintain desirable LIPW and IHISP interventions. The community resilience can be enhanced by promoting entrepreneurial development implemented through IHISP sub-component of NUSAF3 project. This helps in monitoring important variables of change. This is crucial in order to detect changes that may cause the poor and vulnerable to cross a threshold and reorganise into a different livelihood set by establishment of CIG income projects. Understanding the role of change variables and feedbacks can help NUSAF3, district officials recognise that investing in monitoring programmes that focus on the variables that underlie system functioning can be very cost-effective.

The principle of complex adaptive systems thinking applied in NUSAF3 means beneficiaries stepping away from reductionist thinking and accepting that within a watershed system, several connections are occurring at the same time on different levels and acknowledging a multitude of perspectives for watershed development and sustainability. Encouraging learning implies building community resilience to deal with change, and adapt and transform in response to change. Since community systems are always in development there is a constant need to revise existing knowledge to enable adaptation to change and approaches to management. Adaptive co-management introduced through NUSAF 3 triple-thronged structures (community, district and TST) enables learning as an integral part of decision making for watersheds and the poor/vulnerable achieve their livelihood improvement goals. Involving a diversity of stakeholders in the management of NUSAF3 interventions helps to build resilience by improving legitimacy, expanding the depth and diversity of knowledge, and helping detect and interpret perturbations. Participation ranged from mobilizing the beneficiaries to a complete devolution of power and control in managing their projects. NUSAF3 found diverse participation particularly useful in achieving the interventions. This

is because participation means knowledge of beneficiary groups and defining management priorities and needs at all levels.

Through collective actions implemented using LIPW intervention and CIGs, NUSAF3 promotes polycentricity as a sustainable governance system. Overall NUSAF3 created "nested institutions" to govern norms and rules of interactions from OPM NUSAF3 offices right down to beneficiaries. The institutions are connected through a set of rules that interact across hierarchies and structures so that problems can be addressed swiftly by the right people at the right time. Nested institutions enable the creation of social engagement rules and collective action that can "fit" NUSAF3 intervention strategies of addressing poverty and vulnerability in watersheds. These principles have provided the impetus for NUSAF3 interventions to implement a number of strategies through LIPW and IHISP subcomponents. But, they were unconsciously implemented without clearly spelling them out.

## 2.8 Sustainability

The mid-term review noted that the ability of NUSAF3 to drive sustainability may be partly realized if the preceding principles are not emphasized and adhered to in the remaining phase of the entire project. The findings noted that concerns were mostly on the five core principles of NUSAF3 that aimed at ensuring that the groups formed in the community can create a bond that is beyond the investment project. The focus is on adhering to set rules through regular supervision and recording of project activities, processes and proceedings, the principle of saving 30% of daily earnings from labour pay (LIPW interventions) or weekly saving for IHISP interventions, inter-lending and timely repayments. The frequency of members' interaction and networking re-enforces the success of the project activities. For instance, meetings create a platform where members discuss any emerging issues in their investment. The inter-lending makes group members' economically better. The emphasis on weekly savings inspires the community to save so that they can continue to have funds that can be used for re-investment.

The project also emphasizes the sustainability component and therefore the community is made aware of the environmental and social importance of their projects. Therefore, the projects are designed to adhere to environmental and social demands that would ordinarily be ignored in preference for economic gain.

Environment safeguards was found to be 'a must do activity". After identifying and selecting projects from sub-county development plans, social and environmental impact assessment (SEIA) is carried by District Environment Officer (DEO). SEIA focuses on identifying the negative social and environment impacts. District social and environmental checklist is used to identify mitigation measures to minimize negative impacts. CF, CPMC and group executives are also trained in environmental and social safeguards in order to monitor environmental and social standards applied by the district.

For instance, the results of environmental and social safeguards applied in access road digging and to members of LIPW are:

- Protecting community water sources from being destroyed by access roads;
- Building culverts in environmental sensitive spots like wetlands as mitigation measures;
- Digging drainage systems to avoid water logging that can destroy crops, houses and other household property;
- ⇒ Providing for elderly, pregnant women, breast-feeding women, sick and HIV victims as social safety net;
- ⇒ Providing occupational safety standards for those digging the roads against injuries, etc

These innovations have been significant in supporting the project to deliver better results by having a more committed community engagement in investment. The household incomes and assets have increased because communities are now keen on earning from income generating activities so they use their savings for production and not only consumption.

Despite the part success registered by the set principles, 7 core principles for building community resilience for sustaining watersheds need to be at the forefront of the 5 operational principles. There is, therefore, the need for sharing experiences and learning across scales which can only be effectively achieved by following the 7 principles for building community resilience for sustaining watersheds and NUSAF3 interventions.

# 2.9 Project efficiency

NUSAF3 provided financial engineering instruments for watershed physical infrastructure and enterprise development through IHISP sub-component as CIG venture capital funds and LIPW. A tiered approach was developed with different ladders for effective implementation. This acted as a key driver to perform various functions to deliver its results. The implementation ladders formed the implementation structures from OPM (NUSAF3 national office), district structures and watershed structures. Of particular interest in project delivery is the local level tier comprising the districts, sub-counties and watersheds. The review team noted that the district and community level were helpful in delivering the project outputs. Where variations existed, it was largely due to district and sub-county willingness and ability to mobilise, create awareness and sensitize the population and also natural differences in capacities to deliver. Overall, a number of district stakeholders applauded the NUSAF3 structure and were extremely pleased with it. The CAOs, Nebbi and Pader Districts narrative of the structure summarizes how effective the established process of NUSAF3 project was able to deliver the outcomes.

"We have structures in place ...we have the NUSAF desk officer who is like the engine, the coordinator of the sub-county artisans and community facilitators. The community development officers (front line officers) generate these projects; then the district implementation team assesses the feasibility of this project. At the technical planning committee level all heads of department participate again assess whether these projects are feasible before we forward them to the district executive committee to approve or

disapprove and eventually council makes commitment in terms of approving funds for this project. Once the funds come, the groups are trained and the things which need procurement are done. Our work as district officers is to monitor and confirm that the projects are implemented as planned" CAO, Nebbi District.

The above narration shows how the NUSAF3 structures worked out at the district level. The CAO paid particular attention on the process of project generation, approvals and responsibilities played by different implementing structures. On the other hand, the narrative of CAO Pader District emphasizes coordination and synergies as drivers for effective performance of NUSAF3 projects as below:

"The community development officers at the sub-counties play very instrumental roles by supporting appraisal of viable good projects and then making sure that NUSAF projects develop coordination and synergies among themselves. This helped in developing the dynamics for working in a group to see that the group formation is executed as per the guidelines. I have seen community development officers satisfactorily performing their roles in terms of mobilizing the community, working with the committees at various watersheds. So, I am satisfied with their work" CAO Pader district.

CAO, Buliisa District summarized effectiveness of the NUSAF3 structure as a key driver by noting that

"...when you look at the way this project is structured, it is one of the most down to earth and successful world bank projects because it benefits 3 categories: the active poor, the poor, and the disabled. Each day they work they are paid and that is money going to these communities. So in terms of success, I want to say there are certain interventions where you can see improvement in terms of income because once these people receive money, it's an income to the household...they spend it and the economy becomes vibrant and life continues." CAO, Buliisa

In summary, a combination of bottom-up and top-down approaches enabled the success of the project reflected by its performance indicators. This combination facilitated community mobilization, community-project selection using bottom-up approach for approvals, channelling funds using top-down strategically to minimize delays and increase project impacts.

NDOs, CFOs, RDCs, CAOs and DIST acknowledged the structural financial flow system established in NUSAF3 from OPM to districts and direct to beneficiaries. Many considered the mechanism efficient. This is because many bureaucratic tendencies are minimised in financial flow to beneficiaries. In terms of financial management, when the funds are transferred from OPM, the District Finance Committee scrutinizes the funds project-by-project before releasing to the beneficiaries. For IHISP sub-projects, the funds are released to CPCs for procuring what each CIG targets for investment. CPCs used the funds to purchase bulls for ox-traction, renting fields for growing crops, buying seeds, goats and bulls for fattening, produce for resale, etc. The funds are regarded as "seed financing" where after selling of the produce, fattened bulls and goats, re-investments are done again. Part of the business proceedings are weekly saved.

Similarly, for LIPW sub-project, CPC with technical assistance from sub-county artisans and district engineers use the funds for purchase of tools, equipment, culverts and other road construction materials. After every 20 days, LIPW members are paid directly from the project account of the district. 30% of their earnings is transferred to their saving account.

However, the district leaders, NDO, CF noted delays in the fund transfers. Specifically, operational funds to facilitate district technical teams (engineers, environmental officers, community development officers, etc), CFs and others were noted to be inadequate and transferred late. This affects their commitment to provide the required technical support to the beneficiaries. The mid-term review report notes that the implementation of NUSAF3 projects depends on district technical team and CFs and the overall performances of LIPW and IHISP sub-components are influenced by their commitments. Therefore, it is important to deliver their facilitation on time for effective work by them. The mid-term review assessed that they impact a lot on improving their effectiveness of NUSAF 3 delivery to encourage sustainable development among the poor and vulnerable people. It is therefore recommended that the development of effective facilitation framework for district technical team and CFs aims to encourage them deliver NUSAF3 project results to beneficiaries.

## 2.9.10 Attitude changes

Attitude changes had mixed findings. Beneficiaries participating in LIPW sub-component had positive changes. Immediate cash given to them for their intensive labour offer made them happy and positive about LIPW sub-component. Positive attitude changes were linked to (a) opportunities of earning additional household income to improve livelihoods, (b) building of social bonds for collective works, (c) pride to provide access roads as parts of local self-help infrastructure provisioning initiative and (d) training opportunities to capacitate the poor and vulnerable people in the watersheds.

NUSAF 3 encourages the observance of market needs as a driver for investment initiatives for IHISP. This means that the community will invest in projects that are demanded by the market and therefore tend to be economically sustainable. Market driven discourse has profound impact on attitude changes of beneficiaries. As a result, IHISP sub-component had mixed attitude changes. Some beneficiaries had positive attitude changes attributed to collective entrepreneurial initiatives of growing crops for sale; improving personal or household incomes and stocks of assets. However, the barriers to easy market access for the produces and products by a number of CIGs have made them to develop negative attitudes. They feel that NUSAF3 is not helping them enough.

## 2.9.11 Gender dynamics of program delivery

NUSAF3 is an initiative to support socio-economic improvement for the poor and vulnerable in the 8 regions of Uganda by deploying financial instruments for livelihood enhancement. The investment activities of financial instruments promoted through NUSAF3 projects are considered as a form of 'impact investing'. 'Impact investing' can be defined as investments which intend to create positive impact beyond (an acceptable) financial return and require the management of social and environmental performance. Therefore, the NUSAF3 overall mid-term review framework focuses on impact assessment of improving livelihoods of the

poor and vulnerable in the 8 NUSAF3 districts and the experiences in the current programming period. Its benefit indications have a significant relevance for stakeholders interested in the NUSAF3 projects (LIPW and IHISP) application.

The gender dynamics of program deliveries in LIPW and IHISP have largely been positive. The beneficiaries of NUSAF3 strategic interventions were to a large extent women and other marginalised groups i.e. PWDs, youth, elderly/old people, HIV affected and child headed families. Performance indicator on gender dimensions show that 60% of all project beneficiaries were women and marginalised people. This means that NUSAF3 targeting and participation in LIPW and IHISP were achieved. Their participation in digging, clearing and leveling access roads for the residents was significantly noticed. Likewise, many women, youth and elderly joined CIGs to run agricultural enterprises that can collectively benefit the groups.

Against this backdrop, investing by NUSAF3 in LIPW and IHISP, the financial instruments promoted to establish as part of the impact investment on the lives of the poor and vulnerable, aim to deliver acceptable financial returns and a range of measurable non-financial impacts. The mid-term review determines NUSAF3 operations as impact investments with measurable socio-economic outcomes and facilitating local development in watersheds that share the same concern on bringing about durable impacts on sustainable rural and urban development. Focusing on the overall NUSAF3 project goals, two broad benefits are considered in the mid-tem review, thus socio-economic empowerment and social inclusion.

Household investments: a number of beneficiaries acknowledged that the support encouraged household investment in livestock (cattle, goats, piggery, poultry and crop growing). One beneficiary in Budaka District like in other districts made an interesting narration of how her household has been empowered through NUSAF3 Project.

Education: with the incomes they earned from participating in LIPW and IHIPS activities, they were able to afford to take their children to school. Likewise, the construction of community access roads through LIPW sub-component aided movement between home and primary schools for their children. They provided safe and quick movement for their children to access education services in the watersheds.

Health, water and sanitation: NUSAF 3 is expanding access to and affordability of vital water sanitation services to help communities especially women, children and the old. There was a notable increase in access to health services, water improved sanitation and hygiene. In addition, their household diets improved as a result of the women's increased household incomes, with a number of families having more than one meal a day and with improved nutritional supplements. Various narrations from beneficiaries in the districts of Budaka, Bulisa, Lira and Amuria have illustrated how NUSAF3 projects have empowered the community watersheds and household beneficiaries.

# **Box 2: Illustrative Quote**

#### Illustrative Quote

"Since 2016 when NUSAF started, when I received my first and second wage, I saved with our village SACCO and I made enough profits to buy 4 piglets. These four piglets grew and produced 24 piglets. I was able to sell off four and buy a bull and that is how my livestock has increased." Female beneficiary Budaka district

"Our children are now accessing schools because of NUSAF3. We never had a good road for our kids to go to school but because of the LIPW project our children are going to schools within our reach safely" Female Beneficiary Bulisa

"We used to sleep hungry because we could only eat once in a day. But now days we are taking all the three meals and it is healthy." Female beneficiary Lira district

"The OX plough provided by NUSAF enabled us to plant cotton in an open garden and from it I was able to sale 10 bags of cotton and buy for myself goats and a bull. These produced and I was able to even construct a permanent latrine for my family. So now our hygiene is even better." Female Beneficiary Amuria district

#### 2.9.12: Social Inclusion

A significant number of people attested to the fact that NUSAF3 support projects facilitated inclusiveness in terms of helping women, youth, HIV victims and other marginalized groups to take part in livelihood improvement projects. This social inclusion was found to have profound empowerment impacts on their lives by improving their ability to participate in their communities' political, economic and social life. The inclusiveness was determined using three measures: capacity-building, employment access and increased decision-making.

Capacity-building through training and knowledge acquisition: the training offered by NUSAF3 project as part of community watershed capacitation provided different abilities in enterprise development and investment to the women, youth and other marginalized groups. These offerd new opportunities to learn through experience using streamlined processes and functional assistance.

Access to employment and the tools to participate in social life: NUSAF provided both men and women full participation in the LIPW and IHIPS projects. In fact in some districts there were more female than male beneficiaries that were enlisted on a given project. The women's participation and partnership with men including shared responsibilities in the various NUSAF activities contributed to increased roles of women in self-reliance, participating in household incomes, paying school fees and taking care of daily necessities demanded in their homes like salt, sugar, soap, clothes, etc to improve social lives of their household. The earnings from participating in NUSAF projects and offering labour in LIPW sub-component helped to improve women's access to secure livelihoods, economic resources and self-reliance.

**Providing women voice in the community:** NUSAF projects gave women equal participation and equitable representation rights at all levels of the project process and public life in each community watershed. This has enabled women to articulate their concerns and needs in enterprise development, collective CIG investments and project leaderships. The increased participation of women in the community public life, especially those that were selected as members of the beneficiary appointed committees (CPC and CPMC), helped improve women's status in the community and also enhanced their decision-making capacity at different levels and in all spheres of life. In Ajumani, Kiryandongo. Bulisa and Budaka districts a number of women expressed happiness about their social inclusion in NUSAF3 projects.

#### **Box 3: Illustrative Quotes**

#### Illustrative Quotes

"NUSAF brought for us facilitators among the community here and we were trained in various aspects of life especially how to grow things and take care of livestock" Female beneficiary Lira

"We had a training with the office of the LC1 especially on how to space cassava when planting, and the next training, was with our CF who brought us a vet to treat our animals and to train us how use the animals in ploughing" Female beneficiary Kiryandongo district

"My life is independent, I no longer struggle with my husband because my life has changed ever since I got involved with NUSAF. We got cows, hoes, wheel barrows, we got boots and I had never worn them before, we got sprayers, in fact we only used to see some of these things in the homes of the rich. But now we have them and we can use them, and indeed we are very glad. We now have fees, children now study in boarding, something that I had never expected. Now, I can buy myself a gomesi (traditional cloth), lotion, I buy for my children clothes and other petty things that used to bring about quarrels between my husband and I. But now that I can also afford to buy them and contribute, those things no longer make us quarrel" Female beneficiary Bulisa district.

"I appreciate NUSAF3 because the way it was designed was ok, we the projects management committee (majority are women) we own the project plus other beneficiaries. It is us who go to the bank and withdraw the money. This is very different from what used to happen before with NUSAF2 where people from the district would follow us to the bank and immediately after withdrawing the money they would tell us to give them some. But now with NUSAF3, we go and pick money ourselves, we come and pay to the beneficiaries ourselves without any interference from any other person" Female Beneficiary Budaka District

Overall, NUSAF3 efforts that are aimed at protecting the rights of, and promoting opportunities for, women through economic and social inclusiveness and development processes are starting to undo the feminization of poverty. NUSAF activities were found to improve women's ability to educate their children, take care of family health and empower them in community decision-making.

# 2.9.13 Project Innovation

NUSAF3 project innovations aim is to exploit and promote creative and innovative approaches and initiatives in different domains of project implementation and at all levels. As part of the innovation process, NUSAF3 project design strengthened community potential to substantially contribute to initiating new community-based institutional arrangements, through watershed concept, improving social bonds and networks and promoting social inclusiveness.

NUSAF 3 encourages the observance of market needs as a driver for investment initiatives. This means that the community will invest in projects that are demanded by the market and therefore tend to be economically sustainable.

The five core principles of NUSAF3 are useful in ensuring that the groups formed in the community can create a bond that is beyond the investment project. The five principles are weekly meeting, savings, record keeping, inter-lending and timely repayments. The frequency of members' interaction and networking re-enforces the success of the project activities. For instance, meetings create a platform where members discuss any emerging issues in their investment. The inter-lending makes group members' economically better. The emphasis on weekly savings inspires the community to save so that they can continue to have funds that can be used for re-investment.

The project also emphasizes the sustainability component and therefore the community is made aware of the environmental and social importance of their projects. Therefore, the projects are designed to adhere to environmental and social demands that would ordinarily be ignored in preference for economic gain. These innovations have been significant in supporting the project to deliver better results by having a more committed community engaged in investment. The household incomes and assets have increased because communities are now keen on earning from income generating activities so they use their savings for production and not only consumption.

The Project institutional arrangement was designed in such a way that the beneficiaries have more power and control in deciding what activities are undertaken rather than depending on district technocrats. OPM and Local Government officials and technocrats only play oversight role without deciding what activities are to be undertaken by beneficiaries. This approach has made the beneficiaries to own the projects and participate actively. Compared

to Operation Wealth Creation, Youth development Programme and other local development programmes, CPMC and CPC drive project activities and outputs.

Geographical targeting of watersheds attempts to focus on people who are affected by common problems in an area. The community watershed concept identifies people with similar characteristics rather than relying on existing political boundaries. This applies homophily principle (i.e. "birds of same feathers flock together"). This concept is important in building social bonds for facilitating collective action for mutual benefit, building relations of trust; reciprocity and exchanges. In both IHISP and LIPW, the concept of common interest guides operations, activities and group deliverables. IHISP and LIPW are involved in community organizing and building, thus, community/locality development. Both foster on community building by promoting process goals: community competency (the ability to solve problems on a self-help basis) and social integration (harmonious interrelationship between the community and households) and leadership drawn from within to give direction and control to community matters. In these cases, IHISP and LIPW undertake watershed interests and formulate objectives to achieve quality of life, poverty reduction and integrate the poor and vulnerable discovering, deliberating and taking part in their own community development destiny.

Social inclusiveness makes NUSAF3 project people-centred striving for just, equitable and inclusive intervention. The commitment to promote sustained and inclusive livelihood means, social development and environmental protection will in the end benefit all people, and this is quite innovative on the part of the project.







# 3.0 KEY LESSONS LEARNED

#### Market research to guide market driven initiatives for IHISP projects

It was evident in majority of the IHISP enterprises that market assessment and Value Chain Analysis was not done before making significant investments. A market analysis would allow for identification of the right enterprise (with ready market and at good prices) as well as the necessary market access channels. Furthermore, undertaking a value chain analysis would allow for identification of opportunities and gaps within the value chains of the enterprises selected. The project would then pay attention to these gaps so that CIGs are able to invest and earn a return on their investments. However, it was established that many groups went into enterprises that had significant challenges right from inputs up to market identification. For example while fish farming was a good business, the 8 groups in Oguta watershed, Nebbi which invested over UGX140million in fish farming, did not even know where to purchase fingerings or feeds. They always had to wait upon Gulu university for support and that is why when they sold the initial stocks, they took almost three months to regrow fish. These groups had no market and ended up earning back only UGX11million. Many groups were stuck with their produce.

In Nwoya district, a number of the IHISP projects were involved in growing Cassava. The communities were supplied with good quality of cassava stems and dutifully planted the cassava to later realize a bumper harvest. Unfortunately, the single buyer (a factory in Nwoya) is not yet ready to buy the volume of cassava produced, so most of the cassava is going bad in the gardens. However, larger companies like Uganda breweries although not located in Nwoya, use cassava as a raw material in their beer production process. In Kiryandongo, communities invested in Maize and the oversupply of maize in the country caused prices to plummet. Many communities in Buliisa are operating near the Murchison Falls National Park and could be more appropriate for them to invest in projects that supply the tourism sector – however, they invested in products like cassava and maize (without market). Investment in produce used the safari lodges would provide better returns since most lodges get their food supplies from Kampala and Masindi. If the project conducted adequate market research, it would be possible to understand the market environment, the needs, linkages and potential threats/risks in the market. Therefore the products and services that the communities select to invest in will be driven by the accurate market information such that at the point of sale there is not only effective market demand but also appropriate market strategies.

#### Formation of groups is important but not sufficient without socio-economic action plans

Gainful production can take place when people work in groups and engage in mass production of a given product. The project successfully mobilized people and put them in groups for production. The groups were given capital and then were expected to invest and earn good returns. Whereas this initiative was commendable, it is believed that the groups should have been allowed more time for forming, norming, storming and performing. During these processes, it should have been more meaningful to have the groups develop socio-economic goals, for the groups and for each member so that they have a target to aspire for and thus drive their energy. Because this component was lacking, many groups became weak after the initial sale did not make good profit. It is not expected that a new business will make profit the first time sales are made but the persistence which is driven by the long term goals eventually allows for profit earning.

#### When fully empowered, communities can improve welfare

One the major lessons learnt from NUSAF3 is that when communities are well mobilized, fully empowered with right information and the right local structures, they can fully take charge of their welfare in terms of designing appropriate interventions which in the end benefit whole communities. It is evident that when the beneficiaries were involved in deciding which LIPW project to execute, and on who becomes a leader within the local project management structures, the right projects were selected and executed. Projects such as access roads significantly improved access to health facilities, markets, schools and other community assets largely because the local people collectively made their choices in favor of these projects.

#### One-off trainings may not impart sufficient business skills and a positive business attitude

Many groups were trained on how to do business before they actually started doing business. This was commendable as it helped in opening up the entrepreneurial minds of the beneficiary groups as well as share the possibilities that the groups could derive from business. However, the trainings should have had more impact if they were more focused on the specific group interests, group dynamics and modern business management. Ideally, continuous training would create the right attitude and therefore allow for unlearning of what does not work and adoption of what works. There was evidence in the fish farming groups in Nebbi district that continuous interaction with the Gulu University trainers created a mindset change and the groups were willing to reinvest even when they made a loss at the first attempt. However, groups that received a one off training in Pader nearly split up after making a loss with sunflower farming.

#### Saving with a plan keeps groups together

Compulsory savings are good as they introduce communities to the practice of saving their incomes. Putting these savings to better use would offer a natural incentive to beneficiaries to continue saving their incomes. Thus keeping the money idle in banks may prematurely kill the good spirit of saving which has been started by NUSAF3. A more focus on building

capacity of groups, and on building their capacity for stronger synergies in handling their savings and cooperative groups would make beneficiaries stay in their groups and thus reduce on the levels of fall-out.

#### Other lessons learned

- Operation and maintenance is key to continuity of project assets. Setting aside resources or keeping communities together to take care of the community assets would ensure that the assets are durable and benefit communities longer.
- ⇒ Project monitoring delivers better results if it is regular and done at all levels of local government structure. Monitoring at the lower levels, community level and sub-county level helps to guide community management committees and other committees to keep on track in terms of implementation.
- → Timely delivery of project inputs lies on the critical path of project success. Supplying seeds right at the beginning of the rainy season improves yields and allows beneficiaries to gain from the project. There were significant differences in outcomes of households that received seedlings in time and those that received them late. Timely implementation of workplans is key.
- Effective coordination among the technical and political leadership helps to avoid a lot of disagreements, delays and approval. A harmonious working relationship improves project delivery.
- Paying community facilitators after they have delivered on their part produces desired results. There is evidence that when payment for community facilitators was tagged to delivery of implementation reports, most facilitators worked hard and delivered results in time as opposed to when payments were made whether or not appropriate reports were made.
- Involvement of veterinary doctors to assess the health of animals during the procurement of livestock or oxen produces produces better results. Where this practice was used informally, success was achieved and better animals were bought.

# 4.0 KEY ISSUES IDENTIFIED

The project issues cited are both internal and external. The internal issues are mainly systemic issues which project management entirely has control over while the external factors are target group or location related issues that the project has to adjust towards.

#### **Inadequate Group Capacity Building**

Groups were formed and given money without a social-economic development plan to ensure continuity beyond the initial project and training in business management. Some adhoc generalised training was provided to beneficiaries without addressing the specific needs and circumstances of the different groups. Many groups consumed what they produced; and a framework for follow-up and monitoring to ensure money was invested profitably was lacking. Most groups were not guided to invest their money appropriately. A vast majority of them invested in farming and thus bought oxen and ploughs. They spent between 60-80% of the money on the ox ploughs and allocated insignificant amounts to actual production. Moreover, most bulls were young and untrained in farming. A case in point is the 0gom 0x-traction & soya beans growing in Pader District. The group had 12 members and they bought 12 bulls. The group was running well but after a few months members started leaving the group because of the death of oxen. The oxen were too young to be engaged in ploughing. Some were stolen or got lost. The ploughing equipment was also breaking down without any repair. This demoralized the members and they felt no benefits in the project. This is an example of limited capacity building which was widespread among many IHISP groups.

#### Timely fund release

District officials complained about late release of funds to implement watershed projects, especially for LIPW component. They reported delays in NUSAF3 fund releases as a great obstacle in achieving project results. This was reflected in project outputs. For instance, many districts noted the delay in the last release for access road digging. They noted that the funds were received at the end of the rainy season. Yet, digging road in dry season is hard and expected mileage cannot be achieved. Secondly, there is no mechanism for combating the surface with water, instead dust is generated affecting residents nearby. Similarly, IHISP interventions experienced the same challenges. Seedlings meant to be planted arrived during dry season were still kept in sub-county stores. Tree seedlings were piled under tree shades awaiting distribution and planting when the next rains arrive. The delays had important effects on performance of CIG initiatives. It was established from the TST as well as through document review that release of funds from OPM happened in time, however the delays were experienced at the district level. On many occasions districts were unable to release funds to communities in time. Several reasons were given including internet network difficulties, delayed paperwork from communities, and inadequate organisation from communities. It was however further established that in some instances there was no urgency on the part of the districts to release funds. These delays affected implementation of activities and demoralised beneficiaries to some degree. For instance, while an access road in Panyimur, Nebbi district was approved in 2017, actual implementation took place in January 2019 largely because of the delays to receive funds. Some of the activities for NUSAF3 were done inconclusively or delayed because the funds to support them were received late. This has negative consequences on smooth operation and timely implementation and follow up of activities.

#### **Saving Culture**

All beneficiaries saved a portion of their earnings. As for LIPW beneficiaries, up to 25.5% of their daily wage was kept in savings while the proportion was 30% for IHISP groups. These savings were kept in commercial banks. By the time of the MTR there were no proper guidelines on how to utilise these savings and the money was idle in the commercial banks. Furthermore, beneficiaries were not able to access their savings, even when they had genuine needs. It was also established that many CIGs saved regularly before accessing funds from NUSAF3 but declined after they received funds. There were some CIGS that continued with the savings but quite a big number of them, especially the groups that made losses had stopped saving. Even those that saved, the amount was too small to promote Savings growth. It is imperative that savings become a cornerstone of the group activities as these are expected to be the sources of funds for investment and for meeting other livelihood needs. This aspect of the project is core to the very foundation of the theory of change.

#### Days of work

The design of the project required that a household would participate in LIPW activities at least three times. This would allow such households to earn regular income from their labor. However, it was established that nearly all households participated only once in LIPW activities, suggesting that they earned only about one third of what they should have earned. This limited participation led to earning of small incomes and thus many of the expected changes in beneficiary livelihoods would either delay to be achieved or would not be achieved at all. Thus the current 54 days of work is inadequate.

#### **Inadequate Funding**

There were reports that the resources allocated to the NUSAF 3 project are insufficient to support all the activities involved. For example, CFOs complained of working within a stringent budget that limited their effective follow up and audit of project activities. In other cases, district committees did not meet as regularly as they should because they did not have enough funds to support such meetings. The district operational budget was small that follow up and monitoring of project activities by the district staff (who approved projects) was difficult. Sometimes, meetings did not take place in time because of budgetary constraints, thus delaying decision making. Table 28 shows quotes from some of the officials that highlighted the funding challenge.

#### **Box 4: Illustrative Quotes on the funding challenge**

Illustrative Quotes on the funding challenge

"... he tries to visit it but of course he cannot visit more than five times because there are many projects... we are given about five hundred fifty thousand per quarter, so auditor cannot move the whole of Amuria... due to the limited funding. " CFO Amuria District

"Facilitation, like I said sometime we may want to meet regularly but we can't due to limited facilitation" DIST Kaberamaido District

"... these are big projects and they are wide spread especially for Kabong, it is a wide place, projects are not in one place.... That is a lot of work, so there is need to increase funding to also incorporate other structures in the district to monitor these projects" CFO Kaabong District.

"Basically the resources are not enough ha-ha" DIST member Amuria District

"..with the implementation team is the inadequate ---- fund as the Accountant has said, every other quarter, they are reducing that money and as the office of the ---- officer who is in charge coordinating, all these other sector experts" DIST Kapchorwa District

#### Structural Inefficiencies

The district officials also reported that the structure of NUSAF does not provide for effective supervision. While there were resource people in the receiving, disbursement and accountability of NUSAF3 funds, they were not involved in supervision and follow up of the projects. The role of most of the district staff was limited to all activities up to approval of projects and not implementation and post implementation follow up. There was also a belief among core TST members that core project staff were the ones playing a "facilitative role" such as accounting, auditing, and procurement. The technical implementation people were not considered core to project delivery and this is a structural challenge that originates from project design. It thus appears that more emphasis is put on compliance with procedures than on outcomes and impact. For instance, while an Engineer may be involved in the approval of an access road expansion, supervision of the actual work is done by the non-technical village artisan. While community facilitators are expected to work closely with the subcounty, they quite often deal directly with the NDO, especially after project approval. Furthermore, the structure allows private operators to have contracts to purchase and deliver seeds to beneficiaries. This is a good innovation but on many occasions, the seeds are delivered late and communities are not able to plant in time. And the project does not have a proactive mechanism to counter these delays. Box 5 shows some of the views of the officials regarding structural inefficiencies

#### **Box 5: Illustrative quotes for structural inefficiencies**

Illustrative quotes for structural inefficiencies

"...I am not even in any team, not even in any, maybe none of these teams that go to monitor, there is no provision for CFO in NUSAF to go and monitor and see how this money is being used. So my work is only to make sure that we disburse the money, once the money has gone into the group accounts I stop there as CFO. So how the money is being used I don't know." CFO Kaabong District.

.....supervision is still a serious challenge...because normally we have to may be use even public means, you have to use public means to make sure that at least you reach some of the sites...yet the vehicle we have is parked and in a bad state ..." DIST Budaka District

"...normally we have challenges when they disburse these funds, they don't notify all of us on time, so you find that until they complain of acknowledgement, then we say where is the money and we start tracing for the money. I suggest they should give us communication, notification of kiryandongo you have disbursed this much" CFO Kiryandongo District.

"We also need to take note of another challenge, which is the supply of these seeds which we are giving to the community, sometimes they are given off season. So, when they are given off season, the seeds can be consumed sometimes or planted and they don't germinate or the germination rate will be very low", CAO Pader District.

The technical support team (TST) is a team of skilled people... it has a core team but not everything can be covered by these people, it sometimes affects operations... NUSAF Program Specialist

#### Low capacity of the community

It was reported that the level of education and capacity of a large number of people in the community were a deterrent to the progress of NUSAF 3 activities. For instance the inability of community beneficiaries to read and write often necessitated the interference of district and sub county officials. The table below highlights the various concerns raised by respondents on the issue of capacity.

#### Box 6: Illustrative Quotes of low capacity of the community

Illustrative Quotes of low capacity of the community

"the government has given too much authority to the community to handle money, too much money. For example, you work with a treasurer she doesn't know how to read and write, sincerely how do you expect that lady to know what she is doing ..and take her to the bank, she doesn't even know how to count these notes and these are lots of money." CFO Kaabong District.

"Interference by some leaders which affects our decisions because such leaders always want to apply their own thinking even where not necessary, culture issues in some communities and religious affiliations always affect plan implementation programs and lastly limited resources in terms of transport to move to various areas. (DIST member Amuria District)

Of course we have, we are dealing with communities which had their own way of doing things. There is that negative attitude which we have to work against most of the conceptions --- for example what you have said about the environment. Some people take it very lightly. DIST Kapchorwa District

It is an illiterate community by the way and they are going to withdraw lots and lots of money, how are they making sure that this money is safe and this money is used for the intended purposes?" CFO Kaabong District

#### **General Issues**

The evaluation team also identified a number of general issues that affected project implementation. These issues include among others:

- Watershed Management Committees are redundant. A vast majority of watershed committees were not functional yet the project manual assigned these committees important roles and responsibilities. The main reason for their redundancy was inadequate resources to facilitate their work. In the same way, District Implementation Support Teams were fairly redundant, unable to execute their responsibilities as expected.
- The project was not addressing behavioral poverty which evidence elsewhere suggests that these behaviours hold people in poverty. These behavioural aspects include alcoholism, polygamy, selling of labor cheaply, charcoal burning, overload of women with work, sale of children's' labour and engagement in subsistence farming by family heads.
- Evidence based project decision making was weak. Whereas the project gathered data through the MIS platform, there was little proof that decisions at all levels (TST and district) were based on evidence that previous activities had produced results. For instance, focus seemed to be more of releasing funds to groups without gathering evidence that earlier groups had performed well. Also there was expansion of watersheds without necessarily using a scientific approach to the expansion.

- Data collection and use of MIS by districts was still a challenge. Many districts were connected to the MIS platform of the project but rarely updated their data. One of the issues was limited internet connectivity but clearly the challenge of capacity in the human resources also evident.
- ⇒ Ineffective communication channels with beneficiaries. The project used mainly television and radio shows to reach out to the grass root beneficiaries. However, given limited availability of radio and TV sets among the poor beneficiaries, this approach needed to be revised. More pragmatic approaches would be useful and effective in reaching the beneficiaries.
- Community Facilitator have done a great job in community mobilization but have challenges of irregular payment of monthly facilitation and transport.



# 5.0 CONCLUSIONS

The structure of NUSAF3 implementation and theory of change implementation are effective and valid. These are reflected in the credibility, transferability, dependability, and conformability of LIPW and IHISP projects. These projects have led to improved livelihoods of the poor through household asset building, stimulation of collective community actions in watersheds and empowerment actions of the poor. NUSAF3 implementation design of mixture of bottom-up and top-down approaches is delivering project support and mobilization of the poor. The theory of change assumption of the 'step change' to achieve the critical mass to collective actions through watershed mobilization of the poor and vulnerable people, providing impact financing and anchoring the poor in watersheds through group formations in order to provide support is working to reduce vulnerability. It may not be perfect, but is achieving some positive results in NUSAF3 project sub-regions.

LIPW is a good Approach to social protection of the poor and vulnerable. The LIPW beneficiaries received their pay for work done and this enabled them to meet their basic household needs in a timely manner. The MTR data shows that LIPW beneficiaries have increased their incomes and welfare.

Social inclusiveness makes NUSAF3 project people-centred striving for a just, equitable and inclusive interventions and the commitment to promote sustained and inclusive livelihood means, social development and environmental protection and thereby to benefit all. NUSAF provided both men and women full participation in the LIPW and IHIPS projects. The wages earned from participating in NUSAF3 helped to improve women's access to secure livelihoods, economic resources and self-reliance.

NUSAF3 has empowered women. NUSAF has given women equal participation and equitable representation at all levels of the project, political process and public life in each community and enabled women to articulate their concerns and needs through their project representatives. The increased participation of women in the community public life, especially those that were selected as members of the beneficiary appointed committees (CPC and CPMC), helped improve women's status in the community and also enhanced their decision-making capacity at different levels and in all spheres of life.

The gender dynamics of program delivery have largely been positive. The benefits of NUSAF3 were to a large extent equally shared with women and other marginalised groups i.e. PWDs, youth, old people HIV affected and child headed families.

The structures are effective in project implementation. District, sub-county and watershed structures established by NUSAF3 project are delivering results. The operational implementation of the NUSAF3 project requires that resources are allocated to benefit the poor and vulnerable people through intensive labour provision mechanism and market

driven approach which are then implemented through DIST, CFs, CWCs, CPMCs and CPCs to achieve the investment strategies agreed in NUSAF3. These structures have promoted LIPW and IHISP projects giving rise to wider social or public benefits — with their impacts being in line with the objectives set out in the NUSAF3 and underlying the NPDII and national targets of reducing poverty, achieving socio-economic transformation through market-driven approaches and environmental sustainability. This has facilitated NUSAF3 payment modality of direct transfers to beneficiaries and mobilizing massive participation of the poor and vulnerable people to benefit from the projects.

While overall poverty may not be reducing, there is progress towards the welfare of beneficiary households:

- ⇒ Where IHISP has not worked, there are gaps in the enterprises selected especially value chain gaps that were not fixed
- Groups started business without a social action plan beyond the business, and thus after the first round of operations little effort was put into the business
- Capacity to do certain businesses was low and there was a lot of on-job learning − many groups made losses but picked the lessons (fish farmers are best examples)
- Business takes time to make profit thus if the causes of losses are alleviated, many IHISP enterprises will make profit.



# 6.0 RECOMMENDATIONS

#### **Design and Delivery**

The project should use more efficient payment systems such as mobile money platforms to reduce on the delays that the LIPW beneficiaries experience in receiving their pay. A biometric system of tracking the number of days a person has worked, when and on what project would easily facilitate payment. An automated payment system would confirm who is paid when, and this could well be integrated in the already developed MIS at OPM.

There should be a mechanism to allow graduation of LIPW beneficiaries into IHISP groups. Whereas there were IHISP groups that lacked focus, there were several LIPW households that saved their income and put these incomes to better use. Such progressive households should be identified, and mobilised into groups to do business. They could benefit from the trainings in IHISP core principles and household best practices.

A value chain approach to the IHISP interventions can deliver better results. For every business idea raised by the CIG, a value chain analysis should be done and gaps identified. NUSAF3 should focus on closing these gaps for specific enterprises (or a critical mass of enterprises in a given watershed). There were numerous examples of fish farming groups that were not aware of the sources of inputs such as fingerings, feeds, resource persons and other materials used. There were also several enterprises stuck without market for their crops. These are bottlenecks that the project can address.

As a temporary measure, NUSAF3 should consider acquiring mobile cassava processing machines to process the cassava as market is sought. A possible market outlet is Uganda Breweries Ltd which is shifting from use of barley to cassava in the production of beer. The company is in advanced stages of identifying farmers and building their capacity to grow enough cassava to sustain the company operations.

Recursive capacity building through structured group capacity-building approach will lead to (1) context support (e.g. group and task design, rewards, and information system) and effective leadership to influence group performance; (2) team beliefs, (sharing project ideas, team-building for interpersonal risk taking, CIG planning); and (3) team learning behavior (activities carried out by group members through which a group obtains and processes data that allow it to adapt and improve). The review beliefs that this will lead to the chain components that involves a four-step phase, thus how "inputs" provided by NUSAF3 project affect "activities" of IHISP, which generate "outputs" that affect "outcomes". The proposed model can guide CFs to improve project delivery and sustainability on the lives of the poor and vulnerable people.

A number of technical staff at the district are by project design supposed to play core roles yet few of them are keen to fully participate. Increasingly, more workloads are left

to the NDO, CFs and community structures. A vast majority of enterprises are in the area of agriculture, trade, environment and works yet communities struggle on their own on a number of issues such market information, pest and disease control, weather information, etc. As an example, communities around Murchison Falls National Park were encouraged to grow maize as a business and neglected the abundant market provided by the safari lodges for fresh produce which they buy from Kampala and distant places. The Commercial officer should have been in better position to advise on the kind of enterprise that such communities should have engaged into. The OPM may need to pass an instrument to have these line sectors play their meaningful roles in NUSAF3 implementation.

#### Implementation for Results

Integrate results based management at all project levels to plan and implement for results. Train all project stakeholders/ implementers in results based management to enable a shift from outputs to outcomes.

Guide NUSAF3 beneficiary groups to have socio-economic action plans to guide their household and community development. These plans should then guide their investments when they earn incomes from project interventions. NUSAF3 should leverage the benefits of social cohesion in the groups. Groups should not only meet to save money but should discuss a range of developmental ideas, issues affecting households and community such as GBV, environment, etc. Adult literacy should be introduced in these groups, and this can be archived using locally available resource of FAL instructors trained by government at Parish level.

Establish effective channels of communication with beneficiaries. Use of community based approaches like Barazas at watershed level is recommended.

Regular capacity building to district staff is needed in the area of ICT. Identify mentors at regional level to offer technical support.

Use evidence based approaches in project management. Use data from the MIS to guide decision making on project implementation.

#### LIPW and IHISP Focus

Rather than double watersheds and thus the number of beneficiaries, engage every household at least three times to create more income opportunities for LIPW beneficiaries. This would fit within the analogy of "regular income support" and would allow beneficiaries save more. Evidence suggests that LIPW can perform well on livelihood indicators if well guided.

LIPW beneficiaries have demonstrated ability to improve on a number of levels, therefore mobilize LIPW beneficiaries into village savings groups so that their savings can grow. The saving culture among LIPW beneficiaries will lead them to financial inclusion. Ensure all savings groups adopt technology of mobile banking by linking them to financial institutions as this will increase their chances of access to credit and financial inclusion.

Tackle key indicators of poverty in programming project activities as highlighted in the PPI amongst project beneficiaries. Sensitization of beneficiaries on key poverty indicators and

having a clear action plan on how to deal with them before and after project activities is key in addressing poverty.

Engage the Community Watershed committees in mobilization of beneficiaries for community development activities. They should regularly review the watershed development plans, conduct regular watershed meetings to discuss social action plans, engage beneficiaries of poverty issues and report on watershed activities

Conduct a market assessment and Value chain analysis for enterprises to guide IHISP investments.

Project should establish quarterly and annual review processes right from OPM down to Community level to address challenges and re-plan adjustments to increase implementation flexibility.

#### **Procurement**

It is suggested that CPC with assistance from CFs and district technical team should:

- ➡ Estimate the whole costs of purchases and other costs associated at the planning phase of the projects and sign contracts of input deliveries and items early enough before project implementation begins;
- Ensure timely allocation of funds for procurement to CPCs, sub-county and village artisans and district technical team;
- ➡ Establish ways in which outputs are specified to be delivered via the contract in time and the degree of flexibility around service specification should be effective.

For IHISP sub-component projects, timely fund disbursements can be achieved through: (1) use of biometric system to register all beneficiaries; (2) creation of beneficiary database for each CIG investment ventures in each watershed, sub-county and district; (3) submitting IHISP beneficiary dataset to the NDO and NUSAF3 OPM (4) creating electronic platform for the district commercial officers to share information about the CIGs and beneficiaries, and investment type to help equip them with appropriate skills to evaluate market environments and (5) monitoring their investment portfolio electronically.







# ANNEXES

Appendix 1: Quantity of household assets owned

		N	Mean	Std.	Std.	Minimum	Maximum
				Deviation	Error		
Radio	Baseline	691	1.05	0.265	0.01	0	3
	Midline	618	1.06	0.34	0.014	0	4
	Total	1309	1.06	0.303	0.008	0	4
Motorcycle	Baseline	67	1	0	0	1	1
Motorcycle	Midline	70	1	0.17	0.02	0	2
	Total	137	1	0.121	0.01	0	2
Bicycle	Baseline	570	1.07	0.284	0.012	0	3
	Midline	486	1.06	0.299	0.014	0	3
	Total	1056	1.06	0.291	0.009	0	3
Boat	Baseline	8	1	0	0	1	1
	Midline	1	1			1	1
	Total	9	1	0	0	1	1
0x plough	Baseline	232	1.09	0.438	0.029	0	4
	Midline	268	1.19	0.463	0.028	1	4
	Total	500	1.14	0.454	0.02	0	4
Mattress	Baseline	1310	2.07	2.839	0.078	0	91
	Midline	1156	1.97	1.316	0.039	0	11
	Total	2466	2.02	2.258	0.045	0	91
Telephone	Baseline	1020	1.45	0.826	0.026	0	8
(handset)	Midline	886	1.4	0.821	0.028	0	13
	Total	1906	1.43	0.824	0.019	0	13
Livestock	Baseline	583	2.87	3.143	0.13	0	40
(cows)	Midline	745	1.25	0.7	0.026	0	8
	Total	1328	1.96	2.292	0.063	0	40
Livestock	Baseline	785	3.24	3.389	0.121	0	50
(goats)	Midline	939	1.35	0.792	0.026	0	7
	Total	1724	2.21	2.541	0.061	0	50
Livestock	Baseline	200	2.87	2.992	0.212	0	30
(sheep)	Midline	1156	3.53	2.252	0.066	0	28
	Total	1356	3.43	2.386	0.065	0	30
Poultry	Baseline	1104	5.52	5.706	0.172	0	74
	Midline	919	1.47	0.906	0.03	0	7
	Total	2023	3.68	4.713	0.105	0	74

Appendix 2: Welfare among LIPW and IHISP beneficiaries

	Data Period		Total				
	Baseline	Midline		Х2	df	Sig.	
Wealth Quintile for LIPW	Poorest	478	242	720	58.430a	4	.000
		26.5%	16.8%	22.1%			
	Poor	342	270	612			
		18.9%	18.7%	18.8%			
	Average	361	291	652			
		20.0%	20.2%	20.1%			
	Better	338	307	645			
		18.7%	21.3%	19.8%			
	Wealthier	288	334	622			
		15.9%	23.1%	19.1%			
Total	1807	1444	3251				
	100.0%	100.0%	100.0%				

### Appendix 2a: Welfare among IHSP beneficiaries

	Г	Oata Period	Total				
	Baseline	Midline		X2	df	Sig.	
Wealth Quintile for LIPW	Poorest	304	181	485	58.430a	4	.000
		16.3%	13.8%	15.2%			
	Poor	339	265	604			
		18.1%	20.2%	19.0%			
	Average	330	292	622			
		17.7%	22.3%	19.6%			
	Better	426	296	722			
		22.8%	22.6%	22.7%			
	Wealthier	470	278	748			
		25.1%	21.2%	23.5%			
Total	1807	1869	1312	3181			
	100.0%	100.0%	100.0%	100.0%			

## **Appendix 3: Distance to Community assets**

	IHISP						
		N	Mean			Sig.	
				Std. Deviation			
School	Baseline	1357	2.0	1.4	2.28	0.131	
	Midline	935	2.1	1.5			
	Total	2292	2.0	1.4			
Health facility	Baseline	1474	3.2	1.6	0.06	0.800	
	Midline	845	3.2	1.6			
	Total	2319	3.2	1.6			
Passable community access road	Baseline	1421	1.0	1.1	3.77	0.052	
	Midline	686	0.9	0.9			
	Total	2107	0.9	1.1			
Valley dam	Baseline	33	1.5	1.5	3.02	0.086	
	Midline	48	2.1	1.7			
	Total	81	1.9	1.7			
General Market	Baseline	1023	3.6	1.6	17.10	0.000	
	Midline	725	3.3	1.7			
	Total	1748	3.5	1.7			
Livestock market	Baseline	182	4.0	1.5	2.86	0.092	
	Midline	148	3.7	1.6			
	Total	330	3.8	1.6			
Food/roadside market	Baseline	710	1.3	1.3	0.06	0.803	
	Midline	434	1.3	1.3			
	Total	1144	1.3	1.3			
Clean/safe water source e.g spring, bore hole, tap	Baseline	1460	0.9	0.9	19.6	0.000	
	Midline	830	1.1	0.9			
	Total	2290	1.0	0.9			

LIPW							
	N	Mean			Sig.		
			Std. Deviation				
Baseline	1264	2.0	1.4	7.74	0.005		
Midline	996	2.2	1.5				
Total	2260	2.1	1.4				
Baseline	1338	3.0	1.6	3.91	0.048		
Midline	886	3.2	1.6				
Total	2224	3.1	1.6				
Baseline	1255	0.9	1.1	0.08	0.78		
Midline	629	0.9	1.1				
Total	1884	0.9	1.1				
Baseline	29	1.8	1.5	6.45	0.013		
Midline	47	2.9	1.8				
Total	76	2.5	1.8				
Baseline	875	3.5	1.7	3.00	0.083		
Midline	662	3.4	1.6				
Total	1537	3.5	1.7				
Baseline	125	3.6	1.6	0.04	0.834		
Midline	111	3.6	1.6				
Total	236	3.6	1.6				
Baseline	720	1.4	1.4	1.06	0.304		
Midline	413	1.5	1.4				
Total	1133	1.5	1.4				
Baseline	1243	1.0	1.0	15.77	0		
Midline	756	1.1	0.9				
Total	1999	1.0	0.9				

## Appendix 4: Household daily expenditure on food

		N	Mean	Std. Dev	Std. Error	95% CI		Min	Мах		
						Lower Bound	Upper Bound			F	Sig.
	Baseline	1773	6,539	3,451	81.9	6378	6699	-	19,000	117.3	0.000
IHISP	Midline	1248	5,203	3,174	89.9	5026	5379	-	18,000		
	Total	3021	5,987	3,403	61.9	5865	6108	-	19,000		
	Baseline	1722	6,170	3,314	79.9	6014	6327	-	18,000		
LIPW	Midline	1382	5,528	3,258	87.6	5356	5700	-	15,000	29.2	0.000
	Total	3104	5,884	3,304	59.3	5768	6001	-	18,000		

Notes







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