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# EFI ETHNOGRAPHIC RESEARCH UGANDA COUNTRY REPORT

FINAL REPORT

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**Cover photos:** *Field study photos, top: SILC group management committee, Omadira; Second row: SILC group meeting, Aarapoo; Community discussion with women, Aarapoo; SILC group management committee, Omadira; SILC group meeting, Omadira. All photos in the document derive from field research.*

## List of acronyms and abbreviations

AIDS	Acquired Immune Deficiency Syndrome
CD	Community Discussion
CDO	Community Development Officer
CRS	Catholic Relief Services
EADEN	Eastern Archdiocesan Development Network
EFI	Expanding Financial Inclusion
FA	Field Assistant
FEWSNET	Famine Early Warning System Network
FGD	Focus Group Discussion
HIV	Human Immunodeficiency Virus
IDI	In-Depth Individual Interview
IDP	Internally Displaced Population
KI	Key Informant
KII	Key Informant Interview
LC	Local Council
LRA	Lord's Resistance Army
MTE	Mid-Term Evaluation
NAADS	National Agricultural Advisory Services
NGO	Non-Governmental Organization
NRM	National Resistance Movement
NUSAF	Northern Uganda Social Action Fund
PAG	Pentacostal Assemblies of God
PPI	Progress Out of Poverty Index
PPP	Pro-Poor Package
PRDP	Peace Recovery and Development Plan for Northern Uganda (PRDP)
PSP	Private Service Provider
PTA	Parent-Teacher Association
RDC	Resident District Commissioner
ROSCA	Rotating Savings and Credit Association
SACCOS	Savings and Credit Cooperatives
SAGE	Social Assistance Grants for Empowerment
SESPEL	(South Eastern Private Sector Promotion Enterprise Limited
SILC	Savings and Internal Lending Community
SOCADIDO	Soroti Catholic Diocese Integrated Development Organization
SORUDA	Soroti Rural Development Agency
TEDDO	Teso Diocesan Development Organization (Anglican)
UBOS	Uganda Bureau of Statistics
UDHS	Uganda Demographic and Health Survey
UGX	Ugandan Shilling <sup>1</sup>
UPA	Uganda Patriotic Army
UPE	Universal Primary Education
UPPAO	Uganda Participatory Poverty Assessment
USE	Universal Secondary Education
UWESO	Uganda Women's Effort to Save Orphans
VHT	Village Health Team
VSLA	Village Savings and Loan Association

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<sup>1</sup> 10,000 Ugandan shillings are approximately 2.75 in US dollars



## Glossary of commonly used local terms

Abero	Wife
Aboukonokin	Local term for community-based rotating savings and loans associations, or ‘merry-go-rounds’
Agweydwe	The difficult month of May, when food is scarce, called locally the time of ‘staring children’ ( <i>agwoidwe</i> or <i>obuwaywdwe</i> )
Ajono	Traditional brew made from millet
Akamu	Dry season
Akoiow	Literally, ‘Group of tears’ - used to refer to a clan burial association
Alimu	Knowledge
Alupo	Land
Apolonatakir	Clan head
Aporo	Rainy season
Arasas	It (money) just goes
Arobois	Itesu militia who were instrumental in chasing off the LRA rebels
Atapa	Cassava flour sometimes mixed with millet or sorghum, ground with water into a paste that serves as the staple food (also called Posho)
Atesu	The language spoken by people from Teso
Boda Boda	Motorcycle or bicycle taxis
Darasa ras	Term used to express how money just flies out – particularly for school fees
Ebeli	Famine
Egurupu lo’aida	Literally, ‘group of people in difficulties’ - a mutual self-help group
Enono loi Teso	Cultural leaders
Enyamuret	Term used in local poverty classifications to designate the completely destitute
Epasoit	An alternate term to describe the extremely poor
Etekok	Clan
Garden	Acre
Ibaran	Animals
Ipollock	Elders
Iteso	A person from the Teso sub-region of Uganda
Kokota	Literally ‘get everything’ A Swahili derivate used to describe illegal fishing nets with tiny holes that literally gathers all the fish- even small ones
Loibarak /loibaran	Term used in local poverty classifications to designate those who are wealthy – the ‘rich’
Loichan	Term used in local poverty classifications to designate ‘the poor’
Loitamite/loitamitu:	Term used in local poverty classifications to designate those who are doing ‘fair’- the middle group
Lukumit	Obligatory clan burial association contribution
Mandazi	Traditional bread
Mot-mot	The qualifier ‘somewhat’ used before the different poverty designations, as, for example ‘somewhat poor’
Noi	The qualifier ‘very’ used before the different poverty designations, as, for example ‘very poor’
Omodokokingol	The month of July, when food begins to become available and the ‘mingling stick’ (used to stir the food) is full
Oppadalia	Another difficult month of limited food in June called locally the month of ‘slender stomachs’
Sadaka	Islamic charitable contribution
Tadoba	Paraffin lights’

# EXECUTIVE SUMMARY

## *Project background*

The Expanding Financial Inclusion in Africa (EFI) project aims to ensure that vulnerable households experience greater financial inclusion to improve their resilience through participation in Savings and Internal Lending Communities (SILC). A Pro-Poor Package (PPP) was developed in order to enable poorer households to participate in SILC groups. Progress out of Poverty Index (PPI) data suggests some success in reaching progressively poorer households.

## *Research aims and focus*

To complement such existing information, ethnographic research was undertaken at selected sites in two countries (Senegal and Uganda) where EFI implementing partners have demonstrated significant poverty outreach. The aim was to enhance our understanding of experiences of poverty at local level, assess the extent to which the poor are included in SILC groups, identify any barriers to inclusion, and highlight both what has worked and what challenges remain in attracting and retaining participation by the poor. Research in Uganda focused on two villages in the districts of Serere and Amuria in the Eastern region where the partner organization Socadido has been implementing the PPP. Field research drew on a variety of qualitative data-collection tools, including participatory wealth self-assessments.

## *Research setting*

Our study villages in Uganda (Aarapoo and Omadira) are located in different districts in the Eastern region of the country, in what is historically referred to as the Teso sub-region, from the majority ethnic group called Iteso. It is a largely Christian region, with various denominations, but a minority of Muslims as well. National statistics over the past 10 years indicate that poverty has risen in the Eastern region, with over 78% of the population classified as either poor (24.5%) or 'insecure non-poor (54.3%).<sup>2</sup> A fifth of households in the region have border-line food consumption and a third of children under five are stunted.<sup>3</sup> The region is marked by a history of civil strife and massive population displacement and is also prone to natural disasters arising from drought on the one hand and flooding on the other – particularly in areas close to Kyoga Lake and the many lowland swamps. The two research villages are relatively small rural communities characterized by uncertain livelihoods and limited socio-economic infrastructure contributing to multi-dimensional poverty and vulnerability.

## *Experiences of poverty at local level*

Poverty is experienced in broad terms as: i) lack of essential assets and resources and limited capacity to acquire these; ii) lack of access (both physical and financial) to basic quality social and economic services; iii) unstable, inadequate or precarious living conditions/habitat and the lack of means to improve these; and iv) extreme vulnerability to (and weak resilience in the face of) shocks of all sorts – from large-scale, 'co-variate' shocks arising from the environment to more 'idiosyncratic shocks' arising at the individual or household level, including ill-health, death of breadwinner, changes in household composition and the like. Poverty is moreover extremely dynamic, with seasonal, annual and life-cycle dimensions. Most study participants agree that livelihood shocks linked to floods and – particularly – drought over the past several years have heightened poverty and vulnerability and

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<sup>2</sup> MFPED, Republic of Uganda (2014)

<sup>3</sup> UBOS, Republic of Uganda and ICF International (2012)

levelled out distinctions between the 'poor' and the 'vulnerable middle'. Large families are also seen to be correlated with poverty and add to the burden of upkeep on household expenses.

### *Financial dynamics and inclusion*

Household financial dynamics were similar in the two study villages, with most asset ownership and decision-making in male hands; on widowhood, however, women become de facto heads of households and appear to exercise more financial autonomy, albeit with limited means. Primary sources of income derived from agricultural production, petty commerce and casual labor on the lands of others. Key household expenditures included food (particularly in the face of crop failures); school fees (particularly burdensome for large families); and medical treatment (including for rising cases of Hepatitis B and additional care for people living with HIV and AIDS.) Community members in both villages were largely excluded from formal financial services and – with the exception of the national social pension programme, the senior citizen grant - benefited little from any formal social protection measures. In times of need, therefore, they relied mostly on informal solidarity mechanisms based on kinship relations, neighborhood and clan affiliations. While this demonstrates the importance of local solidarity mechanisms, it was also recognized as problematic because in case of default on a loan provided by family or neighbors, relationships can easily fray.

### *Pro-poor programming*

Field research in both villages suggests that SILC has both reached and benefited the poor. Reaching the poor has been accomplished through a combination of geographic targeting of districts and sub-counties of highest poverty, outreach to community leaders and members on the pro-poor intents of SILC, establishment of appropriate savings targets and flexibility in operations, and support and messaging to encourage the poor to feel confident in their ability to save even small amounts. Both reaching and retaining the poor has been largely achieved through concrete manifestations of the positive social and economic benefits that accrue to SILC members, who see clearly the value of remaining in SILC and who provide an example of success that inspire others to join.

### *Inclusion of the poor within SILC*

In addition to the poor, SILC has effectively reached out to the 'vulnerable middle'. This is largely a result of the inclusive approach adopted and the voluntary and self-selective nature of the program. SILC group poverty self-assessments coupled with PPI data confirm that the majority of SILC members are either poor or among the 'somewhat fair', with a smaller proportion also among some of the wealthier groups. This mixed membership is largely a result of the inclusive approach adopted and the voluntary and self-selective nature of the program.

Inclusion of poor households has increased within SILC as group formation has progressed: this is because, in fact, 1) most groups are made up of a mixture of the 'poor' and the 'somewhat fair' or 'fair'; and 2) households that are characterized as 'fair' are also objectively - by any standard of measure - quite poor and highly vulnerable to livelihood shocks. To the extent that more groups form on the basis of success demonstrated through earlier groups or through the expanded effort of the PSP, this does indeed seem to give confidence to other community members from both categories – 'poor' and 'fair' to join SILC. However, in at least one group in our second study village (Omadira), a parallel trend was also identified of richer members joining the group as it evolved and as the benefits became more apparent. This was seen by one of the members as distorting the savings targets and leading to potential conflict within the group

### ***Obstacles to participation by the poor within SILC***

Obstacles to the poor in joining or remaining in SILC are primarily contextual in nature: the rural communities in our study villages are extremely vulnerable and face severe livelihood constraints arising from cyclical production deficits based on the seasons as well as from recurrent shocks such as flooding, lack of rain, or crop infestations that cause harvest failures. This makes it difficult sometimes for even existing members to maintain themselves in SILC. Moreover, the extreme poor/marginalized/ or labour-constrained, who form a separate category within these communities, seem for the most part to be excluded *a priori* as they are dependent on others for their survival and do not have an independent means of contributing to the groups. Other challenges to pro-poor outreach include reticence or distrust arising out of either knowledge or experience of other programs that have not been successful; and preferred expectations among some for projects that bring input or social assistance support rather than initiatives such as SILC that demand contributions from members.

### ***Benefits for the poor from membership in SILC***

Evidence from both study communities points to significant positive benefits accruing from SILC, with changes reported at individual, household and community levels that are of great significance to the poor. SILC loans and share-outs in most cases are clearly making a positive contribution to poor members' ability to invest in productive activities for the start-up of petty commerce, the purchase of animals, and – more rarely the purchase of land. They are also clearly impacting members' capacity to invest in human capital development – in both health and more particularly education, which is high on the list of most household priorities, as well as for significant 'life-cycle' events such as marriages, births and deaths. Use of the social fund varied among groups and was mainly for health and death-related expenses; while appreciated by members and serving – for some – as a life-saver, it was rare to find a group where all members had drawn on the social fund.

### ***Strengthened social relationships***

A striking feature mentioned by nearly all study participants has been the strengthened social cohesion resulting from participation in SILC groups, which has enhanced trust and collaboration and expanded the existing social solidarity networks that serve as vital social safety nets for poor individuals and households. Most SILC members cite significant changes for the better in relationships at both household and community level. Household level changes include greater autonomy for women and less dependence on husbands accompanied by more harmony and mutual respect in marital relations. Within neighborhoods and communities, SILC was seen to bring about more 'unity' overall and among members of different ethnic groups, clans and religions - something that may be particularly important given the history of social turmoil and conflict that marks these localities. Within the groups themselves, the fact of meeting together all the time seemed also to either strengthen already-existing relations (many SILC members had participated or still participate in local 'merry-go-rounds' – revolving savings groups) or to pave the way towards increased acceptance into the community of new members.

### ***Implications for future pro-poor programming***

Moving forward, it may be important to give further consideration to i) enhancing poverty targeting and monitoring through both quantitative and qualitative approaches; ii) adjusting certain design features to address issues around the social fund, seasonal flexibility, and the direct and opportunity costs of participation in SILC; iii) integrating financial management training into the program from the outset; and iv) strengthening linkages and coordination with other programs and institutions promoting income generation, social protection (such as the Senior Citizen's grant), health and education in the same geographic areas as SILC groups.

# I. INTRODUCTION AND BACKGROUND

## 1. OVERVIEW

### *1.1 Project context and aims of research<sup>4</sup>*

Expanding Financial Inclusion in Africa (EFI) is a 4-year project whose core goal is to ensure that vulnerable households experience greater financial inclusion to improve their resilience. To this end, EFI is forming savings groups using Catholic Relief Services' (CRS) Savings and Internal Lending Communities (SILC) and Private Service Provider (PSP) methodologies in Burkina Faso, Senegal, Uganda, and Zambia. The EFI project, with funding from Mastercard Foundation (MCF) aims to create 19,200 new SILC groups with 502,320 members and has targeted its areas of operation using financial exclusion criteria; criteria which may well stand as a strong proxy for poverty. To try and bring in poorer households, EFI has made critical adjustments to the SILC methodology, known collectively as the 'Pro-Poor Package' (PPP) and contrasted with 'Normal' SILC programming. The PPP adjustments include, for example, training PSPs to identify and mobilize poor households, replacing a minimum savings with a 'target' savings, removing fines for failure to save and ensuring that there is no pressure from within the groups to take loans.

The program is premised upon the principle that access to finance is critical in supporting the livelihood strategies of vulnerable households. It encourages self-selected members to form groups of between 15 and 30 people to save and borrow from the funds they generate without introduction of external capital. Groups are trained in basic bookkeeping and saving and lending principles – through the establishment of a “constitution” or set of rules that guide the group's work and decisions.

SILC groups revolve around two funds: 1) a main “lending” fund in which group members pool their savings, interest paid on the loans and fines; and 2) a welfare (or social) fund, acting as “rainy day fund” to support members in the case of emergency. At the end of the cycle, a “share-out” process takes place, with the redistribution of each members' savings, topped up with the proportional distribution of the “profit” - interests and fines. After a first cycle, groups are assumed to be mature and able to continue on their own. However, in recognition of the fact that groups often need continued support even after they reach maturity, the PSP approach, based on well trained and certified community agents, facilitates post project continuation of support services to existing groups in case of need, and allows for the expansion of the SILC network by relying on a more sustainable revenue flow based on beneficiaries contributions (market led / fee-for-service basis) instead of project's subsidies.

CRS' SILC model offers poor families safe and frequent opportunities to save in the convenience of their local community. SILCs help members to overcome the challenge of accessing useful lump sums to exploit investment opportunities or deal with cash shortages for necessary expenditure. SILC members learn to plan and save for future expenses, accessing their accumulated savings and profits at a pre-determined time. During the SILC cycle, members have the option to easily access small, flexible loans which would not normally be available to them from formal and semi-formal financial institutions.

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<sup>4</sup> From 'Scope of work' for ethnographic investigation into PPP effectiveness

Loans are calibrated to each member's savings to prevent over-indebtedness and manage risk to both the borrower and the group. Small loans are offered quickly, flexibly and without collateral (with the exception of savings as partial collateral), and can be used for both investment and consumption purposes. Loans are an important function of the SILC model, as they generate profits for the group and provide members an alternative to withdrawing money to meet unexpected expenses.

## **1.2 Research aims and key questions**

Two questions that are central to the evaluation of the success of the EFI program and whether it has achieved deeper poverty outreach are: i) What is the mean poverty level of SILC group members, relative to their communities at the start of the program and as groups are formed over time?; and ii) What are the effects of PSP delivery model variants in terms of poverty outreach? The Progress out of Poverty Index (PPI) data has suggested some success in reaching progressively poorer households. Similarly, anecdotal evidence from NGO partners that the poverty outreach training of PSP and adjustments to the SILC model have been successful in reaching and attracting poor and extremely poor members. What is lacking at present is an examination of what works for poor and extremely poor households in terms of attracting them into and retaining them as SILC members.

Ethnographic research at selected sites in two countries (Senegal and Uganda) was commissioned as a complement to other research activities in order to respond to these questions, with a focus on the perspectives and experiences of SILC members and other community members to understand which mechanisms or elements have enabled poor and extreme poor households to join SILC groups and maintain membership and which mechanisms or elements have inhibited membership by the poor and extreme poor. Key questions are shown in *Box 1*.

### **Box 1. Key research questions**

#### **Context-related questions**

In order to contextualize our understanding of project-specific dynamics, a broader background series of questions are also needed on the following:

- Overall socio-economic and living conditions and trends in the community including vulnerability to shocks and changes over time
- Key features and characteristics of livelihood systems and income earning activities as well as seasonal timelines
- Local categorizations and characterizations of wealth groups in the community and estimates of their distribution
- Key factors of inclusion and exclusion operating at community level
- Common household financial behaviors
- Participation in local social protection systems and mechanisms (including those focused particularly on savings and resources exchanges such as tontines/merry-go-rounds, etc.)

#### **Project-related questions**

These research questions are directly derived from the objectives of the EFI program:<sup>5</sup>

To what extent are those households that, relative to their communities, are poor and extremely poor included in SILC membership and has inclusion of poor household increased as SILC formation has progressed in the research sites?

- Are there critical challenges to SILC poverty outreach at local or community level?

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<sup>5</sup> From 'Scope of work  
EFI Ethnographic Research:  
Uganda Country Report

- What are the barriers (if any) for the poorest to SILC membership?
- What are the gender and age or lifecycle differences in group membership and have these changed over time, i.e. between the initial introduction of EFI SILC and the time of research?
- Have new relationships developed or existing relationships been strengthened or weakened by SILC group membership and does this have an impact on group coherence, and the retention of poor members?
- Why do poor households that are aware of the SILC choose not to join and what are the reasons that poor households drop out of the SILCs?
- How is the social fund being used and does this contribute to reducing poverty or vulnerability?

What mechanisms or elements work for the poor and extreme poor in attracting them to, and retaining them in, SILC groups and how does what is found to work in the community compare to the adjustments made to the SILC and PSP methodologies? The adjustments would include:

- How well have the mobilisation methods of the PSPs worked to convince poor households that they should join SILC groups?
- Do flexible savings attract group members?
- How strong is the pressure to take loans and does a lack of pressure retain poorer members?
- Do pioneer groups leverage groups with members who are, on average, poor and extremely poor?
- What is the role of institutional mapping?
- How does the pricing structure influence poverty outreach?

## ***1.3 Research site selection***

### **1.3.1 Selection of country case studies and partner organizations**

The countries for case studies (Senegal and Uganda) as well as the partner organizations (Caritas Kolda and Socadido respectively) were pre-established by CRS based on project-level considerations and resources. In the case of Uganda, Socadido SILC members were more likely to be poor than the baseline population (which was not the case with SILC members in the other two partner areas). The average poverty likelihood of Socadido SILC members was 63 % and the baseline respondents was 49 %, representing a statistically significant difference. Within the Socadido-implemented areas, 92% of the communities have greater than 50% of SILC members in the first two poverty quartiles (compared to only 41% and 42% in the other partner areas), indicating a much greater depth of poverty outreach.

### **1.3.2 Selection of village sites and SILC groups**

The following criteria were considered to be important in the choice of selecting the specific village research sites within each country and each country partner's area of operations:

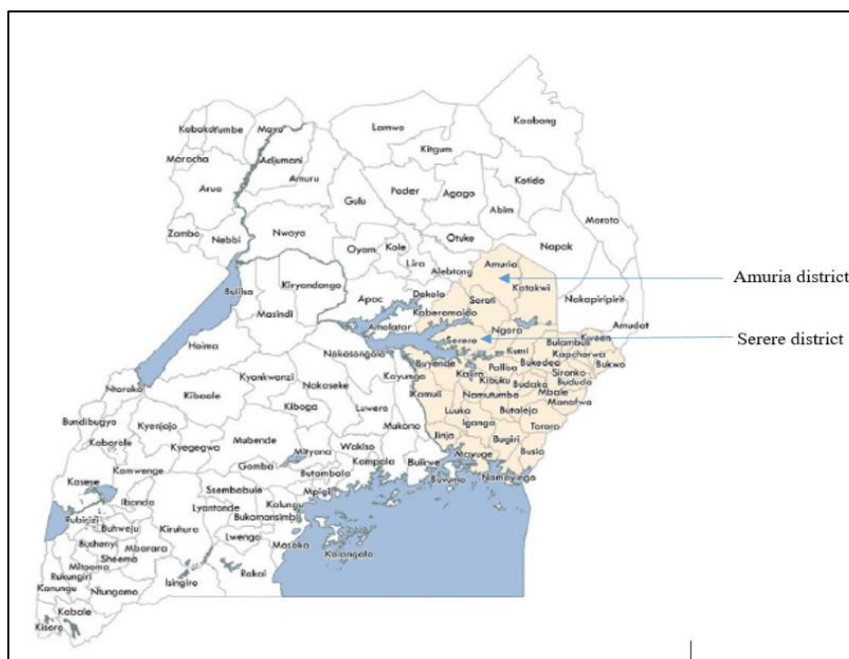
- Only 2 villages (communities) per country (*to allow in depth information-gathering and analysis*)
- Should be selected from communities where PPI surveys have been conducted (*to help in selection and to enable some form of cross-comparison between quantitative and qualitative measures of poverty*)
- Should include villages where there are at least 3 SILC groups formed (*to provide a critical mass and comparative perspective on individual experiences*)

- On the basis of the above, but also drawing on project-level knowledge, may select villages where SILC groups reflect different levels of poverty outreach (*in order to factor in either cohort effect or potentially different applications of the PPP model*)
- Should include second cycle cohorts (*where PPP has been implemented*)
- Should include different types of livelihood zones (*to allow us to delve into livelihood-based differences in need for and use of financial resources*)
- Should include villages served by different PSPs (*to factor in potential individual differences in PSP motivation skill and dedication in out-reach to the poor*)
- Should take some account of distance and locality (*to factor in, for example, varying distances from the PSP home village or from key administrative and service provision centers, road infrastructure, market density and the like*)
- But should also take into consideration team logistics (*sites should be close enough to where the teams will be staying to allow easy access each day – ie no more than one hour distant.*)

Based on the criteria above, and in consultations between the research team, CRS research commissioners, and local CRS/EFI staff, of the four districts in the Teso sub-region where Socadido is implementing the EFI project (Amuria, Katakwi, Serere and Ngora) (**Figure 1**):

- **Serere** (with the sub-county of Labor) in the south was considered to be a good example of a district with a fairly developed infrastructure and a more agricultural-based livelihood zone combined with fishing in the lakes and an area that is prone to flooding, but also affected by drought.

**Figure 1. Map of Uganda showing study sites**



- **Amuria** (with the sub-county of Orungu) was considered to a good example of a more arid and drought-prone district in the northern part of the sub-region where conditions are

Source. UBOS 2016b

harsh, poverty is high and livestock-based livelihoods are combined with a growing turn to agriculture as well as petty trade and other off-farm employment.

Based on PPI indicators, the two villages selected as field sites are as shown on **table 1** below, accompanied by information on the selected SILC groups. **Figure 1** shows a map of the study districts in Uganda’s Eastern Region.

**Table 1. Research sites and SILC groups selected for the study in Teso sub-region, Uganda**



Village	District	Sub-County	Silc groups	Members/ female	PSP	Supervisor
Aarapoo	Serere	Labori	<ul style="list-style-type: none"> <li>Ecatata</li> <li>Ekeunos</li> <li>Egangakinos</li> </ul>	25/21 35/18 25/25	Raymond Edumu	Stella Akello
Omadira	Amuria	Orungu	<ul style="list-style-type: none"> <li>Acamanaros SILC</li> <li>Acamanaros Youth</li> <li>Omadira Stars</li> </ul>	30/22 30/26 30/24	Angela Arika	Ruth Omongole

Source: MIS data, supplied by EFI research officer

## 2. RESEARCH METHODOLOGY AND SCOPE

### 2.1 *Qualitative approach and key study tools*

This has been a qualitative study, seeking to capture people's own voices, perceptions and experiences, and noting their own words to the extent possible, setting this within the broader overall context. To this end, it has utilized a variety of open-ended and semi-structured methods, aiming to triangulate information from a variety of sources. The overall methodology aimed first to establish a broad-based understanding of socio-economic and cultural dynamics, conditions, and characteristics at regional and community levels; then to gain an understanding of the partner organization's overall programme and approach; and then to develop a deeper understanding of SILC group members and their experiences in the project within the selected villages.

Key research tools included: key informant interviews (KIIs) with knowledgeable individuals at global, country, and sub-national levels as well as with EFI project implementers; community discussions (CDs) with male and female community members and notables; focus group discussions (FGDs) with SILC group members, SILC committee members, non-SILC members, and former SILC members; in-depth interviews (IDIs) with selected SILC members and other individuals at community level; and structured observations (for example in SILC group meetings, during transect walks, and an overnight stay in one village).

A variety of visual and participatory exercises were also employed, drawing on commonly used tools with innovative adaptations (such as community timelines, seasonal calendars and wealth group categorizations; wealth self-assessments; and most significant change exercises). (See *annex A for a full list of the research tools developed, the rationale for their use and the categories of people involved in each at different levels*). With permission from the communities, study team members took pictures at the different sites and certain activities were filmed by one of the international consultants.

A supplemental background literature review on the project and the project zone was also conducted at the outset, along with a review and analysis of project monitoring products both before (based on availability) and during field work.<sup>6</sup>

### 2.2 *Study team and field research processes*

The study team consisted of two international consultants and one national consultant, with significant contributions and back-up support provided by the EFI project coordinator from CRS Kampala

A team of four local translators – all supervisors for EFI activities in other districts - were engaged for the community-level segments of field work. Analysis of PPI data was provided by the CRS research officer, working in collaboration with the EFI project coordinator from CRS Kampala. Overall guidance and support were provided by the CRS EFI research coordinator (*See annex B for full list of research team members*).

Preparations for the study began in March 2017. Initial KIIs were conducted at global and national levels by the international researchers for background on the EFI project and its implementation in Senegal. The preliminary literature review was also conducted by the international researchers and shared with the country team. Guidelines for the use of the tools, including standard protocols for

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<sup>6</sup> 'Uganda background literature review for ethnographic study: Background and project-level information' (Internal team document, revised) C. Watson, 2017

informed consent, were developed by the research team leader,<sup>7</sup> and the research team was trained on their use during a two-day orientation workshop in-country (9/10 July 2017). Field work took place over a 17-day period from 11 – 25 July 2017, with an additional 3 days of key informant interviews from 26-28 July.<sup>8</sup> For each research site, a day of KIIs at district and sub-county levels was followed by 5 days of research in each village, with the remaining days for travel and rest (See *annex C* for details on the research schedule).

Field notes were taken by each researcher (working through the translators) and typed up in the evenings after each day of field work. It was decided jointly at the outset by the research consultants and CRS study commissioner that tape-recorders would not be used for the field research.<sup>9</sup> The daily field reports therefore served as the ‘transcripts’ which formed the basis of a two-phased analysis: 1) interim textual analysis by each of the three researchers of individual findings from research exercises conducted by each (between July-August); and 2) overall analysis and synthesis of all findings and background documentation by the two international researchers (between August-Sept). Refinement of analysis of PPI and PPI+ data on the specific study villages and SILC groups was also conducted at this time by the EFI monitoring and evaluation officer at CRS Senegal and the CRS EFI research officer at global level and the results supplied to the research team for integration into the country study. All research materials, including the methodological guide and research toolkit, field planning documents, daily reports, pictures, interim reports, and final draft country study were stored in a shared team Dropbox folder.

### 2.3. Population scope and coverage

The tables below indicate the number and gender of research participants in each research exercise at different levels. A total of 35 key informants (33 men and 8 women) provided information on EFI programme activities, district and sub-county contexts, local community dynamics, and other financial inclusion efforts underway (*table 2*).

**Table 2. Research exercises at international, national, project, and sub-national levels**

KIIs	male	female	total	Description
<b>International</b>	4	2	6	Includes CRS EFI chief of party, research officer, 2 technical experts, 2 MFE consultants
<b>National (CRS)</b>	2	0	2	Former and current CRS EFI country program managers
<b>Project-level (Socadido &amp; associated)</b>	5	3	8	Includes Socadido head of programs, project manager for EFI, and other staff; and 2 EFI supervisors and 2 PSPs (for our study villages)
<b>Local government</b>	12	1	13	Includes officials and technical development staff in Serere District and Labor sub-county and in Amuria district and Orungu sub-county

<sup>7</sup> ‘Research Toolkit for Field Research in Uganda: Ethnographic Research on Poverty Outreach in Savings and Internal Loans Communities (SILC): Expanding financial Inclusion (EFI) project, Catholic Relief Services’ Revised draft, Carol Watson, May 2017.

<sup>8</sup> The international and national researchers were together in the field for 15 days, and the national researcher conducted an additional 3 days of research.

<sup>9</sup> This was both for cultural reasons (potential to inhibit responses) and practicality (uncertain conditions for recording in open-air settings as well as time and expense involved in processes of transcription)

<b>Partner organisations/ financial institutions</b>	4	2	6	Includes UWESO NGO (Uganda Women's Efforts to Save Orphans; SORUDA (Soroti Rural Development Association); and 3 banks in Soroti
<b>TOTAL</b>	<b>27</b>	<b>8</b>	<b>35</b>	

At community level (*table 3*), additional key informants (6 in all, including LCI chairpersons, clan and cultural leaders, teachers and a village health worker - all men) were identified in each research site to provide information on various community dynamics. (See *annex D* for full list of key informants at different levels).

Community discussions were held with separate groups of men and women in each village, involving a total of 80 (41 men/39 women) and selected members of these groups (16 in all – 8 women and 8 men) accompanied the research team on transect walks in the study villages. Focus group discussions were held with 3 SILC groups in Aarapoo (total 38 including 29 women and 9 men); and 3 groups in Omadira (total 26 including 20 women and 6 men). Focus group discussions were also held with SILC committee members for each of the SILC groups involved in the study (total 42, including 29 women and 13 men). Smaller focus group discussions were held with former SILC members in each village (total 13 including 6 women and 7 men) as well as poor villagers who never joined a SILC (total 15 including 13 women and 2 men). Thereafter, in-depth individual interviews were conducted with selected SILC group members, non-SILC members, former SILC members and others identified within the community (total 38 including 28 women and 10 men). Observations of regularly-scheduled SILC meetings were conducted in both Aarapoo (18 members including 11 women and 7 men) and Omadira (16 members including 13 women and 3 men).

**Table 3. Research exercises at community level**

	Aarapoo			Omadira			Total		
	<i>male</i>	<i>femal</i> <i>e</i>	<i>tota</i> <i>l</i>	<i>mal</i> <i>e</i>	<i>femal</i> <i>e</i>	<i>tota</i> <i>l</i>	<i>mal</i> <i>e</i>	<i>femal</i> <i>e</i>	<i>total</i>
<b>KIIs, community level</b>	1	0	1	5	0	5	6	0	6
<b>CDs</b>	19	20	39	22	19	41	41	39	80
<b>Village transect walks</b>	2	2	4	2	2	4	4	4	8
<b>FGDs, SILC members</b>	9	29	38	6	20	26	15	49	64
<b>FGDs, SILC committee members</b>	6	15	21	7	14	21	13	29	42
<b>FGDs non-SILC members</b>	0	9	9	2	4	6	2	13	15
<b>FGDs former SILC members</b>	3	4	7	4	2	6	7	6	13
<b>IDIs (SILC members, drop outs, community members....)</b>	6	14	20	4	14	18	10	28	38
<b>Totals</b>	46	93	139	52	75	127	98	168	266

<b>Observations 2 SILC group meetings</b>	7	11	18	3	13	16	10	14	34
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For each of the two study villages, selected members of three SILC groups participated in both FGDs and IDIs as well as participatory activities such as the wealth self-assessments previously discussed, mapping of informal lending and mutual assistance activities, and a most significant change exercise around the benefits they perceived from SILC at individual household and community levels. Both the SILC groups and the members were selected by project organizers, based on the criteria discussed and shared by the research team (*see chapter 1*).

In all, we encountered 105 SILC members (both regular members and management committee members) in the 6 SILC groups of the two villages visited, representing a study sample of just over two thirds (66%) of membership in these SILC groups (totaling 160). While a majority of SILC members are women, a number of the SILC groups that formed part of the study were mixed men and women: in all, we engaged with 79 female SILC members and 26 male SILC members - The breakdown by village and membership status is shown on *table 4* below.

**Table 4. Breakdown of SILC group members encountered in each village**

SILC group	General members			Committee members		
	Total # in SILC group	# SILC members in FGD	% total SILC members	Total # committee members	# committee members in FGD	% total committee members
<b>Aarapoo</b>						
<b>Egangakinos</b>	25	13	52%	7	7	100%
<b>Ecatata</b>	30	16	53%	7	7	100%
<b>Ekeunos</b>	34	9	26%	7	7	100%
<b>Subtotal</b>	FGDs with 59 out of a total of 89 SILC members (general and committee members) in the 3 groups (66.5%)					
<b>Omadira</b>						
<b>Omadira Stars</b>	30	9	30%	8	8	100%
<b>Acamanaros Youth</b>	30	7	23%	7	6	86%
<b>Acamanaros</b>	21	9	43%	7	7	100%
<b>Subtotal</b>	FGDs with 30 out of a total 71 SILC members (general and committee members) in the 3 groups (65.5%)					
<b>OVERALL TOTAL</b>	FGDS with 105 SILC group and management committee members (79 women/26 men) out of a total of 160 members in the 3 groups as a whole (66%)					

## ***2.4 Constraints and limitations***

For an ‘ethnographic’ study, the allotted time for field work was of course very limited. While the study team tried to compensate in some ways (including through an extensive literature review and through additional days allotted to the national researcher to follow up on questions), it must be recognized that much more time would be needed to fully understand the complex socio-cultural and economic dynamics and livelihood opportunities and constraints that provide the backdrop to women’s SILC membership and experience.

The research team, who came together for the first time in-country in Dakar, had only 2 days for review of and practice with the research tools. This, combined with the lack – due to time and budget constraints – of a trial of the research tools on the ground, may have contributed to some initial differences in the application of the tools by individual team members during research.

Aside from the initial community-wide discussions, the focus of research was – through agreement with the study commissioners - primarily on the SILC members themselves. While this paves the way for an understanding of SILC members’ living conditions, household dynamics and subjective experiences of poverty, as well as shedding light on where they position themselves within the community-based relative wealth and well-being assessments, it does not allow for a detailed comparison with other members of the community (whether wealthier or poorer). The study as such cannot therefore answer the question of whether the absolute poorest members of the community have been systematically included in SILC groups – just the question of how self-described poor women have managed to join SILC and benefit from their participation. Poverty itself is a very complex subjective – as well as dynamic – concept, and the participatory wealth and well-being assessments themselves should great variability.

Conducting qualitative research through translation has inherent limitations, at the forefront of which are concerns that either questions or responses or both may be translated incorrectly or incompletely.

## ***2.5 Organization of the report***

The report is structured in three parts. This initial **Part I** introduces the project context, research aims, and field site selection (*chapter 1*); sets out the methodology and tools, field research processes and coverage, while identifying constraints and limitations and outlining the structure of the report (*chapter 2*).

**Part II** presents our key research findings on livelihood constraints and poverty – including a comparison of local poverty categorizations and estimates with PPI data (*chapter 3*); on the financial landscape, access and behaviors outside of SILC; (*chapter 4*); on EFI project organization and pro-poor outreach in our study communities (*chapter 5*); and on perceptions, experiences and reported outcomes of the SILC program from SILC members, former members and non-members (*chapter 6*).

**Part III** concludes with a summary of the key themes on SILC’s pro-poor outreach and programming arising from the research, including a focus on the key learnings on the research questions (*chapter 7*); and presents recommendations emanating from the field while offering some implications for future pro-poor EFI programming (*chapter 8*).

A bibliography of references consulted along with a set of technical and reference annexes complete the report.

## II. KEY RESEARCH FINDINGS

### 3. VULNERABLE LIVELIHOODS AND WIDESPREAD POVERTY

*'We are always working, throughout the year, with rest only on Sundays'* (CD, women, Aarapoo)

*'Now we can only produce what we eat, and even this is not enough'* (FGD, SILC members, Aarapoo)

*'We often go to sleep with just porridge'* (FGD SILC members, Omadira)

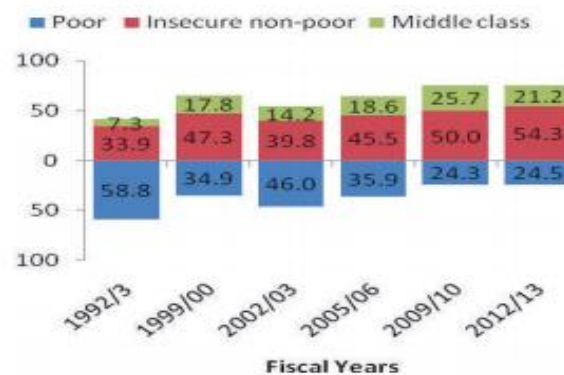
#### 3.1 Regional and sub-regional background and context

##### 3.1.1 Regional overview

Our research villages of Aarapoo (in Serere district, Labori sub-county) and Omadira (in Amuria district, Orungu sub-county) are both located in the Eastern Region of Uganda, where they are situated within the mid-Eastern sub-region, part of which is in turn historically referred to as Teso sub-region.

The Eastern region is one of the poorest in the country, where poverty rates have risen between 2009/10 and 2012/13; this is due primarily to increased impoverishment in the rural areas. Currently, nearly a quarter of the regional population (24.5%) is classified poor and another half (54.3%) classified as 'insecure non-poor', meaning that over three quarters of the population (78.8%) may be considered vulnerable (*figure 2*). A fifth of regional households (20.4 %) have border line food consumption.<sup>10</sup> And around 33.5% of children under five are stunted (12.9% severely)<sup>11</sup>

*Figure 2. The poor and "insecure non-poor" in Eastern region*



Source: MFPED 2014

Much of the Eastern Region lies within the livelihood zone identified by FEWS NET as the 'Eastern Central Lowland Cassava, Sorghum and Groundnut Zone', with livelihoods based primarily on rain-fed agriculture built around a bimodal rainfall regime, supporting two cropping seasons<sup>12</sup> (*see annex E for Uganda livelihoods map and seasonal characteristics*). The main food crops in this livelihood zone are cassava, sorghum, millet, sweet potatoes and groundnuts, while the main cash crops are cassava and rice. Most households also try to combine some livestock raising. It is estimated that some two

<sup>10</sup> IPC 2014

<sup>11</sup> UBOS and ICF International 2012

<sup>12</sup> Mutenga 2011; UIA 2016

thirds (67%) of agricultural income is derived from crops; 30% from animals; and the remaining 3% from wage labour on farms.<sup>13</sup>

Climate variability and change leave rural households vulnerable to both periodic drought and flooding, the latter particularly in marshy areas along the regions river systems and Lake Kyoga. Populations in the region have also been subject to massive loss of life and displacement due to over two decades of socio-political conflict and insecurity including the uprising of the Uganda Patriotic Army/Movement (UPA/M), incursions of the Lord's Resistance Army (LRA) and cattle rustling from neighboring Karamoja.<sup>14</sup>

### 3.1.2 Sub-regional perspectives

All key informants encountered in the course of the field study emphasized the high levels of poverty and vulnerability in our study districts and sub-counties, identifying numerous constraints to development. Socadido staff highlighted the history of conflict and insecurity in region as a whole, and pointed to the current growing challenge of climate change rendering rural livelihoods based on smallholder agriculture ever more fragile (KIIs, Socadido program manager and EFI manager). They also noted that women count among the poorest, due in part to traditional facets of social organization among the Iteso that have deprived them of rights to land under the prevailing system of patrilineal inheritance, though these are beginning to change over time (KII, Socadido EFI manager).

#### ***Serere***

District officials in Serere told us that '*Climate change of late has pushed us into total chaos*' (KII, district commercial development officer, Serere), noting the devastating effects on livelihoods of successive droughts and flooding and reporting that currently '*The rains have disappeared*' leaving agricultural households ever more food insecure (KII, DCDO, Serere). Problems in the agricultural sector then have a ripple effect in other sectors since business depends on income from agriculture. Rudimentary agricultural methods (use of hand hoe for many, and lack of fertilizer in the face of declining soil quality) combined fragmentation, caused by the customary granting of plots to sons on marriage - has led to smaller and smaller plots, making it difficult for households to produce what they need for their own consumption and for sale. The government is advising against such practices, but it is difficult because '*When you touch land, you touch the life of that person and then it becomes a political issue*' (KII, DCO, Serere). Elsewhere we were told that '*The three important things in Teso are 1) your land (alupo); 2) your wife (abero); and 3) your animals (ibaran)*' - in that order! (CD men, Omadira).

Within the rural economy there are specific categories of people who are identified as among the most vulnerable - including women, who labour on family fields but are deprived of land titles and suffer from high levels of gender violence in this predominantly patriarchal society; young people who lack jobs due to the dearth of economic opportunities outside of agriculture; older persons and people with disabilities who are dependent on others, and those infected or affected by HIV and AIDS which has arisen as a problem particularly among fishing communities who are highly mobile (KII, DCDO, Serere).

In the ***Labori*** sub-county of Serere, which surrounded by water, challenges for fishing communities were highlighted in particular, with constraints arising from over-fishing and the use of illegal fishing gear (kotoko nets) which have led to depletion of fish stocks. More families have had to fall back on farming for all of their needs; however, this year some farmers have registered a 100% loss as a result

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<sup>13</sup> World Bank 2016

<sup>14</sup> Mutenga 2011; Browne and Glaeser 2010; Republic of Uganda/UNDP 2014b; Moses Okech, personal communication).



of poor rains and pest infestation, particularly for maize and sorghum (KII, senior assistant secretary and CDO).

### **Amuria**

District officials in Amuria identified some of the same constraints as above. In **Orungu** sub-county, issues of climate change were again highlighted: *'The rains are no longer as reliable as they used to be'* explained the sub-county chief, to the extent that there are no longer two distinct rainy seasons. Soil degradation due to population pressure is a challenge, and there is an additional issue of over-grazing, with government laws in place to try to protect the fragile swamplands. The sub-county was badly affected badly by the recent shortage of rains and they had to ask for government support. However, the distribution of aid, which was done according to the size of the population, has not been not enough and people are struggling. (KII, LCIII, Orungu). The lack of social infrastructure in village communities was highlighted as an additional specific challenge. Over-dependence on external assistance and 'hand-outs' was evoked as a contributory fetter to development (KII, CDO, Amuria), while the trauma from past insurgencies, particularly the LRA insurgency of 2003-2010, is reported to have had lasting effects (in violence, dispossession, and high numbers of orphans and widows) (KII, LCIII, Orungu).

See *annex F* for administrative maps of the two districts and *annex G* for tables of basic comparative indicators on our study districts and sub-counties, drawn from the 2014 census.

## **3.2 Conditions and trends in our research communities**

Our research villages of Aarapoo and Omadira are characterized by broadly similar livelihood systems and vulnerabilities though with some differences linked to the proximity of Aarapoo to Lake Kyuga, and the greater isolation characterizing Omadira. They are both small rural communities, engaged primarily in rain fed smallholder agriculture with some animal-raising and fishing (in Aarapoo). They are made up mostly of the Iteso ethnic group interspersed with smaller groups, and belong to a variety of different religions (Catholic, Protestant, Pentecostal and, in Aarapoo, a small percentage of Muslims). (*see annex H for community maps*)

### **3.2.1 Aarapoo**

Aarapoo was much the larger of our study villages, with approximately 850 households and some 8,700 inhabitants (KII, LC1 chairperson, Aarapoo; CD men, Aarapoo). Transect walks, observations, and discussions in the village also showed it to be more endowed with social infrastructure than Omadira. There is a weekly market, along with permanent boutiques selling wares of various sorts, a newly established health centre II and both a public and a private primary/nursery school, the latter established by Church of Uganda (Anglican). The introduction of universal primary education (UPE) in 1993 has facilitated education of children at this level, though indirect fees continue to place a significant burden on parents; secondary school – in the sub-county headquarters in Labori, established only in 2015, remains out of reach for most. There is no electricity, but small solar panels are used by some for charging cell phones and small lights: there is one telephone mast for Airtel and the village is connected to both MTN and Airtel networks (CD men, Aarapoo). Water is from public borehole.

**Figure 3. Transect walk through Aarapoo**



Most people live in round huts of mud brick and thatch, organized for different family members within extended family compounds that are surrounded by fencing: sometimes, as for the PSP, there will be one or two rectangular structures within the compound that is made of more permanent material with a corrugated iron roof. The compounds are quite scattered, set within the fields cultivated by the household and – except for those built along the main macadam road running through the village, adjoined to each other or the main road only by small dirt paths or lanes.

Residents are primarily Iteso, though there are also members of smaller groups such as the Imoa (from central Uganda) and Imulalo (from western Uganda) as well as Karamojong who pass through from time to time and are called ‘uncles’ because of a distant relationship with the Karamojong. According to the LC1 chairperson, Catholics form the largest religious group (with two Catholic churches in the village), followed by Protestants (Anglicans) and Pentecostals. Marriage is both polygamous and monogamous and some households can have up to 20 members (KII, LC1 chairperson, Aarapoo). The village is organized into four sections – Aarapoo itself, Aderere, Jinja, and Akuurayo Adragot. KII, LC1 chairperson, Aarapoo). The name ‘Aarapoo’ comes from the Ateso word for ‘killing rabbits’ as the area used to serve as a hunting grounds (CD, women, Aarapoo). The village is surrounded on three sides by water – Lake Kyoga – with fishing communities (of different ethnic groups) living on the outskirts around the nearby fish landing sites.

**Figure 4. Typical house, with family goats, Aarapoo**



The main means of livelihood in the community are smallholder farming and fishing, with some animals raised as well. Farming is mainly for consumption but some proportion is taken to the market; major crops include cassava, sorghum, millet, potatoes, maize, groundnuts, sesame, green grams- peas): better off households also cultivate cotton. Men normally own the land but allot plots to women to cultivate: most of the ploughing is done by men while weeding is done by women: both are engaged in the harvest. Some animals are kept by almost every household, the commonest being goats, pigs and chickens. Fishing remains an important source of livelihood, though this has been diminishing, due primarily to over-fishing in the lakes and new government regulations that are attempting to establish stricter controls. Some men specialize in fishing (leaving families alone for up to 3 months at a time while they go off on the lake, sending earning back via mobile money); others combine fishing with farming (CD, women and men, Aarapoo; KII, LC1 chairperson). But nowadays, as community members told us, ‘Fish are not there’ (FGD Egangakinos SILC members, Aarapoo). Other economic activities include petty trade (of field produce and other merchandise at the weekly village market); charcoal and firewood production and sale; casual labor on other people’s farms, and production and sale of food and beverages (cakes, local brew) (CD women, Aarapoo) There seems to be little outmigration for remittances.

The historical timelines constructed with community members reveal significant upheaval over the past decades stemming from both man-made and natural disasters. Inter-group conflict (Karamojong cattle raids at their height in the late 1980s, was followed by political violence (UPA rebel invasion in the early 1990s; LRA-induced displacement into camps in the early 2000’s), all contributing to loss of life and destruction of houses and crops. Later, in the 2011 elections, there was reportedly bribery for votes, but no violence (CD, men and women, Aarapoo).

Environmental conditions have been marked by shortages of rainfall (in 1993/4; 2005; and 2016/17); interspersed by significant flooding (the latest in 2015) which destroyed crops, waterlogged farmland and destroyed homes and social infrastructure. The community is currently reported to be suffering from widespread food insecurity brought about by prolonged shortage of rains following so closely on the heels of flooding (KII, LC1 chairperson, Aarapoo). The situation has been worsened by pest infestations, such as the rise of army worms which were reported to have destroyed first season crops in 2017 (CD women, Aarapoo). People no longer have surpluses to sell and most have to buy food: community members report that *'Now we can only produce what we eat, and even this is not enough.'* (FGD Egangakinos mixed SILC members), Aarapoo) Human health concerns are also reported to be on the rise, with a reported rise in hepatitis B, HIV and AIDS (CD women, Aarapoo) and still limited health service coverage (CD, women, men, Aarapoo).

Community members report very few development programs in their village – either government or NGO. Sometimes, through the government's Operation Wealth Creation programme, seeds and other agricultural inputs are distributed, but there is no support for improved cultivation techniques or management (KII, LC1 chairperson, Aarapoo). Community members report that many programs remain at the level of the sub-county (Amuria) and do not filter down to them (FGD mixed SILC group members, Egangakinos). *'Poverty brings them lack of development opportunities as rich people are first to benefit when these are around'*. Even food distributions in times of hunger often pass them by and *'go elsewhere'*. (CD women, Aarapoo).

### 3.2.2 Omadira

Omadira village is around one tenth the size of Aarapoo, with a reported 73 households and 400 people (LC1 chairperson, Omadira). It is surrounded by three satellite villages (Ojayburn; Alilyoi, and Amecha), created because it was felt that Omadira village itself was too dispersed (KII, PSP Omadira). The population is primarily Iteso, though many of the women are of the Langi ethnic group who have married-in (KII, LC1 chairperson Omadira). There are a variety of religions represented in the village – Catholic, Church of Uganda (Anglican), Pentecostal, Elim (which has one church structure), and Muslim (LC1 chairperson). There are six main clans represented in Omadira: clan structures, as in all Iteso villages, remain strong features of social organization, functioning alongside of cultural institutions which serve to mediate between clans) and elders (CD, men).

The village is endowed with very limited social and economic service infrastructure. The nearest health centre is in the newly-established sub-county headquarters in Orungu, 5 – 6 km away, as is the only primary school, reachable by a very poorly maintained dirt road which can take up to two hours to reach by foot and one hour by bike. The PSP has recently started up a private nursery school in a building in her compound. There is no market in town, though a small 'trading centre' is currently just being established: the nearest market is in Orungu and there is a big weekly market in Onyamiguruk (10 km away). There is only one public borehole in the village - constructed by Concern in 2005 (the other one is on the road to Omadira, but in a different village). Villagers pay 1,000/month to the water users' committee for access; fetching water is a time-consuming activity – particularly for women and children, with long lines to wait as both human and animal water needs are served (KII, PSP Omadira; FGD mixed SILC members Omadira Stars). The name Omadira itself comes from the word for 'dirtiness' denoting the fact that they had no access to water earlier and therefore did not wash frequently (transect walk discussions)

As in Aarapoo, most people live in round huts of mud brick and thatch, organized for different family members within extended family compounds that may or may not be surrounded by fencing: sometimes, as for the PSP, there will be one or two rectangular structures within or slightly next to the compound that is made of more permanent material with a corrugated iron roof. The compounds are quite scattered, set within the *Figure 5. Women hoeing their bean field, Omadira*

fields cultivated by the household adjoined to each other or the main road only by small dirt paths or lanes.

Livelihoods are based primarily on farming and some livestock rearing. As in Aarapoo, major crops are cassava, millet, groundnuts, sorghum, maize, sweet potatoes, beans and cowpeas, green grams, soya, sunflower and a bit of rice. These are primarily grown as food crops, but with some for sale for cash income as well. A diverse cropping structure is maintained to spread risk, *'as you never know when the rains will come, and different crops need rain at different times.'* (FGD Omadira Stars SILC members, Omadira). Only the richer households would be able to specialise in one cash crop (KII, VHT, Omadira). Animals include some cows (primarily for milk – sometimes for sale), but mostly goats, pigs and chickens; oxen are used by those who have them or who can rent them for ploughing – otherwise this is done by hoe (KII LC1 Chairperson, Omadira).



Historical timelines constructed with community members reveal significance upheaval and generalized insecurity over the past several decades – if anything even more acute than in Aarapoo and the effects of which are still being felt (*see annex I*). Cattle rustling in the mid 1980s decimated herds, with restocking efforts hindered by political insecurity. From 1986-1992 was the period of the Uganda People's Army (UPA) Itesu rebels, with many killed in the village. The, from 2003-2005, the LRA (whose epicentre was in this district) caused massive death, destruction and displacement to IDP camps for up to four years at the sub-county level. It was reported that whoever stayed in the village would be killed, and *'there are now many widows from this time.'* (CD men, Omadira). When villagers were finally able to return, they found that many of their homes had been destroyed – either burnt by the LRA or destroyed by termites and the elements and had to be rebuilt. Herds had not been able to be maintained in the IDP camps, and agricultural fields had been left untended. Resettlement processes contributed to land conflicts, exacerbated by population increase (CD men, Omadira).

Environmental fluctuations have wreaked havoc on livelihoods, with intermittent shortages or irregularity of rains interspersed with floods (though less recent than in Aarapoo), and plant infestations (army worm and witch worm). The swamps around Omadira which used to provide fish, have begun drying up. Malaria is prevalent and reported to be getting worse: HIV has arisen as a key problem (fuelled in particular by living conditions and practices within the IDP camps) and hepatitis B is also reported to be on the rise (CD men, Omadira).

As in Aarapoo, community members in Omadira report a dearth of development, mentioning only occasional inputs from Operation Wealth Creation, along with livelihood support from the Soroti Rural Development Association (SORUDA) (CD men, Omadira). The old age social pension of the SAGE program (Uganda's national social protection effort) has recently been introduced into the village (after the previous pilot phase in 15 districts of the country), but with new rationing criteria

introduced into the eligibility requirements<sup>15</sup>) only four older people are beneficiaries in Aarapoo (CD, men, Omadira).

### 3.3 Poverty assessments and experiences at community level

#### 3.3.1 Local categorizations, characteristics and experiences of poverty

Very lively discussions were conducted with community members in both villages around the main characteristics of the different wealth groups, which are seen to be sharply differentiated. As characteristics were roughly similar in the two village, they have been synthesized in *box 2* below (*see also annexes K1-K3 for detailed tables*).

#### *Box 2. Local characterizations of the different wealth groups in the community*

- **The very poor/poorest/marginalized (*enyamurite or loichan mot*):** These people have no home, no land – they are dependent on others. They sleep in other people’s houses and eat other people’s food. They may engage in fetching water, weeding, heaping, caring for animals. They have no education and cannot educate their children. Their only access to money is by working for others.
- **The poor (*loichan*):** The poor live in thatched huts which may be mud (or sometimes burned) brick but these are small and not many – they may share these with many children: the roofs may leak and they may have no mattresses. They might have some land, but are not able to exploit it fully as they have no oxen/ploughs and must do everything by hoe. So they are not able to build up stocks, and must often labour in the fields of others to earn money. They eat from one to two meals a day, with little diversity: sauce is generally from greens and occasionally silverfish. Adults may have primary education or none and will try to educate children, but often only up through primary (UPE) and sometimes lower secondary. It is hard for them to afford health care. They may be targeted directly for development programmes – for example, for the distribution of seedlings, but sometimes instead of planting these they sell them. They learn of these programmes directly from the LC1 but also from the radio. A few may have bicycles, but most travel by foot and can only sometimes afford a bicycle taxi (*boda boda*). They have no access to borrowing from others: *‘You are already poor, why do you want to bring more problems by incurring debt?’* In any case, banks reject them even by looking at them. *‘Friends even will not lend as you have nothing to repay with, so if you need money, you have to sell your labour.’*
- **Those who are ‘fair’ or ‘middling’ (*loitamite*):** The loitamite have more land than the poor, but less than the rich – from 5-6 acres - as well as animals (5-10 cows; 7 goats/sheep; 2 pigs and 10-12 chickens.) Their houses are of more permanent - burned brick with thatch and they can have 4-5 of these within their compound. They have solar lamps and battery torches; they use firewood for cooking and their latrines have walls. They normally eat three times a day: breakfast of cassava, milk and tea; lunch of beans and *atapa* or *posho*; dinner may be meat (which they buy) and *atapa* or *posho*. Their children are well nourished and can sometimes go to private schools. They seek treatment in Soroti when ill and can afford to go to private clinics. They can borrow money because they look respectable and can sometimes go to the bank in Soroti. (CD men/women, Omadira)
- **The well-off or rich (*loibaran*):** These are people who normally live in towns, through there may be some in some of the larger villages such as Aarapoo. They normally, however, own a lot of land in the village – up to 15 acres, for which they can hire labour, with animals that can number 70; in addition they may have civil servant jobs and/or be engaged in commerce. They live in permanent house – iron-fenced – used solar power and may have boreholes in their compound as well as VIP latrines. They eat regular meals (3 or 4 times a day) of rice, Irish potatoes, meat, chicken and vegetables. Their children are often sent to boarding school and can even be sent abroad for higher studies. They have access to all sorts of information through TV, newspapers, radio and have motorcycles for transport; some also have cars. They may not be targeted

<sup>15</sup> During the pilot phase of SAGE, eligibility was open to all those over 65 (60 in Karamoja); but in the national roll-out, due to budget constraints, eligibility has been limited to 75+.

for development projects, but they manage to profit from them in some way and can often influence investments. They suffer from illnesses such as diabetes and high blood pressure [diseases of affluence] but can get treatment in Kampala or even abroad. Because of their wealth and the way they dress/act, they can easily get loans from the bank and also use mobile money.

CD men and women, Omadira and Aarapoo?

Local community members at our different village sites in Uganda categorized poverty and wealth rankings in different ways. This, additionally, seemed to vary by gender. (See *annex K* for full details)

### **Aarapoo**

Women in our community discussions classified different the wealth groups in their communities into three categories: the poor (*loichan*); the fair or middling but still vulnerable (*loitamite*); and the well-off or rich (*loibaran*) (CD women, Aarapoo). Men in the community discussions in Aarapoo, on the other hand distinguished four wealth groups with an additional designation for the very poorest or marginalized (*enyamurite*); followed by the same terms for the poor (*loichan*); the fair or middling, though vulnerable (*loitamite*); and the well-off or rich (*loibaran*) (CD men, Omadira). Some women SILC members, in addition, discerned gradations between the 'very poor' (*loichan noi*) and the somewhat poor (*loichan mot*) as well as between and the 'very fair' (*loitamite noi*) and the 'somewhat fair' (*loitamite mot*) (IDI, Egangakinos SILC group woman secretary, Aarapoo (*table 5*)).

**Table 5. Finer distinctions within wealth categories in Aarapoo**

<b>Category</b>	<b>Characteristics</b>
<b>Loichan noi</b> <b>Very poor</b>	May have very small plots (1/2 acre) which they have to work with hoes; or others may provide them with land to farm; but mostly hire themselves out on the land of others and paid in cash or kind, They have no animals. May do a little fishing (for someone else), though opportunities for this are falling. They grow fast-growing crops like sorghum and potatoes, with cassava as a staple (takes 1.5 years)
<b>Loichan mot</b> <b>Somewhat poor</b>	May have around 2 acres of land and while they mostly use a hoe to farm, they may perhaps have a bull that they can combine with someone else to clear their lands. They may have a goat or two that they can sell to hire labour for weeding. May have personal nets for fishing (not fishing for a boss). Grow the same crops as loichan moi but in greater quantity and with the addition of maize
<b>Loitamite mot</b> <b>Somewhat fair</b>	305 acres and have 2 oxen with a plough. They could have both personal fishing nets plus a boat. May have the same crops of the loichan group but also add greengrams and maize
<b>Loitamite noi</b> <b>Very fair</b>	Could have 5-7 acres and perhaps 4 oxen (2 of which they could lend out). They themselves do not fish, but are the 'bosses'(those with the nets and boats) who pay others to fish for them  Can add cotton as acash crops to the other food crops produced
<b>Loibaran</b> <b>Rich</b>	Live in permanent houses, fenced in and with a borehole in the courtyard. They have a lot of land, can use a tractor and can hire others as labourers. They grow similar crops to

	the others, but focus particularly on cash crops such as simsim, groundnuts, large acres of maize, some cotton.
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Source. IDI, female secretary, Egangakinos SILC group, Aarapoo

### **Omadira**

Women in our community discussions in Omadira adopted a somewhat 'hybrid' classification and designation of four wealth groups: the very poor (called *loichan noi*); the poor (*loitamite mot*); the middle (*loitamite noi*); and the well-off or rich (*loibaran*). Men in our community discussions in Omadira, on the other hand generally distinguished the same four wealth groups as identified in Aarapoo and designated them with the same terms: the very poorest or marginalized (*enyamurite*); the poor (*loichan*); the middle, though still somewhat vulnerable (*loitamite*); and the well-off or rich (called *loibaran*) (CD men, Omadira). The precise reasons for the gendered differences in classifications and designations that we found were not uncovered during field work and would be worthy of further research.<sup>16</sup>).

### **Composite view**

In general – in both villages - the poor and the very poor have the least access to resources (productive assets such as land, labour, animals, agricultural inputs) and often have to sell labour or work on the fields that others lend to them. In Omadira, however, it was reported that one can have land but still be poor because of lack of means to 'open' the land (ie with an oxen and plough).

Among the causes of poverty identified at community level are large families leading to high dependency rates; price fluctuations for crops; and '*dependence on one source of livelihood to cater to all needs - household food, school fees - everything*' (KII, LCI chairperson, Aarapoo). Community members were very clear on the link between large families and poverty: with few assets, the poor focus on producing children: '*The men only want sex and the women want to reproduce: reproduction is the priority so that children can help them in the future.*' (FGD mixed SILC group Eganyakinos, Aarapoo). But too many children are also seen to add to household expenses – particularly for schooling – and to contribute to ongoing land fragmentation, thus trapping communities in a vicious circle.

Many community members highlight the uncertainty of the environment as a key factor contributing to generalized poverty that is dynamic in nature. As the PSP from Omadira put it, '*This year, with the drought, everyone is poor*' (KII, PSP Omadira). A male cultural leader from Omadira explains that since 2014 they have been without much rain: while people are trying to cultivate, nothing is growing and there is nothing to take to market. In the month before our research, he reported, people just stayed home with nothing to eat, and still today they are eating just one meal a day. This represents a big change from earlier days (KII, male cultural leader, Omadira). SILC members are among those who suffer: as one group reported, this year they planted beans but with too much sun they have wilted; maize is eaten up by army worms; the lack of rain affected even g-nuts and millet. They are now trying to heap potatoes and plan cassava, but even the cassava is affected by brown streak. Chickens have also been struck by a disease (FGD, Omadira Stars SILC members, Omadira).

The seasonal nature of rural lives and livelihoods also brings about cyclical vulnerabilities (*see Annex J for an example of a seasonal calendar*). Normally, this part of the country falls within a bimodal rainfall pattern, with periods of long and short rains (*aporu*) between March and June and between mid-August and December, interspersed with dry weather (*acamu*). But this year, according to community members in Omadira, there were 'false rains' in February, causing some farmers to plant

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<sup>16</sup> It cannot be excluded that at least some of the differences may arise from the fact that different researchers led different exercises in the two villages (switching between men and women in order to get a comparative expression).

early only to lose their crops when all of March was dry and the rains in April only sporadic (CD men, Omadira). Seasonal fluctuations have been so dramatic in recent years that some of our study participants had great difficulty in delineating the major seasons with any certainty, and would ask during the study whether we wanted them to describe what the seasons should be or what they really are. As one older woman confessed, *'I myself am trying to understand the seasons'* (CD, women, Aarapoo).

For many, May is a particularly hard time –when the second season's harvests have been depleted: it is called in Ateso 'the time of staring children' (*agwoidwe*) evoking the image of children standing around their parents mutely begging for food, which is unavailable (FGD, SILC members, Aarapoo). June is even harder, called *oppadalia*, the time of slender stomachs, to denote that everyone is now hungry waiting for the harvests of the second planting season to come in; it is also the time when malaria starts up (CD men, Omadira). People say they feel best during the festival season between October and December, when food is plentiful and – particularly in December, those who have been able to sell surplus crops are flush with cash.

In addition to the broader environmental risks that affect everyone in the community, individual circumstances or contingencies may also cause one's wealth status to fluctuate. The cultural leader in Omadira, for example, explained that he has used up all of his money to buy cows for dowry for his sons (eight cows in all for 700,000 UGX). He is now destitute and he and his wife have no animals left at all (KII, male cultural leader, Omadira). Many households suffer from multiple shocks which may cause a downward spiral into poverty among those formerly within the 'middle' group (*see box 3*). This underscores the vulnerability of both the poor and the 'middle'.

### **Box 3. A case of multiple shocks leading to a downward spiral**

S. is originally from another sub-district of Serere District, about 30 km away. Her parents were killed by the rebels – NRM/UPDF who were attacking people with axes (*pangas*) – including her parents. She and her elder brother were taken in by a 'good Samaritan', unrelated to them who raised them up. She married into Aarapoo in 1988 –before she reached the age 15 – forced into such an early marriage because of constrained living conditions in her foster family. Her husband was into commerce selling fish in her village which is how she met him. She didn't know anyone in Aarapoo at first, but by interacting with people in the village, showing good behaviour, and through Church – Christians are always friends and neighbours.

In earlier days, life was easier: her husband was doing well in his fishing business – there were fish in the lack and the rains were good. But things really changed at the time of the flooding/water-logging when crops rotted in the garden – especially cassava and potatoes; sorghum as well. Water was up to the waist and some of the houses were destroyed. At the time, many moved to higher land in the centre – some at the school, some renting rooms. She and her family stayed 2 months and when they came back the water started drying up and they restarted farming. The following year, however, they were hit with drought.

They have 4 acres – sorghum, potatoes, even cotton as the main cash crop (which can bring in 1 million in a good year, but with significant price fluctuations – the prices are not great now, but they are growing it thinking that they will rise). This year they did not plant cassava because they had no cassava cuttings (as a result of the flooding). They had borrowed a piece of land to plant cassava, but this was the time of the drought so the cuttings dried out. Her husband stopped his fishing activities way back (and even she, who used to buy fish for resale had to stop by 2014), so they now rely primarily on agriculture. They have no cows, goats, chickens, or ducks and must support 8 children, some of whom have had to leave school because of failure to pay school fees or buy uniforms (they will refuse children at school without a uniform). While normally she prioritizes school fees in her household budget, the priority changed to food during the drought and they withdrew the children from school.

In addition to the covariate shocks (flooding, drought) the hardest thing for her has been dealing with an ectopic pregnancy – she had to go to Soroti by *bodaboda* for this and had to pay for the operation (this is standard at government referral hospitals): her husband therefore borrowed 300,000 from neighbours for this, which they



had to pay back from the sale of crops. But then came the floods and the drought, so it has become difficult. She is still feeling the effects of the operation – a burning inside and she can't do too much heavy lifting (which is why her husband and her son were busy in the courtyard as we were speaking helping her to thresh sorghum); she has to continue to take medicine for the pain.

She considers herself a *loichan mot* (somewhat poor). When she was first married and came here, they were *loitamito* (middling/fair) – they had land, cows, the weather was good so they had good harvest, and fishing was also important. But now they have changed and dropped from a higher level to the lower one.

IDI, female SILC member, Egangakinos, Aarapoo

### 3.3.2 Community-based estimates of poverty

Estimates of poverty are notoriously difficult and often subjective, with many factors entering into the assessment in different ways. To facilitate community assessments of poverty levels in the study villages, our study used a participatory method by which community members placed beans representing households in the community on cards labeled with the wealth categories that had previously been established through discussion. This was done separately through community discussions (CDs) with men and women and the results put together and averaged out (*see table 6 for results for both villages and Annex K for details*). Key informants (such as the PSP and others were also asked) were also asked to estimate poverty distributions. But as these were through discussion only – without the aid of the cards and beans and not preceded by participatory categorization processes - these are not factored into the total estimates.

#### **Aarapoo**

Community estimates of village level poverty in Aarapoo reached 67% (0.5% for the very poorest and 66.5% for the poor), with a quarter (23%) judged to be fair/middling and some 10% to be well off. Some SILC group members estimated village poverty levels to be higher – up to 90%, while the LC1 chairperson reported that there were actually only two socioeconomic categories represented in Aarapoo: the poor (*loichan*), estimated at 60% (more or less in line with community estimates) and the middle (*loitamite*) estimated at 40%.

#### **Omadira**

Community estimates of village level poverty in Omadira reached 91% (40.5% for the very poorest, and 50.5% for the poor), with the remaining population (under 10%) judged to be just fair/middling. No rich or well-off were seen to live in the village. Most of the other community members we spoke with confirmed the high poverty levels in the village as a whole. The village health team (VHT) worker reported that there were no rich households in the village and only a few of the middle category – made up in particular of those with a salary. The cultural leader and pastor concurred, noting that the rich are found only in town centers – such as Orungu, and that there are only people from the middle groups; the overwhelming majority in the village are poor or very poor. The PSP, for her part, estimated that at least 70% of the population is poor (40% very poor and 30% poor); but echoed the PSP from Aarapoo in noting that ‘*This year, with the drought, everyone is poor.*’ (KII, PSP, Omadira).

**Table 6. Community-based wealth estimations in Aarapoo and Omadira**

Wealth estimations in Aarapoo and Omadira					
	<i>enyamurite</i> (extreme poorest/ marginalized / dependent)	<i>loichan</i> (poor)	Lowest two categories combined	<i>loitamite</i> (fair/middling)	<i>loibaran</i> (rich/well off)
<b>Aarapoo</b>	0.5%	66.5%	67%	23%	10%

<b>Omadira</b>	40.5%	50.5%	91%	9%	0%
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Source: Composite CDs with men and women, Aarapoo and men and women, Omadira

What is immediately apparent in the comparison of community-based poverty estimates for each village is the much higher levels of poverty self-reported for Omadira than for Aarapoo, and particularly the much higher estimates of extreme poverty (over 40% in Omadira compared to under 1% in Aarapoo). This corresponds, among other things, to the more isolated and service-deprived setting of Omadira and the comparative lack of income generating activities beyond farming. Aarapoo, on the other hand has a semi-urbanized village trade centre.

### 3.4 Comparisons with EFI PPI indicators<sup>17</sup>

Table 7 below shows the average poverty likelihood at baseline in the study villages in Uganda. As indicated, poverty likelihoods as measured by the \$2.50/day poverty line are over 80% in each village; likelihoods are just over 60% when measured against the national poverty line; and drop to just over a third when measured against the \$1.25/day poverty line.

Table 7. Village-level poverty indicators: PPI baseline and community assessments

Village Name	Avg. Poverty Lklhd (National Poverty)	Avg. Poverty Lklhd (\$2.50)	Avg. Poverty Lklhd (\$1.25)	Study findings on proportions of poor		
				poorest	poor	combined
<b>Aarapoo</b>	30%	49%	86%	0.5%	66.5%	67%
<b>Omadira</b>	40%	61%	93%	40.5%	50.5%	91%

Source. EFI MIS, compiled by EFI research officer

The PPI results corroborate our field study findings of higher levels of poverty in Omadira (93% < \$1.25/day) compared to Aarapoo (86% < \$1.25/day), but the difference between the two seems to be smaller (7 percentage points for the PPI compared to 24 percentage points for our study. While the \$1.25/day PPI measure of poverty in Omadira (93%) is similar to our community based estimates of the two lowest poverty categories in that village (91%), the same \$1.25/day PPI measure of poverty in Aarapoo (86%) is significantly higher than our community-based estimates of the two lowest poverty categories in that village (67%). This may be something that could use further study.

<sup>17</sup> PPIs were administered to reference households in Uganda between June-August of 2013. PPIs administered to SILC households took place on different dates. In Aarapoo PPIs were administered to the SILC groups Egangakinos, Ecatata, and Ekeunos in June 2015. In Omadira, PPIs were administered to the group Acamanaros in June 2015 while Omadira Stars and Acamanaros Youth were interviewed in January 2016 (EFI Research officer).

## 4. FINANCIAL ACCESS AND BEHAVIORS OUTSIDE OF SILC

*'If you default with a neighbour, you have to move somewhere else'* (FGD, SILC committee members, Aarapoo)

When asked if they have ever borrowed money, poor non-SILC members reply, *'Who would give us money?'*  
(FGD, non-SILC members, Aarapoo)

*'Friends even will not lend to you as you have nothing to repay with, so if you need money, you have to sell your labor'* (CD, men, Omadira)

### 4.1 Background and context

Uganda has been making significant progress to expand financial inclusion; however, important urban/rural and gender disparities remain. The Finscope survey of 2013 shows that up to 76% of adults in urban areas utilized either formal financial institutions (banks, microfinance deposit-taking institutions) or non-banks (mobile money, savings and credit cooperatives, and microfinance institutions). In contrast, only 49% of adults in rural areas utilized formal financial services: rural residents are more than twice as likely as their urban counterparts to utilize informal groups and are 17 times more likely to be completely excluded from financial services.<sup>18</sup> For a married woman in Uganda to open an account, most banks require her husband's co-signature, and widows sometimes lose their land to their late husband's relatives. In addition to the challenges of collateral requirements, patrilineal inheritance, and other cultural norms, women entrepreneurs in Uganda tend to have low levels of financial literacy and little information about the range of available financial products.<sup>19</sup>

Poverty is also a significant factor contributing to disparities in financial access, as confirmed in a recent World Bank (2016) poverty assessment in Uganda.<sup>20</sup> **Figure 6** depicts variations in the evolution of access to finance by wealth category, with disparities between rich and poor arising particularly in regards to savings.

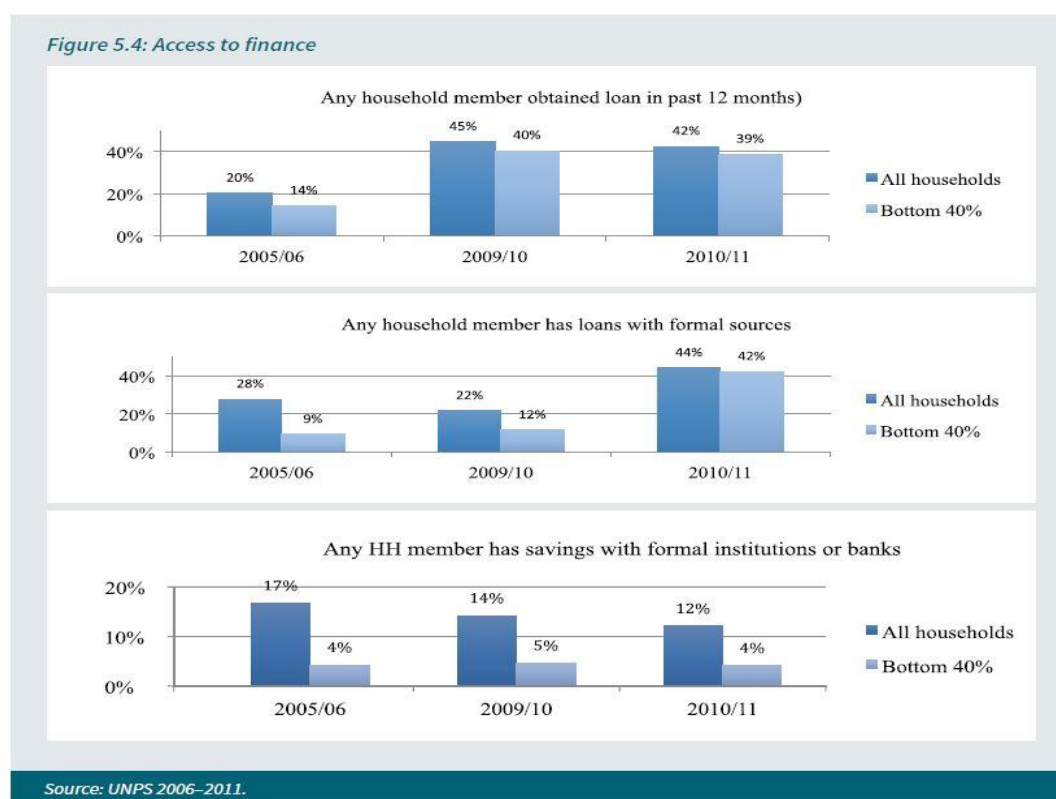
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<sup>18</sup> Moses Okech, personal communication

<sup>19</sup> GIZ 2012

<sup>20</sup> World Bank 2016

Figure 6. Comparative access to finance in Uganda 2005/5-2010/11, by wealth category



Source: World Bank, 2016

## 4.2 Financial conditions and trends in our research communities

### 4.2.1 Key income and expenditure patterns

#### Principle sources of income

Income generating activities in both Aarapoo and Omadira are intertwined with local livelihoods and face all of the attendant risks and constraints. While most agricultural production is for subsistence, but recent years have seen an increasing trend in favour of cash crops – mainly maize and cassava.<sup>21</sup> There are niche markets for specific crops: in Aarapoo, for instance, farmers sell millet to local producers of *ajono*, a traditional brew popular among the fishermen who have settled on the shore of Lake Kyoga. In Omadira, where most people are member of religious congregations which condemn alcohol consumption, millet is almost entirely consumed at household level, while a market for beans has emerged in recent years. Poor infrastructure and lack of facilities to process food and asymmetric information make local farmers dependent on middle-men, who reap profits from selling the produces in the Soroti market.<sup>22</sup>

<sup>21</sup> Local authorities estimate that only 30% of the crops are marketed

<sup>22</sup> For instance, while middlemen pay 50,000 UGX for a bag of maize, the price in Soroti is between 80,000 and 90,000 UGX. 1 kg of millet is paid 600 UGX but it is worth 1,300 UGX in Soroti As for cassava, 1 kg is paid 1,500 UGX to farmers, but the cassava is then dried, divided into smaller units (basins) and is sold for 22,000 – 25,000 UGX a basin. Also, a kg of maize is paid 500 UGX by the middlemen, but it sells for 1000 UGX and is worth 2000 UGX per kg when turned into posho.

Middle-men are highly distrusted by farmers, who accuse them of cheating by, for instance, paying 'per mug' (used as a unit of measure) when they purchase and selling 'per cup' to customers in the market (IDI, female, SILC member, Aarapoo). When able to afford the cost of the transport (7,000 UGX for a one-way ticket to Soroti, plus 7,000 UGX per bag), farmers prefer taking the produce to the market themselves.

The availability of cash from the sale of produce is the greatest after the harvests in June/July/August and the lowest in April/May before the harvest and in January/February, after the Christmas holidays. In the past, a household could reach up to 500,000 UGX to 1 million UGX from the sale of their food crops, depending on how much was planted. However, in recent years, changing weather patterns, characterised by more frequent and prolonged dry spells, and the impact of pest and diseases, such as army worms, on maize and sorghum, have affected the yields, thus forcing farmers to focus on subsistence and reducing the income from agriculture.

Another source of income is livestock and poultry farming. While cows and goats are mostly seen as storage of value, to sell only in case of necessity, pigs and poultry are reared and periodically sold. Once raised, the value of pigs can double in a couple of years from 100,000 UGX to 200,000 UGX. In recent years, turkeys have become particularly popular because, as one interviewee explains, '*they are easier to sell than chicken even if they're not fully developed.*' (IDI, male SILC member, Aarapoo).

Fishing and petty commerce are important secondary sources of income – the former particularly in Aarapoo which borders on Lake Kyoga. The recent regulations introduced to counteract over-fishing have affected particularly part-time fishermen, who are now forced to rent hooks and nets at higher prices. The catch (mostly of silver fish) is sold to middlemen for around 30,000 UGX a basin. Local communities – particularly the poor - consume low quality fish. Although men are involved exclusively in the actual fishing, this activity creates economic opportunities in landing sites for women as well, ranging from the drying and selling fish, to the brewing and sale of *ajono*, to prostitution.

Petty commerce is conducted mostly by women – either in the weekly market if there is one (as in Aarapoo) or – preferably - in the largest trading centres in the districts (Eudio, in Serere and Onyamgurok in Orungo sub-counties. When money is lacking to cover transport costs, women confine themselves to the local markets (there is at least a weekly market in every sub-county).

In addition to local produce, prepared foods are sold in the market such as *rolex* (chapatti filled with eggs) and *mandazi*, traditional bread. The earnings from the sale of *mandazi* in Aarapoo, for instance, are around 12,000 UGX during market days, on Monday and Friday, and even more on Sunday. Excluding expenses (the cost of maize flour and baking powder) and taxes (500 UGX per day) the profits are about 3000 UGX per day (IDI, female SILC member, Aarapoo).

The list of secondary income generating activities includes charcoal production, shea nut collection and casual labour, such as weeding and planting cassava. Casual labour is also very common among poor farmers and can often be key livelihood strategy: weeding a plot of 10 by 15 meters or so (measured by strides) can bring in 3,000 UGX for women in particular.

One other source of income comes in the form of remittances sent by relatives (mostly the male head of the family) working in Kampala. In Omadira, a woman SILC member reports receiving amounts ranging between 30,000 UGX and 70,000 UGX from her husband working as a security guard in the capital (the amounts are usually higher in September, when school fees are due). Transfers are typically made at the end of the month using the mobile money platform Airtel Money and allow households to smooth consumption, and diversify investments (for instance, through the purchase of livestock), and use household land for cultivation of crops for consumption (IDI, female SILC

member, Omadira). Households that cannot rely on such sources of income are particularly vulnerable. A poor, non-SILC woman in Omadira reports having regularly received up to 100,000 UGX from her husband, who worked for a security company in Kampala, using this money to buy food and pay school fees for her three children. In March, however, her husband was arrested for murder after killing a trespasser; since the flow of remittances was cut, she has survived financial help from her sister, a civil servant, who sends her 20/30,000 UGX per week. (IDI, non-SILC member, Omadira)

Men can sometimes find work in construction or as *boda boda* drivers during the periods in which they are free from farming commitments. A male SILC member in Aarapoo, for instance, sporadically works as a carpenter. For his latest job, he was hired by the Bugondo subcounty to build a school in Owi and got paid 100,000 UGX for a two weeks job (although he was promised 150,000 UGX). Another works as *boda boda* driver every Friday, when people travel to the Onyamgurok market, and earns around 15,000 per week.

### **Major household expenditures**

Major household expenses fall into three main categories: 1) food; 2) school fees; 3) medical expenses.

Staple food includes maize, cassava, cowpeas, fish and, sporadically, meat. Expenditures depend on the size of the household. For instance, the head of a 9-person household (two adults and seven children) spends every week 20,000 UGX for a basin of cassava and 20,000 UGX for silver fish (IDI, male SILC member, Aarapoo). In another household with 16 children, the average monthly expense for *posho*, cassava and fish sold directly by fish sellers from the landing site is 40,000 UGX. Meat is considered a luxury that not all can afford although, for a few interviewees affected by hepatitis B, widespread in the area, such a choice is framed as a health, rather than a financial issue. Expenditure on food also depends on the degree to which households can produce their own crops for consumption, and seasonal availability of harvests.

School fees are reported as one of the most burdensome expenditure of the households in both Aarapoo and Omadira (see *box 4*). The problem of higher education (secondary or above) is particularly acute, often forcing households to sell off assets to afford school fees. But numerous direct and indirect fees and expenses linked to primary and even nursery school are also onerous. In the course of the interviews, KIIs and IDI suggested a correlation between the high AIDS-related mortality rate among adults in the area and the high number of orphans who are integrated into the families of the deceased's relatives, adding to the burden of paying school fees for their children. Despite acknowledging the obligation of taking care of orphan relatives, some interviewees described fostered children as 'problematic', therefore opting for boarding schools, which are more expensive.

Besides enrolment fees, parents are expected to cover the cost of the uniform (around 10,000 UGX), books (around 3,500 UGX) and school material (around 2000 UGX). When the availability of money to pay for school fees is scarce, priorities are established to decide whether to send the children to school and which one – and even which type of school would suit a specific situation. For instance, a farmer and occasional fisherman in Aarapoo with a girl aged 20 and a boy aged 18 explained that, in 2016, the earnings from the sale of produces were so low because of the draught that had to face the decision to send only one child to school. The choice eventually fell on the girl, who was sent to boarding school because, given her age, she would “mess up” (meaning, by getting pregnant) if staying at home while, in boarding school, she would be more protected. They decided to send the boy back to school next year (IDI, SILC member, Aarapoo). In some households, senior recipients contribute to the payment of school fees for their grandchildren. This is the case, for instance, of a non-SILC woman in Omadira, who contributes to the purchase of the school material for two grandchildren (IDI, non SILC, Omadira)

#### **Box 4. A snapshot of school fees in Aarapoo**

A.M., a member of a SILC group in Aarapoo, provides a snapshot of the significance of school fees. When her husband's brother passed away, his seven children were parcelled out for care within the households of the remaining brothers. The three orphans that her household took on are currently enrolled in secondary n boarding schools (they were performing poorly in the government school, so they were moved to boarding school). The household now pays school fees for these three along with their own six children - nine in all (seven in primary, one in secondary and one doing a professional course to become teacher)

- *Five children in government school: 150,000 UGX (30,000 UGX per child)*
- *Two children in boarding school: 1,500,000 UGX (750,000 UGX per child)*
- *One girl in secondary school: 1,200,000 UGX*
- *One child doing a professional course: 3,600,000 UGX*
- *Total: 6,450,000 per year*

IDI, woman SILC member, Aarapoo

Many study participants suggested that the high rates of HIV and hepatitis in both sites of investigation are a legacy of the insurgencies that have ravaged the area in the recent past and – in Aarapoo in particular - are currently linked to the extensive sex trade that exists in the fishing landing sites. Poor health conditions have implications for the household budget. Retroviral drugs against HIV and the vaccine against hepatitis B are provided by the state free of charge, but treatment for hepatitis B is at the patient's expense. In public health centres, the monthly cost of the treatment is 60,000 UGX for a series of three injections, but in private clinics in Soroti the price is much higher. A man suffering of hepatitis B spends almost 1,000,000 UGX every six months for treatment, travel and stay in Soroti. (IDI, SILC member, Aarapoo). A woman whose child has been diagnosed with sickle cells spends around 60,000 UGX per month for the treatment (IDI, SILC member, Aarapoo). In general, the cost of treatments for other common ailments in the communities, such as malaria, diabetes and brucellosis, varies between 30,000 UGX and 80,000 UGX per month.

Other expenses that some villagers mentioned in the course of the study include renting land for cultivation (around 50,000 UGX per season), renting fishing gear (around 10,000 UGX plus a fraction of the catch), maintenance of vehicles (an occasional *boda boda* driver in Omadira spends around 80,000 UGX per year for his motorcycle), veterinary vaccines (around 30,000 UGX every two years) and religious offerings (around 500 UGX per week).

#### **4.2.2 Gendered financial dynamics within the household**

In a typical household, the male head owns all assets (land and livestock) and is in charge of all financial decisions, including on the earnings of the wife. For instance, when women buy fish to sell, they have to bring whatever money they earn to their husbands, who would then decide what to leave to their wives (FGC, non-SILC, Aarapoo). The assets are generally divided among the male children after the death of the patriarch (which often leads, particularly in Aarapoo, to land fragmentation with resulting low yields). If the sons are not yet adult, the widow controls the land and decides on the household budget.

## 4.3 Financial inclusion mechanisms and scope

### 4.3.1 Informal financial institutions

Most people in Aarapoo and Omadira - including SILC group members - rely exclusively on informal financial institutions. Community members are involved with a variety of such informal mechanisms and networks to help them to cope with critical needs, come up with money needed for particular expenses, and respond to emergencies that can be both individual (death of a family member, illness or accident) or more general (crop failures and livelihood collapse). SILC has not generally replaced, but has rather added to this existing repertoire of practices grounded in kinship relationships, interpersonal trust and reputation.

#### **Social networks**

Social networks represent the primary source of help for people in need. Before SILC, most interviewees resorted to the support of their relatives to face hardships. However, this is recognised as problematic because, in case of default, it could strain family relationships. Also, neighbours can offer some support, but the possibility of a default can ruin relationships. As suggested in the course of an FGD in Aarapoo, *'If you default with a neighbour, you have to move somewhere else.'* (FGD, SILC committee members, Group Ecatata, Aarapoo). Despite being all members of different congregations, no one among the participants to the study reported having benefitted from material support from their churches.

#### **Tontines or merry-go-rounds**

A typical merry-go-round (called *aboukonokin*) are a form of rotating savings and credit association (ROSCA) that includes relatives, neighbours or members of the same church. *Aboukonikin* are common in both Aarapoo and Omadira and most SILC members are familiar with the system. Some of them are still part of groups organised by their church: for instance, in Omadira, *aboukonikin* clubs are regularly organised by Elim, an evangelical congregation – an aspect which has been indicated by some villagers as one of the drivers of the popularity of Elim in the area (FGD, non-SILC members, Omadira). *Aboukonikin* are not convened when the money is scarce and tend to collapse during difficult times (such as 2016 drought). In *aboukonikin* meetings, each member contributes a certain amount every week, with one member taking the pot by turn until everyone has benefitted at least once. The amount of the contribution ranges between 500 UGX (IDI, female SILC member, Omadira) and 10,000 UGX per week (IDI, female SILC member, Aarapoo). However, beneficiaries sometimes quit the group as soon as they receive the payment, so this form of collective shareouts carries significant risks for individual members.

#### **Burial groups**

Burial groups play a key role by providing support to bereaved families in the form of money and help to organize mourning ceremonies for the deceased. They mostly act on a clan basis and rely on the contributions of the affiliates. Some are very structured and include a constitution and a board of directors. They are registered at sub-county level and branch into different activities beyond burial support, and providing loans to non-clan members as well (*see box 5 for an example*).

#### **Box 5. A burial group in Aarapoo**

The Aarapoo Youth Burial and Premiership Group has been active for the past 8 years. The board of the directors meets every week in the trading centre. The membership fees are 5000 UGX and 10,000 are paid every January when the general assembly elects the members of the board. Four steering committees, made each of 5 people, oversee different activities, including financial services. The funds are kept directly by the



treasurer. A loan is usually given for one month with an interest rate of 15%. In case of delays, the group applies an interest rate of 1% daily.

The maximum amount for a one-month loan is 800,000 UGX. However, in 2016, when the demand for loans was very high, they lowered the maximum amount to 100,000. The average loan is around 150,000/160,000 UGX, mostly given between March and July. Last year, the group lent a total amount of 5,000,000, mostly to cover school fees, start or expand business and buying land. When applying for a loan, the prospective borrower has to bring two people vouching for him and show a collateral. The borrower's wife has also to be present so that she would also be responsible for the debt. In the past, there have been several cases of insolvency and repossession of collaterals. In case of default, they contact the LOC1, then the police, then notify the borrower. The borrower has 2 weeks to redeem his collateral. In case of a collateral that needs maintenance, such as a cow, they charge 1000 UGX per week. If they eventually sell the collateral, they keep the amount of the loan and the interests and return the rest to the borrower, who is then blacklisted.

According to the chairperson of the group, several villagers are members of both SILC and the burial group. Moreover, they often borrow from SILC in order to repay a debt with the burial group.

KII, chairperson, Aarapoo Youth Burial and Premiership Group, Aarapoo

*Table 8 below*, from our discussion with SILC group members in Omadira, provides local perspectives on the types of informal savings, loans and social support mechanisms available within the community and some of their key characteristics and accessibility to the poor.

**Table 8. Mapping of informal institutions for financial and social support, Omadira**

MAPPING OF INFORMAL SAVINGS, LOANS, AND SOCIAL SUPPORT MECHANISMS	
Type	Description, characteristics, and accessibility to the poor
<b>Extended family/clan</b>	The poor (loichan) can go to better –off clan members (loitamite) for assistance in times of need. Moreover, burial societies are organized by the clan to defray funeral expenses (on the death of a clans members, men contribute 1,000 shillings and women 500; women also supply flour and means and firewood or water)
<b>Religious mechanisms</b>	When there is a very critical problem, the parishioner can go to the church leader who can take up a voluntary special collection to provide some assistance from other parishioners; otherwise, can also help out of some of the regular church offerings, but this would need to be reimbursed. <i>‘The difference between religious assistance and clan assistance is that the latter is only offered on death, while the former can be offered while you are still alive.’</i> Moreover, this kind of support is reportedly very rare, as even the church is poor.
<b>Community associations</b>	In addition to the regular clan-based burial associations, there is a fee-based burial group (5,000 membership fee) and contribution on the death of someone: this helps provide saucepans, plates, drums for the burial ceremony and the tents (so the bereaved does not have to hire these)

<b>Neighbors and friends</b>	The poor (loichan) can sometimes go to better-off (loitamite) friends or neighbors for assistance: but the poor themselves cannot normally help each other as they are all poor
<b>Producer groups</b>	These existed some time back, organized at sub-county level, but they are not around now
<b>ROSCAS/Merry-go rounds and the like</b>	These are called <i>aboukounakin</i> ; there is one organized in Elim Church, made up of 25 people who contribute 1,000 each Sunday, with one person taking all of the proceeds each week. It started up this year, and so far are up to the 17 <sup>th</sup> person in the weekly share-outs. It is working well. Others, however, have not been so successful
<b>Informal money lenders</b>	There are none in the village – only in town
<b>Other</b>	Casual labour (selling labour / working on the fields of others) is the primary means by which the poor (loichan) can get money

Source: FGD, mixed male/female SILC members, Omadira Stars, Omadira

**4.3.2 Formal financial institutions**

Findings from field research corroborate PPI data on low usage rates for mobile money accounts and membership in formal financial institutions such as banks or a SACCO (see table 9).

**Table 9. Low rates of access to formal financial services**

		Mobile Money		Money in Bank Account SACCO, etc	
Village	SILC Group	yes	no	yes	no
Aarapoo	Ectata	15.7	84.3	15.7	84.2
	Ekeunos	15	85	0	100
	Egangakinos	0	100	100	0
Omadira	Acamanaros	13.8	86.2	100	0
	Omadira Stars	22.2	77.8	72.7	27.3
	Acamanaros Youth	23.3	76.7	86.7	13.3

Source: PPI project data, shared by CRS EFI research officer

**The banking sector**

In both Aarapoo and Omadira, access to formal credit institutions is limited by the dearth of facilities (which are situated only in the sub-counties or in Soroto); the widespread lack of identity papers (particularly among women); lack of collateral (which inhibits the securing of loans); and general distrust towards banks due to past fraught experiences. A recurring theme emerging from the interviews is the fear expressed by many farmers of having their land or property seized by the bank if they cannot repay (FGD, non-SILC women, Aarapoo). Low usage of mobile money is explained by the limited presence of mobile money agents in the area, which makes cashing out difficult, though

uptake is reported to be higher among younger people and those who regularly receive remittances from relatives working in the city.

### ***Other savings and loans or micro-finance programs***

Other providers of financial include saving groups organised by churches and NGOs, and SACCOs. In Uganda, having 5 or more savings groups from other organizations in a village is common. In the SOCADIDO project areas, other savings group are or have been organised by the Pentecostal Assembly of God (PAG); the National Union for Disabled People (NUDIPO); the Soroti Rural Development Agency (SORUDA); World Vision (WV); Child Fund; and the Anglican parish (TEDOO) (CRS EFI MTE 2016). Some banks have also started programs to allow SACCO groups to open accounts.

The government has also promoted a number of programs to provide financial assistance and inclusion, to support livelihoods, and to smooth consumption of particularly vulnerable categories (*see box 6*).

### ***Box 6. Government-supported initiatives***

- **Youth livelihoods (18-35):** Provides loans of around 5,000,000 - mostly meant for the purchase of small livestock for income generation - to be repaid without interest if paid within one year; 5% thereafter. At least a third must of the beneficiaries should be women.
- **SAGE:** The national old age pensions social assistance programme, implemented in Orungo sub-county since 2015 with 117 recipients selected according to possession of ID and age [ $>75$ ]. The beneficiaries receive 25,000 every three months, with transfers effected manually.
- **Women Empowerment Program (WEP):** Targets women age 18-65 with loans to support income-generating activities.
- **DEG (Discretionary Equalisation Grants):** Money allocated at subcounty level, 70% of which should go for livelihoods
- **Nusaf (Northern Uganda Social Action Fund):** Community-driven program.

KIIs, district and sub-county levels and local government development plans

## 5. PRO-POOR PROGRAMMING AND INCLUSION IN SILC

*'SILC is made precisely for the poor so that when you have a problem you can turn to the group to get help and you are not alone.'* (FGD, SILC women committee members, Aarapoo).

*'SILC makes it possible for us to realise at least some of our plans – like, for instance, getting a goat. So being able to achieve one smaller goal gives us the courage to go after our other goals in life.'* (IDI, male SILC secretary, Omadira)

*'You think you are too poor, but look at us, we succeeded – you could start with a small amount – even 100-500 is enough.'* (FGD, SILC women committee members, Aarapoo)

### ***5.1 Project background, organization and implementation in our research communities***

#### **5.1.1 EFI in Teso**

The EFI project in Eastern Uganda is implemented by three partner organizations: Eaden (Eastern Archdiocesan Development Network); Sespel (South Eastern Private Sector Promotion Enterprise Limited), and Socadido (Soroti Catholic Diocese Integrated Development Organization) – the latter responsible for implementation in our two study districts of Amuria and Serere in Teso sub-region. Together the three partners cover 133,218 members clustered in 4,642 SILC groups which represents 88.4% of the four-year program target of 150,696 members.<sup>23</sup>

Socadido is the development arm of the Catholic Church, under the overall leadership of the Bishop, with policy level decisions taken by a Board. It is linked into a network of lower level parish structures across the diocese. Since its establishment in 1981 it has built up significant community development experience in Teso and is currently active in all districts of the Teso sub-region. Its overall mission to empower Teso communities to attain sustainable socioeconomic development; focus on the vulnerable. Its strategic objectives are to: increase household income; improve household food security; improve community resilience to disasters; improve institutional capacity for effective and relevant service delivery. It works to meet these objectives through three main programs:

- *Business and income security:* for farming as a business with surplus for market – extension services value chain analysis, access to market – focus on dairy and apiary sub sectors (milk and honey)
- *Agricultural development and enhanced livelihoods:* targeting returning and resettling communities especially in Amuria and Katakwi districts – both crop and livestock production and focus on group formation/community organizations
- *Disaster risk reduction and climate change adaptation:* including risk assessments, capacity-building, formation of DRR committees, early warning systems.<sup>24</sup>

<sup>23</sup> Kalmera 2016 EFI CRS annual report Uganda

<sup>24</sup> SOCADIDO Strategic Plan 2012-16

The EFI program in Teso falls within the first program, but also supports the other two. It targets communities in districts that are most financially excluded, covering the four districts of Amuria, Serer, Katakwi and Ngor, based on an institutional analysis with other partner organizations working in the zone<sup>25</sup>

The Socadido EFI project manager explains that the project covers four districts in the sub-region and now has up to 2019 groups. When they started EFI, they were looking for districts far away from other financial inclusion efforts and with significant livelihood challenges; with the help of an institutional mapping exercise, they identified the 4 districts of Serere, Amuria (our 2 study districts) and Katakwi and Ngor. *Table 10* below presents project data on the contours of SILC group activities for each of our study groups in the two villages.

**Table 10. Information about Groups from SAVIX**

PSP Name	Village	Group Name	Current Cycle <sup>26</sup>	Group Members	Female Members	Min. Savings	Savings Amount	Loan Amount
Raymond Edumu	Aarapoo	Ecatata	3	24	14	1000	311,000	369,200
		Ekeunos	3	34	24	1000	628,00	628,000
		Egangakinos	1	23	23	1000	1,145,000	1,145,000
Angela Arika	Omadira	Acamanaros SILC	3	30	22	500	631,500	156,000
		Acamanaros Youth	3	30	26	1000	292,000	365,000
		Omadira Stars	3	30	24	500	3,347,500	2,040,000

Source: EFI project data supplied by the CRS EFI research officer

Socadido project implementers believe that SILC works and is a good model since it is sustainable; but confide that it took some time for communities to accept it, since the concept of paying the PSP is quite new. Changing attitudes has therefore been important, particularly because many communities in the Teso sub-region are more used to ‘hand-outs’ as assistance while with the SILC approach they are called on to participate and assume more responsibility and thus become more empowered. Recent challenges have been linked primarily to livelihood constraints brought about by the shortage of rains which has intensified poverty and depressed members’ ability to save. Other obstacles are more psychological or sociological in nature and include low self-esteem, lack of confidence, and a sense of hopelessness on the part of the poor – all of which, when coupled with mistrust or fear of money going astray, may discourage them from joining such groups (KII Socadido project manager).

<sup>25</sup> KII, EFI Manager, SOCADIDO.

<sup>26</sup> Those groups that are said to be in Cycle 1 may be newly formed groups in the PSPs home village. It may also be the case that the data is out of data and/or the group dissolved after the first cycle.

### 5.1.2 Project organization in Aarapoo

#### ***Background and roles of supervisor and PSP***

The supervisor for Aarapoo is a 29-year-old woman, married with one young child, who comes from a parish from a different sub-county in Soroti and has married into Kyere sub-county in Serere district. She has a diploma in development studies from a local training institute and has previously worked with the Uganda Red Cross Society in Abim on a food security and livelihoods project. She joined Socadido for the SILC programme in 2014 as supervisor for three sub-counties, and currently covers 342 SILC groups. In Labori sub-county she supervises the work of 12 PSPs working in three parishes with a total of 75 SILC groups (34 in Aarapoo parish). She provides training for group members on the SILC methodology, covering nine modules. Financial education is introduced during the second cycle; the first six modules of the training are free but the second five modules require a UGX 5,600 contribution from each member. The supervisor notes that the groups with training so far choose only to undergo only the first set (KII, EFI supervisor, Aaarapo).

**Figure 7. PSP (right) and son, Aarapoo**



The PSP for Aarapoo is a 52-year-old man from Aaarapoo, married (with two wives) with 17 children, 14 of whom live with him and his wife in his household of 20, which also includes a granddaughter. He is educated up to the primary level and has many roles within his village, including as LC1 secretary (since 1986), elected chairperson of one of the Catholic churches in Aarapoo, chairman of the school management committee, and an agent for the cotton development organization. He also formerly taught in the public primary school during the time of the UPA uprising (1986-94). He became a field agent (FA) in 2014 and graduated to PSP in 2015. He is responsible for SILC groups in Aarapoo parish (4 village; Garama a; Garama b; Mulondo landing site). There are 32 in all in the parish; currently 12 in Aarapoo village itself (2 in Atiragot ward (including Ecatata, one of our study groups, and 10 in Aarapoo ward (including our study groups of Egangakinos and Ekeunos). His wife is a member of the Ekeunos SILC group and his daughter is also a member (KII, PSP, Aaarapoo).

#### ***Overview of SILC group formation***

The PSP reported that first cycle of 6 SILC groups in the parish started up in 2014 – scattered throughout the parish (not localized in one village) as a means of spreading the word as widely as possible. They are mixed groups – mostly women, but also some men, and members of different clans, ethnic groups and religions. The focus was on the poorest (*loichan*), which he reports were the majority in the first groups although there were also members from the vulnerable middle groups (*loitamite*). Of our study groups in Aarapoo village, Ecatata (meaning ‘together’) was the first to be formed in this first cycle (2014/15), followed by Ekeunos (meaning ‘development’). In the second cycle (2015/16), seven more groups were formed, and in the third cycle (2016/17), another 19, including our third study group Egangakinos (meaning ‘we all work together to help each other in need’).

Some of the groups have specific memberships such as for people living with HIV or for youth. Some – including our study groups - were built up on the basis of existing local ‘tontines’ (rotating savings groups) whose members were dissatisfied with the functioning of these previous groups; some formed from drop-outs from another savings group organized by the Anglican Teso Diocesan Development Group, citing lack of supervision on the ground in their previous group. The PSP has provided financial management training (the free modules 1-6) to only 2 SILC groups (though not in any of our study groups); but has stopped there as groups have not been able to pay for the remaining modules (KII, PSP Aarapoo)

### 5.1.3 Project organization in Omadira

#### ***Background and roles of supervisor and PSP***

Socadido selected Amuria district because of its low rate of financial inclusion and the particular vulnerability of the area, a legacy of past natural and man-made disasters. The organization, which provides guidance and training on group management and conflict resolution, looked for field agents to build trust with the local populations. Aware that a large number of traditional saving groups have had negative financial experiences in the past, Socadido relied on the supervisor and the PSP to create confidence in the methodology and approach.

The supervisor is an Iteso woman from Soroti. After being recruited in 2013, she worked with the district and sub-county authorities to conduct an institutional mapping in order to avoid places where there were savings groups operating. She recruited eight field assistants (FAs) and set the target of forming six groups per FA in year one, 10 groups in year two, 10 groups in year three and 10 groups in year four; hence an overall target of 36 (later reduced to 34). The group of FAs was gender- mixed, but the supervisor claims that men make better PSPs than women because they do not have the same family commitments as women and do not take maternity leaves. Currently, she is in charge of twelve PSPs in three sub-counties in Amuria (four in Orungu) (KII, Supervisor, Omadira).

The PSP for Omadira (*figure 8*) is a 29-year-old Iteso woman, originally from Katakwi, married into the village of Omadira in 2016 and with four children, aged five months to 10 years. Her husband is a primary school teacher in Orungu sub-county as well as a clan leader and owns five acres of land. She is currently investing part of the earnings from SILC from the sale of beans, turkeys and piglets, and in the constructing of permanent house. She used to be a facilitator for NAADs (the government agricultural support program) and also worked with the Uganda Red Cross and the NGO Wholistic Development. She has been trained on gender sensitivity through FOWODE (Forum for Women in Development) and has been elected Female Youth Counsellor for the sub-county of Orungu. She was hired by Socadido in 2013, graduating as a PSP in 2014 to be paid by the groups at 100/person/week (400/month on a quarterly basis). She currently has 33 groups.

***Figure 8. PSP and youngest child, Omadira***



### **Overview of SILC group formation**

Before the SILC model was implemented in Omadira, Wholistic Services of Uganda, an NGO, distributed goats, oxen, ox ploughs, seeds and other farming materials. The villagers were gathered into groups and contributed 5,000 per year. People, particularly the youth, realised the benefits of forming saving groups. The PSP recruited members for her initial six groups in the Orungu parish through personal contacts and spreading the message through the local churches. Two of these first groups were in Omadira (Omadira Stars and Acamanaros SILC). By the second year, she had also formed a third group in Omadira, specifically for youth aged 18-35, Acamanaros Youth.

Omadira Stars was the first group formed in the village. The PSP provided all the information and basic training, stressing that, since the government was looking for groups – not individuals – to take part in eventual development projects, it was important to be part of a group as this would facilitate other organizations coming to them with other projects. She also emphasized that even poor people like them could save. Those interested came together, screening themselves on the basis of their reputation, trustworthiness, respect of God (no matter which one) and willingness to attend meetings. The group currently numbers 30: some members have dropped out (including three committee members) because they could no longer save, but they have been replaced. When they first joined they contributed 5,000 each for the ‘kit’. Other operation rules and conditions were agreed, as illustrated in *box 7* below.

#### **Box 7. A snapshot of fees and fines in Omadira Stars SILC group**

- 5,000 UGX: Maximum weekly saving: (it caters to the better off who may have the ability to earn more – either from sale of produces or more casual labour);
- 1,000 UGX: Minimum weekly saving: (it addresses the needs of the poorest, who may be involved in casual labour or sale of silver fish);
- Amount of permissible loan is 3 times the amount of savings
- 10%: interest rate on loan reimbursements (if a borrower fails to pay back after two months, she may start to repay just the interest);
- 500 UGX: Weekly contributions to the social fund. This can be used in times of sickness (up to 10,000); repayable without interest; and as outright grants for death (15,000) and house-burning (20,000);
- 400 UGX/month: payment of the PSP by each member;
- Fines of: 500 UGX (absence from meetings); 200 UGX (lateness to the meeting); 100 UGX (phone call during meeting); 100 UGX (discussion during meeting.) According to group members, people do not object to these fines because a) they help keep order; and b) they all go into the pot, leading to a bigger shareout at the end

(FGD, Omadira Stars)

The success of the first two groups inspired the son of a former local counsellor and member of Omadira Stars to approach the PSP and seek help to establish a third group. A decision was taken to focus on people aged 18-35 and thus establish a youth group. The logic was that *‘the needs of young people are different from the ones of the adults’* (IDI, male SILC member, Omadira). Most of the members of Acamanaros Youth were students, had small children or no children at all. Since the primary goal of the group was to allow its members to complete their education, the rules afforded the members greater latitude compared to other groups. For instance, members of Acamanaros Youth were allowed to stay in the group even without contributing for long spells of time, provided that they attended the weekly meeting. (FGD, managing committee, Acamanaros Youth, Omadira).



## 5.2 The pro-poor approach in the research communities

### 5.2.1 Overview of the approach in Teso

The CRS EFI project manager outlines some of the key elements for pro-poor programming in the Teso sub-region as follows (KII, CRS EFI project manager):

- Messaging: the appropriate messages to attract the poor into the program
- Out-reach: through door-to-door visits and public meetings
- Institutional mapping: to identify organizations already working with the poor
- Operational flexibility in savings: including flexible amounts, no fines for not being able to save.

*Box 8* below presents the specific strategies used to reach the poor in the four districts of Teso, as identified by the Socadido project manager.

#### *Box 8. Pro-poor strategies pursued by Socadido*

##### **Outreach**

- Conducting an institutional mapping of other organizations working with the poor as a guide to where to go and where to avoid (if there are, for example, other savings and credit programs already underway so as to avoid saturation)
- Engaging in dialogue with lower level local leadership: clan heads, church leaders, LCIs and other influential people
- Capitalizing on the PSPs' presence in the villages and local communities where they live and are able to build trust in order to reach out to the poorest
- Stimulating demand through examples of successful share-outs, which serve as powerful testimony for others to see that even those with little money, like them, can save
- Mobilizing 'special interest' groups, such as the youth, who are often hardest to reach as they feel they do not have money to save

##### **Operational rules and design features**

- Adopting the flexible savings model, with minimum and maximum targets (for example from 200 to 5,000 a week) set by each group in accordance to poor members' capacity to save. They may change this in mid-course as needed
- Implementing the flat rather than proportional PSP payment, with standard payment of UGX 100 per member per week
- Allowing for adjustments in the interest rate: EFI encourages interest rates of 10%, but the pro-poor approach can allow 5%
- Not forcing members to borrow so as not to incur debts which they may be unable to pay back
- Maintaining strong rules and supervision (by the PSP and supervisor) to ensure against cheating and build confidence, as many communities have had bad experiences with similar groups in the past

(KII, Socadido EFI project manager)

### 5.2.2 Pro-poor programming in Aarapoo

#### **Major elements of the approach**

The supervisor for EFI in Aarapoo explains that pro-poor programming (PPP) starts with training of the supervisors, who then go out to train the PSPs. Training entails sessions on how to recognize poor people/households of the lowest income quartiles based on a number of characteristics including food availability, clothing, home appearance and sources of income (according to a list of 10 questions that are reflected in the PPI survey). Among the key differences the supervisor identifies

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between the pro-poor and regular approach are those related to the payment of the PSP (based on a flat rate in the PPP and a proportional rate in the regular approach) and those related to savings requirements (pro-poor groups allowed not to save for up to a month without fines) (KII, Supervisor Aarapoo).

The supervisor did not spontaneously identify the flexible savings amount as one of the hallmarks of the pro-poor approach, but notes that she can recognize poor members by the amount they are able to save. She feels that the approach is working well, though the drought that has hit the region has significantly diminished SILC group activities. There have also been some difficulties (in Labori as a whole) with security issues such the theft of a cash box from a SILC group in Labori parish and overall questions of security arising out of keeping the cash box in the treasurer's home. One of the main gaps she sees in the pro-poor model, however, is the lack of support for the knowledge-building on development and management of income-generating activities that women can invest in once they have saved up and taken out loans (KII, Supervisor Aarapoo).

The PSP for Aarapoo explains that the program as a whole does not look to the rich but to the poor. The pro-poor approach includes significant outreach - going door-to-door for outreach as well as going through the elders, community leaders and through the church, after prayers. He also recruits men at beer parties - trying to convince them that instead of wasting money on drink, why not save: this has enabled him to attract men into the groups. He feels that having men in the groups as members of the management committees strengthens the groups. He reports no real difficulties forming groups, except at landing sites, where he is not well known; however, these are now doing well. (KII, PSP, Aarapoo).

### ***Difficulties and constraints***

Obstacles for participation by the poorest are linked primarily with what the PSP terms the 'famine' that has arisen since the failure of the rains which causes people to '*focus on eating rather than saving.*' This can be seen by differences in the cycles: in 2014/15 when the rains were good, people were able to cultivate and harvest and thus had money to save. But since May/June 2016 and up to now, a prolonged 'drought' has set in and most people nowadays are getting by with one meal a day; hence they are unable to save. Savings amounts overall range: normally from UGX 1,000 as minimum up to UGX 10,000, 15,000, 20,000 maximum; but, for example one group is UGX 500-5,000, so flexible savings is part of the approach. (KII, PSP, Aarapoo).

After the floods and drought, savings in most groups dropped to UGX500 - 5,000: the lowering of savings targets was common to all of our study groups. The amount paid into the social fund also varies - normally it should be UGX 200/week, but it can sometimes go as high as 500 or 1,000/week. There have been other adaptations: 6 or 7 groups that the PSP covers, for example, have changed interest rates, lowering them from 10% to 5%, including in our groups. Loans, which are supposed to be taken out for income generating activities can also be taken for social needs. Recovery of loans is becoming a problem but now that the rains may have started up again, he expects this will improve. While the PSP is supposed to be paid UGX 100/week, he reports that he is not paid regularly and that only six out of 32 groups actually pay him according to the rules; he feels he cannot ask for this. (KII, PSP, Aarapoo).

### 5.2.3 Pro-poor programming in Omadira

#### **Major elements of the approach**

When comparing the pro-poor approach to the ‘normal’ SILC approach, the supervisor highlighted the following aspects (*table 11*):

**Table 11. PSP comparison of ‘pro-poor’ and ‘normal’ SILC approaches**

<b>Pro-poor SILC</b>	<b>Normal SILC</b>
PSP’s fee is payable at a flat rate of UGX 100 per training	PSPs payment is proportional
Members can continue saving without paying a due fine for 4 weeks	Members must pay weekly or a fine is incurred
Messaging: <i>No one is too poor to save</i>	<i>We want people to save</i>
Mobilization is targeted to people of the same socio-econ status (people in quartiles 3 and 4)	Mobilization is for all: target is people in all quartiles

**Source. KII, Supervisor, Omadira**

The PSP also suggests that the transparent design of the ledger book promotes the pro-poor approach, allowing even the poor and those with low education to understand how much they have saved. This year, however, because of the drought, many members have been unable to save : around March they came to ask if groups can be maintained but absolved of weekly savings requirements until August when they could start paying again after their harvests: a pro-poor adaptation that responds to the livelihood challenges of poor farmers (KII, PSP, Omadira).

#### **Obstacles and constraints**

Who are the poor in Omadira? According to the PSP, the elderly and women, who lack key assets such as land and livestock, and are most vulnerable to crisis. But *‘This year, with the drought, everyone is poor’* (KII, PSP, Omadira). During the initial mobilization phase for SILC she targeted the poor based on information collected through 1) door-to-door visits, during which she enquired how much they could save each week, in order to determine their level of poverty; 2) meetings with clan leaders ; and 3) her own observations of the living conditions of the villagers. (KII, PSP Omadira)

### **5.3 Inclusion of the poor in SILC groups**

#### **5.3.1 Findings from participatory self-assessments**

Building on the categorizations of poverty and wealth groups obtained through community discussions (see chapter 3), we asked SILC group members in each village (organized into focus groups of regular members and management committee members) to first assess their own wealth rankings, and then to assess wealth rankings for the rest of their group. This was done by first placing beans representing themselves placed on the different categories of cards, and then adding in the rest of the members of their groups (*figure 9*). The results were put together and averaged out for an estimate of the group as a whole (*See Annex K for details*).

**Figure 9. Participatory wealth-ranking exercise by SILC group members**



**Explanation:**

- The first card represents ‘the poor’; the second ‘the fair/middling’.
- The first set of beans on the right of each card represents the committee members’ self-assessment, within that wealth category; the second set of beans represents their estimations of the wealth categorization for the remaining members in their SILC group.
- Here it can be seen that 17 /24 members are considered ‘poor’ and 7/24 are considered ‘fair/middling’.

**Source: FGD, SILC management committee, Egangakinos SILC group, Aarapoo**

In the course of our research, we also asked others (for example, the PSPs and community members) to estimate poverty distributions within the SILC groups. But this was through discussion only – without the aid of the cards and beans - and was not preceded by participatory categorization processes, so their responses are reported by are not factored into the total estimates. The tables below recall the poverty estimates for each village as a whole (as derived from the community discussions) to compare with the poverty estimates for SILC group members in each village.

**Aarapoo**

The results for Aarapoo (table 12) show that the vast majority of SILC members in the three study groups were considered either poor (84%) or very poor (3.3%) for a total of 87.3% classed in the two categories combined. This is higher than the community estimates of poverty in the village as a whole (67%), which indicates excellent poverty outreach for SILC groups. The highest levels of self-reported poverty within SILC groups was by Ecatata (95%), with somewhat lower estimates for Ekeunos (85.5%) and Egangakinos (82%). Egangakinos also had the highest proportion of members judged to be fair/middling (18%). No groups reported members who were well off.

**Table 12: SILC group members’ wealth self-assessment compared with community poverty assessment of village as a whole, Aarapoo**

Wealth estimations in Aarapoo: Community and SILC groups					
	<i>enyamurite</i> (extreme poorest/ marginalized / dependent)	<i>loichan</i> (poor)	Lowest two categories combined	<i>loitamite</i> (fair/middling)	<i>loibaran</i> (rich/well off)
<b>Village as a whole</b>					
<b>Community estimates</b>	0.5%	66.5%	67%	23%	10%
<b>SILC groups</b>					
<b>Egangakinos</b>	0	82%	82%	18%	0%

<b>Ecatata</b>	10%	85%	95%	5%	0%
<b>Ekeunos</b>	0%	85.5%	85.5%	14.5%	0%
<b>Combined SILC groups</b>	3.3%	84%	87.3%	12.5%	0%

*Source: CDs and FGDs with SILC group regular members and committee members – combined results*

The EFI supervisor for Aarapoo provided an estimate of 70% poverty among SILC group members, lower than the self-assessed rate. But for the PSP, while there may have been some differentiation between group members at the outset (between the poor and the middle categories) livelihood shocks linked to drought had reduced all members to the category and capacity of the poor (highlighting the dynamics of poverty in such rural communities). When the poor people saw the example of the middle groups, he said, they were inspired to try SILC, but now *'even the fair ones have levelled out'* (KII, PSP, Aarapoo)

### **Omadira**

Results for Omadira (*table 13*) show that SILC groups in this village were also judged to be overwhelmingly poor – over three quarters of members (76%) were estimated to belong to the two lowest categories (61.6% poor and 14.3% very poor). This, however, is lower than the overall estimates for poverty in the village as a whole (91%) which, if correct, would mean that SILC members are – on average – less poor than the community.

The highest levels of self-reported poverty within SILC groups was by Omadira Stars (100% poor); the lowest in Acamanaros (55%); and Acamanaros Youth in the middle (73%). Interestingly, one SILC group (Acamanaros Youth) reported a small percentage (2%) of rich members: it is unclear, however, what kind of classification was given to this group, for the community as a whole had esteemed that there were no rich people living in the village at all. This, in turn, underscores the complexity of wealth categorizations and the relative nature of these groupings.

**Table 13. SILC group members' wealth self-assessment compared with community poverty assessment of village as a whole, Omadira**

<b>Wealth estimations in Omadira, Community and SILC groups</b>					
	<b>enyamurite (very poorest/ marginalized / dependent)</b>	<b>loichan (poor)</b>	<b>Lowest two categories combined</b>	<b>loitamite (fair/middlin g)</b>	<b>loibaran (rich/well off)</b>
<b>Village as a whole</b>					
<b>Community estimates</b>	40.5%	50.5%	91%	9%	0%
<b>SILC groups</b>					
<b>Omadira Stars</b>	0%	100%	100%	0%	0%
<b>Acamanaros Youth</b>	31.5%	41.5%	73%	24.5%	2%
<b>Acamanaros</b>	11.5%	43.5%	55%	45%	0
<b>Combined SILC groups</b>	14.3%	61.6%	76%	23.4%	0.6%

*Source: CDs and FGDs with SILC group regular members and committee members – combined results*

In other estimates in Omadira, women involved in our community discussions estimated that SILC group members overall were 78% poor and the rest in the middle category. Some community members judged the poverty within the groups as a whole to be even higher – at 92%.

The PSP provided interesting perspectives on comparative poverty levels between our different study groups; the Omadira Stars, for example, were the first to be formed: she had asked specifically only for the poor (*loichan*) and feels that this is reflected in the group composition (which is backed up by the group's own self-assessment of 100% poor). Acamanaros was formed – at their request - two months after Omadira Star – when they had had a chance to see progress and is a bit more mixed, although there is a high percentage of widows there which adds to vulnerability. And the Acamanaros Youth are – according to the PSP – by definition poor, because they are young people and do not yet have money of their own.

### 5.3.2 Comparison with PPI data

*Table 14* below shows the PPI-derived average poverty likelihood at different poverty lines for all of the SILC group members in the three study groups and compares this with the average poverty likelihoods- again derived from the PPI for the SILC group members who participated in the focus group discussions (FGD) for this field study. It also shows the percentage of SILC members (and FGD participants) who are below the median poverty likelihood in their villages at baseline.

It shows, on the whole, that the poverty likelihoods of our study participants are very close to the poverty likelihoods for their groups as a whole, confirming that the sample is a representative one. It also shows that while the majority of SILC members in both villages fall within the poorer half of their communities, they were more likely to do so in Aarapoo (84%) than in Omadira (57%) and that – overall around two thirds of SILC participants fall below the \$1.25/day poverty threshold in both villages.

**Table 14. PPI SILC group data (total members and FGD participants) in Uganda study villages**

Village Name	Group Name	Avg. Poverty Lklhd (National Poverty)		Avg. Poverty Lklhd (\$2.50)		Avg. Poverty Lklhd (\$1.25)		% group members in poorest 2 poverty quartiles	
		SILC	FGD	SILC	FGD	SILC	FGD	SILC	FGD
Aarapoo	Egangakinos	67.9%	68.0%	99.3%	99.6%	85.4%	85.8%	100%	100%
	Ecatata	35.6%	36.2%	92.7%	93.1%	57.6%	58.2%	84%	100%
	Ekeunos	32.6%	33.5%	90.6%	92.7%	54.5%	56.3%	85%	80%
	For all SILC study groups	40%	43.3%	92.1%	94.6%	60.5%	64.5%	84.2%	91.6%
Omadira	Omadira Stars	26.6%	63.5%	93%	97.9%	67.3%	82.6%	72%	75%
	Acamanaros Youth	34.9%	36.2%	80.2%	77.6%	52.3%	51.5%	72%	60%
	Acamanaros	26.6%	43.4%	87.9%	94.6%	49.3%	67.1%	34%	50%
	For all SILC study groups	36%	47.4%	89.9%	89.1%	57.1%	65.8%	57%	61.5%

*Source: From EFI MIS, compiled by EFI research officer*

### ***PPI results for Aarapoo***

While all of our study groups in Aarapoo have similar high poverty likelihoods (over 90%) based on the PPI measure of \$2.50/day), the other measures show significant differences between the groups. Looking only at the poverty measure of <\$1.25/day, SILC members in Egangakinos appear to have the highest likelihood of poverty (85.8%) compared to either Ecatata (58.2%) or Ekeunos (56.3%). This does not correspond to the differences we found through the field-based SILC group self-assessments, where the highest level of poverty was reported by Ecatata (95%), followed by Ekeunos (85.5%) and Egangakinos last (82%). In Aarapoo, 84% of all SILC members (91% in our FGD sample) fall within the poorer half of their communities, with the highest percentage in both the SILC group as a whole and in our FGD sample found in Egangakinos (100%).

### ***PPI results for Omadira***

All of the PPI measures of poverty show significant differences between groups, though these are not internally consistent. Looking only at the poverty measure of <\$1.25/day, SILC members in Omadira Stars appear to have the highest likelihood of poverty (82.6%) compared to either Acamanaros (67.1%) or Acamanaros Youth (51.5%). This again differs somewhat from the results of the SILC self-assessments: while Omadira Stars did have the highest level of reported poverty, the field based estimates (100%) are much higher than the PPI indicators (82.6%). Thereafter, from our field assessments, the second highest poverty rate was reported by Acamanaros Youth (73%), followed by Acamanaros (55%). In Omadira, 57% of SILC members (61.5% in our FGD sample) fall within the poorer half of their communities, with the highest percentage found in Omadira Stars (72% for the group as a whole/75% for our FGD sample) and in Acamanaros Youth (72% for the group as a whole/60% for our FGD sample).

### ***Comparison self-assessment and PPI***

**Table 15** compares SILC self-assessments with the PPI data for the three groups as a whole in each village. It shows that for Aarapoo, SILC poverty self-assessments (87%) most closely approach the PPI-derived average poverty likelihood at \$2.50/day (92.1%). For Omadira, on the other hand, SILC poverty self-assessments (76%) fall somewhat in between the PPI- derived average poverty likelihoods at \$1.25/day (57.1%) and \$2.50/day (89.9%).

**Table 15. Comparative poverty estimates for SILC groups, by village: self-assessments and PPI**

Village	SILC self-assessments: poor & poorest	PPI avg. poverty lklhd (national poverty)	PPI avg. poverty lklhd (\$2.50)	PPI avg. poverty lklhd (\$1.25)
<b>Uganda</b>				
<b>Aarapoo</b>	87%	40%	92.1%	60.5%
<b>Omadira</b>	76%	36%	89.9%	57.1%

Source: SILC self-assessments and PPI data

### **5.3.3 Multiple dimensions of poverty**

As with community characterizations of conditions of life affecting the poor, a variety of household economic and living conditions indicators derived from the PPI+ data generated by the EFI project go well beyond monetary measures of poverty to capture multiple dimensions of deprivation. As with conditions in the villages as a whole, living conditions are rudimentary for SILC member households

in our six study groups, with relatively higher levels of deprivation characterizing Omadira as compared with Aarapoo.

- Nearly all (over 90%) SILC households live in houses of thatched roofs and unburnt brick or mud (key indicators of poverty according to our community classifications): in Omadira this rises to over 97% compared to Aarapoo at around 83%
- Similarly high proportions in all six groups (94%) rely on tabooba lighting.
- Only two thirds (66%) report ownership of any electrical equipment (tv/radio/refrigerator): 58% in Omadira compared to 71% in Aarapoo
- Over 10% of SILC households have no toilet or latrine: 15% in Omadira compared to 8.2% in Aarapoo
- Some 45.5% of SILC households do not have at least two sets of clothing for members: 67% in Omadira compared with 39% in Aarapoo
- Only 13.8% of SILC household members have at least one pair of shoes: this is the only indicator where the situation is more favorable in Omadira (26%) than in Aarapoo (3.4%)
- While 62.6% of SILC households produce most of their food themselves, 37.4% must purchase part of their food: in Omadira, over half of SILC households (58.9%) have to purchase some portion of their food compared to 6.5 in Aarapoo.



## 6. EXPERIENCES AND PERCEPTIONS OF SILC

*'Being in the group automatically unites you and strengthens your relationships'*  
(IDI, female SILC member, Aarapoo)

*'You cannot keep money at home because you will always be tempted to use it, so SILC gives you a good way to save. And it is good to save, as it can support further planning'*  
(IDI, male SILC member, Omadira)

### 6.1 Background on SILC members in the two villages

From our field data, most of our SILC study participants are members of the Itesu ethnic group, with a few representatives of other ethnic groups such as the Langi. A mix of religions (Catholic, Protestant, Pentecostal and Muslim) was represented in our sample. Almost all were smallholder farmers, with some, particularly in Aarapoo, supplementing farming with fishing and many also possessing at least a few animals.

Key demographic details for SILC group members are shown on *table 16* below which compares our field study data on SILC members participating in our FGDs with the data from the PPI+ survey on all SILC group members.

From our study data, the average age is relatively young at 39 (compared with 38 from the PPI data), with group averages for our study participants ranging from the 20s (for the SILC group Acamanaros Youth in Omadira to the 40s for the groups Egangakinos and Ecatata in Aarapoo and Omadira Stars in Omadira). The majority of our study participants (77%) are married, with a small percentage (4%) in polygamous marriages. PPI data also record marriage rates at 77%, but with a higher incidence of polygamy of 9%. Widows account for 9% of our study participants (7% from PPI data). From our study data, two groups stand out in the marriage statistics: Both Ecatata (in Aarapoo) and Acamanaros Youth (in Omadira) have comparatively lower than average proportions of married members at 62% each. In Ecatata, this is due to the high percentage of widows (who make up 25% of the total) while in Acamanaros Youth, which caters to youth, this is due to the high percentage of single members (30% of the total).

From our field data, the majority of our study participants (78%) have had some level of primary schooling, while most of the others (18%) have had no formal schooling. Only a very few (5%) have had any post-primary education. These proportions are roughly similar for both villages. PPI data for SILC households show a smaller percentage with just primary education (60%) and no formal schooling (16%) and a much higher percentage with at least some level of secondary education (22%).

**Table 16. Demographic data on SILC group members**

SILC group	Average age		Marital status (%)								Educational level (%)					
	PPI data	Study data	PPI data				Study data				PPI data			Study data		
			Mar. (%) poly	Wid	Sep / div	sing	Mar. (%) poly.	Wid	Sep / div	sing	no	Prim	Sec*	no	Prim	Sec
<b>Aarapoo</b>																
Egangakinos	46	40	91 (18)	9	0	0	84 (12)	11	5	0	27	73	0	11	78	11
Ecatata	38	40	79 (0)	5	5	11	62 (0)	25	0	13	0	63	26	22	78	0
Ekeunos	36	38	90 (20)	0	0	10	88 (7)	0	6	6	0	45	55	25	75	0
Average 3 groups	40	39	87 (13)	5	2	7	78 (6)	12	4	6	9	60	27	19	77	4
<b>Omadira</b>																

Omadira Stars	46	48	73 (0)	9	9	9	76 (0)	18	6	0	27	64	9	18	65	17
Acamanaros Youth	30	24	68 (9)	9	5	18	62 (0)	0	8	30	17	60	17	0	100	0
Acamanaros	33	44	62 (7)	7	14	17	88 (7)	0	0	12	21	55	21	31	69	0
Average 3 groups	36	39	68 (5)	8	9	15	75 (2)	6	5	14	22	60	16	16	78	6
Total	38	39	77 (9)	7	6	11	77% (4%)	9%	4%	10%	16%	60%	22%	18%	78%	5%

\*For three SILC groups, PPI data also shows technical training (10.5% for Ecatata; 6.7% for Acamanaros Youth and 3.5% for Acamanaros. The field study did not collect this information. All percentages have been rounded.

**Source: PPI data on total groups from EFI MIS compiled by EFI research officer; study data on SILC groups encountered in FGDs**

Average household size from our study data is around 8.3 (8.9 in Aarapoo and 7.8 in Omadira) (with a wide range from 2-20 members in the data collected in our study. Male headship the norm at 86% (89% in Aarapoo and 82% in Omadira.) Generally, all married SILC participants lived in households headed by men (the husband if the SILC member is a woman, the SILC member himself if a man); it is only amongst widows that female headship takes place. PPI data on household size shows that over three quarters (76%) of households have 6 or more members, with the highest proportion of such households in Aarapoo (over 90%) and fewer in Omadira (around 60%).

The average number of children is also relatively high from our study data – averaging around 6 (7 in Aarapoo and 5 in Omadira), but ranging between 0 and 12, and dependent very much on age. The Acamanaros Youth group in Omadira, for example, had much lower average numbers of children, as a high proportion of members in this group were still single. PPI data for SILC members as a whole show 4.4 children under 18 being supported within households – averaging 4.8 for all of the study groups together - with an average of 3.7 children of school-going age of whom an average of 3.1 are attending school. According to PPI data, the ratio of working members of the household in relation to children under 18 is 4 to 1, indicating a heavy dependency burden without counting other dependent members such as older people and people with disabilities.

## 6.2 Experiences of SILC in Aarapoo

### 6.2.1 Perspectives and experiences of current SILC members, Aarapoo

#### *Initiation and evolution of SILC groups*

SILC groups were initiated in Aarapoo through outreach from the PSP, conducted through both door-to-door visits and via announcements in church and other public fora. The message from the PSP was: *‘Let’s form a group, beginning with savings; even if there is little money, you can save for times of need and can borrow from the fund and you will not be alone.’* (FGD, SILC women committee members, Egangakinos, Aarapoo, *see figure 10*). Most members in this small community knew each other before joining SILC: *‘We drink from the same borehole, go to the same church, meet at the landing sites’* they explain (FGD, SILC women committee members, Egangakinos, Aarapoo).

*Figure 10. SILC management committee, Egangakinos, Aarapoo*



They also know and respect the PSP: one SILC member explained that with all of his public roles and community service, *‘He is famous here and a lovely man’*; and as another put it: *‘We look on him as our father’* (IDIs, women SILC members, Egangakinos, Aarapoo). *‘He is also a good farmer and hard worker’* (FGD, SILC committee, Ecatata, Aarapoo). Members highlight the role of the PSP as one of group mobilization, guidance on procedures, support during shareouts, and linkages with other opportunities (FGDs, mixed SILC group and committee, Ekeunos, Aarapoo).

Some SILC members noted that their family members were reticent about their joining at first because they were afraid that their money would get ‘chewed’, but others have been supportive and some husbands have even joined groups. Some members joined thinking that SILC would be a conduit to other sorts of support (child sponsorship, goats, seeds), but once the PSP explained the purpose to them they began to see the value of savings in and of itself (FGD, mixed SILC members Egangakinos, Aarapoo).

All of our study groups started up in similar manner and follow similar procedures, though differing in some of the details. Members explained that they all contributed money for the start-up kit (money box, padlocks, registers, ruler, bowls and the like), though the amount seems to have varied, from UGX 10,000 per member reported for Ekeunos to UGX 2,500 for Egangakinos, who paid in installments, as they could not come up with this amount up-front. The groups started up with weekly savings targets ranging from UGX 500-10,000 (Egangakinos); UGX 1,000-10,000 (Ecatata); and UGX 1,000- 30,000 (Ekeunos). But all said that they lowered their targets after the drought: in Egangakinos, for example, savings is now mostly in the range of UGX 500-1,000 and Ecatata from UGX 500-5,000 (FGDs, SILC groups and committees, Aarapoo).

#### *Perspectives on application of the rules*

Groups explained that they were quite rigorous in granting loans within the limit of twice the amount of a members’ savings (FGD SILC committee, Ecatata, Aarapoo). Interest on loans was set at 10% at the outset, payable after one month, but in some groups, this could be extended to three (FGD, SILC



as people focus more on loan repayments and preparations for share-out. However, social funds are borrowed throughout the year because it is used to help in emergencies (FGD, mixed SILC committee, Ekeunos, Aarapoo).

### ***Qualities of members and committee***

What makes a good member? According to SILC members, this entails repaying loans on time, unity, sharing ideas in the group, maintaining good relations in the group, being hard-working, attending regularly and following rules, apologizing after mistakes (not being 'high'). They assess prospective members first – they do not accept anyone. They reject people who are quarrelsome, those who drink, or those who cannot pay back loans as well as those who smoke, and those who are unstable or move around a lot (*irimi o eloci*). Importantly, in terms of accepting the poor or poorest, they say it is not necessary that the person has cash in hand already, but that they have a plan to earn some to save and use the money (FGD, SILC women committee members, Egangakinos, Aarapoo). Other groups confirm that the ability to work and to earn money to save is a primary requirement. They must also be honest and not be thieves, and of course must come from the same village (FGD, mixed SILC members, Ekeunos, Aarapoo). Reputation is important (FGD, SILC members, Ecatata)

Committee members are selected on the basis of their character and qualities: a chairperson is chosen on the basis of her leadership abilities; the secretary has to be someone who knows how to write; the treasurer must be responsible, worthy of trust, and have a strong, secure house (an added criteria from one women was that she should also be without a husband, or at least have one who will not steal from the group!); the money counters must be able to handle money; and key holders must be both responsible and punctual, as meetings cannot start without them (FGDs SILC groups, Aarapoo).

### ***Conduct of meetings***

Group meetings normally begin with a prayer, and indeed, some groups meet in church structures. This is followed by a look at the social fund and savings, requests for loan reimbursements, counting and verification of the money in the money box and giving out of loans to members who request them followed by a recount of money remaining in the box and closing with a prayer. They had received training from the PSP on these procedures, but so far have not received financial training. (FGDs SILC members and committee, Egangakinos, Aarapoo; FGD SILC members Ekeunos, Aarapoo). Observation of a meeting of the Ecatata group confirmed that meetings are conducted in a very serious manner, with all of the rules observed.

### ***Links to and comparisons with existing groups and mechanisms***

Many SILC members in Aarapoo had been part of existing 'merry-go-rounds' or tontines (informal ROSCAs known as *aboukonokin*) when they were invited to join SILC. This was the case, for example, with many of the women members of Egangakinos who disbanded their tontine in favor of SILC after the PSP pointed out the advantages of SILC. As they explained, with the merry-go-round, they did not get profits at the end – no interest, and it didn't have the emergency fund nor the continuous opportunity to take a loan, so they sat down and said '*We always have emergencies here in our village, so let's start SILC.*' (FGD, women SILC committee members, Egangakinos, Aarapoo). In describing differences between SILC and their experience of an earlier local tontine, some members reported that '*SILC is 100% good*', in comparison with problems that arose in their earlier group when women began disappearing after they took their shares as well as problems with husbands '*who sometimes grab the money, after you sweat for it*'. (CD women, Aarapoo).

In comparison with other savings groups in the area with which members are familiar, SILC comes out on top because of its transparency, its flexibility in savings amount, and the ease with which loans can be obtained (FGD, mixed SILC committee, Ekeunos, Aarapoo)

SILC is also seen to have many advantages over other kinds of lending arrangements: ‘When you borrow money from an individual’, a SILC member explains, ‘You are under constant pressure to repay them – they harass and threaten you. You may be there, hungry, with nothing to eat as you fields have not produced, but they want their money back so you have to labour on their farms.’ (FGD, women SILC committee members, Egangakinos, Aarapoo). ‘If you default with a neighbor’, add other SILC members, ‘You have to move somewhere else; within SILC the risk is shared among many and you can ask for a delay of pardon’ (FGD SILC committee members, Ecatata, Aarapoo). It is also recognized that when you pay interest on loans to others, it is money down the drain, whereas the interest you pay on SILC loans comes back to you in the shareout (FGD, women SILC committee members, Egangakinos, Aarapoo).

What about banks for loans? SILC members often laughed at this question: as some answered ‘Our bank is SILC’ (FGD, women SILC committee members, Egangakinos, Aarapoo). They note in general the dearth of sources of external support. It is, for example, very hard to get assistance from the church as ‘even the church is filled with people who have problems’ (FGD, women SILC committee members, Egangakinos, Aarapoo).

### **Use of and benefits from SILC**

While SILC has succeeded in mobilizing and supporting productive investments by some of its members, the successive livelihood shocks that have occurred during this period has meant that many SILC members have spent most on social needs – school fees, home improvements, food – and have been unable to invest as much as was hoped (KII, PSP Aarapoo). Some examples illustrate the diversity of uses to which SILC money was put.

- Within the Ekeunos SILC committee, eight members were able to use SILC money to buy oxen that improved their food production capacity. Another member had a sickly child who needed an operation and was able to borrow from SILC to pay the medical bills (FGD, mixed SILC committee, Ekeunos, Aarapoo).
- Within the Ecatata SILC committee, the use of shareouts included payment of school fees (5 members for levels ranging from nursery to teacher training and nursing school); marriage payments (purchase of 2 cows to top up brideprice); purchase of land (with 400,000,000 in share-out topped up by the husband for a total of UGX 4,000,000); home construction, purchase of bull, petty commerce and purchase of basic goods (FGD, SILC group committee, Ecatata, Aarapoo)

Table 17 below shows an example of the use of loans, social fund and shareout for the SILC management committee of the Egangakinos SILC group. A few individual examples (box 9) fill out the picture.

**Table 17. Examples of SILC use in Aarapoo**

<b>SILC benefit</b>	<b>Selected examples of utilization in 2017 (all money in UGX)</b>
<b>Loan</b>	<ul style="list-style-type: none"> <li>• 20,000 and 20,000: school fees</li> <li>• 10,000 school uniform</li> <li>• 10,000 purchase of fish for smoking for sale – profit of 6,000</li> <li>• 20,000 to buy labour to help her with weeding millet</li> <li>• 30,000 and 36,000 buying fish for sale, with 10,000 and 15,000 profit</li> <li>• 36,000 and 100,000 for school fees</li> <li>• One member took no loans</li> </ul>
<b>Solidarity fund</b>	<ul style="list-style-type: none"> <li>• 5,000 for treatment for a sick child</li> <li>• 20,000 for transport on the death of her mother</li> </ul>

	<ul style="list-style-type: none"> <li>• 20,000 for transport on the death of</li> </ul>
<b>Share-out (only one share-out so far)</b>	<ul style="list-style-type: none"> <li>• 250,000: for school fees</li> <li>• 300,000: for food</li> <li>• 220,000: for the purchase of a goat (35,000) and family upkeep, but the goat later died</li> <li>• 100,000: for purchase of a goat for 50,000 and food: also sold the goat right away because of need for money</li> <li>• 450,000 for food and treatment of her brucellosis (80,000 for medicines)</li> <li>• 200,000: her husband asked for a top up for the payment of school fees; she also bought 2 piglets at 60,000 and sold the male pig at 120,000, then sold the rest for school fees and food</li> <li>• 270,000 for school fees and food.</li> </ul>

Source: FGD, women SILC committee members, Egangakinos Aarapoo

**Box 9. Individual examples of uses of SILC**

- S. is a 39-year old woman, married with 8 children and engaged primarily in farming. She considers herself poor. Her SILC group started up in February 2016 and they had their first shareout. Over the course of the year, she took out one loan of UGX 30,000 to pay for school fees, which she paid back from the sale of sorghum. She also took out 10,000 from the social fund for the treatment of her child with malaria. She also tried to pay this back through the sale of sorghum, but sorghum cuttings were rare at the time so she had to struggle. At the end of the cycle she had a share-out of 150,000. She used some of it (UGX 56,000) for school fees and the rest for food (as this was the time of hunger) (IDI, SILC member, Egangakinos, Aarapoo).
- R is a 50 – year old woman with 8 children who is now head of her household, existing primarily on income from farming. She considers herself fair to middling. She used to run a restaurant from her home, but it collapsed during the year of hunger – she didn’t have enough money to sustain it and people did not have enough money to buy anything. As a SILC member, she saves between UGX 2,000 and 5,000/week. She took out a loan of UGX 50,000 for domestic use (primarily food) and paid it back by splitting firewood. She also took out the social fund for a transfusion for her child, ill with malaria. At the shareout (they have had only one), she had UGX 400,000 with which she bought a heifer (UGX 250,000), paid school fees and a uniform for UGX 50,000 and used the rest for food. She hopes to save this year for the re-roofing of her house – she wants to change from the existing straw thatch to papyrus from the lake which is more durable, but for that she would need UGX 300,000 (IDI, SILC member, Egangakinos, Aarapoo).
- L and P are husband and wife – both members of the SILC group where she a key holder. They are in their mid-fifties and have 13 children; their livelihood combines farming and fishing and they consider themselves fair to middling. As they have a large family and children in school, they consider it a benefit that they both participate in SILC, as they can pool their proceeds to better care for them. Together they make a plan for what they want to save for – they share ideas, though it is the husband who decides in the end. Neither have taken out from the social fund, but both have taken loans: hers a loan of UGX 20,000 to buy fish for resale; his a loan of UGX 200,000 to buy a fish net. At the shareout, she used her UGX 300,000 mainly for food during the drought; he used his UGX 200,000 to finish paying back the previous loan (UGX 100,000), to buy cassava cuttings for planting (UGX 50,000) and to buy fishing nets (UGX 50,000). In this new SILC cycle they would like to continue to borrow – particularly for school fees. (IDI, SILC member, Egangakinos, Aarapoo).
- G is a 42 -year old woman with 5 children living with her mother and caring for both her own children and three of her brother’s, who died of AIDS. She herself is HIV-positive. Her partner (a fisherman, the father of her children) was killed 5 years ago by law enforcers while fishing. She now sells pancakes at the trading centre and grows millet and sorghum but lost her entire harvest last year due to drought. She spends around UGX 280,000 per month to feed her family, mostly buying silver fish, cow peas, beans. All her children go to school but last year she failed to raise school fees for the oldest girl, who then dropped out of senior one (she now helps her sell pancakes in the trading centre). Both G and her mother are members of the same SILC group which has helped her particularly through a loan of UGX 150,000 for school fees.

She would like to borrow more, but she doubts that she could pay it back: she was only able to save UGX 4,000 last year because of the drought. Her dream is to build a permanent house and to educate her children: *'When I educate my children, my entire clan will rise'* (IDI, SILC member, Ecatata, Aarapoo)

- M is the wife of the chairperson of Ecatata SILC group and a member herself. She and her husband grow cassava and ground nuts on their 5 acres of land and care for 3 of her late brothers' children in addition to their own. Her average weekly SILC saving is between UGX 1,000-2,000 and she has borrowed many times (average loan of UGX 15,000/20,000) mostly to buy ground nuts. At the first share-out she got 170,000, all of which she used to pay school fees. At the second shareout, she got only UGX 80,000 (as a defaulted loan was deducted) which she also used for school fees. But at the third share-out, with 90,000, she decided to invest and bought a piglet for UGX 150,000, thanks to a top-up from her husband. She hopes to produce piglets for sale to supplement her income in order to better support her family. (IDI, SILC member, Ecatata, Aarapoo)
- E, age 30, is the brother of the Ecatata SILC group chairperson and has been a member of the group since the beginning. A stonemason and carpenter by training, he used to work in the village, but there are few jobs these days as no one has any money, so he now relies mostly on farming and poultry-raising. He saves an average of UGX 5000 UGX weekly in SILC, though he reduced this to 2,000 during the drought. The highest amount he has borrowed from the SILC group is UGX 50,000 to buy food. He has never uses the social fund because he has not faced the emergencies the fund is established to cover. He used the latest shareout (with additional funds) to buy livestock for his wedding (2 cows for UGX 1,000,000 in total). (IDI, SILC member, Ecatata, Aarapoo)
- B, age 28), is a midwife and credits her participation in SILC with enabling her to expand her local drugshop to the extent that she is know well known in the neighborhood. On average, she saves UGX 2,500 per week. Her saving goal is to build a one-roomed house that will cost her around UGX 1,800,000. Since the beginning of this year, she has taken 2 loans of UGX 100,000 and UGX 220,000 respectively to buy stock for her drugshop. (IDI, SILC member Ekeunos, Aarapoo)

### ***Most significant changes experienced through SILC***

SILC members describe a variety of changes brought about through their participation in SILC. Some refer to it as a lifesaver: *'Socadido is close to us and has come to rescue us through SILC'* (SILC members from CD, women, Aarapoo) and note that it has been instrumental in helping them solve their problems, meet their basic needs, and create *'intact families'* (CD, women, Aarapoo). Individual members report how it has helped them economically, how it has assisted them with medical expenses, and – in particular – how it has enabled them to educate their children (IDIs, SILC members). *'Before, the school authorities would chase children away from school for failure to pay school fees; now we can keep our children in school.'* (FGD, women SILC committee members, Egangakinos, Aarapoo). It has provided a significant boost to their livelihoods, they say, allowing for some productive investment, and *'The shareout allows you to get back in bulk what you have saved plus interest paid on loans to allow you to buy something big/invest/ meet important financial expense'* (FGD, women SILC committee members, Egangakinos, Aarapoo).

SILC members identify improvement in household relations – particularly between husbands and wives. From their perspective, SILC has empowered women who used to wait for their husbands to bring everything- now they can help and they feel more respected. The relationship with the husband therefore improves and there is more unity. One woman confided how embarrassed she used to be to ask her husband to buy even her panties or menstrual pads for her: now, through SILC, she can buy them herself. Another woman says it has strengthened her – she used to look at her husband as the sole provider – now she sees that she also needs to contribute. The husband also sees that when they have a problem, the group can help, so he encourages her to participate and sometimes even



helps her to contribute to the savings fund (FGD, women SILC committee members, Egangakinos, Aarapoo) As one woman put it, before, she, like other members of the group, were just sitting on the veranda *'waiting for salt'*; but the husband drinks the household money away and comes home empty-handed. Now the woman can go out and get her own salt. (FGD, SILC women committee members, Egangakinos, Aarapoo).

SILC members also note that it has brought greater unity and solidarity – particularly as members are from different clans and religions: *'Being in the group automatically unites you and strengthens your relationship.'* they report. (SILC members from CD, women, Aarapoo). *'SILC has brought more unity to the village'* said one woman member (IDI, woman SILC member, Ekeunos). *'I am from Kumi, and came here as an outsider'* explained another woman member, *'It was through SILC that I was able to integrate into the village and the fact that I was chosen as chairperson of the group makes me feel good'* (FGD, women SILC committee members, Egangakinos, Aarapoo).

**Table 18** below summarizes one SILC group's view on the most significant changes brought about by SILC at individual and household, level along with the aspects they feel were most instrumental in bringing about these changes.

**Table 18. Most significant changes brought about by SILC, Aarapoo**

BEFORE & AFTER SILC: MOST SIGNIFICANT CHANGES		
Village: Aarapoo; SILC Group: Egangakinos; Participants: 13 SILC members (12 women/1 man);		
Most significant change since SILC	Situation before and after SILC	Aspect of SILC most instrumental in bringing about these changes
<b>Individual level</b>		
<ul style="list-style-type: none"> <li>• Credit for livelihood activities</li> <li>• Reimbursement of previous debt</li> <li>• Medical treatment</li> <li>• Strengthening saving ethos</li> </ul>	<ul style="list-style-type: none"> <li>• Before I had no fishing net, but with SILC credit I was able to buy and can now catch a lot</li> <li>• Better to have internal loans from SILC than to be indebted to someone else/an outsider or other</li> <li>• Allows for treatment of our children as well as ourselves</li> <li>• Before it was impossible to save at home – money just goes; with SILC, you learn how to save and the importance of saving</li> </ul>	<p>There are benefits for all aspects of SILC:</p> <ul style="list-style-type: none"> <li>• <b>Shareout:</b> gives us access to large amounts of money at one time, for larger purchases or investments. Many of us have never seen so much money at once. It comes as kind of a surprise that we get back more than we save (including interest, fines, etc.)</li> </ul>
<b>Household level</b>		
<ul style="list-style-type: none"> <li>• School fees for children</li> <li>• Stronger household</li> <li>• Better fed children</li> <li>• More assets</li> <li>• Ability to hire labour</li> </ul>	<ul style="list-style-type: none"> <li>• Before children were regularly sent home for failure to pay fees; now they can stay in</li> <li>• Better relations between husband and wife who now collaborate/cooperate more</li> <li>• Before children would stare at you waiting for food; now you can actually feed them</li> <li>• Building up small stock (goats) as well as chickens – investing in animals as safest cash deposit and availability for sale for ready cash</li> <li>• Before we could not clear all of our land or do all the weeding – now we can sometimes hire labour at critical points of the year when crops must be planted or harvested on time</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Credit:</b> Can help smooth consumption, provide money when most needed; allows the individual the latitude and wherewithal to sort out problems that arise and also benefits the group through the interest paid</li> <li>• <b>Social fund:</b> can help in times of sickness or other crisis, but in limited amount.</li> </ul>

In addition to the concrete economic and social benefits, some members point to more intangible benefits such as improved self-esteem and respect within the community (*box 10*). They also cite the intellectual stimulation that comes from being part of the group and being guided on thinking about the long-term: *'It makes the brain run' say some women SILC members, 'to plan for savings and income generation – before we just sat back and did not plan ahead'*. (FGD, women SILC committee members, Egangakinos, Aarapoo) One older woman said that SILC is important to her because even if she is old, she can afford soap and clothes to make herself nice and thus: *'you feel better about yourself'* (FGD, women SILC members Egangakinos).

### **Box 10. Gaining a sense of esteem and respect through SILC**

M, 52, is a divorced woman who was forced from home by her husband who kept their 6 children with him. She is currently living in her brother's house after he moved away, but the house is now up for sale and she doesn't know where she will go next. She now gets most of her money from brewing the local beer known as *ajono* as well as cultivating borrowed land and selling some foodstuffs whenever harvest is good. Occasionally, she goes for casual work in other people's farms whenever she has serious need for cash. She considers herself a *'loichan'*, a very poor person though not the extremely poor because she can afford to save and borrow money from the SILC to meet her basic needs

She takes loans mainly to buy more millet for brewing *ajono* drink and occasionally for renting farmland. She brews and sells beer every 2 weeks. When she has money, she saves UGX 2,000 every week but when the season is bad (planting season mainly) she saves UGX 1,000 per week or nothing sometimes. Her savings goal is to buy a cow to keep so that when she falls sick she can sell it off and take care of herself. Her target is to raise 150,000 by the end of the cycle then top it up with the sale of some foodstuffs and fulfil her objectives. Most recently, she took a loan of UGX 50,000 and social fund of UGX 10,000.

Her main benefit from SILC so far is the sense of social esteem it has given her. Previously she felt she was despised by many people in the community who saw her as a nobody with no status in society but nowadays she thinks being in a group and being seen doing something useful earns her some respect. She finds the group understanding and accommodating because they accepted her.

(IDI, woman member of Ekeunos SILC group, Aarapoo)

#### **6.2.2 Perspectives from former SILC members, Aarapoo**

Most SILC members know of others who have dropped out for various reasons including 'famine', sicknesses or migration to another place. For instance, the Catechist of the church used to be a SILC member but dropped out when his son became too sickly to the extent that all his income was spent on treatment and he couldn't continue with savings anymore (FGD, mixed SILC group members, Ekeunos, Aarapoo)

In Aarapoo, we spoke to seven former SILG group members (four men and three women) ranging in age between 27 and 84 (average age of 35). All were married, with from seven to ten children each, and some were grandparents. All were in households engaged in smallholder farming. Three were former members of the Ecatata SILC group and four of Ekeunos. While each particular case was slightly different, they all cited similar reasons for dropping out, based primarily on failure to be able to pay back loans or to be able to save (*see box 11*). This was linked both to the difficult livelihood conditions characterizing the period, but also to individual and household-level circumstances (illness, marriage, accident), demonstrating the combined impact of 'covariate' and 'idiosyncratic' shocks on poverty and vulnerability in these communities. While they all recognized the benefits to be derived from SILC, they are unable to participate due to poverty.

### Box 11. Reasons for dropping out of SILC: Examples from Aarapoo

- A male former member of Ecatata borrowed UGX 300,000 to pay school fees but could not pay it back after his crops failed so was forced to sell a bull for reimbursement and quit the group. As livelihood conditions are still bad, he cannot think of rejoining
- A male former member of Ekeunos first borrowed UGX 100,000, which he reimbursed, but then took out an additional UGX 150,000 which he could not pay back after an eye infection hampered his ability to work; he was therefore forced to leave the group.
- A female former member of Ekeunos had borrowed UGX 200,000 from the group and used it to buy fish for smoking. At night, her fish got burnt and she lost the entire stock. She got into arrears and her outstanding loan accumulated up to UGX 320,000. Members got fed up with her slow repayment rate and decided to impound and sell off her ox-plough to clear the balance of UGX 130,000 and gave her back UGX 70,000.
- Another female member of Ekeunos says the group was good when she joined. She took a loan of UGX 100,000 then another for UGX 200,000 and bought a cow. But things became hard when her daughter joined S.4 and her son had to undergo an operation. She had to sell off the cow to pay school fees and pay off the loan. Because of all these challenges, she decided to take some rest but plans to join again in the next cycle.
- A young man, former member of Ecatata had taken a loan of UGX 150,000 as bride price in order to get married, but after that he had nothing to save so he dropped out of the group. According to him however, the group is good and he plans to re-join soon.

FGD, former SILC members, Aarapoo

Most current SILC members know former members who have dropped out of their groups, and cite mainly livelihood difficulties for this. Ecatata members, for example, noted that the 3<sup>rd</sup> cycle for them was particularly challenging because of the drought. *'Many people dropped because of the 'ebeli' (hunger)',* they explained, *'and were therefore unable to save'* (FGD SILC committee members, Ecatata, Aarapoo). This crisis brought to the fore the difference in resilience between those who had 'something' with which they could practice other income-generating activities, such as a fishnet for fishing or oxen to plough someone's else land, and those who had 'nothing'. SILC was seen as affordable during hard times only by those who already had secure income generating activities.

#### 6.2.3 Perspectives from non-SILC members, Aarapoo

The group of non-SILC members assembled for us to speak with in Aarapoo shed light on a particular category of people who are among the most vulnerable in the community and may also be among the hardest to reach with what SILC has to offer. The seven participants in our FGD (figure 12) were all either older women or women with disabilities – in each case they had significant labor constraints and largely dependent on others for support, making it difficult for them to envision joining SILC. Several were widows; some suffered from physical handicaps; and one from an apparent mental disability. Most had heard something about SILC but don't fully know what it entails. They understand that SILC involves collecting money for savings and borrowing and they always hear members say, *'We are going to our group now'* while they remain on the side-lines. Asked why it



Figure 12. Labour-constrained non-SILC members, Aarapoo

is that they have not become members, they reply that it is because they are too weak and cannot engage in income-generating activities. They can no longer even engage in their local 'merry-go-rounds' (*aboukonokin*) which used to help them build up household assets (saucepans, plates, utensils), buy clothes, or invest in goats or piglets; these days they are too 'weak.' (FGD, women non-SILC members, Aarapoo).

There is little assistance offered to them from the church: '*You have to be really, really sick and actually be carried into the congregation for them to take up a collection for you*', they explain. One woman, whose leg had been amputated from diabetes following a long and debilitating illness, notes that her medical and transport expenses are enormous and says it is only her family that supports her. When asked if they have ever borrowed money, they reply, '*Who would give us money?*' They further explain that when people go to borrow money from the bank, they are at risk of having their land or property seized by the bank if they cannot repay. They have seen signs on houses that say 'Bank property'. They have heard of SAGE (the government's social pension program), but so far it has not been rolled out to their community. Some say they can borrow money or receive assistance from their families or from '*good-hearted people*', but other than that they appear to lack any organized form of support (FGD, women non-SILC members, Aarapoo).

Among other non-SILC members in our community discussions, one said '*It seems that we should also join SILC because it seems good – we hadn't known about this before*'. For some, it took time to realise how good SILC was, and when they did, they were told the groups were full. Now they are wondering whether they can join the existing groups or form others. (CD, women, Aarapoo)

#### **6.2.4 Is SILC pro-poor in Aarapoo? Perspectives from the community**

Community members, both SILC and non-SILC, offered a number of perspectives on the accessibility of SILC to the poor.

##### ***SILC members***

SILC members see that the very objectives of the program demonstrate a focus on the poor. These include: i) providing opportunities for savings and lending money to the rural poor to uplift their livelihoods; ii) making it easy for members to borrow money for education purposes; iii) helping households acquire what they don't have; and iv) increasing financial options for the poor (FGD, mixed SILC committee members, Ekeunos, Aarapoo). As some members explain it: '*SILC is made precisely for the poor so that when you have a problem you can turn to the group to get help and you are not alone*.' (FGD, SILC women committee members, Egangakinos, Aarapoo). Its community-based outreach is also cited as a significant 'pro-poor' feature: '*The poor always miss out on information and on new opportunities: most program, like NAADS [the government's agricultural support program] end at the sub-county level. But SILC came out to us, to include us*.' explained one group of current members (FGD, SILC management committee, Egangakinos, Aarapoo)

The secretary of one of the SILC groups explains that SILC is designed to reach not one category but a spectrum of the poor. She, for example, considers herself something between loichan (poor) and loitamite (fair), and explains that when the PSP first came to her for help in mobilizing members for SILC, she tried to identify those of similar 'category' and living nearby. She consulted with other women to ensure that everyone was in agreement. What they were looking for was a group of '*people whose lives were hard but who either have something or have the capacity to earn something - for example through the sale of a goat or chicken – to contribute to move to the next level*.' In her very nuanced classification of wealth groups, this category of people ranges between the very poor (loichan noi); the somewhat poor (loichan mot); and the somewhat fair (loitamite mot); and in fact these are the people she feels are included in SILC groups. It would not make sense to expand the

program to the very fair (loichan noi), who would not see the need for it; moreover, including too broad a spectrum from the very poor to the very fair would undoubtedly create conflicts within the groups. *'The level of savings would be too diverse, for example, and at the shareouts, the very poor might feel they are being cheated when they see what the very fair are receiving.'* But it is important to include the somewhat fair (loitamite mot) as they are also vulnerable and are supporting other poorer members, so benefits from their participation in SILC also help them to assume their burden of care (IDI, woman secretary, Egangakinos SILC group, Aarapoo).

This is echoed by members of the SILC group Ekeunos who note that the category of *'enyamurite'* includes those who have no home, so what happens if they run away with others? Dependent as they are, they also have no source of income and therefore only think of *'eating'* the money. (FGD, mixed SILC members, Ekeunos, Aarapoo village). And members of the SILC group Ecatata noted that accepting an *'enyamurite'* into SILC would disrupt the group's dynamics because of the inability to repay a debt or contribute regularly. Others even argue that someone who is too poor (particularly an *enyamurite*, who is not only poor, but marginalized and often with no ID papers) would never accept to join a group for fear that, if cheated, he would be unable to claim justice (FGD SILC group Ecatata, Aarapoo)

### **Other community members**

The above supplements other findings from community perspectives that suggest that SILC is not necessarily considered to be most the appropriate form of assistance for the extreme poor (*enyamurite*), which would include the marginalized, beggars, or homeless, and also the severely labour constrained, such as people with severe disabilities or older people who cannot work and are dependent. As men in our community discussions explained *'Enyamurite (the extreme poor/marginalized) can normally not participate in SILC because they have no money to contribute. SILC is therefore made up predominately (some 90%) of loichan (the poor).'*' (CD men, Omadira).

### **Key informants at district and sub-county level**

District and sub-county officials express appreciation for the SILC program in Serere, which most agree is a good model for financial inclusion efforts for the poor. The Resident District Commissioner (RDC) for Serere notes that Socadido has always kept district authorities briefed on activities and he has interacted with SILC groups in the field (KII RDC Serere). Community development officers at district and sub-county levels have been involved in orientation meetings on the approach and have worked with the program on the ground. The district community development officer for Serere reports that women involved in savings groups are being empowered with knowledge and are gaining more control over household decisions (KII, DCDO, Serere). The district commercial officer in Serere sees that community savings groups are a concrete starting point for financial inclusion for the poor and that they merit further government support (KII, CDO, Serere).

Sub-county officials in Labori have observed shareouts, noting how these are benefiting poor people in the community and how SILC is contributing to the creation of a *'culture of saving.'* Part of the success, they say, stems from the fact that SILC has picked trusted agents from the community who can reach the target population and who try to deliver messages to the poorest – through community meetings, churches, at funerals (KII, sub-county senior assistant secretary and CDO, Labori). Also, the transmission of successful experiences

**Figure 13. Local government representatives, Serere district**



from SILC can encourage others to join: *'It is a gradual process, but in the long run it will have an impact'* (KII, S/C senior assistant secretary and CDO, Labori)

At the same time, these local authorities point out considerable constraints and challenges in the implementation of all such community-based financial inclusion efforts in Teso, including those pursued through SILC groups. One explained how a previous program had faced serious setbacks due to massive defaulting on loans (*'Iteso are used to receiving, but not giving back'*), leading the implementing agency to resort to harsh measures such as land seizures and the like to recover the funds: this left a very bad impression on local populations who are now more reticent about such initiatives (KII, DCO, Serere).

Several officials also point to security concerns that are brought to their attention – some involving SILC directly but others involving other programs. Cases of missing money boxes, intra-group disputes and other issues are reported from different localities and serve to erode trust and dampen community enthusiasm for joining these groups. In Labori sub-county, for example, cases of theft of group money from community savings groups are reported to be rather common, including cases of people borrowing money and disappearing across the lake; at times, the police have had to be called in. This has led some groups to open bank accounts to more safely store their money (KII, DCO Serere). Sub-county officials suggest that it may be only in Aarapoo where groups are doing well - probably because of better leadership there. (KII, LCIII chairperson and district councillor, Labori).

Other constraints to the poor arise from livelihood shocks stemming from inadequate rains which have had a disastrous effect on production and have thus diminished the capacity of poor farmers to join or stay in these groups: the RDC suggests that one option moving forward would be to integrate savings groups with support for productive activities and link both to food security concerns (KII, RDC, Serere). Along these same lines, the DCO in Serere suggests that with local government support, the savings groups could be turned into investment clubs (KII, DCO Serere). Others highlight the importance of expanding efforts financial literacy and in general of enhancing capacity to meet growing demand (KIIs, DCDO, Serere and sub-county senior assistant secretary and CDO, Labori).

## ***6.3 Experiences of SILC in Omadira***

### **6.3.1 Perspectives and experiences of current SILC members, Omadira**

#### ***Initiation of SILC groups and motivations for joining***

In general, the reasons for joining SILC reflect two different, and interwoven, arguments:

**SILC is the poor's first step into formal finance:** Interpersonal loans are hard to get when someone is poor and without collateral because the lender would be reluctant to take the risk. In a group, borrowing is easier, even for a poor person, because the risk is shared among many. Moreover, the poor are unlikely to have an account in a bank for a combination of reasons: the cost of travelling to Soroti, where all the banks are located; the requirement of a minimum deposit (between 10,000 and 20,000 UGX) to open an account; an introduction by another bank account-holder and a letter signed by the LC1 (which costs 5,000 UGX) and an ID to meet bank requirements. Additionally, going to the bank can often be a time-consuming experience (FGD, SILC Management committee, Omadira Stars, Omadira). Therefore, while the better-off have access to banking institutions and formal financial providers, overall SILC is seen by the poor who decide to join as their very first step into formal finance. SILC provides an opportunity to access large sums, through the loans and especially the

shareouts, which can be used to expand income generating activities and cover onerous expenses such as school fees.

**SILC helps nudge members into more virtuous financial behaviors:** Some SILC members also pointed out that keeping money in SILC created a distance that enhanced financial self-discipline, so that *'you cannot be tempted to use it'*. (IDI, female SILC member, Omadira). According to another male SILC member, *'You cannot keep money at home because you will always be tempted to use it, so SILC gives you a way to save. And it is good to save, as it can help support future planning.'* (IDI, male SILC key holder, Omadira). For instance, some members of the Youth group note that they see SILC as an instrument which allows them to put money aside to buy livestock that can be put to use later for common household expenses such as school fees when they are married and have children (FGD, SILC Acamanaros Youth, Omadira). For others, SILC is a source of inspiration and self-confidence, embodying a feeling for empowerment and the longing of being in control of their future. As a SILC male member says, *'It is very hard to save money at home, individually, within a household. This makes it difficult to hold onto plans, as things are always coming up. SILC makes it possible for us to realise at least some of our plans – like, for instance, getting a goat. So being able to achieve one smaller goal gives us the courage to go after our other goals in life.'* (IDI, male SILC management committee member-secretary, Omadira Stars).

Other motivations for joining SILC include an individual's specific savings goals, the opportunity to accumulate lump sum capital for major investments (FGD, SILC group members Acamanaros SILC); and hope that SILC groups might be a conduit for other forms of support, based on the motivational messaging provided by the PSP, as explained by SILC group members below (*box 12*).

### **Box 12. Perceived advantages of joining SILC**

The Omadira Stars SILC group first started when Angelo called for a meeting at her house. She said – let's form a group, and told them she was looking for people like them who have trouble borrowing. She explained that they could get together and share the process of saving and borrowing. At first they were a bit reluctant – there was fear as they had heard of/seen other groups (in other villages – not their own) who had failed and were worried that they too would fail and lose their money. They were also concerned that they would not have enough money to save. But the PSP convinced them that even the poor can find money to save, and even small amounts are good. The PSP also said that the group would help them pay school fees (as so many of their children are sent away from school when they cannot come up with the money needed for various things); she also noted that health emergencies could be treated. And finally she said that being in groups was good, as government and NGOs are looking to support existing groups and not individuals; in this way being a part of a SILC group could potentially leverage other kinds of support.

FGD, mixed SILC group members, Omadira Stars, Omadira

### **Organization and functioning of the groups**

As in all SILC groups, the three groups in Omadira at the centre of study are managed by a seven-member committee each. The roles are decided according to the skills and characteristics deemed important for each specific function: for instance, the president should have a reputation as a peacemaker in the village; the secretary should have a good level of education; the treasurer should live in a safe and stable household and should have a responsible husband. Members have been trained primarily on rules and procedures, but not yet on financial education. Most members express

satisfaction with their committees and the functioning of their groups. Some, however, note certain problems. A member of Acamanaros SILC group, for example, points out that loan recovery is slow and attributes this to the laxity of the chairperson who skips many meetings (IDI, female SILC member, Acamanaros SILC, Omadira) Another member of the same group reports that last year during share out some members complained that they had lost money to other group members and decided to leave the group, while another member also quit after he was obliged to repay a loan instalment that he claimed he had already paid (IDI, female SILC member, Acamanaros SILC, Omadira).

**Links to and comparisons with existing groups**

When first mobilizing groups for SILC, the PSP had pointed out that a major difference between local ‘merry-go-rounds’ (*aboukonokin*) and SILC was the latter’s potential to bring benefits from interest cumulated through the loans of the other members, an argument that resonated with many SILC members. The stronger management structure of the rule-bound SILC was also appreciated by members. As one points out, in *aboukonokin* groups, the members ‘*were always quarrelling and there was no unity. In SILC, this does not happen and they were well trained on how to save, conduct share-outs, etc.*’ (IDI, male SILC key holder, Omadira Stars, Omadira). Moreover, there is apparently much cheating in *aboukonokin*, which doesn’t occur in SILC (IDI, female SILC member, Acamanaros, Omadira). Still another advantages of SILC over local merry-go-rounds is that 1) SILC has flexibility in the amount of savings whereas merry-go-rounds require fixed amounts; and 2) there is always some money available for loans whereas merry-go-rounds require long waits for one’s turn (FGD, SILC management committee, Acamanaros SILC group, Omadira). As one woman put it, ‘*you don’t have to put your dreams on hold for too long as you wait your turn but can take out a loan anytime*’ (IDI, female SILC member, Acamanaros).

In relation to the clan-based burial groups, SILC is seen to have some advantages as well: as one member points out, ‘*SILC can help you when you are still alive; the burial group only comes to the aid of your family when you are dead.*’ (IDI, female SILC member, Acamanaros, Omadira).

Members are aware of other savings and loans from other areas, which either forced people to take loans or suffered from bad management: SILC is invariably compared favorably to these (CD, men Omadira).

**Uses of and benefits from SILC**

Many SILC members in Omadira seem to use the majority of their shareouts for school fees or other social expenses, though some are able to make productive investments, depending on the group and/or the year. Loans are also mixed-use (social expenditures and productive investments) and the social fund is used for its intended purpose, as well as – additionally for some – for payment of school fees. *Table 19* below, shows precise amounts and usages by 10 members of one SILC group over two years of operation. *Boxes 13 and 14* provide detailed experiences of members from the two other groups.

**Table 19. Uses of SILC money: Examples from Omadira Stars**

1 <sup>st</sup> year of operation (Feb 2016)	2 <sup>nd</sup> year of operation (Feb 2017)
<b>shareouts</b>	
<ul style="list-style-type: none"> <li>• Can’t remember</li> <li>• 50,000: school fees and clothes</li> <li>• 50,000: school fees</li> <li>• 30,000 (man) school fees</li> </ul>	<ul style="list-style-type: none"> <li>• 40,000: school fees</li> <li>• 40,000: purchase of a piglet (25,000) and ‘ate’ the rest</li> <li>• 40,000: school fees</li> </ul>



<ul style="list-style-type: none"> <li>• 55,000 school fees and medicine for herself</li> <li>• 40,000: to reimburse loan from her brother-in-law for school fees. He had only agreed to pay her that loan because she was a member of SILC and he had confidence that she would be able to repay.</li> <li>• 45,000: medical treatment for herself</li> <li>• 60,000: school fees</li> <li>• 90,000: school fees</li> <li>• 70,000: school fees</li> </ul>	<ul style="list-style-type: none"> <li>• 30,000: school fees</li> <li>• 35,000: school fees</li> <li>• 25,000: school fees</li> <li>• 40,000: purchase of a goat</li> <li>• 55,000: school fees</li> <li>• 100,000: school fees</li> <li>• 35,000: school fees</li> </ul>
<p><b>Analysis:</b> Shareouts ranged from 30,000 to 90,000, with an average of 55,000. Almost all used these for school fees, and some for medical expenses</p>	<p><b>Analysis:</b> Shareouts had a broader range this year - from 25,000 to 100,000, with a lower average of 40,000. This year the vast majority again used the shareouts for school fees, but two were able to make productive investments in livestock (goat and pig)</p>
<p><b>Loans (examples from last year only)</b></p>	
<ul style="list-style-type: none"> <li>• 300,000: school fees</li> <li>• 10,000: purchase of chickens (which have produced chicks)</li> <li>• 50,000: school fees</li> <li>• 100,000 (man): medical costs for his wife who underwent an operation</li> <li>• 100,000: 50,000 for medical treatment; 50,000 for school fees</li> <li>• 150,000: school fees (after the child was sent home for lack of payment)</li> <li>• 70,000: purchase of seeds for beans/ground nuts. They are currently doing well but have not yet matured</li> <li>• 100,000: school fees</li> <li>• 50,000 (man): school fees</li> </ul>	
<p><b>Analysis:</b> Loan amounts ranged from 10,000 to 300,000, with an average of 110,000. Six members used the loans either wholly or partially for school fees (6/9 = 66% = two thirds); only 2 were able to make productive investments (chickens/seeds) (2/9 = 22%). Two additionally used the loan either wholly or partially to meet for medical costs (2/9=22%)</p>	
<p><b>Social fund</b></p>	
<ul style="list-style-type: none"> <li>• 10,000: her treatment</li> <li>• 15,000: to travel to burial site</li> <li>• 15,000: her treatment</li> <li>• 10,000 (man): children's medical treatment</li> <li>• 15,000: food and medical treatment</li> <li>• 0</li> <li>• 15,000: treatment</li> <li>• 10,000: her treatment</li> <li>• 0 (man)</li> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>• 12,000: children's treatment</li> <li>• 5,000: food</li> <li>• 7,000: treatment</li> <li>• 0</li> <li>• 10,000: school supplies</li> <li>• 10,000: children's treatment</li> <li>• 10,000: children's treatment</li> <li>• 5,000: own treatment</li> <li>• 10,000 own treatment</li> <li>• 10,000 (man)his treatment)</li> </ul>
<p><b>Analysis:</b> In year one, 8/10 borrowed from the social fund; in year 2 9/10 did. In year one, amounts ranged from 10,000 to 15,000 (average of 13,000 for those who borrowed); in year 2, amounts ranged from 5,000 to 12,000 (average of 9,000 for those who borrowed). In both years, the social fund was</p>	

used primarily for health expenses (children's or their own); only one was for travel for a funeral; one was for food; and one was for school supplies.

*Source: FGD mixed SILC members, Omadira Stars, Omadira*

### **Box 13. Examples of SILC use from Acamanaros Youth SILC group**

- M., 26, is the son of a former local counsellor and current treasurer of Acamanaros Youth SILC group. He was asked by the PSP to help mobilise other youth to establish a SILC youth group. He spread the news among his contacts and picked up those who were in a position to contribute regularly. He lives in his father homestead and, besides farming his father's land, works sporadically as a *boda boda* driver. He does not hand his father the full amount, but he keeps enough to save with SILC and buy clothes once every three months. Since the beginning, his goal was to save 5000 UGX per week but sometimes, when his motorcycle needs repair, he is able to save only 2000 UGX. Since he joined the group, he has borrowed three times to repair the motorcycle. He never struggled to pay back the debts because, as a member of the executive committee, he feels that he has to show a good example. He has been in SILC for three years, and has had 2 shareouts. The first year the shareout was 97,000 UGX. The second year it was 127,000 UGX. For the latest cycle, he could not contribute regularly because he had extra expenses, since his wife has just delivered and much of the money was spent to take care of her. With the first shareout he bought a solar panel and a pig, with the second he bought a goat and food for the family. The plan for the third shareout is to buy another goat.
- A.D., 22, lives with her mother and one sister. Besides engaging in small commerce (she sells bread at the Orungo market) she farms her homestead's land, 4 acres, where they grow cassava, sorghum, sweet potatoes, all for domestic consumption. Since she dropped out from school in P5, she spends no money for school fees. Before SILC, she used to save in aboukonokin. They used to meet every two days and save 500 each time. In 2015 she was first told about SILC by the PSP and thus decided to join Acamanaros Youth SILC group. During the first cycle, she saved 5,000 per meeting, in a consistent way. Her final shareout was 120,000. She was happy – it was a surprise to her. She used the money to buy a mattress, some clothes, a bag, open shoes. Sometimes her mother contributed to her savings. In 2016, she continued to contribute 5000 per week (the drought did not really disrupt her business). Her shareout was 122,000, which she handed to her mother, who used the amount to buy a cow to pay for her brother's wedding. She has never borrowed money from the social fund. Besides the financial benefits, she thanks SILC also for allowing her to forge bonds with some members of the group. SILC helped boost her popularity and gain more customers, particularly on Sunday, when she sells bread outside the Catholic church.
- A.M, 27, is a farmer and a member of Acamanaros Youth SILC group since 2014. She has two small children, and therefore she does not have to cover for their school fees. However, all three shareouts that she has had were used to pay for the school fees of her husband (180,000 UGX per year), who studies in Soroti to become social worker. During the first year she was able to save 1000 UGX per week, during the 2nd and 3rd year she saved 2000 UGX per week. This year has so far proved more challenging because of the drought and she could not save regularly. Her hope is to do some casual labour.
- J, 29, is the chairperson of Acamanaros Youth. She knew Angela since before SILC and as soon Angela became field agent she was told about SILC. In 2016, after she got the shareout (100,000 UGX), and sold two bags of beans (220,000 UGX) she bought a bull (320,000 UGX) for the purpose of ploughing. She has once borrowed 60,000 UGX for buying seeds.

IDs, male and female SILC members, Acamanaros Youth, Omadira

An analysis of the ledger books of the third SILC study group reveals the following trends (FGD, SILC management committee, Acamanaros SILC, Omadira):

- The minimum savings amount is 1,000 and maximum amount is UGX 5,000. Average savings per week is UGX 38,000.
- Loans are repaid in a maximum of 2 installments (welfare fund is repayable in one installment).

- Interest rate in the first cycle was 5% but was later increased to 10% as the group wanted to get more profits.
- The group shared out UGX 1,600,500 in the first cycle and UGX 1,988,000.
- When the season became tough some members asked to 'rest' during this cycle and rejoin later because they could not afford to get money to save. This was recorded in the register.

Individual experiences from this group are reflected in *box 14* below:

***Box 14. Examples of SILC use by Acamanaros SILC group, Omadira***

- L, 32, married with 4 children, has been a member of the Acamanaros SILC group since 2014. On average, she saves UGX 2000 per week and her saving target is to buy a sewing machine which will cost her UGX 200,000. She has so far benefitted from 3 share-outs: The first time she got UGX 120,000; the second time she got UGX 250,000 to which she added some money and bought an ox and the third time she got UGX 230,000 which she used to clear a debt.
- O, who gives her age at 90, is a widow and one of the oldest members of the community, cared for largely by neighbors and clan, but also still performing casual labor on the farms of others. She usually saves UGX 2000 per week. When she gets money at share-out she wants to help pay the school fees for a daughter of one of the neighbours who supports her. The last loan she took was UGX 10,000 which she spent on weeding.
- S, 32, married with 7 children, saves UGX 1000 each week and her main objective is to buy a she goat to rear. In one share-out she got UGX 83,000 and took UGX 55,000 to buy a mattress. After the second share-out, she bought clothes for her children, plates, basins and cups. She took a loan of UGX 35,000 recently and used it to buy a solar lamp.
- A, 45, married in a polygamous marriage, with no children of her own but 9 of her co-wife's children in the household, saves on average UGX 2,000 per week. Her main saving goal is to buy some goats for multiplication and better utensils in the house. In the past share-outs, she got UGX 75,000; 93,000 and 104,000 respectively. Most recently she borrowed a loan of 3UGX 0,000 for weeding cassava and buying groundnut seeds.
- D, 70, is a fairly recent arrival in Omadira who is currently living on rented land. He has been saving on average UGX 2000 per week and his plan is to buy a piece of land at some point (which would cost around UGX 2,000,000). After last year's share-out, he spent UGX 50,000 on the treatment of his wife and used UGX 20,000 to have his garden weeded.
- B, 30, is a member of two SILC groups – Omadira Stars and Acamanaros; this is because her goal is to buy at least 1 acre of farmland and being in only one group would not could not allow her to do that.. She saves weekly UGX 4,000 in Acamanaros and UGX 3,000 in Omadira Stars: in the last share-out she got UGX 400,000 from Acamanaros and UGX 250,000 from Omadira Stars. In the last cycle, she also took 3 loans from Acamanaros (UGX 20,000 for weeding, 30,000 for ploughing and 10,000 for sickness) as well as UGX 30,000 from Omadira Stars for food.

IDs, SILC members, Acamanaros SILC group, Omadira

***Most significant changes experienced through SILC***

SILC members identify the most significant changes experienced through SILC as follows (FGD, mixed SILC committee, Omadira Stars, Omadira)

- **Expanding economic capacity:** SILC enabled one man to buy a bull which he puts together with a neighbor to plough their fields and open up more land for production. It enabled another woman to invest in and sustain her fish retail business to support herself and her children (she is separated from her husband).
- **Enabling investment in education:** SILC has allowed their children to continue in school – otherwise, they would be forced to drop out. One woman testified that SILC enabled her child to go from P7 to Senior 1, while others are also maintained in primary. For one, it facilitated investment in a goat which has produced kids that can be converted to quick cash for school fees and uniforms.
- **Supporting health care costs:** One woman credits her life to SILC, as she was able to use the money for a hysterectomy and care thereafter. Many members have taken out loans to pay for medical treatment for their children.
- **Settling external debts:** According to one man, a loan from SILC is easier to manage than having an outstanding loan with an individual, who can subject the borrower to continuous harassment until the loan is paid back.
- **Improving financial behaviors:** As one man explains, the idea of this group has been to spur financial planning – thinking about how to get and save money and invest wisely.
- **Bringing greater unity within the family:** This, according to one beneficiary, is because now the woman is able to contribute to household expenses and the husband is happy. The man is no longer expected to be the sole breadwinner, which relieves pressure on him and leads to greater respect for each other’s contributions.
- **Improving household living conditions:** Two participants have been able to buy plates and saucepans and to beautify her household – there are smiles all around
- **Strengthening social coherence:** According to one beneficiary, being part of SILC has created more unity amongst them. Before, everyone was on their own; now, however, when someone loses a family member, fellow SILC members gather up a collection to support them. This wasn’t the case in the past.

SILC members identified these positive changes at different levels (*table 20*):

**Table 20. Before and after SILC: most significant changes**

BEFORE & AFTER SILC: MOST SIGNIFICANT CHANGES		
Village : Omadira District: Amuria_SILC Group members; SILC group: Omadira Stars		
# Participants: Total : 9 (8 women/1 man)		
Situation/level	Most significant change since SILC	Situation before and after SILC
<b>Individual</b>	<ul style="list-style-type: none"> <li>• SILC has eased worries about money</li> <li>• It has given me confidence</li> <li>• It has allowed me to invest in income-generating activity</li> </ul>	<ul style="list-style-type: none"> <li>• Before, I had nowhere to borrow/no one to turn to; now I have the group</li> <li>• Before, I had to work all the time just for my family’s survival; now I can invest some of the money I save or borrow</li> </ul>
<b>Household</b>	<ul style="list-style-type: none"> <li>• SILC enables us to keep our children in school</li> <li>• It has allowed us to build up and improve household equipment</li> <li>• We have also been able to improve our hygiene</li> <li>• There is more harmony in the household</li> </ul>	<ul style="list-style-type: none"> <li>• Before our children would be sent out of school for lack of school fees; now they can return and stay in school</li> <li>• Before we could not even welcome visitors as we had no equipment and were ashamed, but now we can</li> <li>• Our husbands appreciate us more and there is more love and more unity, as we</li> </ul>

		are able to complement our husband's income for the upkeep of the household
<b>Community-level</b>	<ul style="list-style-type: none"> <li>It has enhanced solidarity and brought unity beyond the SILC group itself</li> </ul>	<ul style="list-style-type: none"> <li>Before we did not share with others: now we are together in happy time and in sad – contributing to each other's different needs, over and beyond the SILC group itself</li> </ul>

Source: FGD, Omadira Stars SILC group members, Omadira

Still other members point to the psycho-social value of belonging to a group. Says one woman, 'Whenever I am with the SILC group I feel relaxed and forget about my problems for a while' (IDI, female SILC member, Acamanaros SILC, Omadira). Another confides that 'I used to feel isolated because of my being childless, but being a SILC member makes me feel that I belong' (IDI, female SILC member, Acamanaros SILC, Omadira). Still another notes that she had come into Omadira village with nothing, having been rejected by her in-laws, and now she lives a 'dignified life' – all because of SILC (IDI, female SILC member, Acamanaros, Omadira). Gaining new knowledge through training, including on 'the benefits of cooperation', was also identified as important (IDI, female SILC member, Acamanaros SILC, Omadira).

**6.3.2 Perspectives from former SILC members, Omadira**

In Omadira, we spoke to six former SILC group members (four men and two women) ranging in ages from 23 to 68 (average age 38). Five were married, in monogamous unions; one woman was separated. All had children, with an average of three, living in comparatively small households of from two to eight people. Five had some level of primary education and one had some secondary. All were Itesu engaged in smallholder farming. Four were previously members of the Acamanaros SILC group; two were members of Omadira Stars. All had dropped out after the first share-out. Table 21 below records the use they had made of SILC while members and their reasons for dropping out.

As can be seen, the level of savings ranged from UGX 1,000 – 5,000; shareouts were used primarily for household expenditures, illness and food, though two invested in beans for planting and one used the shareout as brideprice for marriage. Out of the five who took out loans, four used them for productive investments and one for payment of school fees. Only two made use of the social fund – both for treatment of a sick child. Reasons for drop out were linked to processes of impoverishment arising from both 'covariate' shocks (drought destroying crops for two) and 'idiosyncratic' shocks (illness for four). Most say they would like to go back when their circumstances improve.

Table 21. Uses of SILC by former SILC members and reasons for dropping out, Omadira

Savings	Shareout	Loans	Social fund	Reasons for dropping out
Man: saved maximum : 5,000 weekly	75,000: bought a mattress for 52,000 and the rest went for food	100,000: Bought bicycle and paid back by selling beans and sorghum. The bike helped him market his produce	Not taken	Belonged to several savings and credit groups at a time and could no longer manage. Moreover, his wife's recent operation used up all their capital.

Older man: saved between 2,000 and 3,000 weekly	68,000: He fell sick with TB so paid for treatment and the rest just went on other household expenses	30,000: Rented oxen to open land and sold produce to pay back: This was a big help	10,000 for child treatment, with casual labour to pay back	Because of his illness, could no longer do the casual labour that allowed him to contribute.
Young man: saved 3,000 weekly	68,000: bought 2 goats which he used to marry his wife	35,000: Paid for farm hands to harvest rice(which needs to be harvested on time) and sold the rice to pay back	Not taken	His wife fell sick so he had to care for her.
Man: saved between 1,000-2,000 weekly	50,000: Bought food and other household necessities	No loan	Not taken	Prolonged drought brought poverty – destroying both his own crops and those of others – there was nowhere to go for casual labour to earn money for savings
Woman: saved 5,000 weekly	95,000: Bought beans for planting at 50,000, but the sun destroyed them. The rest just went	30,000: School fees	Not taken	Drought diminished production and increased amount of food that needed to be purchased, leaving nothing left over for savings
Woman, saved between 1,000 and 2,000 weekly	70,000: bought beans for 50,000 for food plus 20,000 child's treatment for blood in urine	100,000: Added other money to this and bought an ox plough to allow people with bulls to come and plough her land	20,000: child treatment – sold chicken to pay back	Prolonged treatment for her child used up all of her savings

*Source: FGD, former SILC members, Omadira*

Other individual interviews reveal the intricacy of household and poverty dynamics that contribute to SILC dropouts. When household level stresses combine with livelihood shocks that can impact a member's ability to contribute weekly savings and participate in SILC (*Box 15*).

***Box 15. Case study of household conditions and poverty contributing to SILC drop-out***

O is a Langi woman, age 26, who married into the village in a monogamous union and has three children. She and her husband have 5 acres of farmland, growing beans, maize and sorghum. They have two goats, but no cows or pigs.

She was a member of the Omadira Stars SILC group for one year and participated in the first share-out, contributing savings of between UGX 2,000-3,000 derived from her petty commerce of millet in the Orungu market. From her shareout of UGX 42,000, she bought a chicken for UGX 15,000 which subsequently had 6 chicks; the rest went for food. She also took out a loan of UGX 70,000 which she invested in her millet business. This worked well and she managed to repay the loan and get a profit of UGX 5,000-6,000 every day she went to market. She also took out 10,000 for the treatment of her child but struggled to pay this back – she went to work on someone else’s field and split firewood for sale to pay it back. But then the real problems started.

Drought diminished the size of her cassava harvest so she had to start buying food (for *atapa* and sauce) on the market; at the same time, her household expanded significantly when her mother-in-law moved in with 5 children of her husband’s unmarried sisters who live in Kampala, one of whom ‘sells her body’ for money. Their household now numbers 14, and having so many mouths to feed simply pushed them over the edge. ‘*When the people became so many, they simply ate up all of the cassava in the garden*’, she explains, and she could not sustain her membership in SILC.

(IDI, woman former SILC member, Omadira)

A is separated from her husband and living with one of her five children. She has no land since she sold her only plot to pay for treatment of the Hepatitis B that she had contracted. Since her separation (after which her parents repudiated her), she is living in a rented house and supports herself and her daughter with casual labor. People in the village, including the PSP, occasionally help her with food, but she receives no other assistance. At church, the only assistance she receives is prayer.

On the PSP’s urging, she joined Acamanaros Youth SILC group late in the first cycle but lasted only four months because she was unable to contribute regularly and could not accumulate enough to take out a loan. At the moment of shareout her already meagre savings were further reduced by the fines that piled up for delays in contributing savings. While Acamanaros Youth allows members to stop saving for an unspecified time, it requires them to continue to come to meetings to avoid paying a fine. This, however, is felt as a humiliation by those unable to save and many do not come to the meetings, thus accumulating fines.

She joined again the following years but again failed to save every week. There is no way, she believes, for those in her situation without a reliable source of income, to save money and SILC procedures may not always be welcoming of them. ‘*The fines are OK because they support the group*’, she explains, ‘*But they can be a burden for the poorest members who often have no control over what can happen to them and can easily be late for a meeting or fall sick*’.

(IDI, woman former SILC member, Omadira)

### 6.3.3 Perspectives from non-SILC members, Omadira

Most of the interviewees who have not joined SILC groups claim to be interested in the opportunities to save and borrow afforded by the system. However, they are either recently married into the communities, and therefore still living with the husband’s family, or experiencing specific hardships that make it difficult to cultivate medium and long term plans. For instance, D., 21, originally from another village and currently pregnant of her first child, explains that she ‘*still eats from the mzee*’, meaning that she still depends on her father in law, but she says that she may join a SILC group once her husband has finished building their own home. H., 29, whose husband has recently been arrested for murder in Kampala, beside speaking little Ateso (she’s originally from Mbale) says that she cannot commit herself to any saving group since she is in a limbo, ‘*up and down*’, and does not know where she’s going to live in the future (IDIs with non-SILC members). One older woman was a beneficiary of SAGE, the government’s social pension program which, for her, was of significant assistance: she

did not know that much about the SILC program other than that it was about savings (IDI, non-SILC woman, Omadira).

Some explained their reasons for not joining as fear of not being able to save and fear of indebtedness. As one elaborates, *'I do not want to borrow money because I am a poor farmer and I fear that, in case of default, the group would come home and seize our assets'* (FGD, man, non-SILC members, Omadira). Some non-members, however, are already part of households where another family member participates in SILC, so they do in fact benefit from the program, though so far they say that they have not seen lasting positive effects. As one man explained, when his wife who is a SILC member got her shareout, the money was immediately used to pay the school fees and they do not see any fruits from investment. (FGD, non-SILC members, Omadira).



### 6.3.4 Is SILC pro-poor? Perspectives from the community and others

#### ***SILC members***

SILC members themselves feel that SILC is specifically beneficial to the poor as it opens up previously unavailable opportunities for savings and loans: 'We cannot manage bank accounts', they explain, '*We do not have the capital*' (FGD, SILC management committee, Omadira Stars, Omadira). It has also brought '*new knowledge*' – for example, on group formation – that is especially beneficial to the poor (IDI, male SILC management committee member, Omadira Stars, Omadira) One member notes that SILC is able to reach out to the poor because its very design (for example, flexible savings amounts) reflect the needs of the poor and is customized to suit their situation (FGD, SILC management committee, Acamanaros SILC group, Omadira). Another member says he has seen no better group than SILC for poor farmers such as they are (IDI, male SILC member, Acamanaros SILC, Omadira). Attests yet another member: '*SILC is the best option for the poor*' because it trains them and empowers them with knowledge to help themselves (IDI, female SILC member, Omadira)

One interesting comment, however, from a member of the Acamanaros SILC group was that SILC groups did effectively start out with members largely drawn from the poor but that over time – as the benefits became apparent, some better-off villagers also joined: as their savings amounts are much larger than the others', at shareout they seem to take away all of the profits/interest, leaving the poor ones with very little (IDI, female SILC member, Acamanaros, Omadira)

The village leader (LC1 chairperson) in Omadira, who is himself a member of SILC, sees it as a good project and one that effectively caters to the needs of the poor. He notes that when the PSP talked to them about the project, she said it was focused on those people with financial hardships and who were excluded. He now sees that members are able to buy things like livestock (goats/pigs) and some have even been able to send their children back to school. He also sees benefits in terms of ability to pay health costs. (KII, LC1, Omadira)

#### ***Other community members***

Village men appreciate SILC for opening up savings and lending possibilities for those who were previously completely excluded: there are no banks in the village and in any case, farmers fear going to banks because '*When you borrow money and can't pay back, they will come to take your land.*' In any case, now that they have SILC in the village there is no need to go to the bank (CD, men Omadira)

#### ***SILC supervisor***

The SILC supervisor for Omadira feels that the pro-poor model has been a success overall. At the same time she identifies certain limitations in its application in the areas that she supervises (beyond our two study villages). One is that membership in multiple savings organizations is beginning to arise as some people feel their needs are not adequately addressed by SILC and they need more or bigger loans. Another is that some PSPs are beginning to cross into sub-counties where they can easily find groups that are willing to pay their fees, thus leaving out poor people in their vicinities. She points - overall – the following successes and constraints in the SILC model that have implications for the adherence of poor members (*table 22*).

**Table 22. Successes and constraints in the SILC model and its pro-poor approach**

Successes	Constraints
<ul style="list-style-type: none"> <li>• Transparent</li> <li>• Flexible</li> <li>• Enables people to acquire assets</li> <li>• Promotes unity among people</li> <li>• Has built staff capacity and empowered local communities from the PSP to the members</li> <li>• Has given women especially an opportunity to save</li> <li>• Most likely to be sustainable because of high demand for PSPs in different villages</li> </ul>	<ul style="list-style-type: none"> <li>• Overstrains the community in terms of financial contributions. At least the tool kit should have been provided for free. (The cash box costs 78,000; PSP payment is 12,000 per member and financial education was 5,600 per member though now reduced to 2,800).</li> <li>• Training material too complex for the PSPs given their minimum level of education (P.7 – S.2): 4 booklets for financial education alone.</li> <li>• Semi-elites in the community keep working out PSP salaries and think they get a lot of money.</li> <li>• Too many data collection tools (data collection forms, 6 monitoring checklists, group inventory tool).</li> <li>• Inadequate transport equipment (supervisors’ motorbikes are not sturdy enough for field work over rough roads)</li> <li>• Lack of staff voice in project design</li> </ul>

**Other key informants**

Some district and sub-county officials in Amuria and Orungu are well aware of the functioning of SILC and of its impact on the livelihoods of the poor. SILC is seen as an initiative that addresses the needs of the poor due to its flexibility on saving amounts, unlike other groups that demand for a fixed amount regularly (KII, Community Development Officer, Amuria). However, the dramatic history of the region, and particularly the legacy of the humanitarian intervention following the LRA insurgency is seen as key in shaping people attitude towards savings and self-reliance.

An idea expressed by the Orungu sub-county chief, and echoed also by the Vice Counsellor of the Orungu sub-county, is that in IDP camps people got used to free handouts and thus developed a mind-set adverse to self-help initiatives. A recurrent recommendation is therefore to link saving clubs to investment schemes and capability building on entrepreneurship to better serve the needs of the poor (KIIs, Orungu sub-county).

# III. CONCLUSIONS AND PROGRAM IMPLICATIONS

## 7. SUMMARY OF MAJOR FINDINGS

### 7.1 Key themes arising from the research

#### *On poverty status and dynamics*

- Based on the review of national statistics, PPI data and our qualitative field assessments, the study confirms high rates of poverty with multiple and overlapping dimensions in the two study villages, indicating that geographical targeting was successful in directing the EFI project resources to communities in need of support.
- SILC group poverty self-assessments coupled with PPI data also confirm that the majority of SILC members are indeed either poor or among the vulnerable middle groups.
- Poverty status is complex and multi-faceted, as are ways of assessing it: community members often perceive fine distinctions between the 'very poor' and the 'somewhat poor', as well as between the 'somewhat fair' and the 'very fair': in general, they consider those up to the 'somewhat fair' to be the appropriate target groups for SILC, as they are all considered vulnerable.
- An additional category distinguished by community members in both villages is the 'extreme poor' or 'marginalized' who had no means of subsistence (labour and resource-constrained) and were therefore dependent on others for support: for the most part it was considered difficult for these people to join SILC groups as they have no means of saving or contributing to the group.
- No households were considered truly 'rich' or 'well-off' in either of our study communities: the rich were said to be found mainly in towns or major trading centers, though they may own land in the villages which they would hire other people to work.
- Livelihoods, based primarily on rain-fed agriculture, coupled with some fishing in Aarapoo and petty commerce, are precarious for both the very poor and the vulnerable middle. Only the rich in the wider society (with their significant land and animal resources, commercial networks, and capacity to invest in social capital development) seem to be secure.
- Vulnerability has a strong seasonal nature linked to climate conditions and the agricultural year: in general, the hardest time for villagers is in the periods before the harvests when both food and money are scarce. Communities powerfully evoked May/June as the time of '*staring children*' when parents scramble to put together enough to feed their families.
- Both study communities have experienced a long-term series of successive - and often concurrent - shocks, from earlier socio-political insecurity causing death, destruction and uprootedness (particularly in Omadira) to more recent floods and the current shortage of rains. These have had catastrophic effects on rural livelihoods and cause even some of the better-off households to sink down into poverty or to hover constantly on the edge.
- Health issues – including HIV and a recent rise in Hepatitis B – are a primary contributing factor to poverty and vulnerability: HIV in particular has devastated households, depriving many of their active members and increasing the burden of care on others.
- Poor and even 'somewhat fairly well off' parents struggle to come up with the school fees and attendant costs necessary to educate their children, and often pull them out of school when times are hard.

- Poverty has both economic and social dimensions, experienced both as a lack of means and poor overall living conditions as well as sense of social exclusion or marginalization; the ones to whom 'development' never comes. It also has gender dimensions, linked primarily to women's lack of autonomy vis-à-vis livelihoods and income, except in the case of widows who become de facto heads of households.
- Limited social and economic service infrastructure (health posts, schools, markets, agricultural outreach services) – particularly in Omadira - contribute to the vulnerability of most community members who cannot afford to seek services outside of the village; the poor even struggle to meet the costs of services available in the village.
- Upward economic mobility (passage from one wealth category to a higher one) is severely constrained – primarily because of the limited economic opportunities available within the local community even in the best of times, coupled with the significant livelihood risks affecting all households dependent on rain-fed agriculture. Downward economic mobility, on the other hand, seems to be a reality and an ever-present danger for most.

### ***On the financial landscape and behaviors***

- Most household income is derived from sale of agricultural crops (particularly maize and cassava) with some as well from livestock (cows, goats and pigs), and poultry farming
- Secondary sources of income include fishing (particularly in Aarapoo) and petty commerce (particularly by women), along with charcoal production and casual labour (weeding and planting)
- Availability of cash is of a highly seasonal nature (greatest after the harvests in June/July/August and the lowest in April/May before the harvest and in January/February, after the Christmas holidays)
- Poor infrastructure and lack of facilities to process food and asymmetric information make local farmers dependent on middle-men, who reap profits from selling the produces in the Soroti market
- Changing weather patterns, characterised by more frequent and prolonged dry spells, and the impact of pest and diseases, such as army worms, on maize and sorghum, have affected the yields, reducing the amount and reliability of income from agriculture.
- In a typical household, the male head owns all assets (land and livestock) and is in charge of all financial decisions, including on the earnings of the wife; it is only on widowhood that the woman becomes de facto head of household.
- Assets are generally divided among the male children after the death of the patriarch (which often leads, particularly in Aarapoo, to land fragmentation with resulting low yields).
- Major household expenditures for most households include food (market purchases needed because harvests do not yield enough for family consumption), school fees (an onerous burden particularly for households with many children); and medical expenses.
- Banks and formal credit institutions are largely absent or inaccessible to the poor, and use of mobile money is limited,
- Other providers of financial services include NGOs, the Church and Savings and Loans Cooperatives (SACCOS), along with a variety of government programs.
- Most people in Aarapoo and Omadira - including SILC group members - rely almost exclusively on informal financial institutions. These include social networks of kin and neighbors; clan-based institutions – particularly burial societies; and local 'merry-go-rounds' (called aboukonokin) which are a form of revolving savings and credit organization (ROSCA)

### ***On pro-poor programming: outreach to the poor***

- Beyond the initial geographic targeting, project staff had very clear ideas of both the processes and challenges of outreach to the poor. Strategies to identify and mobilize poor people to join

included 1) conducting in institutional mapping of existing programs and institutions addressing the needs of the poor; 2) engaging in dialogue with local leaders; 3) capitalizing on the existing social networks, reputation, and community-based knowledge of the PSPs; 3) stimulating demand through examples of successful shareouts; and 4) mobilization of special interest groups – such as youth – who are often the hardest to reach.

- Supervisors confirm that they have been trained in PPP, including on how to recognize households of the lowest quartiles based on indicators linked to the 10 point questionnaire in the PPI survey
- PSPs confirm that the program as a whole does not look to the rich but to the poor and that the pro-poor approach includes significant outreach on their part - going door-to-door, working through community elders and clan leaders, making announcements in church and in other community settings, and looking into existing informal groups (*aboukonakin*) that might want to transform into SILC once they learn of the advantages. In both villages, PSPs also recruited their neighbours and family members into SILC groups.
- Challenges in mobilizing the poor to join SILC were seen by those operating at field level to be partly linked to attitude including the following: 1) the poor sometimes mistrust such programs because of negative experiences in the past; 2) the poor are used to handouts rather than such contributory mechanisms; and 3) the poor feel they do not have enough money to save. All of this may contribute to a reluctance or lack of confidence about joining.
- Discussions with non-SILC members revealed a category of some of the most vulnerable members of the community who are also some of the least involved with SILC: these included what the community called '*enyamurite*' (the extreme poor/resource constrained') but also those who were in some way labour-constrained (such as some of the older, chronically ill people or persons with disabilities) who are dependent on others for support. The common finding among study participants is that it would be difficult for this particular category of the poor/vulnerable to participate in SILC as they do not have an independent means of earning money to save; they may, however, be part of households where other members are involved with SILC.
- Those who have recently married into the village and have therefore not yet developed reputation or a trusted network of neighbors and friends may experience difficulties in joining groups, as may those who, for whatever reasons, are unable to plan for the medium or long-term as they are considering moving away from the village.
- It is not entirely clear if the first groups formed in a village were more or less poor than others, as we received varying reports on this and all groups – in fact - were to some extent mixed. It is clear, however, that successful experiences of initial groups were seen as a potent source of motivation for the initiation of other groups, just as any negative experiences (within SILC or within broader financial inclusion efforts) could significantly dampen enthusiasm for joining SILC.

#### ***On pro-poor programming: operations conducive to the poor***

- There is a significant degree of flexibility built into the SILC model as it is applied in our two study communities that aims to facilitate uptake and retention of the poor. Elements include: 1) adopting a very flexible minimum and maximum savings target which can be lowered or raised depending on the fluctuating livelihood conditions in the community; 2) allowing some – or all – members to interrupt weekly savings for up to several months during the 'hard period' without necessarily disbanding the groups; 3) implementing the flat PSP payment scale; 4) not forcing members to take out loans they cannot hope to pay back; 5) allowing for adjustments in interest rates on loans (from 10% to 5%) and allowing flexibility for recovery; 6) maintaining strong rules and supervision to strengthen members' confidence in the management of the group and allay fears that money will be lost.

- Despite such flexibility, there was significant instability in the groups that we encountered in each of the study localities: this included both individual drop-outs as well as (as noted above) cessation of group activities as a whole during for several months at a time shortage of rains caused livelihood failures.
- Drop-outs were due to a number of factors – most poverty-related in some manner. Many were linked to overall livelihood failures due to drought; others were a result of more idiosyncratic shocks, such as ill health or expanding households and mouths to feed. Some members dropped out after having difficulties reimbursing loans due to one or the other of the factors above.

***On pro-poor programming: benefits responding to the needs of the poor***

- SILC is clearly bringing benefits to members and allowing some of them to make productive investments and to engage in income-generating activities to boost their economic well-being, thus responding to the long-term needs.
- Many members, however, in both study communities used both share-outs and loans to support basic social expenditures – including for both short-term needs such purchase of food (when their own harvests failed) as for well as for investments in the human capital of their children through the payment of school fees (a significant expenditure for most).
- Some SILC money was used on key life cycle events such as marriages (particularly payment of bride price for oneself or one’s sons) which entail significant outlays for community members and are important to ensuring their place and future within the social fabric of their communities
- Most study participants mentioned the strengthened social solidarity that has arisen through SILC: groups are, for the most part, made up of members of different clans and religions; their collective participation in SILC groups are seen as a potent way of bringing everyone together and maintaining unity within the community – something that may be particularly important given the history of social turmoil and conflict that marks these localities.
- In addition to concrete economic and social benefits, some members point to more intangible benefits such as improved self-esteem and respect within the community – an aspect which is clearly important to poor members and particularly women as it can promote greater self-confidence and
- Beyond the initial knowledge of the importance of saving and guidance on how to save and take out loans, which SILC members cited as important to them, SILC groups in the study villages we visited had not yet benefited from the broader financial education developed by the EFI program. This would be an important element to further empower them with knowledge.

***7.2 Major learnings on principal research questions***

The two sections below summarize our research findings and key points of learning around the project-related research questions for the study as a whole, which revolved around if and how the PPP was effectively reaching the poor and what specific challenges are still evident.

### 7.2.1 On the extent of and challenges to inclusion of the poor in SILC

#### First set of research questions

To what extent are those households that, relative to their communities, are poor and extremely poor included in SILC membership and has inclusion of poor household increased as SILC formation has progressed in the research sites?

- Are there critical challenges to SILC poverty outreach at local or community level?
- What are the barriers (if any) for the poorest to SILC membership?
- What are the gender and age or lifecycle differences in group membership and have these changed over time, i.e. between the initial introduction of EFI SILC and the time of research?
- Have new relationships developed or existing relationships been strengthened or weakened by SILC group membership and does this have an impact on group coherence, and the retention of poor members?
- Why do poor households that are aware of the SILC choose not to join and what are the reasons that poor households drop out of the SILCs?
- How is the social fund being used and does this contribute to reducing poverty or vulnerability?

In addition to the poor, SILC has effectively reached out to the 'vulnerable middle'. This is largely a result of the inclusive approach adopted and the voluntary and self-selective nature of the programme. The extreme poor/ marginalized/ or labour-constrained, who form a separate category within these communities, seem for the most part excluded as they are dependent on others for their survival and do not have an independent means of contributing to the groups. Inclusion of poor households has increased within SILC as group formation has progressed: this is because, in fact, 1) most groups are made up of a mixture of the 'poor' and the 'somewhat fair' or 'fair'; and 2) households that are characterized as 'fair' are also objectively - by any standard of measure - quite poor and highly vulnerable to livelihood shocks. To the extent that more groups form on the basis of success demonstrated through earlier groups or through the expanded effort of the PSP, this does indeed seem to give confidence to other community members from both categories - 'poor' and 'fair' to join SILC.

Our study findings suggest that critical challenges to poverty outreach at community level may be primarily contextual in nature: the rural communities in our study villages are extremely vulnerable and face severe livelihood constraints arising from cyclical production deficits based on the seasons as well as from recurrent shocks such as flooding, lack of rain, or crop infestations that cause harvest failures. This makes it difficult sometimes for even existing members to maintain themselves in SILC for, as the PSP in Aarapoo put it, they begin to '*focus more on eating than on saving*'. Other challenges include reticence or distrust arising out of either knowledge or experience of other programs that have not been successful; and preferred expectations among some for projects that bring input or social assistance support rather than initiatives such as SILC that demand contributions from members.

Barriers to participation in SILC by what are categorized by the community as the 'extreme poor' arise - from community perspectives - out of the dependent nature of such individuals, who include beggars and others who have no independent means of livelihood and depend on other households for their survival. Others, such as the old and frail or people with disabilities and unable to work also face difficulties in generating the income necessary to be able to save and contribute to the group. So there seems to be a minimum of capacity that is needed to be able to be considered a SILC member. This was, perhaps, put most succinctly by a group member in Aarapoo who said that what they were looking for at the outset was '*people whose lives were hard but who either have something or have the capacity to earn something - for example through the sale of a goat or a chicken - to contribute to the next level.*' This is not necessarily to say, however, that the extreme poor/marginalized/labour

constrained cannot benefit at all from SILC, as they may indeed be part of households where someone else is a SILC member.

Our study did not uncover any changes in the gender or age composition of SILC groups over time: what was noticeable, however, in comparison to the situation in the study groups in Senegal, was that most groups that we encountered in Uganda were mixed groups (of men and women). While women remain the majority, men are active participants and are also often members of the management committee, where they are seen as adding to the skill set necessary to effectively run the groups (due partly to the higher levels of education). Unlike in Senegal, therefore, SILC groups are not primarily seen to be the affair of women only, though women still form the majority. Sometimes, both husband and wife are members and see benefits of doubling up in this way. On age differences, there was one group in Omadira that was specifically established for youth (aged 18 to 35) and included student or newly married individuals with few or no children to support: savings patterns for this group were therefore quite different from the rest as, relieved of the burden of school fees, they could invest in productive activities.

SILC members identified strengthened relationships on a number of different levels. The first was within the households, where there was seen to be more harmony between husband and wife and more respect for the wife when – through SILC – she became less dependent on men for every monetary need and could in fact contribute herself to household needs. The second was within neighborhoods and communities, where SILC was seen to bring about more ‘unity’ overall and among members of different ethnic groups and religions. Within the groups themselves, the fact of meeting together all the time seemed also to either strengthen already-existing relations (many SILC members had participated or still participate in local ‘merry-go-rounds’ or to pave the way towards increased acceptance into the community of new members.

Reasons for not joining and for dropping out are varied: most, however, are linked in some way to poverty or livelihood constraints. Community members with whom we spoke who had never joined SILC were either labour-constrained in some way (due to age, frailty, disability) (particularly in Aarapoo), or were new to the village or considering moving somewhere else (for example in Omadira). Many drop-outs were linked to overall livelihood failures due to drought; others were a result of more idiosyncratic shocks, such as ill health or expanding households and mouths to feed. Some members dropped out after having difficulties reimbursing loans due to one or the other of the factors above. One member dropped out because he had over-invested himself in three other savings and credit groups, but he was an exception.

The social fund was appreciated by SILC members, but used less frequently than credit. It was rare to find a group where all members had drawn on the social fund. Members who had done so used it for individual or household emergencies (mostly illness, followed by cases of death – particularly travel to the burial site), though a few also used it for other purposes such as food or payment of school fees. One woman credits it with allowing her to get back on her feet after an ectopic pregnancy. Some cited difficulties in reimbursing this loan, even though interest free: means to do so was through casual labour, sales of chickens, or sales of produce). It would appear that while the social fund may be effective as an emergency response support for some poor members, others hesitate to take it out for fear of not being able to reimburse.



## 7.2.2 On the mechanisms and adjustments within SILC that seem to work best

### Second set of research questions

What mechanisms or elements work for the poor and extreme poor in attracting them to, and retaining them in, SILC groups and how does what is found to work in the community compare to the adjustments made to the SILC and PSP methodologies? The adjustments would include:

- How well have the mobilisation methods of the PSPs worked to convince poor households that they should join SILC groups?
- Do flexible savings attract group members?
- How strong is the pressure to take loans and does a lack of pressure retain poorer members?
- Do pioneer groups leverage groups with members who are, on average, poor and extremely poor?
- What is the role of institutional mapping?
- How does the pricing structure influence poverty outreach?

The study uncovered very innovative use and adaptation of the basic SILC methodology and pro-poor approach to attract and retain poor members in SILC.

The two PSPs in our study communities are well-known and widely respected by other community members. Their social status (one is the LC1 assistant and plays multiple other roles within the community, including within the church; the other is the wife of a local clan leader and school teacher who herself has started up a nursery school) has undoubtedly helped in the initiation and mobilization of SILC groups. They have each conducted significant outreach within their own circles as well as the wider community: through door-to-door visits as well as through structures such as clan meetings and the church: the male PSP even recruited members from male drinking groups, convincing them that money spent on drinking could be put to better use for savings! To a large extent, the trust that they inspire in other community members seems to have inspired confidence in the groups among both the 'poor' and the 'fair'.

The flexibility of savings is certainly one element that SILC groups in our two study communities appreciate and have applied in a highly adaptive manner in order to cater to different and fluctuating levels of poverty and vulnerability. At start up, the minimum and maximum targets were applied such mixed groups of both 'poor' and 'fair' individuals provided a level of comfort for each and made each feel welcome. Thereafter, when the shortage of rains in 2016 led to crop failures, both the minimum and maximum were adjusted downwards to accommodate the significantly reduced saving capacity of all members. And in a further adaptation of the concept of 'flexibility', in the face of even more significant livelihood losses in early 2017, some groups in each community suspended savings activities for several months without, however, disbanding the group per se.

We did not encounter any sign from group members that they felt pressured to take loans and, in fact, a number did not take out loans over a particular cycle or phase of a cycle when they felt they would be unable to reimburse.

Initial groups do serve as an example for other groups to form: but, as noted above, the subsequent groups are also, for the most part, of mixed levels ('poor' and 'fair'). Current SILC members themselves recognize their role in serving as examples to promote SILC. As one group put it: *'We could tell them: "You think you are too poor, but look at us, we succeeded – you could start with a small amount – even 100-500 is enough".'*

Institutional mapping was identified by the Socadido implementing partners as an integral part of the pro-poor strategy and an initial first step in identifying partners and programs already working with the poor. It was credited by them with helping with geographic targeting of the poorest and

most vulnerable localities as well as those areas where financial inclusion efforts were weakest. Through this exercise, and through Socadido's already considerable programming presence on the ground, the linkages established at local government levels (district and sub-county) have been strengthened and local authorities are both positive about and supportive of the SILC program, seeing potential for further linkages through the development of investment clubs that would further cater to the needs of the poor.

Payment of the PSP was in fact problematic, particularly in Aarapoo, where it seemed that none of the groups was regularly paying the PSP; this was readily admitted by both the SILC groups and the PSP. There seemed to be less of a problem with such payments in Omadira, though we could not uncover the reasons for this difference. In Aarapoo, it seems less an issue of proportional or flat fee (in any case, groups themselves do not know about the differences between such payment structures), but more of an issue of payment in general. As some members explained, it is '*hard*' for us to pay the PSP; we are not used to paying for '*knowledge*' only; we know he '*loves*' us as he continues to work without payment; we try in any case to give him a '*token of appreciation*' during the shareout. Lack of ability – or willingness – to pay was also the reason the PSP in Aarapoo could not advance beyond the first 6 free units of the financial literacy training in any of the groups that he is responsible for in the parish, as members were not willing to pay for the rest.

## 8. IMPLICATIONS FOR THE EFI PROGRAM

This chapter first presents some of the recommendations offered by study participants themselves on ways to strengthen SILC for the poor, before proposing some broad themes for reflection on the way forward for pro-poor programming in EFI.

### *8.1 Recommendations on pro-poor programming from the field*

The study elicited recommendations on how SILC could be made more accessible to the poor and better serve their needs from key informants and community members (both SILC and non-SILC members), as well as from the Socadido implementing team. The following were some of the key points raised.

#### **8.1.1 Views from the community**

##### *Providing additional financial or livelihood support to accompany SILC*

The local leader of Aarapoo suggested that SILC groups may need external support because *'the demand for loans is more than they can save'* (KII, LCI, Aarapoo). His views were echoed by those of other community members, who suggested the following:

- Providing start-up capital into the fund would *'give it a boost'* since savings have dwindled as a result of drought; this could be done at the beginning of the cycle (FGDs, mixed SILC group members and committee members, Omadira Stars, Omadira; FGD, former SILC members, Omadira; IDI former woman SILC member, Omadira). Such start-up capital would help *'lift them up'* (IDI, SILC woman member, Omadira Stars, Omadira). Savings is so little and some members borrow it all, leaving nothing for others; start-up capital of around 500,000 would help alleviate this problem. It would also help boost the social fund and perhaps allow it to operate as a grant rather than a loan (IDI, male SILC committee member, Omadira Stars, Omadira).
- Start-up capital for direct assistance with income-generating activities such as bread-baking, purchase of small ruminants, fish-selling and the like would enhance the savings capacity of poor SILC members (FGD women non-SILC members, Aarapoo; IDI female SILC committee member, Omadira Stars, Omadira).
- Promotion of group – in addition to individual - income generating activities would strengthen livelihoods and also help reinforce group solidarity. This could entail, for example, a common garden for planting groundnuts, sorghum, beans, or maize which could be sold in times of difficulty to *'uplift the group'*, with the money ploughed back into the group's fund (FGD SILC group members, Egangakinos, Aarapoo). Particularly useful might be start-up capital for a small commercial produce-storing facility (for maize, beans, sorghum, millet) that members would run, allowing them to obtain better prices for their crops (IDI, male SILC key holder, Omadira Stars, Omadira)
- Provision of oxen for group members and their families to use for ploughing (*'opening the land'*) would strengthen livelihoods; some people are really *'in trouble'* as they are too poor or labour-constrained to cultivate much and so cannot contribute to savings (FGD women SILC committee members, Egangakinos, Aarapoo). The oxen could also be lent out to others to give poor SILC members an additional source of income (FGD, SILC committee, Omadira Stars, Omadira)
- Distribution of agricultural inputs such as seeds and other materials for planting or cows for milk would also be a possibility (FGD, mixed SILC members, Omadira Stars, Omadira). Milk cows could have both economic and nutritional benefits for poor SILC members (IDI, male SILC committee member, Omadira Stars)

### ***Linking SILC groups up to existing programs at sub-county level***

Some community members made a distinction between adding on to SILC as a program per se (as per the suggestions above), and linking SILC groups up to already existing programs or opportunities available in the sub-county. This echoes the Omadira PSP's perspective that once groups of any sort are established, they can more easily attract other kinds of external support and programming (one of the messages she uses to motivate community members to join SILC).

- This could perhaps be facilitated through registration of SILC groups at sub-county level (FGD, former SILC members, Omadira).
- It could also be facilitated through Socadido itself which operates a variety of different programs. *'We hear on the radio that Socadido is doing other things in the sub-county – why can't we think of integrating these with SILC?'* (IDI, woman SILC member, Omadira Stars, Omadira)
- Creating linkages with other government programs or NGOs working in health, hygiene and nutritional awareness or education (for example school sponsorship programs such as BRAC's) could be useful to poor SILC members for whom school and medical expenses are so onerous (IDI, male SILC committee member, Omadira Stars, Omadira).
- Accompanying SILC with a school sponsorship program would be particularly beneficial, as poor SILC members would not need to use all of their shareouts on school fees, but could invest in productive activities (FGD, SILC group members, Egangakinos, Aarapoo).
- Support from an NGO could help enhance income-generating activities for the groups – for example, those who specialize in distribution of small ruminants on a rotating basis (IDI, male SILC key holder, Omadira Stars, Omadira)

### ***Intensifying outreach efforts to the poor***

SILC group members understood that continued outreach is necessary to encourage other poor community members to join; some recognized that they had a key role to play in bringing on board new members.

- There could be greater efforts to share information on the benefits of SILC to poor people to encourage them to join (FGD, SILC management committee, Omadira Stars, Omadira).
- Counseling might be needed to encourage the extreme poor to join (IDI, female SILC member, Acamanaros SILC group, Omadira)
- Existing members could talk to those who are not yet members and encourage them to join by telling them about all of the benefits and using their own experiences as an example:

*'We could tell them: "You think you are too poor, but look at us, we succeeded – you could start with a small amount – even 100-500 is enough". We could say to them: "We are also like you, but we are able to do this" When you talk to them slowly, slowly and they see the sweetness of SILC, they will even provide labour to the loitamite [those in the fair to middling socio-economic category] to get money to join SILC. We can in this way be an example of the benefits of SILC'* (FGD women SILC committee members, Egangakinos, Aarapoo).

### ***Institutionalizing flexibility in SILC operating procedures***

Groups appreciated the flexibility that they already had and suggest that this is one way to both attract and retain members when livelihood crises depress income:

- *'When life becomes hard, we could drop the savings to an even lower rate – for example from 1,000 minimum to 500 minimum in order to allow us to retain the group. Instead of saving weekly, we could perhaps save monthly. We could stop normal savings, but continue savings for emergencies'* (FGD SILC group members, Egangakinos, Aarapoo)

Former SILC members who had dropped out suggested further modifications or loosening of the rules, taking into consideration what they saw as factors contributing to their own inability to continue in SILC:

- SILC should remove the fines, for example, if you miss attendance at a meeting: *'You come with money to save and you lose it because of fines so you get disappointed and drop out'*. Also there should be more transparency at the time of shareout about where the fines go – many members did not understand this (Views of 2 male former SILC members, Omadira in FGD)
- *'The fines are OK because they support the group, but they can be a burden for the poorest members'* (IDI, female former SILC woman member, Omadira)
- *'It was a mistake to keep the threshold at 1000 UGX in the first cycle because this kept many people out. Since the second cycle we learnt the lesson and we lowered the amount to 500 UGX'* (FGD SILC group members, Acamanaros, Omadira)

### ***Implementing the financial education component within SILC***

- Training on financial education would help poor SILC members to better manage their money and plan for the future (IDI, woman SILC member, Omadira Stars, Omadira).
- *'We need more training on financial education and planning as well as on income generating opportunities'* (IDI male SILC committee member, Omadira Stars, Omadira)

### ***Reinforcing the 'seriousness' of SILC***

The local leader of Aarapoo felt that external project-related visits and supervision visits were important ingredients in mobilizing community commitment to SILC

- Visits from people like the research team and Socadido provide encouragement and help *'to make people aware that these are serious groups and to put some fear into them.'* It also stimulates interest when they see that *'external people have come'* (KII, LC1, Aarapoo)
- Continued close monitoring of SILC groups to ensure that they are functioning well would be useful (FGD, mixed SILC group members, Omadira Stars, Omadira); the presence of external reviewers or 'auditors' would also help boost confidence in the accounting system (FGD, former SILC members, Omadira).
- Overall, SILC groups need continuous support and mentoring so that they don't deviate from their vision (IDI, female SILC group member, Acamanaros, Omadira).

### ***Expanding capacity to create additional SILC groups***

The local leader of Aarapoo also felt that expansion was needed to both stimulate and cater to demand for new SILC groups:

- *'It would be good if SILC could spread beyond where they are now – to reach more people. There may also be a need for further sensitization to let people know that everyone is welcome'* (KII, LC1, Aarapoo)

### **8.1.2 Views from Socadido implementers**

A debrief in the field with the Socadido team who accompanied the research provided an occasion for implementers to reflect on the findings in light of their pro-poor programming efforts. Key points are as follows:

#### ***Taking into consideration the importance of context and local voices***

- While there were many similarities in social and economic processes and features in Aarapoo and Omadira, there were also some differences: it is important to take into account such contextual factors in the design of SILC to ensure that it is most appropriate to each community.
- Currently, the SILC model has had a rather 'top-down design': an approach involving poor people in the design process would be beneficial.

#### ***Thinking through what is needed to retain the poor during hard times***

- Seasonal calendars, the review of the SILC group ledger books, and a cross-check with a catechist's registers for church collections all point to significant seasonal variations in community members' access to money and ability to pay into the savings group. Seasonality must therefore be taken into consideration in the design of the program.
- Members' savings and rate of loan defaulting confirms how vulnerable they are to climate change – the savings are very small and not enough to provide a basis for borrowing. This affects further vulnerability to climate change in a vicious cycle that keeps bringing them back into poverty: how can SILC help them better to escape such a vicious cycle?
- High dropout rates in many of the SILC groups could actually be a sign that SILC has targeted the right people – the poorest and most vulnerable - as most indicated that they dropped out due to poverty, in conjunction with family size/composition and external factors such as drought. This leads to the need to reflect more on how SILC would need to adapt in order to retain and support these members during the hardest times.

#### ***Thinking through the approach to the extreme poor and marginalized***

- Pro-poor programming has its own dynamic, but in the main targets those segments of the population that have the ability to earn money to save. Conditions for SILC participation, however, may limit participation by the very poorest/most vulnerable. There may be a need to design specific strategies to reach such people (such as the chronically ill, or those with disabilities) who are currently seem to be missing from the financial sector and are largely left out of SILC.

#### ***Reviewing specific design features***

- All study groups mentioned difficulties with payment of the PSP: maybe the weekly basis of payment of the PSP is too difficult and it would be better to do it at share-out, for example.
- None of the study groups had yet been provided with financial education; yet this is a critical support for all SILC members and particularly the poor and should come during initial group formation – not later.

#### ***Forging linkages with other development support and interventions***

- Integration of SILC with livelihood support/interventions is strongly recommended, as most households are struggling to survive and to meet basic needs.

- Linkages would also be beneficial to programs that support children’s education. The study revealed that school fees are a significant burden for most households and figure highly in the usage of SILC money.

## ***8.2 Program implications and points for reflection***

Our field research in two villages suggests that SILC has both reached and benefited the poor in the two study villages. Reaching the poor has been accomplished through a combination of geographic targeting of districts of highest poverty, outreach to community leaders and members on the pro-poor intents of SILC, establishment of appropriate savings targets and flexibility in operations, and support and messaging to encourage the poor to feel confident in their ability to save even small amounts. Both reaching and retaining the poor has been largely achieved through concrete manifestations of the positive social and economic benefits that accrue to SILC members, who see clearly the value of remaining in SILC and who provide an example of success that inspire others to join. In addition to the poor, SILC has continued to effectively reach out to the ‘vulnerable middle’. This is largely a result of the inclusive approach adopted and the voluntary and self-selective nature of the programme.

The reflections below aim to draw out some of the implications for pro-poor programming that arise from the analysis of our key research findings.

- ***Poverty conceptualization, identification, and monitoring***

Identification of ‘the poor’ at community level is at once almost deceptively simple (*‘Everyone knows who the poor are here in our village’* we were told repeatedly in the field, even by PSPs and their supervisors as well as by community members); and immensely complex (What concrete measures to use? How to capture poverty dynamics and monitor its evolution? What do about intra-household poverty disparities? And what level of poverty reflects the EFI intent to reach ‘the poorest’?).

The PPI poverty measure developed by the EFI project to assess aggregate poverty likelihoods at village level at baseline and to establish SILC group poverty levels after the groups are formed (rather than as a targeting tool) has been acknowledged to be a problematic tool at this level (*see chapter 6*).

The community-based assessment method for the identification of local poverty categories, characterizations and proportions in the community and in SILC group, faces other challenges – perhaps just as great. While we are confident that there was general consensus around the broad categories and characteristics and at least broad-based agreement on the overall ranges for the estimates; these were not by any means exact. Different study participants came up with slightly different proportions, differed slightly in terms of some of the characteristics of the different groups, and even differed on some of the names used to describe each group.

Moving forward, for the purposes of a program such as EFI, which aims to extend financial services to the poorest and most vulnerable, it may be considered useful to develop a more fine-tuned survey instrument than PPI, and to administer this in project zones/villages at baseline (when it could help in targeting the poorest); at mid-term (when it could reveal any progress or need for self-correction); and at end-line (when it could evaluate the overall effectiveness of the program in both 1) reaching the poor; and 2) helping the poor to move out of their poverty. The survey could – and should – be accompanied by qualitative assessments of the type used for this study – both to establish the appropriate categories of information that would need to be gathered and to complement, qualify and help interpret the information that is gathered through the survey per se. Other community-based exercises could also be pursued – perhaps through a local committee established for the purpose: that community could then be tasked with some sort of ongoing monitoring of the situation.

The inclusive approach adopted and the voluntary and self-selective nature of the programme. in the context of generalized poverty and vulnerability such as was characteristic of our two village study sites, means that it is appropriate to consider as critical targets the broader category of the 'poor' as well as the 'fair' (what we could term the 'vulnerable middle') who by any standard of assessment also face numerous constraints linked to insecure livelihoods and the attendant hardships and vulnerabilities that these bring.

Poverty is, of course, a very relative concept, so some of those considered to lie within the 'middle groups' compared to others in their villages in Uganda would actually – by any other measure – be considered 'poor.' The approach at village level, might more usefully be one rather of using a 'wealth filter' (all those exhibiting certain characteristics or criteria of wealth – such as a regular salary or other livelihood criteria - would not be included in SILC) while there would be less attendant concern to more finely distinguish between the poor and the very poor as appropriate members of SILC.

In Uganda – and perhaps elsewhere – there may also be need to consider program parameters and measures that can identify and distinguish between the 'very poor' and the 'extreme poor' – the latter characterized not only by poverty but by severe labour constraints and intense vulnerability making them highly dependent on others for their survival and rendering it even more difficult for them to participate in SILC, unless special measures were developed to either subsidize their contributions or establish appropriate income-generating options (such, for example, as those suitable for people with different sorts of disability). Alternatively, there could be a conscious effort to include the community members who are responsible for these individuals within SILC and monitor the effects of SILC on the dependent members.

- ***Program design***

Of the three ways SILC members benefit monetarily from the project (through the savings share-outs, the loans, and the solidarity fund), the most sustained benefits seemed to come from the first two. While members were also appreciative of the solidarity fund, and in individual cases it was clearly a life saver – it seemed, paradoxically enough, to be both underutilized (few members drawing on it) and underfunded: the amounts provided could not conceivably always go very far to the resolution of the shock that was suffered, particularly when it involved illnesses that were chronic in nature and demanded much follow-up treatment. Moreover, the fact that the solidarity fund is designed not as form of direct transfer or social assistance, but rather as a loan that requires reimbursement (albeit without interest) may also be called into question: there appears elsewhere (in Senegal, for example) to have been some experimentation with converting such funds into direct assistance in certain cases. This may be an area for further investigation

Building seasonal flexibility into the SILC model at the outset might be another way the program might be rendered more responsive to the needs of the rural poor, whose lives, levels of vulnerability, and need for cash are all closely patterned by the seasons. This would entail such things as 1) embedding seasonal flexibility into the minimum savings targets/expectations and the reimbursement schedules; and 2) planning shareouts in advance for an agreed period, arrived at consensually, when members perceive their needs for cash to be highest.

Beyond seasonal flexibility per se in savings and reimbursements (which responds well to cyclical or recurring patterns of poverty and vulnerability), other forms of flexibility in the model might be needed to take into account a particularly bad year, such as was occurring in our two study localities in 2016/17, where livelihood failures were the rule rather than the exception, and where the rural economy was bottoming out due to the failure of successive harvests. Innovations from the field in response to the situation in both of our study communities included temporary cessation of savings altogether without necessarily, however, disbanding the groups. Perhaps such innovations from the



field could be incorporated into the model itself and the guidelines set out from the beginning and written into the groups' constitutions.

Lowering both the direct and opportunity costs of participation in SILC would seem to be an obvious measure that could help attract and maintain the poorest members of the community in SILC groups. Unlike in Senegal, communities did not raise the issue of payment for start-up kits being a barrier for participation, though one group did mention that they were allowed to pay for these kits on a progressive basis rather than all at once, in regard to their limited resources. But payment of the PSP, particularly in Aarapoo, was clearly problematic; our three study groups in that village were not, in fact, paying, and none of the groups in either village had accepted to pay the PSP for delivery of the second set of modules on financial education, indicating that there is clearly some blockage. Automatic deductions from shareouts (rather than weekly payments) might be one possible solution, though in itself may also be problematic. The recent study on PSPs might shed further light on this issue, which seems quite complex. In Omadira on the other hand, payment of the PSP did not seem to be an issue, but payment of fines did: as one female former SILC member in Omadira put it: *'The fines are OK because they support the group, but they can be a burden for the poorest members.'*

- **Program linkages and coordination**

There would seem to be scope for expanding linkages and coordination with other programs serving the poor in at least three areas. These could build on and concretize and expand the initial institutional mapping that was conducted as a way to enhance collaboration and lesson-learning among the different institutional actors in the field.

Many stakeholders – both SILC members and project implementers suggested as a first priority the need for **strengthened support for income-generation activities**, whether of an individual or collective nature. This would not need to be incorporated into SILC implementation itself (as that is not really part of the model) but would rather seek actively to link SILC groups up to support to other programs (government, NGO, development partner) aimed at promoting income generation, strengthening livelihoods, enhancing women's empowerment and the like so that SILC members could potentially be supported in their investments in productive activities through programs that may already exist to provide material, financial or technical inputs. This could be as minimal as promoting the inclusion of SILC members in any livelihood training awareness-raising activities that may be underway or planned in the village, or as concrete as promoting SILC members as actual project beneficiaries or helping them structure themselves into formally recognized groups that could draw further project support to them. Local government suggestions that SILC groups could be turned into investment clubs would also be worth exploring. What should also be – as planned - an integral part of SILC - is the financial education module that would guide them in the development of a business plan and management tools for their entrepreneurial activities and other productive endeavors, etc. But, as seen above, there were obstacles to the delivery of these later modules based on the costs involved to members.

Greater linkages would be beneficial with **programs and partners supporting education** – including government programs and child sponsorship programs promoted by NGOs. School fees (both direct and indirect); school uniforms and supplies; parent association fees and the like are a considerable burden on parents with large families. And SILC members are devoting considerable proportions of both loans and shareouts to the education of their children. While this is a testimony to the importance of education to the rural poor and – indeed – represents a long-term investment in human capital development, in the context of SILC it leaves little left – over directly productive investments that would enable SILC members to enhance livelihoods and more easily pay back their loans.

And finally, program implementers suggested a need for ***greater linkages with health services, programs and personnel***. Both community members and program implementers highlighted the significance of health issues and behaviors as contributors to both poverty and vulnerability. The two main ones that stand out are the debilitating effects of HIV and AIDs, on the one hand, and the lack of access to health information and services on the other. The regular meetings of SILC groups could potentially serve as potent fora for guided discussions and demonstrations by health workers, including VHTs, on HIV prevention and on other health issues, thus enhancing the messages of empowerment already brought by SILC itself.

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## ANNEXES

### A. Overview of research tools

Research tool	With whom?	To find out what?
<b>A. INDIVIDUAL AND GROUP DISCUSSIONS</b>		
<b>Key informant interview (KII)</b>  <i>(may be individual or group)</i>  Interview guides	1. CRS/EFI staff ( <i>global &amp; national level</i> ) 2. Partner staff and project implementers, including PSPs and supervisors ( <i>project level</i> )	<ul style="list-style-type: none"> <li>• To gain key inside information and insights on project aims, design features, processes, success and failures, with particular focus on pro-poor inclusion issues</li> <li>• To understand perspectives on local project settings</li> </ul>
	3. District/sub-county leaders/government officials/technical staff/service providers ( <i>district/sub-county level</i> )	<ul style="list-style-type: none"> <li>• To gain understanding of the local context as well as perceptions of the project and its pro-poor outreach</li> </ul>
	4. Other financial service providers ( <i>district/sub-county level</i> )	<ul style="list-style-type: none"> <li>• To explore potential differences in approach and poverty outreach with SILC</li> </ul>
	5. Local community members, elders, leaders ( <i>community level</i> )	<ul style="list-style-type: none"> <li>• To understand more fully local community trends and dynamics as well as experiences and perceptions of community participation in SILC</li> </ul>
<b>3. Community discussions</b>  Discussion guides	<ul style="list-style-type: none"> <li>• Groups of knowledgeable adult men/women (community leaders) (<i>may be SILC or non-SILC members</i>)</li> <li>• 2 CDs per village (1 women/1 men)</li> </ul>	<ul style="list-style-type: none"> <li>• To understand the local context/community dynamics/ local livelihoods</li> <li>• To establish local poverty classifications, characterizations and estimations</li> <li>• To gain an understanding of community perspectives on SILC</li> </ul>
<b>4. Focus Group Discussions (FGD)</b>	1. Current SILC group members (3 different SILC groups) 2. Current SILC committee members (3 different SILC groups)	To probe and understand: <ul style="list-style-type: none"> <li>• Basic socio-economic conditions/experiences/poverty self-assessments</li> <li>• Workings, characteristics, composition and experiences of SILC groups and pro-poor outreach</li> </ul>

Discussion guides	<ol style="list-style-type: none"> <li>3. Non SILC members (1 group of poor women never joined)</li> <li>4. Former SILC group members (1 group)</li> </ol>	<ul style="list-style-type: none"> <li>• Motivations for joining/ not joining /dropping out (including obstacles and perceived benefits) and comparison with other SGs</li> <li>• Expectations and benefits from SILC (savings/loans/social fund) as well as most significant changes at individual, household and community level</li> <li>• Management and operations issues as well as key trends in SILC participation (through guided analysis of ledger books with SILC committee members)</li> </ul>
<b>5. In-depth individual interview (IDI)</b>  Discussion guides	<ol style="list-style-type: none"> <li>1. Current SILC members and SILC committee members (from different SILC groups)</li> <li>2. Informative individuals from CDs</li> <li>3. Others identified thematically</li> </ol>	<ul style="list-style-type: none"> <li>• To gain a more in-depth understanding of key experiences, motivations and obstacles to joining SILC and probe individual experiences on above questions as well as on household income/expenditures and financial behaviors.</li> <li>• If time, more extended case studies can be developed out of the IDIs.</li> </ul>
<b>6. Casual conversations</b>  Should draw from our basic research themes	For any of the categories above	<ul style="list-style-type: none"> <li>• To supplement information gained from more formalized' research activities' with more casual conversations,</li> <li>• Can be conducted while riding to the field site, relaxing in the evening, through overnight stays or meals shared in the villages.....</li> </ul>
<b>B. GUIDED OBSERVATIONS</b>		
<b>1. Participant observation and analysis</b>  Basic observation guides and transect walk guidelines	<ol style="list-style-type: none"> <li>1. Community level (through transect walk)</li> <li>2. Household settings/activities (during IDIs)</li> <li>3. Project –level (SILC group meetings)</li> <li>4. Interactions during research activities</li> </ol>	<ul style="list-style-type: none"> <li>• To supplement understandings derived from oral communication</li> <li>• To highlight roles, relationships, activities, gender differences, etc. as well as basic conditions (of village/houses/environment)</li> </ul>
<b>C. VISUAL AND PARTICIPATORY EXERCISES</b>		
<b>With community members, linked to Community Discussions</b>		
<b>1. Community timeline</b>  Technical guidelines	To understand the key trends (both positive and negative) affecting the community over the past 10 years (environmental, political, socio-economic and security)	

<p><b>2. Seasonal calendar</b> Technical guidelines</p>	<p>To identify seasonal characteristics of livelihood activities, risks and threats, health conditions, social life (including school year, ceremonies) and map these to the availability and need for cash.</p>
<p><b>3. Participatory wealth categorization and ranking</b> Technical guidelines</p>	<p>To understand community categorizations and characteristics of wealth/well-being groups and estimated proportions within the community</p> <p>To further understand different strategies adopted by households to improve their situation and the place of savings and loans groups therein</p>
<p><b>4. Institutional mapping of formal financial service providers in the community</b> Technical guidelines</p>	<p>To identify formal savings and loans opportunities within the community, along with their key characteristics, strengths/weaknesses/ and degree to which they serve the needs of the poorest</p>
<p><b>5. Transect walk and village mapping</b> Technical guidelines</p>	<p>Selected community members</p> <ul style="list-style-type: none"> <li>To observe and map out, in participatory fashion, the basic layout of the community, including settlement patterns (who lives where and under what conditions), service structures (schools, hospitals, banks, shops, administrative offices, NGOs), specific financial services (banks, ATMs, money lender home/office); distribution of economic resources (gardens/fields, animal grazing areas) and public spaces</li> <li>To cross-cut these observations and community mapping with poverty-related discussion and analysis</li> </ul>
<p><b>Linked to FGDs/IDIs with SILC members and others</b></p>	
<p><b>1. Wealth-ranking self-assessment</b> Technical guidelines</p>	<p>To determine how SILC members see themselves within the wealth categories defined during the community meeting and to discuss different challenges facing members at different levels</p>
<p><b>2. Mapping of informal lending and support systems</b> Technical guidelines</p>	<p>To identify the types, nature, extent of coverage and pro-poor inclusion characteristics of non-formal social solidarity mechanisms (for both monetary and non-monetary transfers, support and services as well as to explore potential patron/client relations arising from these</p>

<p><b>3. Perceptions of barriers to financial inclusion and how to address these</b></p> <p>Technical guidelines</p>	<p>To understand different perceptions of:</p> <ul style="list-style-type: none"> <li>• key barriers to participation by the poorest in financial services (in general); what is needed to break these down,</li> <li>• the extent to which SILC has managed to break down these barriers as well as factors contributing to success/lack of success</li> </ul>
<p><b>4. Individual profile and timeline</b></p> <p>Technical guidelines</p>	<p>To understand poverty/vulnerability dynamics and responses at individual/household level and to establish a detailed individual timeline in relation to SILC</p>
<p><b>5. 'Before &amp; after'/most significant change exercise</b></p> <p>Technical guidelines</p>	<p>To capture, in visual manner, the key effects/impacts (positive or negative) of participation in SILC along a number of different dimensions</p>
<p><b>D. DOCUMENTARY REVIEW</b></p>	
<p><b>1. Background literature review on country and locality setting and characteristics</b></p> <p><b>2. Analysis of project documents and MIS products</b></p> <p><b>3. Collection and analysis of additional local documentation in the field</b></p>	<ul style="list-style-type: none"> <li>• To supplement field and project-based understanding of the socio-economic context and dynamics in the community by drawing on key secondary sources and focusing on specific information on our study sites and regions</li> <li>• To supplement/reinforce project information gleaned from discussions</li> </ul>

*Note: Detailed presentation, technical guidelines and question guides can be found in the 'Research Toolkit' prepared for field research*

## B. Composition of research team and supporting personnel

**Researchers**

- Carol Watson, qualitative research specialist, international consultant, head of research team
- Gianluca Iazzolino, financial inclusion specialist, international consultant
- Moses Okech, financial inclusion specialist, national consultant

**Research assistance and logistics**

- Raymond Mukisa, Current EFI country programme manager, CRS
- Richard Opali, Project Manager, EFI programme, Socadido
- Stella Akello, Field Supervisor, EFI, Serere
- Ruth Omongole, Field Supervisor, EFI, Amuria

**Overall coordination, backstopping and participation in research**

EFI Ethnographic Research:  
Uganda Country Report



- Julie Lawson-McDowall, Research Coordinator, EFI project, Caritas

### **Field translators**

- Mary Adimo, Field Supervisor, EFI Ngora, Socadido
- Richard Ojakol, Field Supervisor, EFI (Amuria), Socadido
- Cyril Okiror, Field Supervisor, EFI Katakwi, Socadido
- Samuel Ikwap, Field Supervisor, EFI , Socadido

## **C. Detailed field research plan**

<b>Date/place</b>	<b>Research exercises conducted</b>
Sun., 9 July, Kampala	Orientation/training on research toolkit and final field
Mon, 10 July, Kampala	preparations/logistics
Tues. 11 July, Soroti	Travel to Soroti (morning); team introduction and KIIs at SOCADIDO head of programs and EFI project manager (2 m)
Wed. 12 July, Serere District and Labor sub-county	Courtesy call Regional District Commissioner (1 m); KIIs at district with Community Development and Commercial Officers and District Councilor (3 m); KIIs at S/C with Senior Assistant Secretary (S/C chief); Local Council 3 Chairperson; and Community Development Officer (3 m)
Thurs. 13 July, Arapoo village	Brief introduction/meeting with LCI chairperson (1 m); 1 CD women (20 w): 1 CD men (19 m); KII with PSP (1 m)
Fri. 14 July, Arapoo village	Transect walk (with 2 w / 2 m); 3 FGDs with SILC members (38 in all: 29 w / 2 m) (1 FGD with 13 members: 12 w/1 man; 1 FGD with 9 members (5 w / 4 m); 1 FGD with 16 members (12 w / 4 m)
Sat. 15 July, Arapoo village	3 FGDs with SILC management committee members (21 in all: 15 w / 6 m) (1 FGD with 7 w; 1 FGD with 7 (4 w / 3 m); 1 FGD with 7 (4 w / 3 / m); observation of SILC group meeting; visit to fish landing site; overnight in village in home of PSP
Sun. 16 July, Arapoo village and Soroti	Casual observations and attendance at mass in Arapoo (morning); rest and field note catch up in Soroti (afternoon)
Mon. 17 July, Arapoo village	1 FGD with 7 SILC drop-outs (3 w / 4 m); 1 FGD with 9 women non-SILC members; 11 IDIs (8 w / 3 m). Includes 4 SILC members (3 w / 2 m); 3 SILC committee members (3 w); 1 relative of SILC member (1 w); 1 non-SILC member (1 w); and 1 community member (1 m)
Tues. 18 July, Aarapoo village	9 IDIs (6 w / 3 m) (Includes 5 SILC members (3 w, 2 m); 2 women SILC committee members; 2 former SILC members (1 w / 1 m)
Wed. 19 July, Amuria District and Orongu sub-county	4 KIIs at District level (4 m) including Resident District Commissioner; 2 deputy community development officers; 1 commercial officer; and 3 KIIs at

	sub-county level (1 w / 2 m) including S/C chief (m); Vice Councilor (m); and community development officer (w); KII supervisor (w)
Thurs. 20 July, Omadira village	KII with LC1 chairperson (m); 1 CD women (22); 1 CD men (19); KII PSP (w)
Fri. 21 July, Omadira village	Transect walk with 4 individuals (2 w / 2 m); 3 FGDs with 26 SILC members (20 w / 6 m): 1 FGD with 9 members (8 w / 1 m); 1 FGD with 8 members (7 w / 1x m); 1 FGD with 9 members (5 w / 4 m).
Sat. 22 July, Omadira village	3 FGDs with 21 SILC committee members (14 w / 7 m) : 1 FGD with 8 members (5 w / 3 m); 1 FGD with 6 members (5 w / 1 m); 1 FGD with 7 members (4 w / 3 m); 3 IDIs (3 w) including 2 SILC members and 1 SILC committee member; 1 KII (1 m) with cultural leader; observation of SILC group meeting; dinner in village
Sun. 23 July, rest day, Soroti	Rest day and catch-up on field notes
Mon, 24 July, Omadira village	1 FGD with 6 SILC drop-outs (2 w / 4 m); 1 FGD with 6 non-SILC members (4 w / 2 m); 10 IDIs (8 w / 2 m). Includes: 5 SILC members (4 w / 1 m); 1 SILC committee member (1 w); 2 SILC drop-outs (1 w / 1 m); 2 non SILC members (2 w)
Tues. 25 July, Omadira village	5 IDIs (3 w / 2 m) Includes 2 SILC committee members (1 w / 1 m) and 3 SILC members (2 w / 1 m); (Check for Gianluca's – I guessed 1 male and 1 female SILC member); 3 KIIs (all m): Includes male clan leader; male headmaster; and male VHT and SILC member)
Wed. 26 – Friday 28 July, Soroti	Departure of international researchers for Kampala ; 6 additional KIIs by national researcher in Soroti for additional KIIs (2 w / 4 m). Includes UWESO field coordinator (f) and programme manager (m); Centenary Rural Development Bank Branch Manager (m); Barclays Bank head of VSLA (m); Executive Director Soruda (m); and Branch Manager Finance Trust Bank (m)

## D. List of key informants consulted

### *Global/international level*

- Amy Davis, Chief of Party EFI Project, CRS
- Anthony Mangeni, Technical Advisor, Financial Inclusion
- Marc Bavois: SILC/PSP Expert and Manager of the predecessor Gates programme
- Samuel Beecher, Research Officer, EFI Project, CRS
- Sophie Teyssier, Development economist, Calipso, Ltd., Consultant for MTE, EFI Project, CRS

### *National level*

EFI Ethnographic Research:  
Uganda Country Report

- Godfrey Kalemara: former CRS country manager EFI; current program manager, micro-finance unit
- Raymond Mukisa, Current EFI country programme manager, CRS

### ***EFI project implementation level***

- Richard Opali, Project Manager, EFI programme, Socadido
- Charles Agelu, Head of Programmes, Socadido
- Stella Akello, Field Supervisor, EFI, Serere
- Ruth Omongole, Field Supervisor, EFI, Amuria
- Morris Agolor, Accounts assistant, EFI Socadido
- Okiror Numen Peter, Data capture clerk, EFI Socadido
- Raymond Edmund, PSP Aarapoo village (Serere)
- Angela Arika, PSP Omadira village (Amuria)

### ***Local government***

#### Serere district and Labor sub-county

- Onya George, Resident District Commissioner
- Samuel Echodu, District Community Development Officer
- Lawrence Eموit, District Commercial Officer
- Olupot Sam, District Councillor
- Oguti Charles, Sub-County Chief (Senior Assistant Secretary),
- Mathias Elau, Sub-County Community Development Officer
- Arapu Vincent, LCIII Chairperson (political head of S/C)

#### Amuria district and Orungu sub-county

- David Eimu and Michale Maling, Deputies for the District Community Development Officer
- Epiu James, in charge District Commercial Officer
- Joshua Kamda, Sub-county chief
- Abraham Onarebol Emur, Vice Counsellor, Orungu S/C
- Amuge Evelyne, Sub-county CDO

### ***Community level***

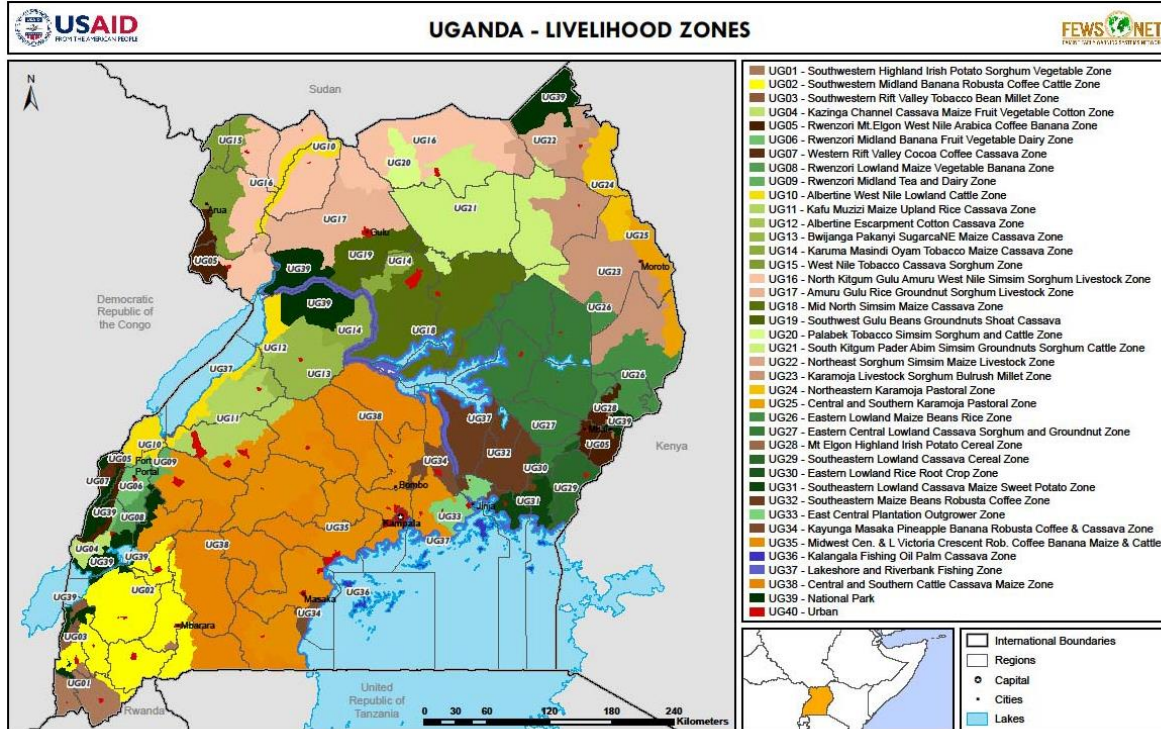
- Ocen Washington, LCI Chairman, Aarapoo
- Robert Episo, LCI Chairperson, Omadira village
- Okurut William, Clan leader and teacher, Omadira village
- Andrew, VHT, Omadira village (Carol)
- Peter Eppo, cultural leader, Omadira village (Carol)
- Ewaru Hillary, Headmaster, Orungo primary school

### ***Partners/financial institutions***

- Angiro Betty, Area Field Coordinator, UWESO, Soroti
- Epila Bosco, Programme Manager, UWESO, Soroti
- Nandelenga Annet, Branch Manager, Centenary Rural Development Bank, Soroti
- Oriada David, Head of VSLA, Barclays Bank, Soroti
- Ocheba Patrick Ekiru, Executive Director, SORUDA, Soroti
- Venansio Ndyabahika Mabanza, Branch Manager, Finance Trust Bank, Soroti

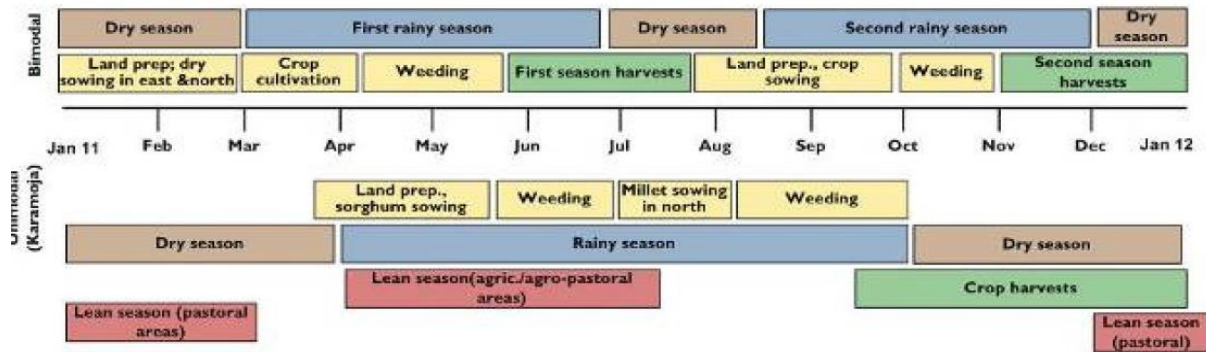
# E. Uganda livelihood zones and seasonal dimensions

## E.1 Livelihood zones



Source: Brown and Glaeser, 2010, from FEWSNET

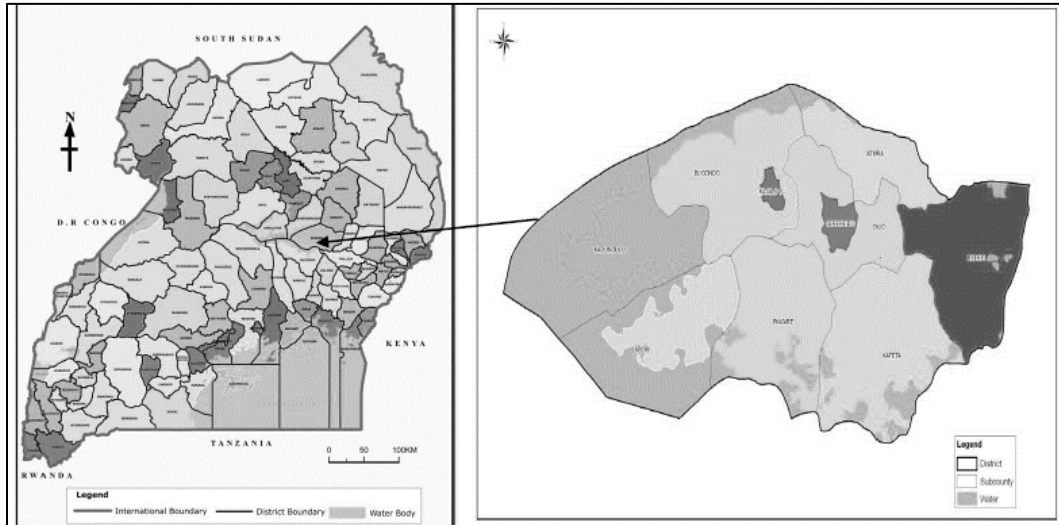
## E.2 Seasonal calendar for the Eastern Central Lowland



Source 1 Mutenga 2011, from FEWS NET

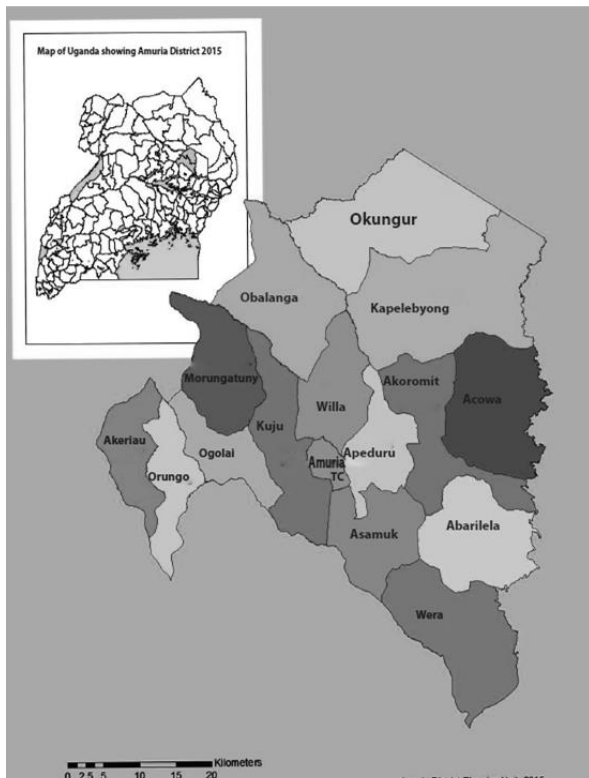
## F. Administrative maps of study districts

### F.1. Localization and map of Serere district and sub-counties



Source. Serere District Local Government 2015

### F.2. Localization and map of Amuria district and sub-counties



Source: Amuria District Local Government 2015

## G. Comparative indicators on the two study districts and sub-counties

### G.1 Basic indicators

	Land area (sq km)	# households	Population				Pop density (persons/km <sup>2</sup> )	
			Total #	% fem	% 0-17	% 18-30		% 14-64
Orungo sub-county	96.2	2,635	14,758	50.9%	78.2%	24.8%	60.6%	153
<b>Amuria District</b>	<b>2,586.60</b>	<b>48,316</b>	<b>270,928</b>	<b>51%</b>	<b>59.6%</b>	<b>19.2%</b>	<b>47.7%</b>	<b>105</b>
Labori sub-county	151.5	3,434	19,877	50.6%	58.1%	20%	47%	131
<b>Serere District</b>	<b>1,494.8</b>	<b>47,823</b>	<b>285,903</b>	<b>51.2%</b>	<b>58.7%</b>	<b>19.7%</b>	<b>47.4%</b>	<b>191</b>

### G.2 Education indicators

	Current schooling status (6-12 years)		Highest grade completed (15+ years)			% literate (18+ years)
	%Attending school	%Not attending	%No school	%primary	%Secondary and above	
Orungo sub-county	87.7%	12.3%	17.6%	57.7%	24.7%	61.8%
<b>Amuria District</b>	<b>86.1%</b>	<b>13.9%</b>	<b>16.7%</b>	<b>57.3%</b>	<b>26%</b>	<b>62.4%</b>
Labori sub-county	88%	12%	13.6%	66.3%	20.1%	58.1%
<b>Serere District</b>	<b>88.8%</b>	<b>11.2%</b>	<b>12.1%</b>	<b>61.9%</b>	<b>57.7%</b>	<b>65.6%</b>

### G.3 Economic and livelihood indicators

	% household in subsistence farming as main livelihood	% households receiving remittances	% persons aged 15+		%Children 10-17	
			working	Not working	working	Not working
Orungo sub-county	87.7%	7.4%	86.9%	13.1%	72%	28%
<b>Amuria District</b>	<b>86.4%</b>	<b>7.2%</b>	<b>87.8%</b>	<b>12.2%</b>	<b>73.5%</b>	<b>26.5%</b>
Labori sub-country	83.8%	18.4%	71.4%	28.6%	32.3%	67.7%
<b>Serere District</b>	<b>87.5%</b>	<b>20.8%</b>	<b>80.8%</b>	<b>19.2%</b>	<b>47.6%</b>	<b>52.4%</b>

### G.4 Living conditions and facilities

	Housing construction						Main lighting source		Protected water source*	Improved toilet**	No toilet
	Walls		Roof		Floor		Paraffin tadooba	electricity			
	Temp	Perm	Temp	Perm	Temp	Perm					
Orungo sub-county	86.0%	13%	84.4%	51.6%	86.8%	13.2%	50.8%	5.2%	78.9%	16.9%	11%
<b>Amuria District</b>	<b>88.1%</b>	<b>11.9%</b>	<b>85.4%</b>	<b>14.6%</b>	<b>90.2%</b>	<b>9.8%</b>	<b>37.6%</b>	<b>7.1%</b>	<b>91.6%</b>	<b>14.7%</b>	<b>23.9%</b>
Labori Sub-county	84.6%	15.4%	86.6%	13.4%	90.7%	9.3%	26.7%	97.4%	94.8%	9.6%	27.1%
<b>Serere District</b>	<b>80.2%</b>	<b>19.8%</b>	<b>77.5%</b>	<b>22.5%</b>	<b>84.5%</b>	<b>15.5%</b>	<b>33.3%</b>	<b>6.7%</b>	<b>94.8%</b>	<b>10.9%</b>	<b>13.6%</b>

\*Includes piped water, borehole, protected well/spring, gravity flow and bottled water

\*\*Includes flush toilet, VIP latrine, covered pit latrine with slab, compost toilet that is not shared with other households

## G.5 Selected basic needs and household assets

	Average # meals per day (% households)		Availability of salt (% households)	At least 2 sets of clothing per member	% households with			
	At least 2	Less than 2			radio	bicycle	motorcycle	Mosquito net
Orungo sub-county	83.8%	16.2%	95.8%	74.7%	51.9%	65.9%	4.3%	94.1%
<b>Amuria District</b>	<b>85.6%</b>	<b>14.4%</b>	<b>91.5%</b>	<b>77.4%</b>	<b>52.4%</b>	<b>61.8%</b>	<b>4.7%</b>	<b>95.2%</b>
Labori sub-country	88.4%	11.6%	94.5%	84.8%	47.3%	60.1%	6.6%	91.4%
<b>Serere District</b>	<b>88.6%</b>	<b>11.4%</b>	<b>94%</b>	<b>84.6%</b>	<b>59.4%</b>	<b>67.6%</b>	<b>6,6%</b>	<b>91.1%</b>

## G.6 Vulnerable groups

	% orphans (<18 years)	% children <5 without birth certificate	Early marriage and childbearing		% people with disabilities	
			% girls aged 10-17 ever married	% girls aged 12-17 ever having given birth	% 2 years +	% 2-17 years
Orungo sub-county	8.2%	32.8%	11%	13%	15.9%	8.2%
<b>Amuria District</b>	<b>8%</b>	<b>52%</b>	<b>5.7%</b>	<b>6.5%</b>	<b>19.3%</b>	<b>11.6%</b>
Labori sub-country	6.1%	82.7%	12.9%	5.9%	14.1%	6.0%



Serere District	6%	54%	6.4%	7.6%	14.3%	7.1%
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Source for all tables: UBOS 2016a, 2014 census sub county report for Eastern Uganda

## H. Community maps of study villages

### H.1 Aarapoo



### H.2 Omadira



## I. Community timeline, Omadira (*example*)

COMMUNITY TIMELINE							
Village : Omadira District : Amuria Research exercise : CD, men # participants : 19 men Date: 20 July							
Dates/key events	1990	1995	2000	2005	2010	2015	today
Environmental	Early years good	Floods 97/98	.....	Good rains.....		Rains become unpredictable; longer dry spells	army worms 2017 attack maize
	Drought/famine(93/94) (cassava mosaic)						
	Swamps dried - no fish						
	Water catchment drops						
	; grazing;						
Economic/ Livelihood	Average holdings of 5 acres; with 6 cattle; 10 goats			Average 2 acres after 2000		Land fragmentation intensifies; grazing lands	
	reduced;						
	animals sold for school fees up to 2003; cattle			Few animals left after LRA (2003)		Livelihoods depend primarily on food crops	
	dips stop after 2000			Ticks a constant problem			
Health/nutrition/ food security	Food security; nutrition fair	1995 government regulations on fishing (privatization)					
	Children got milk from cows						
	(but 1985-86 malnutrition)						
	Malaria not as prevalent						
Political Security	Local elections in 1995 - not held since					presidential elections 2016	
	UPA rebels(Teso)			LRA rebels (2003/05)			
	(86-92)			Massive displacement/ IDP camps			
	Cattle rustling 85-86			Return to burnt homes and fields			
				Land conflicts during resettlement			

<b>Infrastructural development</b>	<b>Orungu a sub-county</b> <b>1984</b> <b>Small road opened 2008'poorly maintained; village nursery school 2016</b>
<b>Development programmes</b>	<b>NAADS (2008) seed distribution; changed to Operation Wealth Creation (2016</b> <b>SAGE (senior citizen grant) (2015)</b>
<b>Financial: (including SILC and others)</b>	<b>Socadido SILC 2014</b> <b>Soruda VSLA 2015 (but not trained)</b>

## J. Seasonal calendar, Aarapoo (*example*)

SEASONAL CALENDAR												
Village : Aarapoo		District : Serere		Research exercise : CD, women			# participants : 20 women		Date : 13 July 2017			
	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>Seasons</b>	DRY			RAINS		DRY		RAINS			DRY	
<b>Livelihood activities</b>	Clearing fields; Planting Harvesting potatoes			Planting and weeding		Weedings, harvesting (millet;sorghum)		Harvesting crops; planting others; weeding			Harvesting	
<b>Indicators of well-being</b> ( <i>food security, nutrition, health</i> )	Not eating well (March is worst) May sees illnesses like malaria					Most tiring period		Eating well from the harvests (from July through December)				
<b>Key socio-cultural events</b> ( <i>school calendar/holidays; religious feasts; marriage ceremonies, other</i> )	School holiday (Jan) Children back in school (Feb)  Lent and Easter period			Children on holiday (may)		Children back in school (June)		Independence Day (October)			Children on holiday (Dec- Jan)  Christmas	
<b>Availability/need for cash</b>	No cash available: need for school fees, seeds/ inputs for planting			Still no cash- pre harvest		Cash now coming into pockets, depending on timing of harvests School fees due						

(how gained; major expenditures)			
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## K. Participatory poverty classifications and characterizations

### K.1 Composite community wealth categorizations and characteristics, Aarapoo and Omadira

PARTICIPATORY WEALTH AND WELL-BEING CHARACTERISATION/RANKING				
Composite from CDs with men and women in Aarapoo and Omadira				
Characteristics	Very poor/poorest	Poor	Middling/fair	Well-off
	In local language) ENYAMURITE	In local language) LOICHAN	In local language LOITAMITE	In local language( LOIBARAN/LABARAN
<b>Economic</b>	-Has no land -Has no animals	-Has very little land (usually between 0.5 – 1 acre) -Has between 1-3 chickens -Sometimes steal for a living	-Owns land – about 5 acres -Owns some goats -Has heads of cattle	-Has 5 – 20 acres of land -Owns over 10 heads of cattle -Has income from many sources
<b>Living conditions:</b>	-Has no home -Sleep on the floor mostly -They get information from the host family	-Lives in a badly built grass-thatched hut, usually with leaking roof -Whole family lives in one hut	-Lives in a permanent house -owns a motorcycle -Children go to secondary education Dress well, has a phone	-Owns permanent houses -Can have solar -Sometimes government worker -Has lots of farmland, sometimes with land titles -Has laborers
<b>Food :</b>	Eats from other people’s homes. When they cook fish they give him the head. -They are only able to taste ‘ajono’ (local brew) occasionally	- Don’t have enough food in the family -Do casual work and is paid in kind (food) -Eat food left-over for breakfast	-Eats 3 times a day	-Eat fried food, chicken -Family eats 3 times a day and also throws parties
<b>Education :</b>	-Have no access to education	Some children go to school (UPE) and stop in primary	-Children go to secondary schools	-Children study up to university
<b>Health:</b>	-Rarely falls sick because of their natural resilience to diseases	-Children fall sick all the time, commonest diseases being kwashiorkor, malaria and other colds	-They think too much and die easily out of stress -Have multiple partners and can easily contract diseases -However can access healthcare in towns	-Have better health than others -Have access to health insurance -Suffer from rare diseases like pressure and diabetes
<b>Financial:</b>	-Does not save or borrow from anywhere	-Participates in informal savings groups including SILC	-Save and borrow from informal saving groups as	-Save and borrow from banks

			well as microfinance organizations	
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## K.2. Aarapoo community and SILC member wealth estimates

Wealth estimations in Aarapoo (composite based on CDs with women and men for village as a whole and FGDs with SILC members and committees for SILC self-assessments)					
	Enyamurite (extreme poorest/ marginalized / dependent)	loichan (poor)	Lowest two categories combined	loitamite (fair/middling)	loibaran (rich/well off)
<b>Village as a whole</b>					
<b>Community estimates (based on 800 households)</b> • CD men • CD women • Combined average	• 1% • Na* (0) • 0.5%	• 85% • 48% • 66.5%	• 86% • 48% • 67%	• 14% • 32% • 23%	• 0% • 20% • 10%
<b>SILC group members (committee members and simple members combined)</b>					
<b>Egangakinos SILC group (based on 25 members)</b> • According to committee • According to members • Combined average	• na* (0)	• 18/25= 72% • 23/25 =92% • 82%	• 72% • 92% • 82%	• 7/25= 28% • 2/25=8% • 18%	• 0% • 0% • 0%
<b>Ecatata SILC group (based on 30 members]**</b> • According to committee According to members) • Combined average	• 6/30 = 20% • 0% • 10%	• 21/30 =70% • 24/24= 100% • 85%	• 90% • 70% • 95%	• 3/30= 10% • 0 • 5%	• 0% • 0% • 0%
<b>Ekeunos SILC group (based on 38 members in all)</b> • According to committee (7/7)***	• 0% • na* • 0%	• /7= 71% • 38/38 = 100 • 85.5%	85.5%	• 2/7 = 29% • 0% • 14.5%	• 0% • 0% • 0%

<ul style="list-style-type: none"> <li>• According to members</li> <li>• Combined average</li> </ul>					
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\*Category not designated

\*\* Categories and corresponding definitions from FGD for the Ecatata SILC management team are rather different from the all the others: loichan were designated as ' very poor' , 'loitamite mot as ' poor' and ' loitamite noi' as ' middle' . The responses have here therefore been recorded in the columns corresponding to the English translation – not the local terms

\*\*\* Committee members in Ekeunos were only asked to assess themselves; not the SILC group as a whole

### *K.3 Omadira community and SILC member wealth estimates*

<b>Wealth estimations in Omadira (composite based on CDs with women and men for village as a whole and FGDs with SILC members and committees for SILC self-assessments)</b>					
	<b>enyamurite (very poorest/ marginalized / dependent)</b>	<b>loichan (poor)</b>	<b>Lowest two categories combined</b>	<b>loitamite (fair/middling)</b>	<b>loibaran (rich/well off)</b>
<b>Village as a whole</b>					
<b>Community estimates (based on 73 households)</b>					
<ul style="list-style-type: none"> <li>• CD men</li> <li>• CD women</li> <li>• Combined average</li> </ul>	<ul style="list-style-type: none"> <li>• 15/73=21%</li> <li>• 60%</li> <li>• 40.5%</li> </ul>	<ul style="list-style-type: none"> <li>• 45/73=61%</li> <li>• 40%</li> <li>• 50.5%</li> </ul>	<ul style="list-style-type: none"> <li>• 81%</li> <li>• 100%</li> <li>• 90.5%</li> </ul>	<ul style="list-style-type: none"> <li>• 13/73=18%</li> <li>• 0</li> <li>• 9%</li> </ul>	<ul style="list-style-type: none"> <li>0</li> <li>0</li> </ul>
<b>SILC group members (committee members and simple members)</b>					
<b>Omadira Stars SILC group (out of 30)</b>					
<ul style="list-style-type: none"> <li>• According to committee</li> <li>• According to members</li> <li>• Combined average</li> </ul>	<ul style="list-style-type: none"> <li>• 0</li> <li>• 0</li> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>• 30/30=100</li> <li>• 30/30 = 100</li> </ul>	<ul style="list-style-type: none"> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> </ul>	<ul style="list-style-type: none"> <li>• 0</li> <li>• 0</li> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>• 0</li> <li>• 0</li> <li>• 0</li> </ul>
<b>Acamanaros youth SILC group (out of 30)*</b>					
<ul style="list-style-type: none"> <li>• According to committee</li> <li>• According to members</li> <li>• Combined average</li> </ul>	<ul style="list-style-type: none"> <li>• 12/30= 40%</li> <li>• 7/30=23%</li> <li>• 31.5%</li> </ul>	<ul style="list-style-type: none"> <li>• 12/30=40%</li> <li>• 13/30 = 43%</li> <li>• 41.5%</li> </ul>	<ul style="list-style-type: none"> <li>• 80%</li> <li>• 66%</li> <li>• 73%</li> </ul>	<ul style="list-style-type: none"> <li>• 5/30=16%</li> <li>• 10/30=33%</li> <li>• 24.5%</li> </ul>	<ul style="list-style-type: none"> <li>• 1/30= 4%</li> <li>• 0</li> <li>• 2%</li> </ul>
<b>Acamanaros SILC group</b>					
<ul style="list-style-type: none"> <li>• According to committee</li> <li>• According to members**</li> </ul>	<ul style="list-style-type: none"> <li>• 0</li> <li>• 2/9=23%</li> </ul>	<ul style="list-style-type: none"> <li>• 9/21=43%</li> <li>• 4/9=44%</li> </ul>	<ul style="list-style-type: none"> <li>• 43%</li> <li>• 67%</li> </ul>	<ul style="list-style-type: none"> <li>• 12/21=57%</li> <li>• 3/9=33%</li> </ul>	<ul style="list-style-type: none"> <li>• 0</li> <li>• 0</li> </ul>

• <b>Combined average</b>	• 11.5%	• 43.5%	• 55%	• 45%	• 0
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\*As was the case above with the Ecatata SILC management committee, categories and corresponding definitions from FGD for the Acamanarus Youth are rather different from the all the others: loichan were designated as 'very poor', loitamite mot as 'poor' and 'loitamite noi' as 'middle'. The responses have here therefore been recorded in the columns corresponding to the English translation – not the local terms

\*\*Based on self-assessment of 9 SILC members participating in the FGD alone - NOT extended to the rest of the group, but considered representative and so included



