ASPIRES Family Care Process Assessment: Savings Groups for Family-Child Reintegration and Prevention of Separation

ASPIRES Family Care Process Assessment: Savings Groups for Family-Child Reintegration and Prevention of Separation

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Acronyms

ASPIRES	Accelerating Strategies for Practical Innovation and Research in Economic Strengthening
CBS	Catalyzing Business Skills
CT	Cash Transfer
DCOF	Displaced Children and Orphans Fund
ES	Economic Strengthening
ESF	Economic Strengthening Facilitator
ESFAM	Economic Strengthening to Keep and Reintegrate Children into Families
FARE	Family Resilience
FGD	Focus Group Discussion
FL	Financial Literacy
FS	Family Strengthening
GBV	Gender-Based Violence
HH	Household
IDI	In-Depth Interview
IGA	Income-Generating Activity
IP	Implementing Partner
KII	Key Informant Interview
NO	National Office
OVC	Orphans and Vulnerable Children
PEPFAR	President's Emergency Plan For AIDS Relief
PO	Program Officer
PPI	Progress Out of Poverty Index
PSW	Parasocial Worker
SCORE	The Sustainable COmprehensive REsponses (SCORE) for Vulnerable Children and their Families
SPM	Selection, Planning and Management
SG	Savings Group
SW	Social Worker
TA	Technical Advisor
TOC	Theory of Change
USAID	United States Agency for International Development
VSLA	Village Savings and Loan Association

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Introduction

The ASPIRES project aims to advance household economic strengthening (ES) programs for vulnerable populations. ASPIRES offers technical assistance to scale up high-quality interventions in the areas of consumption support, money management, and income promotion. The project also supports rigorous research to evaluate programs and inform a new understanding of best practices in ES. A subproject known as ASPIRES Family Care, funded by USAID's Displaced Children and Orphans Fund (DCOF), aims to develop evidence and learning related to how household-level ES can support the prevention of unnecessary family-child separation and reintegration of children in family care in low- and middle-income countries.

Because these projects were intended to be subjects of evaluation research, the timing and content of programming were designed to accommodate research needs in addition to delivering results for participants. Each project offered a number of ES interventions, in different combinations, to explore what worked best for households who were reintegrating children or who were at risk of separating from their children.

ChildFund directly implemented the Economic Strengthening to Keep and Reintegrate Children into Families (ESFAM) project, which aimed to support reintegration of 89 children from child care institutions into family care in Gulu, Kamuli, and Luwero districts and prevent child separation in 611 families assessed to be at high risk of family-child separation in 10 parishes in those districts.

The AVSI Foundation developed the Family Resilience (FARE) project with implementing partners Retrak, Companionship of Works Association (COWA) and Fruits of Charity Foundation (FCF). FARE aimed to support reintegration of up to 300 (later reduced to 268) street-connected children or children in the juvenile justice system into family care in Kampala Capital City and Wakiso District and prevent family-child separation in 350 families identified to be at risk of separation in eight parishes in those districts.

Both ESFAM and FARE used novel approaches to build evidence on the role of ES to prevent separation and reintegrate separated families, including the use of SGs, and their experiences offer practical lessons for implementers. This evaluation seeks to capture some of these lessons by exploring design and implementation processes related to the savings group component of the ESFAM and FARE projects. This learning is intended to inform programming for ChildFund and AVSI and to feed into guidance to be developed by ASPIRES as a resource for similar programs.

Additionally, this evaluation seeks to contribute to the evidence base on SG interventions for vulnerable households and explore how such groups can contribute to preventing family separation and reintegrating separated families. Both FARE and ESFAM included variations on the standard savings group (SG) or village savings and loan association (VSLA) model in order to reach very vulnerable households. Additionally, ESFAM formed VSLA groups comprised primarily of participants identified as the most vulnerable in a program intervention led by a cash transfer. This assessment explores lessons learned from these activities to inform future projects targeting similar populations.

Though the projects were distinct and operated in different contexts, they both used SGs to tackle the issue of family separation for very vulnerable households. We combined findings from both ESFAM and FARE in this report in order to draw insights about common themes, differences, and context-specific design features that could benefit both programs. Finally, although ASPIRES is implementing a separate evaluation that we expect to yield insight on program effects, this evaluation explores how staff and beneficiaries linked program design and implementation features to the effects of savings groups.

The objectives of this evaluation can be summarized as follows:

- Explore how SGs adapted for vulnerable participants function under specific contexts.
- Gather perspectives on what works from an implementation/supply point of view.
- Gather information on what works from a beneficiary point of view.
- Take an early and exploratory look at results of SGs.
- Explore what could be improved in similar contexts.

Background

SGs are an informal, group mechanism for saving money safely and accessing credit at low cost for populations that are unbanked or ineligible for bank loans. Because they are accessible to poorer and more remote populations, they have become a popular ES intervention for vulnerable households. However, ES programs seeking to target specific populations, such as the poorest households or households with a special condition such as HIV or those experiencing family separation, require adaptations to standard savings group methodologies.

One of the most common SG methodologies is the VSLA model standardized by CARE. According to guidance from VSL Associates, there are several fundamental characteristics that VSLA must have. First, groups must be self-selecting and autonomous (Allen & Staehle, 2007). Groups consist of 10-25 members and conduct all transactions transparently in front of the group. Savings cycles are time bound, lasting no longer than a year, and all members keep records using a passbook. Groups develop their own written constitution establishing rules that they jointly determine. Members save 1-5 shares at each meeting, at a share value established by the group. Although members can temporarily stop saving for a limited period of time, they must continue to pay off loans with interest. Loans are made every four weeks. Groups can establish a welfare fund to meet emergency borrowing needs at no interest, but the welfare fund is not expected to grow over time.

One key difference between the standard VSLA model and adaptations for vulnerable populations is that mobilization strategies must ensure that target populations are included (Johnson & Storchi, 2013). Rather than initiating an open self-selection process in a targeted community, promoting institutions may choose to mobilize participants belonging to specific populations by introducing related criteria for membership. An example might involve a community leader inviting only households perceived as poor to a community meeting, then using a participatory process to profile households at the meeting to make sure they meet programmatic criteria for participation. Households that fit the profile might then be invited to form their own groups. Alternatively, promoting organizations might choose a “saturation approach.” This approach simply involves setting up a large number of groups in a single area with the assumption that they will eventually reach the poor. In practice, this seems to happen in some contexts, but not others. Johnson and Storchi (2013) argue that where “poverty incidence is lower or inequality is greater, more specific targeting of the poor will likely be required to ensure their inclusion” (p. 48).

Targeting vulnerable households for inclusion in SGs can introduce specific challenges. When SGs include too many vulnerable members, it may reduce the availability of credit within a group and hurt overall performance, making it preferable to have a mix of vulnerable and non-vulnerable households (Burlando & Canidio, 2015). Additionally, although it is not well-documented, there is a risk that relatively more well-off households might take control of a group, resulting in “elite capture” and ultimately driving away poorer members (Allen & Panetta, 2010). Groups with members at different levels of vulnerability may also experience tension in deciding rules on the value and number of shares required (Johnson & Storchi, 2013). Additionally, targeting specific populations may reduce the benefit of strong social ties that come with pure self-selection. Finally, for programs focused on reintegrating separated children with their families, setting up SGs may be hindered by wide geographic spread between reintegrating households (Chaffin & Kalyanpur, 2014).

Existing evidence suggests that SGs are a promising intervention to help stabilize impoverished households at risk for experiencing unnecessary child separation. However, this evidence is indirect in the sense that, while the domains of impact are relevant, the interventions were not tested in the specific context of prevention of separation/reintegration. For example, reviews of the literature on SGs have found some of the strongest evidence for SG impact on the outcome of food security (Gash & Odell, 2013; Meaux, 2016). A number of RCTs have found statistically significant improvements in household food security, although there is little evidence of whether these effects trickle down to children. Consistent improvements in food security suggest increases in households’ ability to smooth consumption, suggesting that SGs help them become more resilient to shocks (Gash & Odell, 2013). An RCT of a program in Burundi combining SGs with parenting training found positive effects on family functioning and reductions in harsh discipline (Annan, Bundervoet, Seban, & Costigan, 2013). The effects of SGs on other economic indicators are more mixed. Rigorous evaluations have found mixed evidence for the effects of SGs on reducing poverty (Meaux, 2016) or increasing business-related spending, profits, or business ownership (Gash & Odell, 2013).

More research is needed to understand how SGs can be used explicitly to support the reintegration of separated children into their families as well as prevent unnecessary family-child separation. This process evaluation is one of several contributions the ASPIRES project will make to help build this evidence base.

Overview of Intervention Strategies

ESFAM

ESFAM identified potential participants for its at-risk-of-separation, or prevention, caseload through a two-step process. First, in targeted communities, it used a community-based participatory process to identify households at risk of separation. Identified households were then verified and assessed using a standardized vulnerability assessment tool, which was used to classify them according to economic and social vulnerability levels: destitute, struggling, and prepared to grow. Only destitute and struggling households were enrolled. Households that already experienced separation were identified through a process of tracing the children who had been living in child care institutions and then returned to their families by these institutions without preparation or ongoing support. These households were highly geographically dispersed.

The ESFAM project planned to support targeted families with case management and social support services including home visits to deliver psychosocial support, strengthen parenting skills, strengthen child protection mechanisms, and link individual households to services through referrals to health, education and other child wellbeing and protection-related services. All participants would also take part in an ES intervention that included newly-developed financial literacy and business skills training using its *Catalyzing Business Skills for Caregivers* (CBS) curriculum and ongoing coaching by para-social workers (PSWs) at home using its *Follow-On Coaching to Households: Para-Social Workers Guide*.[1] Families would also be assigned to an additional ES intervention based on their assessed level of economic vulnerability.

According to its ES Strategy document, ESFAM's ES interventions were intended to address two primary drivers of separation: poverty and lack of access to education.[2] For the most destitute families, 408 in total, the program would feature a short-term cash transfer (CT) program, amounting to UGX 420,000 total ($115), disbursed at varying amounts based on family need on a monthly basis for up to 12 months. Of the remaining 292 families in the program, the 155 lower-scoring families (struggling 1) would be encouraged to open a project-matched savings account with PostBank Uganda, and the 137 higher-scoring families

[1] Both the curriculum and the coaching guide were developed for the project by ESFAM partner Making Cents International.

[2] Although public primary education in Uganda is nominally free, parents must still pay for children's uniforms, educational supplies, and sometimes other fees charged by schools.

(struggling 2) would be encouraged to form VSLAs in their communities. In addition to receiving CTs, destitute participants would also be encouraged to join a VSLA.

ESFAM also planned to provide additional material support to all families reintegrating children, in the form of in-kind goods including mattresses, mosquito nets, bedsheets, blankets, posho, beans, and books/pens. The project would also provide caregivers in reunification cases UGX 40,000 (around $11) for uniforms for all school-going reunified children at the relevant time of enrollment. ESFAM also planned to engage children and youth in ES with the intention to foster their self-confidence, build social resilience, create social cohesion among children/youth in a group setting, and build financial literacy and money management skills. ESFAM targeted CBS and SGs to children aged 10-13 and youth aged 14-17, with a goal of reaching 225 young people.

Stipended community volunteers known as para-social workers (PSWs) and economic strengthening facilitators (ESFs) would deliver home visits and provide ES support to households. They would be overseen by one full-time, salaried social worker (SW) in each district, who would report to the ES Specialist at ChildFund's national office (NO).

Building on related experience and programming at ChildFund, ESFAM began to roll out activities with project participants in December 2016. The activities were sequenced as follows:

Table 1. Summary of ESFAM HH Classification System & ES Activities

HH Economic Classification	Destitute	Struggling 1	Struggling 2
Sequenced ES Activities[3]	1st - HH-based FL Training and coaching (Module 1 CBS) for adult members, then 2nd - Cash Transfer, then 3rd - VSLA membership accompanied by CBS	1st - HH-based FL Training (Module 1 CBS) and coaching for adult members, then 2nd – Matched Savings Account, then 3rd – HH-based CBS	1st – VSLA, then 2nd – Group-based CBS for members of the VSLA 3rd- Group coaching in VSLAs and household coaching through home visits

Source: ESFAM ES Guidelines

ESFAM offered subsidies to households classified as destitute and struggling 1, in the form of cash transfers and matched savings, but did not offer a subsidy to struggling 2 households, who were considered economically strong enough to participate in VSLAs without additional financial support. VSLAs were not offered to struggling 1 households in an effort to collect data on the effects of saving in a formal account. ESFAM aimed to enroll 137 struggling 2 households in VSLAs as well as an undetermined number of destitute households after they received financial literacy training and started receiving CTs. Separate groups were formed around participants

[3] Note that all packages were accompanied by continuous HH economic and social coaching by ESFs and PSWs.

based on their vulnerability classification, with community members invited to fill out the remaining member slots to reach a group size of 15-25 members. While destitute members received a financial literacy module of the larger CBS training during home visits and received the rest of the CBS training in their VSLAs, VSLAs were the only platform by which struggling 2 members received CBS training.

Table 2. ESFAM Struggling 2 HHs by Location and Type

	Number of VSLAs	Original number of selected households		Current number of households in VSLA		Number of ESFAM households not in VSLA		Non-ESFAM members
		At risk of separation	Reunified	At risk of separation	Reunified	At risk of separation	Reunified	
Gulu	3	47	3	32	2	15	1	38
Kamuli	3	30	10	20	3	10	7	73
Luwero	4	42	5	11	0	31	5	84
Total	**10**	**119**	**18**	**63**	**5**	**56**	**13**	**195**

Source: ESFAM, FY17Q4

Table 3. Destitute VSLA Groups Formed with ESFAM Participants

District	At Risk of separation	Reunified	Number of Destitute VSLAs	ESFAM members (1 caregiver/HH)	Non ESFAM members	Total members
Gulu	126	6	11	129	201	330
Kamuli/Jinja	114	25	6	127	39	166
Luwero/ Nakaseke	130	3	3	82	77	159
Total	**370**	**34**	**20**	**338**	**317**	**655**

Source: ESFAM, FY18Q1

Participation of struggling-to-make-ends-meet HHs in VSLAs was less than anticipated, apparently reaching about 53% of targeted at-risk and about 28% of targeted reintegrating HHs. As noted above, reaching scattered reintegrating HHs with group-based interventions was challenging. In addition, ESFAM reported that project participants in some locations declined to join groups, mainly because they expected direct financial gains (i.e., a cash transfer) from the project. In contrast, many targeted destitute HHs showed interest in VSLAs earlier than was anticipated by the project. Participation seemed to be lower in Luwero than in the other two districts.

FARE

FARE identified households at risk of separation by asking local leaders which families were at risk and which factors were the most important contributors to separation locally. They then approached these households with a brief tool designed to prioritize households displaying specific vulnerability factors for enrollment. Interested participants were then enrolled. FARE also reunified street-connected children and children in the juvenile justice system with their families in Kampala Capital City and Wakiso District on a rolling basis through September 2017. The process involved counseling and preparation of the child, family tracing, and family preparation. Following reunification, FARE continued to support these children and families to facilitate the children's reintegration in family and community.

Similar to ESFAM, FARE planned that all targeted families should receive a package of "wraparound" services including case management support and home visits for counseling, psychosocial support, assistance with resolving conflicts, and referrals to other services. These services would work in complementarity with the ES interventions, primarily VSLAs and a business training course for groups that reached their second cycle of saving. In addition, a group of the poorest families (based on Progress Out of Poverty Index score) would receive CTs with the same total ceiling as ESFAM of UGX 420,000, but delivered in the fixed monthly amount of UGX 70,000 (around $20) over six months.

FARE planned to offer life skills training and apprenticeships for adolescents in participating households, as well as some linkage to vocational training. The project also planned to provide group-based parenting skills training and other community-based activities aimed at strengthening families and communities in targeted parishes. With the exception of the cash transfers, which would employ project-based eligibility criteria, targeted families would be free to choose the project interventions in which they wished to participate as part of the household development planning process (a divergence from the ESFAM approach of intervention assignment based on poverty classification).

Table 4. Summary of FARE ES Activities

Intermediate Result 2: Targeted families/HHs have increased economic resources and capacities
• Stabilize household consumption among destitute families by providing consumption support. • Increase HH assets and access to resources by forming, training and supporting VSLA groups that include targeted families. • Increase participant household earning potential by building skills related to financial literacy and enterprise selection, planning and management. • Build vocational and life skills of out-of-school adolescents aged 14-17 from targeted families/HHs and increase their income earning potential by providing an apprenticeship program with a structured curriculum and on-the-job training.

Source: Adapted from FARE M&E Plan

FARE planned that its activities would be supported by staff at a variety of levels, including technical advisors and program officers at the HQ level, program managers and program officers at the implementer level, and finally staff social workers and stipended community-based trainers who would work directly with beneficiaries.

FARE began its intervention rollout in targeted at-risk communities with extensive community dialogues and sensitization, in which the entire local population and its leaders were made aware of the nature and purpose of the training.

FARE had initially planned to create 52 VSLAs under the assumption that all targeted families would participate, but later determined that its target was not realistic, given the scattering of families reintegrating children. It subsequently decided to form 29 VSLAs including 333 target families in its at-risk target parishes. It planned to aim for a minimum number of 15 FARE target HHs (direct beneficiary) VSLA members and a maximum of 30 members total per group, but decided that it would form groups with a minimum of five target HH members, plus members of other households in their communities if needed, in order for target families to access the intervention. FARE reported that there had been slow uptake of VSLAs in some areas and some attendance issues as people prioritized income earning activities. By the end of June 2017, FARE had reached just under 80% of the 333 HHs it planned to reach, as shown in the table below.

Table 5. FARE Target Household Participation in VSLA (as of December 2017)

Partner	FARE VLSA formed	FARE target HHs in VSLA	Other HHs in community in VSLA	Total participants
Retrak	13	142	234	376
COWA	9	110	115	225
FCF	7	63	134	197
Total	29	315	483	798

Source: ESFAM, FY18Q1

Methods

The primary source of data for this evaluation were interviews and focus group discussions (FGDs) conducted with project staff, participants, and local government officials during approximately four weeks of fieldwork in the target communities. These were divided between the two investigators and conducted separately in November and December 2017. Individual interviews focused on both project staff and direct beneficiaries, comprised of VSLA members in leadership positions in their groups, while FGDs focused on VSLA members as noted in Table 3. Translators were employed for interviews in the relevant local languages (Luganda and Acholi). The project was reviewed and received a non-research determination by FHI 360's internal research ethics committee.

Table 6. Sample Frame

Interview Type	Number of Participants	
	ESFAM	*FARE*

Project staff (Project Manager, ES Specialist, Social Worker(s), M&E Advisor)	12	14
Local government officials	6	3
FGDs with VSLA members (9 in total, 6-15 participants each, mix of reintegration and at-risk)	43	48
VSLA leader (1 per district)	3	2
Total	**64**	**67**

Table 7. Demographic Characteristics of FGD Participants

Characteristic	ESFAM	FARE	Total
Median age (in years)	40	39	40
Gender (%)			
Women	32 (74.4%)	46 (95.8%)	78 (85.7%)
Men	11 (25.6%)	2 (4.2%)	13 (14.3%)
Total	43 (100%)	48 (100%)	91 (100%)
Median HH composition			
Children	5	3	4
Adults	2	2	2
Median number of income-earners in HH	1	2	1
Examples of sources of incomes			Farming, agricultural trading, casual labor, cobbler, baker, food sales
Education levels (%)			
None	3 (6.9%)	2 (4.2%)	5 (5.57%)
Primary	26 (60.4%)	26 (54.1%)	52 (57.5%)
Lower secondary	2 (4.6%)	13 (27.5%)	25 (27.5%)
Upper secondary	12 (27.9%)	3 (5.5%)	5 (5.5%)
Tertiary	0 (0%)	4 (4.4%)	1 (4.4%)
Total	43 (100%)	48 (100%)	91 (100%)

Receiving CTs	23 (53.5%)	22 (45.8%)	
Yes	20 (46.5%)	26 (54.2%)	45 (49.5%)
No			46 (50.5%)

In addition to the fieldwork, we reviewed project materials including those listed below in Table 8. We searched these materials for information on program objectives, activities, targets, and performance related to the research questions posed by this assessment. However, given the volume of materials available, we did not conduct a systematic qualitative analysis of the data, and although we were able to gain a working understanding of how the projects were implemented, we were unable to capture all of the details on how each project was implemented.

Table 8. Project Materials Reviewed

ESFAM	FARE
• **ESFAM Project work plan(s)** • **ESFAM Project Monitoring and Evaluation Plan** • **ESFAM Project quarterly reports** • **ESFAM Economic Strengthening Strategy** • **ESFAM Cash Transfer Guidelines** • ***Catalyzing Business Skills for Caregivers*** • ***Follow-On Coaching to Households: Para-Social Workers Guide*** • **ASPIRES subproject monitoring reports (January 2017 and June 2017)** • **Other project records (e.g., VSLA records)**	• **FARE Project work plan(s)** • **FARE Project Monitoring and Evaluation Plan** • **FARE Project quarterly reports** • **FARE Cash Transfer Guidelines** • ***IGA Selection, Planning and Management*** • **ASPIRES subproject monitoring reports (January 2017 and June 2017)** • **Other project records (e.g., learning documents, VSLA records)**

Findings

Theory of Change

ESFAM and FARE both identified household inability to meet a child's basic needs, with an emphasis on food and education security, as a primary driver of unnecessary child separation. Additionally, both programs saw VSLAs, as part of a larger constellation of interventions, to support households to meet their children's basic needs. ESFAM's ES strategy described the function of a VSLA as to "generate savings to meet household needs," but also to generate income by investing in "productive micro-enterprises." In this TOC, VSLA groups did not function in isolation, but were "complemented with training and coaching in Catalyzing Business Skills (CBS) for Destitute and Struggling HHs." Similarly, FARE's program guidelines envisioned a role in VLSAs for “income smoothing” and to “provide a source of capital for income generating activities and mitigating risks.” FARE also combined VSLA rollout with a microenterprise training program, although they chose to delay it until groups had reached their second savings cycle.

Participants and staff from both programs mentioned with reverence the growing influence of a “savings culture” facilitated by ESFAM and FARE. In alignment with program guidelines, respondents saw savings as a means to better access basic needs as well as a source of business capital. As explained by ESFAM’s ES Specialist, basic needs could be met through emergency loans withdrawn from the VSLAs, or through profits from microenterprises developed with capital borrowed from the groups.

Staff agreed that savings allowed participants to improve their income through microenterprise, but what emerged from interviews that was not evident in program guidelines was that VSLAs also serve as a platform for both social support and training on non-financial topics related to separation. FARE’s ES Technical Advisor described VSLAs as a place for participants to “share social information and learn from other households.” Retrak’s program manager saw VSLAs as a way for vulnerable and socially-ostracized participants to be “recognized in the community and seen as part of it.”

Staff also emphasized the importance of VSLAs as a platform for training on non-financial topics, such as parenting and child protection training, which FARE’s ES TA saw as “equally important” to the economic functions of the groups. ESFAM’s M&E Specialist saw this function as well, describing the potential for VSLAs to take information learned from parenting and child protection training and become “child protection structures” in their communities.

Overall, most staff from both programs agreed that the VSLA interventions were creating a “savings culture,” and most were confident that VSLAs were delivering on their ultimate objective of preventing separation: either through promoting income-generation or as a platform for non-financial trainings. However, some staff noted that a substantial number of participants were not able to start income-generating activities (IGAs).

It is important to note that the TOC proved to be largely inapplicable to one segment of the target population: reintegrating households. In FARE, reintegrating households were almost entirely unable to participate in VSLAs due to the distance between participant households. As of September 2017, only six FARE VSLA participants were from reintegrating households, although up to 23 reintegrated households reportedly joined groups for their second cycle. Because they were unable to participate in VSLAs, reintegrating households also missed out on other group interventions. As an alternative, some of these households were engaged in a separate training on IGA skills called “community skills” training. As of December 2017, 104 people participated in this training. This required IPs to assemble reintegrating participants in a specific location for each geographic zone, which required reimbursing related travel expenses, and was therefore relatively expensive to implement. ESFAM also faced challenges engaging reintegrating households in VSLAs due to distance. As of December 2017, ESFAM records showed that 34 of 89 reintegrating households were active in VSLAs.

Characteristics of SGs for Vulnerable Populations

Mobilization strategies

VSLAs are usually mobilized using a general community outreach strategy where interested participants form their own groups. However, FARE and ESFAM both targeted program participants for mobilization, which introduced a constraint to pure self-selection. Although community members (referred to in this report as "indirect" beneficiaries, though sometimes called "non-target" in the context of the programs) were allowed to join, the groups were built around a core of program participants (referred to as "direct" beneficiaries, or sometimes "target"). Additionally, unlike traditional mobilization methods, participants did not always know each other prior to joining a VSLA.

FARE used program officers (POs) and community-based trainers (CBTs) to work with local leaders to mobilize target families to join VSLAs. FARE held community meetings, where they explained that certain households would be actively encouraged to join VSLAs, although participant households were not identified in front of the community. They then went door-to-door to participant households to encourage them to form groups. Participants were then allowed to invite non-participants to join the groups. FARE's goal was to form groups that were made up of about 50% participants (direct beneficiaries), and 50% non-participants (indirect beneficiaries). One group was explicitly mobilized around five reintegrating households, but FARE found that this approach was not feasible elsewhere. FARE groups were closed to new members once they were formed.

ESFAM experienced another challenge that resulted from disaggregating groups by vulnerability level, as determined through a PRA exercise in the community and confirmed using a household vulnerability index tool. ESFAM gathered participants at a similar level of vulnerability for a meeting and introduced the concept of VSLAs. At this point, participants were free to form their own groups and, if desired, invite non-participants to join. During home visits, participants received regular messaging to increase their awareness of the groups, including encouragement to join during home visits. Groups were not mobilized based on whether participants were reintegrating children or at-risk for separation, with the exception of one group in Kamuli which was composed 14 caregivers from reintegrating households. Unlike FARE, ESFAM's groups admitted new members until about three months prior to shareout.

In ESFAM, communication with participants explaining the targeting process was limited by perceptions of unfairness. While destitute families received cash transfers (CTs) and struggling 1 families could open matched savings accounts (MSA), struggling 2 families were invited to join VSLAs without any form of subsidy. Exclusion from the CT and MSA intervention had highly negative effects on the overall participation of struggling 2 households. Though destitute households were receptive to the VSLA groups, about half of the ESFAM struggling 2 households declined to join a group. The rate of refusal was most extreme in Luwero district, where over 75% of struggling 2 households had not joined a group by September 2017.

Although field staff reassured investigators that struggling 2 households understood and accepted the targeting process for CTs and MSA, M&E figures show much lower rates of participation among this group. When probed, a Gulu PSW reported that none of the four struggling 2 households in her jurisdiction joined VSLA groups, likely due to not receiving cash.

Both ESFAM and FARE had to overcome negative perceptions of VSLAs in the targeted communities. Staff and participants described community members as skeptical of VSLAs at the onset of mobilization. Many had experienced or heard of negative encounters with previous groups, including several reports of fraud. At the same time, participants were skeptical that they would be able to save money at all. Regular and persistent messaging about the value and "culture of saving" was critical to overcoming this barrier. Interviews with participants made it clear that this messaging, particularly on the "culture of savings," had been thoroughly internalized and continued to inspire enthusiasm for the SGs. Both programs also reported increased interest among participants and community members once groups began issuing loans.

Training and support

Intensive training and support was an integral part of the program approaches taken by both FARE and ESFAM, and a critical aspect of VSLA development for their vulnerable program participants. In addition to receiving training on how to operate a VSLA, participants also received training on other topics, including parenting, child protection, financial literacy, hygiene and sanitation, and others, which participants cited as a motivating factor to join and remain in the groups. Participants also received regular home visits from project staff, where ES messaging, including encouragement to join SGs, was reinforced. The regularity of the home visits seemed to vary in some cases, but most commonly took place every few months. For ESFAM, each of the households received home visits from ESFs and PSWs at least twice a month.

FARE guidance materials described three phases of VSLA support: 16 weeks of intensive support, 16 weeks of "development" support, and 20 weeks of "maturity" support. While providing intensive support to newly-formed VSLAs, CBTs attended every meeting. This was reduced to two visits a month in the development phase, and support was provided as needed for the maturity phase. ESFAM staff reported that economic strengthening facilitators (ESFs) attended every meeting, with social workers (SWs) attending every other week. Despite the intensive nature of support provided, FARE's ES TA and at least one ESF from ESFAM did not consider their VSLAs to require more support than standard, untargeted VSLAs.

FARE did not offer ES training to groups beyond training in basic VSLA operations during their first cycle. As noted earlier, FARE offered IGA selection, planning, and management (SPM) training during their second cycle, covering the following topics: identification of suitable enterprises (knowledge and skills); operation and marketing; sources of capital and family expenses; planning and management of capital; and cash control and risk. Staff expressed regret that SPM was offered so late in the project cycle and thought the groups would have benefitted from receiving SPM, or financial literacy training, during their first cycle.

ESFAM introduced additional ES training to VSLA groups immediately. In addition to basic VSLA and group dynamics trainings, ESFAM trained all VSLA participants using a curriculum called *Catalyzing Business Skills*, which was developed by Making Cents International for the specific needs of ESFAM's project population. The training lasted 20 hours and consisted of financial literacy and business development topics. Destitute households received additional financial literacy training on an individual basis during home visits, while struggling 2 households received all trainings through the groups.

Both programs used VSLAs as a platform for other trainings related to preventing family separation, and participants were highly enthusiastic about these trainings. One Kamuli participant explained that extra training was one feature of ESFAM VSLAs that set them apart – and made them better – than other VSLAs in the community. Depending on the topic, FARE sometimes opened these supplemental trainings to community members outside of the group. Life skills training, for example, was opened to all youth in some communities; it was well-received and appeared to have increased interest in the SG program across the community. In FARE, busy urban households experienced some tension between their desire for training and taking time away from income-generation. To reduce absence from the market, group members decided to consolidate savings activities and trainings into longer meetings, adding 2-3 hours to savings activities about once a month. This adaptation seemed effective for busy urban households.

Group size

Groups ranged in size from 16-30 members, in accordance with standard savings group methodologies (though slightly larger than VSL Associates' maximum of 25). Though FARE aimed for a 50/50 ratio between direct and indirect beneficiaries, only about 40% of group members were direct beneficiaries due to the geographical distance between participant households. In terms of reaching targets, this ratio was more favorable for ESFAM's destitute groups, where about 2/3 members were participants, but worse for struggling 2 groups, where less than a third (about 28%) of members were ESFAM participants as of September 2017. This reflected ESFAM's overarching challenges mobilizing struggling 2 households.

Targeting vulnerable households did not seem to hinder community interest in the groups. On the contrary, once community members started seeing VSLA members withdrawing loans, they began clamoring to join a number of groups to the point of maximum capacity. Staff from both organizations reported that interested community members had to be turned away and asked to attempt to join groups again during the next cycle.

Participant gender

VSLAs were overwhelmingly populated by women. 85.7% of the VSLA members interviewed were female, compared to an average of 68.2% of VSLA members in Uganda on average, according to Savix data from the first quarter of 2018 (VSL Associates, 2018). Although this may be appealing as a strategy to economically empower women, it also indicated that women have disproportionate responsibility for addressing the risk of child separation. Additionally, it highlighted a pattern of disproportional representation of men in VSLA leadership positions that investigators observed in both FARE and ESFAM. A Wakiso group member explained, “We wanted the person at the forefront to be a man. His entire life he has been a leader and a teacher,” and noted that she hoped that he would encourage other men to join the group. ESFAM’s project manager explained that this was a symptom of larger, socially-ingrained imbalances, where women themselves prefer men in leadership.

Participant interviews suggested that involvement in VSLAs improved women’s economic decision-making power in the household. A Wakiso participant noted that “Initially the men were responsible [for the household]. Now the ladies can stand in and take charge.” She explained that husbands and men were not respectful of the group at first, but later became very interested in it. A Wakiso CBT noted, “Before we came in, at enrollment, the major reason the woman enrolled was because of the violence [in their households]. She didn’t have a say in the household. This time around, the household is at peace. She is empowered and always has some money in her pocket.”

FARE staff cited GBV as a critical problem that had to be confronted prior to engaging households in ES activities. However, training on the topic was only provided on an ad hoc basis, leading staff to conclude during a debrief meeting with an investigator that future programs should more deliberately provide GBV training. Lack of male involvement in VSLAs limited the programs’ ability to reach men with this type of training.

Ability to save and purpose of savings

A major barrier for mobilizing VSLAs among very vulnerable households was that program participants simply did not believe they were capable of saving. Training was necessary to overcome this notion. Throughout focus groups, VSLA participants emphasized how the group changed their perception of their ability to save, and that they were able to save increasing amounts as they continued in the program.

Several respondents noted they “did not know how to save” before the program, and were eager to describe how their weekly savings increased over time starting as low as 500 UGX. A PO from FARE estimated that most participants started saving around 500-2000 UGX a week ($0.14-$0.70) a week, which increased to up to 10,000 UGX ($2.80) a week after one or two cycles. In one Wakiso focus group, about half of the participants reported that they were saving before participating in the FARE VSLA. However, they described key changes in their savings habits. One member explained, “There were risks in the way we saved before, like theft. Such risks are now controlled.” Another said, “The way we are doing it now is motivated. We are encouraged to save it every week.”

Participants seemed to all have a purpose for their savings, and they were excited to describe it. Common goals included using the money to pay for school fees, cover basic household needs, purchase land, build a house, and invest in livestock and IGAs. A Gulu PSW explained that having a purpose for one's savings was a critical component of the training they received: participants had to have a purpose for their savings because they were asked about it before they even joined the VSLAs, though it is not clear that this requirement was applied across ESFAM or in FARE's programs. A CDO in Luwero described VSLA members as "ambassadors" of a "savings culture" in their communities.

Reports from FARE indicated that indirect beneficiaries, who make up a majority of group members, save and borrow at significantly higher rates than direct beneficiaries, thus fueling the growth of the groups' funds to the benefit of all members, though also raising some questions about possible "elite capture" in these groups (see additional discussion below). For ESFAM, similar comparisons between direct and indirect financial activity yielded mixed results. These issues will be taken on in more detail in the next section of the report.

Ability to borrow and purpose of loans

Unsurprisingly, respondents unanimously agreed that VSLAs increased their ability to borrow money, and nearly all FGD participants reported they had taken out a loan from their group. Participants appreciated the accommodating terms and accessibility of taking out loans through their groups compared to their options prior to joining the VSLA. Most participants with past experience drawing credit did so from one of two sources: money lenders or a handful of microfinance institutions (MFIs) with a presence in these areas, particularly PRIDE and FINCA. There was a strong consensus that both were inferior credit options compared with VSLAs, due to high interest rates and the need for collateral. Participants also complained about the rigidity of borrowing from these sources—i.e., when payments came due, neither money-lenders nor MFIs cared what challenges a person might be facing at the moment. The VSLAs, on the other hand, always considered intervening circumstances and sometimes gave extensions in deserving situations.

Participants typically took out loans to cover school fees and invest in IGAs. Some other purposes mentioned were: health expenses, agricultural expenses including inputs and renting land, home expenses such as repairs, rental costs, and latrine construction, and investment in livestock. Many participants described a strategy of borrowing for a mix of productive and non-productive purposes with a single loan with the strategy of using productive investments to pay it back, a strategy that groups seemed to accept. (See additional discussion on this issue below.)

Loan terms were set in agreement with guidelines provided by VSL Associates. They ranged from 1 month to 3 months, and interest was usually set between 5% and 10%, although at least one group in Wakiso reported a 20% interest rate. Participants were only allowed to borrow 2-3 times their total savings amount. Even ESFAM groups made up of households designated as destitute reported relatively short repayment periods of 1 month with relatively high interest of 10%. When asked about it, members reported they did not have a problem with these terms because they allowed the group to grow its funds quickly.

No participants reported feeling any pressure from group members to borrow, and some pointed out that they received training specifically advising them to not pressure other members in this way. Some ESFAM groups reported constraints with the loan fund because it was not always sufficient to cover all borrowing requests. In this case, one group reported that loan requests beyond the available amount would be tabled until the next meeting. Another group reported that loans would be distributed to all members who requested them, but at a reduced amount. No similar reports about loan funds falling short were received in FARE interviews.

Loan repayment

Nearly all participants reported that they had borrowed from their groups, and very few reported any problems with the process. As noted above, most participants named productive purposes for the loans, such as investment in their IGAs, but others reported non-productive purposes, such as home repairs.

The investigators probed heavily on the matter of loans taken out for non-productive purposes, and whether there were concerns about participants' ability to pay these loans back when the funds were generating no profit. Put another way, if participants did not have the money prior to the loan, and were not making money with the help of the loan, how would they pay it back? Respondents offered two primary explanations. First, a consensus emerged that, in fact, few loans were approved that went solely to non-productive purposes. Most common was a mix of productive and non-productive uses from a single loan—so half might be applied toward home improvements, while the other half becomes new capital for a microenterprise. These kinds of mixed strategies were the ones that groups seemed to accept and approve most often.

For the second explanation, respondents noted that many of them had steady cashflow, but required a lump sum for a non-productive expense that necessitated taking out a loan which could be paid back gradually. They lacked the discipline to save this money in a gradual way leading up to the lump sum need, but the discipline came in after taking the loan and knowing that the group trusted and depended on them to pay it back.

Testimony varied on the frequency of late repayment. Some groups described it as rare, while others suggested they had fairly generous policies that allowed for exceptions when the borrower was facing personal and financial challenges. Steps taken included loan extensions, as well as personalized counseling from the group on strategies to build the necessary resources to repay.

True loan defaults were reported as rare to non-existent. When asked about a hypothetical case of full-on default, in which a member simply could not pay back the loan, a FARE VSLA member in Kampala explained, "If it happens, we start with savings in the group. If there is balance after that, we share the loss [distributed among the members]. We don't harass anyone, but they don't continue in the group." A member from another group explained, "When your child falls sick, it can happen. The group gives more time but the group adds penalties… We go visit the person because we are like a family and work out a plan to pay it back."

Perceptions and use of welfare fund

All groups interviewed had a welfare fund, which was designated for emergency borrowing needs, usually to be paid back in a short period of time at no interest. Emergencies were defined variably with regard to school fees. Some groups considered these expenses eligible for borrowing against the welfare fund, and others did not. ESFAM's ES Specialist hypothesized this had to do with whether the group considered education to be an investment, suggesting that less vulnerable struggling 2 groups would view education this way and require members to borrow from the loan fund, while destitute groups might consider school fees an emergency expense.

Welfare loan amounts were small, usually with a limit of 20,000 UGX ($5.60), and participants universally reported they were able to pay back the loans. According to the group constitutions, participants were required to contribute 200-500 UGX into the fund on a weekly basis. Most of the groups interviewed were positive about the utility of the fund, but one group in Kamuli reported that the fund was not always available to participants when they needed it because it was easily depleted.

No respondents reported any conflict around decision-making related to the welfare fund. Group members reported deciding together whether to grant a request for welfare funds, and negligible disagreement was reported. There were also no reports of failure to repay the loans. Like the loan issue, the investigation included a significant amount of probing on repayment, centered on a similar question: if a member lacked 20,000 UGX in a moment of need, and intended to use that money in a non-productive way, how would that person have the money to pay back in full two weeks later? The responses received were not entirely clear, but the general consensus seemed to be that it was not a lot of money, so people always found some way to pay it back.

Security

Groups followed a standard procedure of securing their cash boxes with three padlocks held by three individual group members. Security was not emphasized as an important issue among ESFAM groups, but came up recurrently for FARE. For FARE, where many groups were located in busy urban slums, security was seen as a pressing concern. No reports of theft were made, but groups felt insecure about their boxes and shared their anxiety with FARE staff. Staff shared that the groups were urgently in need of bank linkages so they would not have to worry about secure storage of cash.

Group dynamics

Groups interviewed shared a strong sense of social cohesion and reported no instances of conflict. Social support was often described as a key advantage of group membership, and over and over, groups described relationships between members as "like family." Social support emerged as an especially important function of the groups for poorer members, such as ESFAM's destitute groups. Very poor members described experiencing isolation and social marginalization prior to joining the groups. The leader of a VSLA in Luwero described such households as having lost hope, and seeing themselves as "dying," but that group membership renewed their hope. A widow in a Gulu group explained that she used to feel despised and isolated, but since joining the group, she feels empowered and has increased her self-esteem.

In addition to their financial function, groups were seen as a platform for the exchange of ideas and a place where members could help each other with their problems. Some groups described members making interest-free loans to one another outside of the group. Although one male VSLA leader saw the discussion of personal problems in the group setting as a distraction created by female members, all other staff and participants interviewed were positive about this aspect of the groups. Social support also came with positive effects on regular, disciplined savings habits. As one FARE participant explained, “Everybody pushes the group to save. It unites us.”

There was no evidence of discrimination within the groups based on participant status, vulnerability status, or receipt of cash transfers. When asked about this, groups were adamant that all participants were treated equally, and staff confirmed this. As one member in Wakiso explained, “What combines us is our constitution. We all have to sign it… We were all equal. From there we became family.”

Generally, the difference between direct and indirect beneficiary members of the VSLAs was seen as small, though the report will delve more deeply into this issue in the next section.

Community perception of groups

Community members were described as “admiring” the VSLA groups and interested in joining. A Luwero member described the ESFAM VSLAs as developing a reputation for quality that other savings groups in the community lacked. Participants described relationships with the larger community as either remaining the same or improving, with one Gulu group describing how training from ESFAM has helped members become friendlier and more open with community members. Group leaders reported feeling a greater sense of respect in the community. A leader in Kamuli shared that since joining the group, he felt that he was more recognized in his community. A Luwero leader reported that her leadership position gave her the confidence to run for a local government position.

FARE fostered goodwill in the larger community by opening up supplemental trainings delivered through groups to outside community members. A Wakiso group member described the group’s remarkable influence on the community at large: “It has changed the community. Even the criminals have changed. Some joined the VSLAs… but some people joined with bad intentions. Intentions to swindle the group. But after the training, they see the value and it has changed them. It’s like they are reintegrated from outcasts, back into the community.”

Government perception of groups

Local government representatives interviewed were unanimous in their positive views of the VSLAs, and many were involved in the groups from the beginning. Local leaders known as LC1 chairs were engaged in the mobilization process for both ESFAM and FARE. For ESFAM, CDOs were involved in monitoring, selecting field staff, and even facilitating training. For FARE, CDOs participated in community dialogues where FARE introduced VSLAs and sometimes provided monitoring support LC1 chairs were reported to help resolve household disputes for participants, and were often members of the groups themselves.

Local government was also actively involved in helping the groups become registered as community-based organizations (CBOs) at the ward or subcounty level. Registration required groups to have a minimum size of 10-15, a constitution, letter of recommendation from a Local Council member, and to pay a fee of 70,000 UGX (around $20). Registration was valued by groups because it allowed them to be recognized as an official entity and targeted for government programs and made them eligible for government grants. One group in Luwero reported already seeing the benefits of registration through contact with Uganda's national extension service agency, the National Agricultural Advisory Services (NAADS). This was a breakthrough for some participants, many of whom had never received extension services before. One group member reported that connection to government services was a major motivation for him to join the VSLA.

Despite the overall support of government representatives for the VSLA interventions, some problems were reported. ESFAM staff reported contending with government officials' demands for payment for their assistance. Although ESFAM covered transport costs related to project activities, they did not provide additional funding, which some other NGOs were said to offer in similar circumstances. Although government officials should be assisting with these types of activities as part of their job, expectations for additional payment created some tensions with ESFAM. For FARE, working with local government was much easier in Wakiso than Kampala. Despite sustained efforts to work with local government officials, Retrak found Kampala officials to be overextended and too busy to provide regular attention and support to the program.

Spin-off groups

FARE and ESFAM VSLAs frequently inspired community members to form their own groups, though the general consensus from participants and staff was that these groups did not get adequate training or monitoring to function at a high level of quality. In Kamuli, one such "spin-off" group held meetings at the same time and location as an ESFAM group, with the hope of getting some training. FARE reported providing training to spin-off groups on an ad hoc basis based on staff availability. Generally, FARE and ESFAM groups were seen as a good example for the spin-off groups, with one Wakiso staff member reporting that good practices from FARE were spreading in the community.

Direct and Indirect Beneficiaries: Interactions and Comparative Performance

One of the central topics this investigation aimed to explore were the dynamics of SGs composed of vulnerable target populations participating in ESFAM and FARE, mixed with outside community members. How would differences in vulnerability of these two subpopulations affect the functionality of the groups? Did less vulnerable members feel resentment over obligations to accommodate rules and decisions to the needs of more vulnerable members of the group? Did power dynamics marginalize more vulnerable members? And how did this mix affect group performance?

The testimony provided by the beneficiaries and staff on these issues was clear and unambiguous: intra-group relations were reported as harmonious across the board. Most respondents explained that tensions were minimal because there was not much of a difference between direct and indirect beneficiaries in the first place. Some respondents considered the distinction between directs and indirects as nearly arbitrary. In other cases, members did concede that some direct beneficiaries within their groups were obviously more needy and vulnerable than others. In those cases, the doctrine of the groups operating “like families” seemed to be at play. The groups reported offering both social and material support to their most vulnerable members, rather than resenting or ostracizing them. These gestures ranged from counseling vulnerable women on how to deal with abusive husbands, to food gifts, to extensions on loan repayment. There was only one instance reported of less-vulnerable members trying to exert dominance, which was reported in Wakiso, but this was addressed and resolved with the support of a CBT.

However, direct beneficiaries were specifically targeted for their relative vulnerability in their communities and, to some extent, might be expected to perform savings and loan activities differently than indirect beneficiaries. The investigation used existing M&E data from both projects to explore this difference. However, since ESFAM and FARE each developed their own M&E systems, the types of analyses we could undertake were not comparable in many ways.

ESFAM provided M&E data for all of its groups, numbering 26 in total. The data covered the period from the initiation of the groups (on a rolling basis starting in late 2016) through September 2017, which included the first cycle and the start of the second cycle for some groups. As Table 9 shows, there was relative parity between the direct and indirect populations, with the direct beneficiaries slightly more active in terms of savings and borrowing.

Table 9. ESFAM Savings and Loan Activity by Beneficiary Status (as of September 2017)

Total Saved	38,727,451 UGX ($10,601)
Percentage Saved by Direct Beneficiaries	53%
Percentage Saved by Indirect Beneficiaries	47%
Total Value of Loan Issued	33,424.950 UGX ($9,150)
Percentage of Loans to Direct Beneficiaries	52%
Percentage of Loan to Indirect Beneficiaries	48%

Although the totals were close, there were major variations between sites, between indirect and direct beneficiaries, and between direct beneficiaries classified at different levels of vulnerability (see Table 10). Savings rates appeared stronger for direct than indirect beneficiary households in Luwero and Gulu for struggling 2 households, and about the same as indirect beneficiaries in Kamuli. For destitute households, savings rates were almost the same between direct and indirect beneficiary households in Kamuli and Gulu, but destitute direct beneficiaries only saved about 80% of what indirect beneficiaries saved in Luwero.

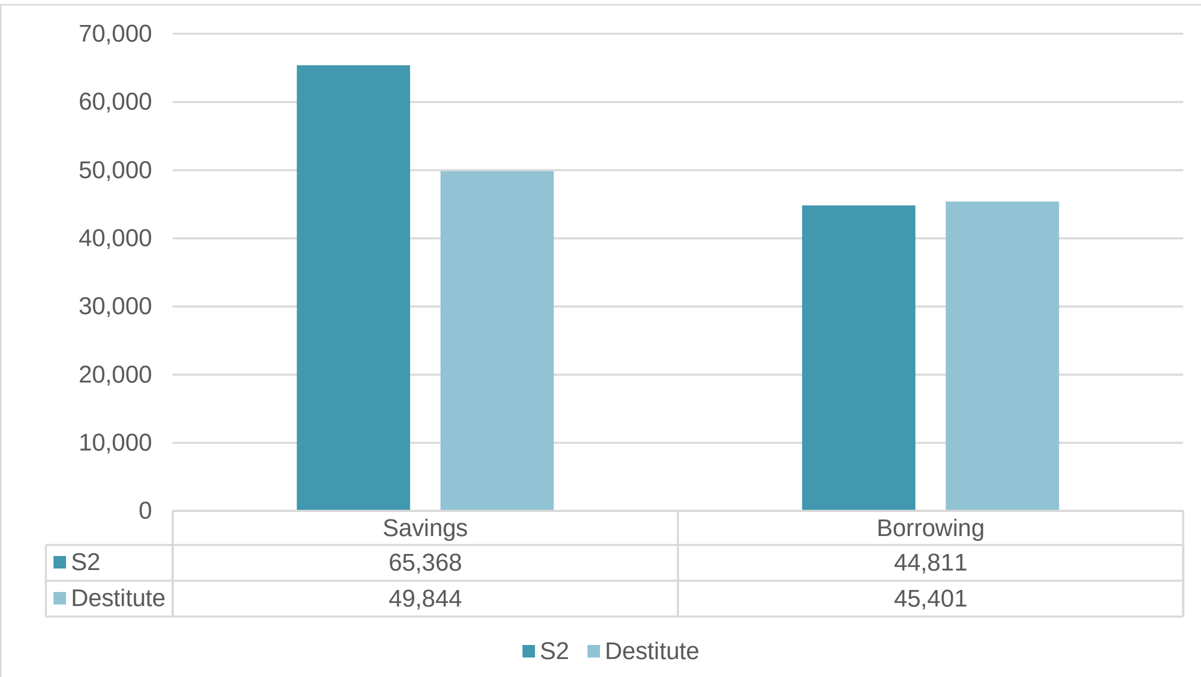
Borrowing rates show greater divergence. In Luwero, struggling 2 program participants borrowed nearly twice as much as indirect beneficiaries, but destitute directs only borrowed about 60% of what indirects borrowed. In Kamuli, destitute directs and indirects borrowed at about the same rate, but struggling 2 directs borrowed about 60% of what indirects borrowed. In Gulu, borrowing was much stronger among struggling 2 direct beneficiaries and indirect, but slightly weaker for destitute direct than indirect beneficiaries. This suggests that highly-contextual factors were affecting savings and borrowing rates in these sites more strongly than participants' vulnerability classification. The table below describes how saving and borrowing rates varied by vulnerability level, beneficiary type, and district. It also shows the ratio of saving and borrowing activity of direct compared to indirect beneficiaries per person. For example, if the average direct beneficiary borrowed at the same amount as the average indirect, the ratio would be 1.0. If they borrowed half as much per person, the ratio would be 0.5, and if they borrowed twice as much, the ratio would be 2.0.

Table 10. Savings and Borrowing Rates for Indirect and Direct ESFAM Beneficiaries, by Region (in UGX, as of September 2017)

	Struggling 2			**Destitute**		
			Luwero			
	Savings	**Loans**	**Total Participants**	**Savings**	**Loans**	**Total Participants**
Direct	1,835,000	775,000	12	2,646,000	1,835,000	85
Indirect	6,089,000	2,910,000	87	2,910,000	2,660,000	74
Ratio	2.18	1.93	0.14	0.79	0.60	1.15
			Kamuli			
	Savings	**Loans**	**Total Participants**	**Savings**	**Loans**	**Total Participants**
Direct	1,170,000	801,900	18	7,380,000	7,311,400	100
Indirect	2,210,000	2,578,100	34	3,695,200	3,762,800	50
Ratio	1.05	0.59	0.53	1.0	0.97	2.0
			Gulu			
	Savings	**Loans**	**Total Participants**	**Savings**	**Loans**	**Total Participants**
Direct	1,701,500	1,649,500	42	5,675,000	5,155,000	130
Indirect	1,005,500	1,385,000	60	2,517,700	2,600,000	57
Ratio	2.42	1.70	0.70	0.99	0.87	2.28

When aggregating only in terms of ESFAM's vulnerability levels, we see other interesting patterns emerge (see Figure 1). We compared struggling 2 and destitute beneficiaries, and found that, unsurprisingly, struggling 2 households saved about 50% more than destitute households, suggesting that ESFAM's household classification was able to distinguish between beneficiaries based on poverty level. However, destitute and struggling 2 households performed very similarly in terms of borrowing rates, suggesting that, relative to their savings, destitute households were more zealous borrowers than struggling 2 households. This is supported by claims during interviews with ESFAM staff that destitute households were overall more enthusiastic SG members, even if they were poorer than struggling 2 households.

Figure 1. Average Savings and Loan Amounts for ESFAM Direct Beneficiaries, by Vulnerability Level (in UGX)



The results from the FARE analysis were somewhat different overall. Their complete data set covered 29 VSLAS. The volume of saving and borrowing was higher overall than ESFAM, though the period of available data was longer (though December 2017). More importantly, it hints at some degree of an emerging, inverse pattern, compared to ESFAM. As Table 11 shows, indirects eclipsed directs in the borrowing and savings domains.

Table 11. FARE Savings and Loan Activity by Beneficiary Status (as of December 2017)

Total Saved	114,642,099 UGX ($31, 383)
Percentage Saved by Direct Beneficiaries	35.3%
Percentage Saved by Indirect Beneficiaries	64.7%
Total Value of Loan Issued	158,514,629 UGX ($43,393)

Percentage of Loans to Direct Beneficiaries	37.7%
Percentage of Loan to Indirect Beneficiaries	62.3%

Most of this divergence can be pegged to the imbalance in FARE group membership (i.e. more indirect than direct group members). And in fact, a closer look at the ratios of saving and loan activities between direct and indirect beneficiaries per capita shows approximate parity in borrowing for Retrak and FCF VSLA members. Direct beneficiaries were not far behind in savings for these implementers. For COWA, savings and loan activities for each direct beneficiary was about 80% of that of each indirect beneficiary. Clearly, this was not a major issue at the time of the investigation, but it is something that FARE was advised to watch over time to ensure that the gaps did not widen.

Table 12. Savings and Borrowing Rates for Indirect and Direct FARE Beneficiaries (in UGX, as of December 2017)

Retrak

	Savings	**Loans**	**Total Participants**
Direct	16,653,000	27,034,500	135
Indirect	32,565,000	42,268,900	212
Ratio	0.80	1.00	

COWA

	Savings	**Loans**	**Total Participants**
Direct	14,285,000	14,949,000	94
Indirect	17,580,000	17,320,000	89
Ratio	0.77	0.82	

FCF

	Savings	**Loans**	**Total Participants**
Direct	9,782,000	17,850,000	61
Indirect	24,610,000	38,884,000	135
Ratio	0.88	1.02	

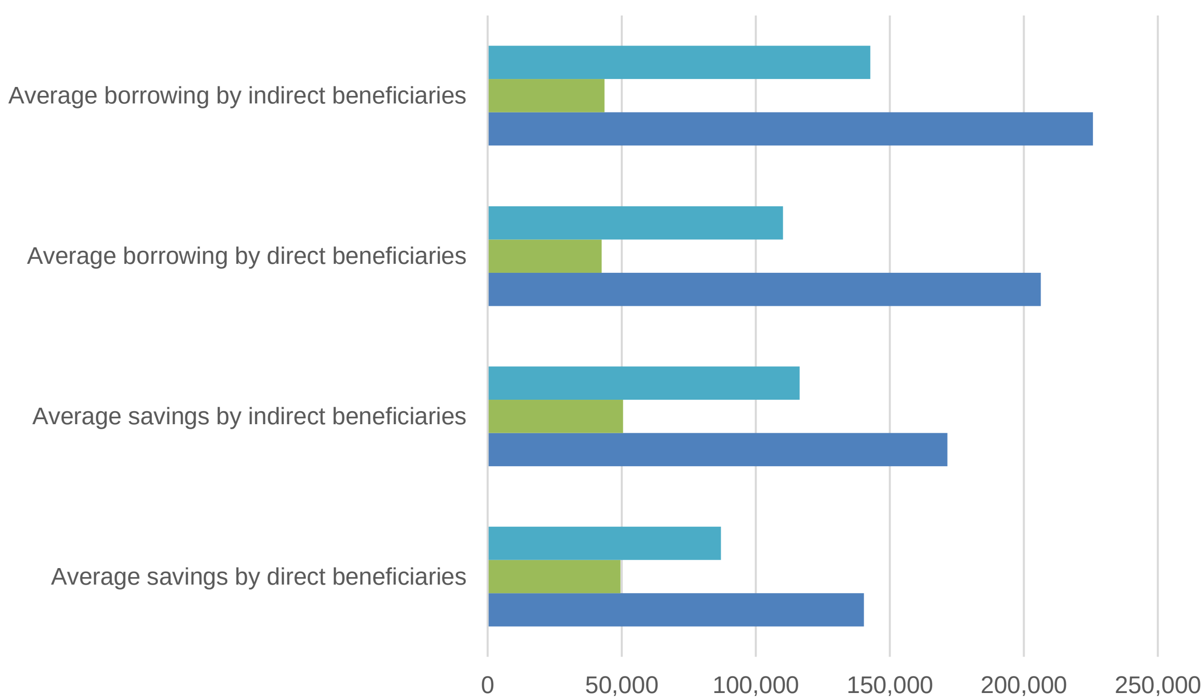
In a more speculative vein, if the imbalance were to emerge as more significant over time, the net effect could be positive or negative for the target population/direct beneficiaries. On the positive side, the infusion of cash deposits from more relatively affluent indirects could translate into a deeper loan fund and more profit from loan interest benefitting all members at shareout, both direct and indirect. On the negative side, there is potential (and documented cases in other SG programs) for more affluent SG members to evolve into a domineering force within the group—using their larger deposits as a basis for control over group management and direction, and making maximum deposits specifically for the purpose of claiming a disproportionate share of the group profits at shareout. If true, this could be an example of the “elite capture” phenomenon documented in SG programs elsewhere (Allen & Panetta, 2010).

Again, it is important to emphasize that nothing in the direct testimony from program participants or staff hinted at these negative outcomes, which seems to weaken the likelihood that they occurred or will occur over time. But it is a matter worthy of further investigation as groups become independent from ESFAM and FARE support.

Comparative Performance by Project and Among Ugandan SG Programs

Savings and borrowing rates varied strongly between projects and by beneficiary status. As described in the figure below, ESFAM participants (both direct and indirect beneficiaries) saved and borrowed two to three times less than FARE participants. A possible explanation for this variation is the rural/urban divide separating the two projects, with rural ESFAM participants simply having less access to cash and business opportunities than urban FARE participants.

Figure 2. Average Savings and Loan Amounts for Direct and Indirect Beneficiaries, by Project (in UGX)

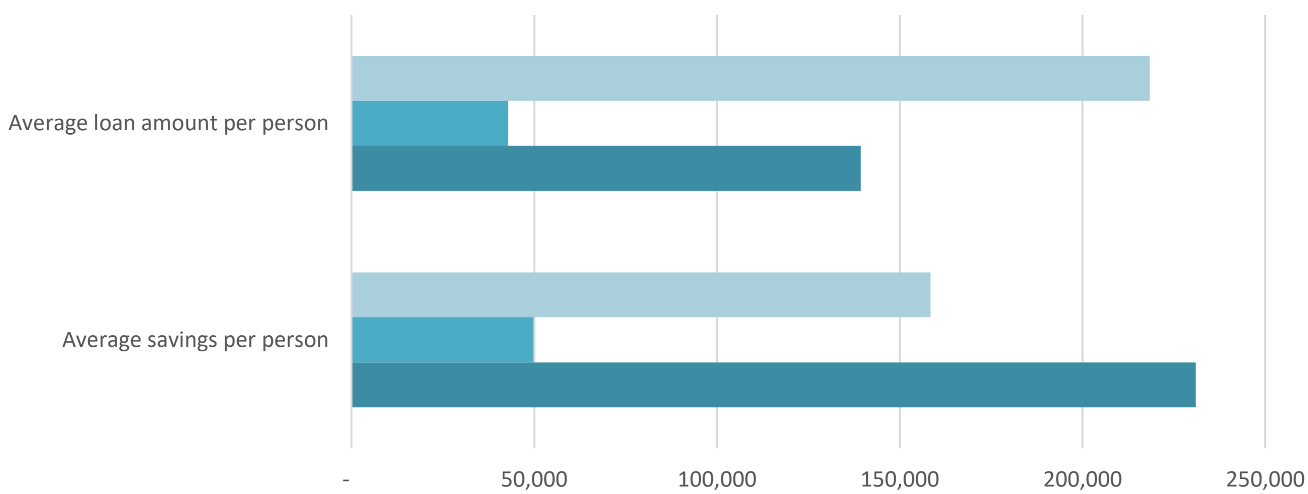


	Average savings by direct beneficiaries	Average savings by indirect beneficiaries	Average borrowing by direct beneficiaries	Average borrowing by indirect beneficiaries
Total Average	87,076	116,333	110,201	142,784
ESFAM	49,533	50,486	42,543	43,553
FARE	140,414	171,456	206,322	225,855

Total Average ESFAM FARE

To better understand how ESFAM and FARE groups compared to other SGs in Uganda, we compared ESFAM and FARE's average savings and loan activity per person for direct beneficiaries to Ugandan VSLA averages at large, as recorded in Savix, an online SG database, for the first quarter of 2018. These data are not directly comparable, since the Savix figures express annualized average savings per person, and the ESFAM and FARE data express average cumulative savings per person for groups that started at various times, some longer and some shorter than one year, through September 2017. Similarly, the Savix data expresses average outstanding loans per person, where the Family Care data expresses total average borrowing per person. Despite imperfect comparability, this comparison tells us that ESFAM groups were borrowing much less than average Ugandan SGs, especially when considering that the ESFAM figures cover the full amount of loans, including those that have been paid back, and the Savix figures only cover outstanding loans (which is to say, opening balance minus any deposits). FARE groups were borrowing more than average Ugandan groups, which may have to do with FARE's urban context, where cash is more available and widely used than in rural settings. However, the Savix figures were higher for annualized savings rates per person than the average savings rates for both ESFAM and FARE. This is to be expected, since many ESFAM and FARE groups were younger than a year, but the discrepancy is large enough to suggest that at least ESFAM groups were saving less on average than other groups in Uganda.

Figure 3. Comparing Average Savings and Loan Amounts per Person, ESFAM, FARE, and Uganda (in UGX)



	Average savings per person	Average loan amount per person
FARE	158,464	218,411
ESFAM	49,789	42,852
Savix	231,012	139,392

FARE ESFAM Savix

Again, these comparisons are exploratory only, due to the lack of data comparability on multiple levels. But the findings suggest that ESFAM's, and likely FARE's, SGs contained members who were significantly poorer than average Ugandan SG members. Yet clearly, the VSLA methodology worked for most of them, with only a handful of adjustments such as low minimum deposits.

Effects of SG Membership

Overall basic needs

Enabling participants to meet basic needs is meant to be a central function of VSLAs for ESFAM and FARE. Group members were positive about the effects of the groups, but ultimately, a significant minority were still struggling to meet basic needs. One Kamuli group estimated that 10 of their 30 members were unable to meet these needs, with some families still requiring adequate shelter. However, members had hope that the groups would help them to eventually be able to meet these needs.

Income

Income was described as changing for many participants due to two mechanisms: business training improved participants' skills and outlook on life, and the ability to borrow and apply their shareouts allowed them to invest in IGAs. However, improvements varied by group. In group interviews with ESFAM and FARE, the fraction of participants in each FGD (from each respective SG) who reported improvements in income ranged from 6/16 in Wakiso to 8/8, also in Wakiso. Testimony from staff also ranged widely on this issue. Some reported transformative effects on income nearly across the board, while others suggested much more nominal improvements on average.

Most participants reported operating a business or planning one. Staff and government officials recognized that participants were starting businesses and improving their ability to plan for the future. At the time of the interviews, ESFAM's most recent quarterly report showed that 40% of destitute VSLA members were investing in IGAs. By the end of December 2017, this increased to just over 60%.

The value of improved income was articulated in several ways. Members repeatedly cited their ability to borrow and invest in IGAs or livestock as a key factor. For rural ESFAM households, borrowing also allowed some participants to rent land and grow their own food, expanding the money they had available for other expenses. Finally, several participants linked improved income to a new, stronger work ethic, citing the SG activity and its financial requirements and payoffs as motivation.

Sources of income depended largely on location, with urban FARE households relying mostly on vending and rural ESFAM households more likely to engage in agriculture. Participants in one Gulu group for destitute households especially emphasized investment in diversifying their businesses. ESFAM staff explained that participants had the opportunity to diversify thanks to a nearby market. Although some participants without an IGA were able to start a new IGA since joining SGs, a PSW in Gulu noted it was more common to switch from a less profitable to a more profitable one. The testimony from FARE participants and staff focused most often on "topping up" an existing IGA with new capital from a loan or shareout, or restarting an IGA that had gone dormant due to lack of capital in the past.

Food security

Participants regularly reported improvements in food security since joining a VSLA. Most participants reported increasing their daily intake from one to two or three meals, which was confirmed by nearly all staff. When participants were asked about meal intake in group interviews, however, responses were more ambiguous. Of the four FARE groups interviewed, the fraction of participants reporting improved food intake ranged from nearly none (3/16) to about half (7/16 and 5/8) to everyone (8/8). These highly variable results suggest there may be a significant minority of participants still struggling with food security.

In rural areas supported by ESFAM, VSLAs facilitated participants' ability to borrow money, which was used to rent land to grow fruits and vegetables. Some participants elaborated on how participation in VSLAs helped them improve the quality of their diet. However, these effects were not seen as permanent. When asked about how they would handle the dry season, one participant in Kamuli explained that they would not eat twice a day any more, but would "starve or eat porridge," even while continuing to save in the group.

Economic shocks

VSLAs seemed to be functioning as a safety net for most participants, but it remained largely unknown whether the resources were sufficient to help them cope with major shocks. Although some participants referred to their savings as a resource to help them weather shocks, the utility of SG savings for offsetting shocks is typically limited by the fact that the money is bound to the group until the time of shareout. Loans were not seen and apparently not often issued for the purpose of economic shocks; as noted earlier, most groups reported that loans needed to be applied for productive purposes, at least in part, in order for the group to approve them.

By far, the most common mechanism reportedly used to help offset economic shocks was the welfare fund. However, the welfare fund's utility in this respect can only be seen as limited. The cap on welfare fund payouts was nearly always 20,000 UGX (less than $6) as an interest-free loan, not a grant. Groups required that the funds were paid back in full within two weeks in most cases. Therefore, welfare fund payments were only applicable to certain kinds of short-term, small-scale economic shocks.

The social cohesion generated by the groups was another sort of safety net for participants, who reported occasionally borrowing from each other outside of the group. It is difficult to quantify how significant these informal, intra-group lending practices were in terms of offsetting shocks.

When asked about lean times ahead, most participants anticipated reducing consumption but continuing to save and run their businesses, even if they encountered difficulties paying for school fees. However, one SW in Wakiso reported that most members were "still not prepared for such experiences."

Children's education

School fees was named as one of the main reasons participants borrowed money. Although some groups timed their shareouts to coincide with the period when school fees were due, most saw borrowing as the principle mechanism for paying fees. Again, most groups made it clear that they expected members to pair the school payouts with productive investments—in other words, part of the loan went to the school, and part became an infusion of business capital in a microenterprise. In this way, they helped assure that members would be able to pay back such loans.

The results were visible within the participant population. A Kamuli CDO noted that education was emphasized in the groups as an important expense, and group members verified that their children's performance improved due to better attendance. A strong majority of respondents in group interviews reported improvements. The only major exception was an FGD in Wakiso — one of the rare FGDs with a significant number of reintegration cases among the members. With their relatively high level of economic vulnerability, these members reported few gains in the areas of education.

Although participants were quick to answer that all of their children were in school, when investigators probed, it became clear that only primary-aged children were consistently attending school. Participants reported significant difficulty paying more expensive secondary school fees.

Shelter

Shelter improvement came out as a common long-term goal for saving. In Kamuli and Gulu, where many participants lived in huts made from natural materials, participants emphasized using VSLA savings and loans to repair their homes or to build permanent structures. A number of participants reported purchasing iron sheets for their roofs, and several Kamuli participants used the money to build latrines in response to WASH training through the groups. In Kampala, several homeless FARE participants were able to combine cash transfers and VSLA savings or loans to rent shelter.

However, permanent upgrades to shelter were elusive for many participants. In one group interview in Kampala, most participants said they were saving money for shelter improvement, but saw this as a slow and gradual process, with one participant referring to it as a "dream." Another participant saw VSLA as supporting repairs, but not enough to cover a complete upgrade. In Wakiso, focus group participants did not see the VSLA membership had much of an effect on their shelter, with only three of the 24 participants reporting that it had. ESFAM's ES Specialist also saw shelter as an area where ESFAM had little impact.

Access to health care

The impact of VSLAs on health care was seen mostly as a function of the welfare fund, but they also supported improved health through social solidarity and supplemental trainings on health topics. Ultimately, though a majority of participants reported improvements, a significant number did not.

Illness was named as one of the main reasons why a member would borrow from the welfare fund. When asked about chronic illnesses, groups intimated this was not something they dealt with directly, with one ESFAM group reporting that HIV was not a problem in their community. Another ESFAM group said that if a participant had a chronic disease, they would need to plan for it and borrow for relevant expenses from the loan fund, rather than the emergency fund. In Gulu, social solidarity was invoked as a way to cope with HIV. A participant gave an example of a fellow group-member whose child was too weak to take ARVs and urgently needed food. Rather than lending through the welfare fund, the group contributed voluntarily to help feed the child.

In Kamuli, VSLA members were excited to describe improvements in their children's health, which they attributed to improved sanitation practices thanks to WASH training provided in the group. One Gulu VSLA member reported that borrowing from the group allowed her to go to a local hospital that charged a small fee rather than the free district hospital, which offered lower-quality services and longer wait times. In Wakiso, a FARE SW saw "definitely improvements" in VSLA members' health, although by a count of hands, most group members interviewed did not see an improvement.

How family members spend time

Participants did not share much about how VSLA participation affected how their family members spent time. In Gulu, a PSW saw family members as becoming more active in participants' IGAs to help them meet their weekly savings requirements. Some participants mentioned that VSLA participation took time away from their IGAs, particularly in urban areas where participants sold items in market stalls, but seemed to think it was worth it.

Sense of self

Respondents were consistent and enthusiastic about the effects of VSLA membership on participant self-esteem. One participant in Kampala explained, "It created a sense of belonging. It's like a family." A CBT elaborated on how much of a change this was from before the VSLA, explaining that "it has changed their lives. Before this, they felt ready to die." Groups were reported as a source of hope for people who had been marginalized and isolated, but now had friends from similar situations with whom they could share their problems. Self-esteem was also boosted by the interest of the larger community in the groups.

Family dynamics

VSLA membership was reported to have a positive effect on household relationships through supplemental trainings, reduced economic strain, and improved economic standing of women in their households. VSLAs were used as a platform to deliver parenting, child protection, GBV, and other trainings aimed at improving family dynamics, and participants cited these trainings as cause for improved harmony in their households. Staff observed that these trainings were popular and enhanced VSLA attendance. One participant in Gulu confessed he used to get drunk and perpetrate violence in his own home, but after training, he had abandoned these practices. Several participants mentioned that, through training, they had learned to make decisions together with their family members, which also reduced conflict. FARE's FS TA and PO also noted how counseling provided during home visits had a reciprocal effect on VSLA function in teaching households how to connect family objectives to their savings practices, which resulted in both improved relationships and improved savings.

Several respondents reported that husbands and wives experienced less conflict related to money because the VSLA eased their financial stress. A Wakiso group discussed how VSLA membership improved women's standing in their households by improving their ability to make financial decisions. Generally, spouses were reported to be supportive of VSLA participation and men were seen as glad when their wives were able to save, but there were some cautionary exceptions. One Kampala VSLA leader described conflicts arising because women kept their participation in the groups secret from their husbands. FARE's FS TA and PO also saw occasional, but rare, conflicts arise with the increased financial clout of female participants. In some cases, these tensions reduced over time as husbands gained respect for the group and saw its benefits.

Future outlook

In interviews, participants demonstrated their ability to plan for the future, and they were enthusiastic to describe how they would spend their shareout money. A number of participants indicated that, before they joined the SGs, they simply never had a coherent plan for the future at all.

One Kamuli participant described how he and the other members of the group used to see themselves as "just destitute," but now they had the ability to plan a business. Another member described how she now spent evenings sitting down with her children and coming up with plans for the future. Overall, staff and participants described how groups fostered a sense of hope that the future would be better. Participants also learned to aim higher over time: one respondent explained that now that she had met her goal of rearing goats, her next goal would be to raise cows. As one respondent in Kampala explained, "We all came in to deal with just one aspect of our lives, like our business. But over time our goals have broadened and we seek improvement in all areas of our lives."

Advantages and Disadvantages of Group Membership

The groups were asked open-endedly what they felt to be the biggest advantages and disadvantages of group membership, in their own words. The main advantages of membership cited were: social support and a sense of belonging, supplemental trainings, and improved economic wellbeing. Group members see one another as a "family" that provides support related to both economic decision-making and personal problem-solving. Terms like "friendship" and "unity" were often mentioned as key advantages to group membership.

Participants also repeatedly mentioned the value of parenting training in improving their relationships with their children and preventing separation. They described improved communication and harmony within their households, and expressed eagerness for more training on social topics. Other advantages mentioned were the economic skills participants gained from the groups and how these skills improved their lives. The SW in Kamuli described participants as “so proud” of their ability to distinguish between wants and needs. Wakiso participants described their ability to pay school fees, add capital to their businesses, and overall improve the quality of their lives. They described how they “learned to work hard, but not under pressure” and a new ability to plan for their future. Again, several participants expressed commitment to a “savings culture” as a valued outcome of participating in the groups.

Finally, participants cited the ultimate outcomes of VSLA membership as advantages. Members of the Kamuli reintegrating group described how the group helped them support children after reunifying with them, and another Kamuli group described improved ability to care for their children, including covering their educational expenses. We note that this investigation recognizes reintegration/prevention of separation as longitudinal outcomes—i.e., what matters most is whether the effect or the change is sustained—and as such we cannot offer any definitive views based on current testimony.

The only disadvantage to group membership cited was that it reduced participants’ time to spend working their market stalls in urban and semi-urban locations. However, some challenges and barriers to group membership emerged from interviews. One of the groups that had the greatest challenges to overcome was a group in Kamuli which consisted of reintegrated households and included nine ESFAM participants. Because they formed a group based on their reintegrating status, the households were spread far apart and participants had to travel long distances for group meetings. Participants described traveling one to two and a half hours for each meeting. One of the investigators interviewed a participant at her home immediately before a meeting and drove 23km with staff over rough roads to reach the meeting site. Though the participant would have taken a shorter route using a bicycle, staff estimated that it was still at least a 15km ride. Participants described how bad weather could add even more time and difficulty to the trip, and that they would have to pay fines to the group for showing up late. Nonetheless, group members met regularly with fairly consistent attendance.

Other Group Functionality and Performance Issues

Rules and decisions to accommodate vulnerable members

Beyond modified mobilization methods, rules for both FARE and ESFAM VSLAs adhered to the standard VSLA model. Trainers encouraged egalitarian treatment within the groups, though at least one case was reported in Wakiso where a CBT had to step in to ensure that less-vulnerable members did not take control of the group (the afore-mentioned “elite capture”). Trainers also generally encouraged lower interest rates (5-10%) to ensure that vulnerable members were able to make their payments, although one group in Wakiso opted for a 20% interest rate. Investigators noted a fairly lax attendance policy in one of the Wakiso groups (see additional discussion below), where absentee participants were given a few chances to improve their attendance before being penalized with fees.

Attendance and regularity of deposits

In interviews and FGDs, participants characterized attendance and absenteeism as minor issues. The general consensus was that attendance at group meetings was quite high, and deposits were rarely missed.

The investigators explored the issue further by examining the paper ledgers kept by certain groups. The most intensive analysis took place on a single ledger for a single FARE group in Wakiso, and revealed some unexpected results. The ledger indicated that over a period of 21 weeks in the group's first cycle, the absentee rate was 46 percent. Over a period of 11 weeks in the second cycle, the absentee rate was 36 percent.

These findings led investigators to take a closer look at whether the absenteeism correlated with high rates of missed deposits and welfare fund contributions. From the FARE ledger, investigators found that the rates were not as high as the absenteeism, meaning at least some of the time, members made their deposits despite missing the meeting—for example, by having a friend bring in the money. But the missed deposits were still considerable: 20% of savings deposits and 24% of the welfare fund deposits missed in the first cycle, with those numbers at 16% and 19% in the second cycle.

There are several possible explanations for these trends. On the one hand, they might suggest that the group adapted its methodologies to reflect a greater need for flexibility to accommodate the financial ups and downs of its vulnerable membership. Members might simply have tolerated more lapses in attendance and payments because they knew the daily struggles their members faced. In the other hand, the ledger findings seemed to contradict what members themselves told us, which was that attendance was high and missed payments were few. The findings also contradict some of the rules in this group's written constitution—for example, that all missed welfare payments needed to be made up, which clearly was not happening according to the ledger.

We attempted to corroborate these trends with the M&E data provided by the project for this group, but the results were limited because the M&E system did not track attendance or welfare fund contributions. The system did track savings deposits, but on a monthly basis only, rather than the weekly basis of the registers, which made direct comparison impossible.

This line of analysis was not formally planned from the start, and these findings did not come to light until after interviews were more or less complete. Therefore, we had little opportunity to follow up by examining the ledgers of other FARE groups and speaking with the group members directly about what we had found. We were able to review the ledgers of some of the ESFAM groups, but that project's M&E system did not include any comparable individual-level data on savings or welfare deposits. A review of partial (not full-cycle) attendance records for six ESFAM groups found absentee rates that ranged from 15% to 46%, with an average of 23%. According to Savix data from the first quarter of 2018, the average absentee rate for Ugandan

SGs is lower, at around 15% (VSL Associates, 2018).

Findings from the FARE ledger are concerning, as absenteeism and missed deposits can threaten the integrity of the group. For example, the welfare fund is meant as an emergency resource for all; if some members make payments diligently, while other miss multiple payments, does the resource remain open to all? Will conflict arise around this, and how will it be resolved? At the same time, such practices may simply be adaptations to accommodate vulnerable members. To better monitor for such practices, practitioners should consider collecting regular monitoring data on absenteeism and welfare fund deposits.

Dropouts

All groups reported very low levels of dropout during the savings cycle. A handful of cases were reported due to participants migrating away from the area, particularly in urban areas. A very small minority of members were asked to leave by groups when they failed to adhere to the groups' constitutions in terms of savings and borrowing rules. (In all such cases, the members were given multiple chances to "turn things around" before the group asked them to leave.) The M&E data provided by the projects confirms this low level of dropout within the savings cycle.

Among the groups that had already begun a second savings cycle, most or all experienced some shuffling of membership. That is to say, some members elected not to continue after the first shareout, and their spots in the group were assumed by other community members who had become interested in the group while observing the first cycle. One group in urban Kampala reported that seven of its 30 members chose not to continue, but their spots were quickly filled by seven others from the community. A group in peri-urban Wakiso reported similar results with three of 19 members after the first cycle. FARE reported similar levels of attrition between direct and indirect beneficiaries. Generally, SG practitioners view limited between-cycle turnover such as this as natural and not detrimental to group functioning.

Sustainability

Both FARE and ESFAM planned to phase out of their direct involvement with the SGs before mid-2018. As such, the respondents were asked whether they would be ready to carry on their VSLAs autonomously by that time. The responses were mixed. Some indicated they were already knowable to do so; others expressed considerable doubt that they could carry on without partner staff. The biggest challenge cited once again was record-keeping.

Both FARE and ESFAM were aware of these looming challenges and formulated plans for community volunteers or local leaders to provide support after close-out. FARE's plan was to train local volunteers to replace them as group assistants and facilitators. These plans were still in an early stage; the terms "Village Leaders" and "Community Support Teams" were used variously as ways to describe the new position and function. The idea was that these individuals would provide key support to the existing groups (in areas such as record-keeping) and perhaps initiate new groups as well, depending on demand. ESFAM also trained community volunteers with the intention that they carry on working with groups after the project ends. ESFAM staff also noted that project gains would be sustained by continued support from local government officials, many of whom were involved in training the groups or participated as members themselves.

Group registration as CBOs was also part of the discussion on sustainability. A number of FARE and ESFAM groups had already completed this process, though it was reported to be a more difficult and bureaucratic for groups in Kampala. Beyond the symbolic boost to sustainability of being an “official and recognized” CBO, the attainment of registration might also bring a considerable material boost to the SGs. For example, in Wakiso, CBO status opens access to a regional government program called the “Livelihoods Program” that gives grants to CBOs. The grants are competitive but when successful they bring funds in the range of 2,000,000 UGX (around $550). This level of funding would be huge windfall that could help sustain the winning groups for years, perhaps as a supplement to the group’s existing loan fund. The local government official interviewed on this topic indicated that she knew the FARE groups well and would look favorably upon them in such a competition.

Discussion

Our investigation suggests that the ESFAM and FARE VSLA interventions functioned much like “mainstream” (non-targeted) SG programs. The programs worked in the sense that the participants enthusiastically embraced the model. We saw indications of positive behavioral change—a new culture of savings that did not exist before and appeared to be more than just lip-service. We also saw considerable evidence of improved female empowerment, and at least some impacts on GBV. We saw very substantive effects of social networks. The idea that these groups had become “like family” seemed very real, even in cases in which the members came from heterogenous backgrounds and may not have known each other previously. Clearly these “families” became sources of emotional and material support to the benefit of most members. And finally, we saw at least some indications of direct material benefit from the SG activity itself. Like other studies, the findings here suggest that change is not universal and tends to be small and incremental—small increases in income after infusing cash into enterprises, fewer missed meals, perhaps more kids in school. These changes may not be transforming lives, but the arrow points in a positive direction.

Our findings also have implications for SGs specifically in the context of prevention of separation/reintegration. As noted above, there were no *major* adaptations of the VSLA methodology to reflect the needs of the vulnerable target population. However, some changes were made and/or accepted, in both deliberate and organic ways. For example, the targeting strategies of the programs ensured a mix of direct and indirect beneficiaries in all groups, and this approach seemed to produce nothing but positivity and good-will among the participants on both sides. In addition, the constitutions generally set forth less stringent requirement in terms of minimum deposits and interest rates, compared to other mainstream SG programs, a point that seems supported by the comparisons with the Savix data. These were further steps toward inclusiveness for the direct beneficiaries. In sum, despite warnings from the literature, the mix of participants and outside community members in groups was not a source of tension. Groups were emphatic that they treated all members equally, and there was no evidence of discrimination.

Two issues raised earlier in the paper may be indications of further twists on these questions. The relatively small but noticeable imbalance of indirect and direct financial activity among the FARE groups might raise concerns about a gradual movement toward “elite capture.” But it may just as readily emerge as a de facto way to make more money available to directs, either in the form of a beefed-up loan fund or more interest paid at shareout, driven by the heavier loan activity of the indirects. Similarly, the lax attendance and deposit records noted in the Wakiso group might be sloppy enforcement of rules, or it might be a way to offer the more vulnerable members a break when they need it, without facing penalties.

It is safe to say that SGs generally yield at least some positive effects for their members—whether behavioral, social, or material—no matter what their socio-economic starting point. But it is clear that the VSLA model is not meeting the needs of everyone. We note that the intervention largely fell short when it came reintegration cases. Neither organization managed to enroll more than a handful of reintegration households in SGs. ESFAM was somewhat more successful, but not by much. The most common reason cited for these difficulties was the geographic scattering of the households. It was difficult and costly in terms of time and effort for these households to meet on a regular basis, leading several staff members to suggest that VSLAs are simply not an appropriate intervention for this population. Investigators looked at two reintegration groups, and though one group was enthusiastic about meeting and laudably overcame tremendous obstacles to fulfill their commitment to savings, the second group reported less impact and displayed less enthusiasm for the intervention than any other group interviewed. Clearly, it can be very challenging to effectively mobilize VSLAs for this population, though it can work for a minority of cases.

Destitute groups, on the other hand, seemed to work well, at least in the case of ESFAM, which disaggregated its groups in this way. Their savings rates were low, by most measures, but they demonstrated much greater enthusiasm than struggling 2 households for the VSLA intervention, which is reflected in high levels of participation. The fact that the destitute households were receiving cash transfers may have heightened the commitment to save, compared with the struggling 2 households. Another potential explanation is the social impact of bringing marginalized people together and providing social support. Many SG practitioners continue to theorize that the social solidarity effects of SGs are at least as important as the formal financial activity in all kinds of SG programs, and that appears to be in alignment with our findings.

As with other mainstream SGs, the ESFAM and FARE groups highlighted some important gender issues that future programs should address. Though women were by far the majority of VSLA members, men were found to disproportionately occupy positions of leadership. While most participants reported positive effects on women’s economic status and decision-making power in the household were reported, a few cases were reported where husbands disapproved of their wives' participation and physically harmed them. Programs should take the potential to do harm seriously and work to prevent this. Some practical steps include promoting clear communication within households about SG participation, stronger efforts at male engagement and sensitization on SGs, and providing GBV training to participant families and the broader community.

Finally, it should be noted that VSLAs were just one intervention in a package of interventions offered by ESFAM and FARE, and that these interventions intersected and reinforced each other in positive ways. VSLAs were an important platform for supplemental trainings on social topics, and home visits were used to reinforce financial literacy and ES messaging, including encouragement to participate in VSLAs. Overall, this integrated approach seemed to strengthen VSLA participation and helped facilitate the emergence of a "savings culture," while simultaneously using VSLAs to address the many other drivers of family separation.

Recommendations and Practical Suggestions

Sustainability remains of paramount performance for an SG program. One of the reasons the concept has remained so appealing to practitioners around the world is that the programs can/should be self-sustaining long after direct involvement of NGO/CBO ends.

In this case, we have two very promising avenues. Both FARE and ESFAM made efforts to train community volunteers to carry on group support after their programs close. When mentioned to the SG participants, the response was enthusiastic and suggested that finding such volunteers would not be difficult. We recommended both programs make these initiatives a top priority in the project's final months. Similarly, we recommended the projects do everything they can to assist groups in registering as CBOs. Successful registration would provide a symbolic and potentially material boost to the groups that should have a major positive effect on sustainability.

We also strongly recommended that the programs look into several of the issues that came to light in this investigation, at least informally or anecdotally. The attendance and regularity of deposits are important issues to understand more fully. The extent of the patterns and their implications remain unknown. These may be major problems that threaten the basic functionality and fabric of these groups, or, conversely, they may be a necessary and important concession that favors our target population. It would be gainful to know one way or the other, for future reference. Similarly, the disparities in financial activity between directs and indirects raise far more questions than answers. Why the extreme variation seen among the ESFAM groups/sites, and was the imbalance on FARE side growing or affecting group dynamics in any way?

A full understanding of both of these issues, as well as many other aspects of group performance, was limited by data available from the M&E systems used in the two programs. For any future programming, we strongly suggest a different approach to M&E. The two programs used highly individualized M&E systems, which made comparative investigations such as ours nearly impossible on many issues. Each system captured some useful data but omitted others. The FARE system, for example, captured highly-detailed individual-level savings and loan activity, which was useful, but omitted attendance data, so there was no way to compare what we observed in their ledgers. ESFAM's system captured a wider range of data points, but inexplicably offered no way to disaggregate direct and indirect financial activity (our findings in that area came only from review of paper ledgers).

We recommend a standardized approach to M&E for any related programming going forward. The Savix system[4] is a global standard for SG-related M&E. The platform offers a wide variety of tools and guidance that lays out the essential for the most relevant and important data for any SG program to capture. Moreover, the tools can be customized into more or less elaborate templates, depending on project needs, while offering ways to insert unique new variables to reflect particular project interests. The data generated will remain highly comparable to any sister programs using Savix as well as SG programs around the world.

Future programming should consider gender issues: both the potential for the program to do harm, and the potential to reinforce existing gender disparities through disproportionate male representation in leadership positions. As mentioned in the discussion, these issues can be addressed through stronger efforts at male engagement and sensitization on SGs, and providing GBV training to participant families and the broader community.

Finally, there were two issues raised in the course of the interviews that we recommended the two programs not pursue as the programs began to wind down: linkage for bank account group savings and organization of collective group business ventures. Both practices are seen in certain SG programs around the world. But the considerations for both can be extremely complicated, and the results around the world have been mixed. We suggested that these issues were too consuming to introduce near the end of the projects. If individual groups want to pursue them on their own, they are free to do so.

Limitations

This assessment used an exploratory, qualitative approach to examine staff and beneficiary perspectives on the effectiveness of design and implementation features of the VSLA component of the ESFAM and FARE programs. It was not an impact evaluation and we cannot claim to prove causality between intervention activities and beneficiary outcomes. Additionally, ESFAM and FARE were distinct projects operating in different project contexts with different beneficiary populations, and this assessment was not designed to collect directly comparable data between the two projects. Although we identified some similar themes in the data, any direct comparisons made between the projects were limited by these differences.

[4] See thesavix.org

Conclusion

VSLAs appear to be a promising addition to a package of interventions to help prevent unnecessary family separation. Some reintegrating households also reported positive effects from participating in them. However, VSLAs do not appear to be an efficient or effective intervention for projects to set up specifically for reintegrating families in most cases because these families may be too geographically dispersed to meet on a regular basis. As an example of an SG intervention for vulnerable populations, the FARE and ESFAM groups demonstrated that the target populations and non-targeted community members were able to form successful groups with minimal tension and similar levels of savings and loan performance within each project. They also demonstrated that groups made up of very vulnerable people, such as ESFAM's destitute groups, can save and borrow regularly and in increasing amounts over time. The enthusiasm of these groups also demonstrates the potential danger in segregating groups by vulnerability classification and offering a subsidy to participants at one classification but not another, which resulted in very weak participation among struggling 2 participants. Overall, VSLAs generated positive economic outcomes of an incremental nature as well as potentially transformative improvements in social support that emerged from the intervention.

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Mission Statement
ASPIRES accelerates evidence-based practice in economic strengthening for vulnerable populations through research and technical assistance.

Statement of Purpose
ASPIRES is a PEPFAR- and USAID-funded economic strengthening (ES) project focused on vulnerable populations, especially those affected by HIV. We aim to promote evidence-based practice by providing technical assistance (TA) for integrated ES programming most consistent with positive livelihood, health, and well-being outcomes. At the same time, we strengthen the evidentiary record through rigorous research so that future programming efforts have stronger foundations.

Research is at the heart of the ASPIRES identity, and all of our projects begin with a systematic interrogation of the existing evidence base in relevant program areas. We make major investments in original evaluation research of the highest possible rigor, both for course correction in implementation and to add to the evidence base. We share our findings on best practices with partners, the broader development community, policymakers, and other key constituents, and we offer TA to support programs that seek to replicate those practices.

ASPIRES provides limited direct implementation. Instead, we focus on providing existing USAID-funded projects with TA and research related to ES. This allows us to balance the collaboration necessary for in-depth research with independence from program operations. In this manner, we generate findings that contribute to identifying a core set of pathways to greater resilience for vulnerable households, and that provide insight into effective, efficient, and scalable interventions to achieve the desired impacts.

ASPIRES has no single theory of change; we are not a single-model or one-size-fits-all project. We are open to all manner of integrated ES interventions of interest to our USAID and PEPFAR stakeholders, with the ultimate aim to shape interventions around the best evidence available.