CARE INTERNATIONAL

Strengthening Cash Transfers for Access to Finance, Livelihood and Entrepreneurship: Impact Study

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Acknowledgements

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Joseph Zulu

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Abbreviations and Acronyms

CWAC	Community Welfare Assistance Committee
CTYA	Contact Trust Youth Association
DWAC	District Welfare Assistance Committee
EU	European Union
FGD	Focus Group Discussion
IGA	Income Generating Activities
MCDMCH	Ministry of Community Development Mother and Child Health
M&E	Monitoring and Evaluation
NSA	Non State Actors
PSP Zambia	Platform for Social Protection Zambia
PWAS	Public Welfare Assistance Scheme
RCT	Randomized Controlled Trial
SCALE	Strengthening Cash Transfers for Access to Finance, Livelihood and Entrepreneurship
SCT	Social Cash Transfer
SNDP	Sixth National Development Plan
SPM	Selection, Planning and Management
VA	Village Agent
VCT	Voluntary Counselling and Testing
VSL	Village Savings and Loans
VSLA	Village Savings and Loans Association

Executive summary

Introduction

This document presents the results of an impact study for the "Strengthening Cash Transfers for Access to Finance, Livelihood and Entrepreneurship" project being implemented by CARE International and Platform for Social Protection Zambia with support from the European Union. The study's main purpose was to assess the progress of SCALE project towards achieving impact as outlined in its logical framework including providing recommendations for improving the project.

Baseline Approach and Methodology

Both qualitative and quantitative approaches were followed to conduct the impact study. A modified Randomized Controlled Trial (RCT) was employed where randomization was done at the level of the Community Welfare Assistance Committee (CWAC) within each of the four (4) targeted districts.

Results

Food Security and Household Welfare
- Overall, there has been an increase in food security at household level over the past two years. The number of households who reported that they had access to food increased by 11.5 percentage point from 69% in 2013 to 80.7% in 2015. Compared to the non-intervention group the increase is by 11 percentage point. The percentage of households that have 3 meals per day increased by 38.3 percentage point from 13% in 2013 to 51.3% in 2015.

Coping Strategies
- The key positive changes in the coping strategies include the increase in the use of own savings by 42.4 percentage point compared to baseline and 35.2 percentage point when compared to non-intervention groups. Another important indicator is the selling of some assets like animals which when compared to the baseline increased by 24.1 percentage point. Compared with non-intervention group, there was a 19.1 percentage point increase in selling of animals.

Access to Basic Social Services
- More than half of the respondents (65%) reported that there has been a positive change with regard to accessibility to social services. There was a 13.6 percentage point

increase in the accessibility of social services as reported by respondents compared to the non-intervention groups.

Access to Loans
- 78.2% of the households reported that there had been an increase with regard to possibilities or opportunities of accessing loans over the past two year in 2015 compared to 21% of respondent in 2013. This shows an increase of 57.2 percentage point and when compared to the non-intervention, the percentage point increase is 70.9 clearly showing the huge shift of households in the intervention group on access to loans as a result of VSLA.

Capacity to Save
- About 84.6%, of households indicated that there has been improvement with regard to their ability to save since the baseline survey. Compared to the non-intervention this shows an increase of 44.4 percentage point.

Household's Engagement in Income Generating Activities
- The percentage of households selling small livestock like chickens increased from 10% to 12 %. The percentage of households engaged in selling medium livestock like goats increased from 5% to 6 % while those selling big livestock like cattle increased from 1% to 4 %. The only drop in the percentage of those households involved in Income Generating Activities (IGA) was recorded in the marketing of agro output which reduced from 32% to 29%.

Contribution of the SCALE project to starting IGAs
- 24 % of the respondents stated that they started their businesses with the help of the SCALE project.

Belonging to VSLA
- There was a 100% increase in the number of community members belonging to VSLA in the intervention households. In the non-intervention households there was an increase of 8% in the number of household belonging to groups.

Benefits of Belonging to VSLAs
- 93.3% of those who belonged to the VSLAs reported that the VSLAs were very beneficial. The benefits included ability to increase financial savings and capital for business, ability to pay school fees for children, acquire farming inputs and livestock, and build houses and household assets.

Income at Household levels

− Most of the respondents 62% reported that they recorded an increase in household income of between K50-200 per month. 40% of the households indicated that their income increased by about between K200 and K800 per year. The remaining 41% reported that their annual income increased by over K800 per year.

Recommendations

1. Although some households (38%) reported that the SCALE project had contributed to the increase in income generated, there is need to strengthen project monitoring and mentorships systems at community level in order to ensure more households record increased income and savings.

2. Considering that there has been a drop in the marketing of agro output, there is need to conduct further studies focusing on mechanisms that could have caused such a reduction.

3. Enhance training in business skills and knowledge considering that less than half of the respondents (18.5% of households in the intervention group and 15.3 % in the non-intervention group) rated their level knowledge in these aspects as being very good.

4. Since the SCALE project has some significant improvements in the intervention group compared to the non-intervention group such as the increase in the number of households accessing food, loans and saving finances, there is need to enhance documenting and sharing of best practices in the VSLAs within the SCALE sites in order to motivate other SCT beneficiaries.

5. The SCALE project should be replicated in other areas where SCT is being implemented as it is very promising and relevant with regard to enhancing food security, social and economic development indicators among SCT households.

1.0.   Introduction

The "Strengthening Cash Transfers for Access to Finance, Livelihood and Entrepreneurship (SCALE)" being implemented by CARE International and Platform for Social Protection (PSP) Zambia with support from the European Union is a new project that aims at increasing the capacity of the Zambian civil society network engaged in social protection action and advocacy to influence the development of the national social protection policy. The project intends to complement and strengthen the Social Cash Transfer Scheme (SCT) a social assistance programme implemented by the Ministry of Community Development Mother and Child Health (MCDMCH). As part of its impact evaluation strategy, CARE International and PSP Zambia conducted a impact study covering four districts Kaputa, Kazungula, Kalomo and Katete in June/July2015 to assess the progress of SCALE project towards achieving results.

This document presents the findings of the impact study and is presented in seven sections: introduction, background, study approach and methodology, survey results, conclusion, recommendations and annexes.

1.1. Background

The Zambian government provides social cash transfers as one of its social protection programmes in selected districts to ameliorate social risk and economic vulnerability, and reducing the transfer of poverty from one generation to the next in vulnerable households. These cash transfers are predictable i.e. paid bi-monthly not as a reaction to a crisis, but as a pre-emptive initiative to allow recipients to prepare for and protect themselves in an effective way against unforeseeable catastrophes[2]. Cash transfers are aimed at reducing extreme poverty in incapacitated households and offering an opportunity for households to invest in the future of their children and break inter-generational poverty. Social Cash Transfers have been administered by the MCDMCH through the Public Welfare Assistance Scheme (PWAS) since 2003. In 2014, the Government of the Republic of Zambia made a decision to scale up the scheme from 19 districts in 2013 to 50 districts across the country.

Following the scale up decision, the Ministry among other things revised the targeting mechanism and adopted an Inclusive Model which uses three level eligibility criteria in screening the potential beneficiaries and these are; the residency test, demographic test/dependency ratio test and the living conditions test. This targeting mechanism has already been applied in the new districts. However, the Ministry continues to implement the four old

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[2]Devereux Stephen et al, **SOCIAL TRANSFERS**, A series of policy briefs for national stakeholders, June 2007.

models namely; the Child Grant, Multiple-categorical Targeting, 10% Inclusive Model and the Old Age Based Pension Schemes which will gradually be phased out.

The SCALE project is being implemented by CARE International in partnership with the Platform for Social Protection (PSP) Zambia with funding from the European Union. The project is a 3 year project running up to 2016 aimed at complementing the government's (SCT).The overall objective of the SCALE project is to strengthen civil society in Zambia working on social protection as a precondition for a more equitable, inclusive and democratic society. The project is being implemented in Kalomo, Kazungula, Katete and Kaputa districts of Zambia. These districts are representative locations of the government's three models of SCT targeting which is based on:

a) 10% most vulnerable households which is used for Kalomo and Kazungula;
b) Vulnerable households with children under five years - child grant used for Kaputa; and
c) Social pension for those aged above sixty years (applied only for Katete).

SCALE project has two specific objectives:

1. To strengthen Zambian Non State Actor's (NSA's) capacity to generate and use evidence to influence national social protection policy and practices.

   Embedded in the SCALE project is the Village Savings and Loan (VSL) and Selection, Planning and Management (SPM) a complementary model of livelihood strategies from which the evidence will be generated. This innovative model has potential to minimise long term dependency on the government SCT programme. The model combines a well proven self-managed Village Savings and Loan Associations (VSLAs) trained on methodologies of VSL and basic business skills on SPM for Income Generating Activities (IGAs).

   The project will train PSP and its fifteen (15) member organisations in generating, documenting and communicating evidence of how a complementary livelihood strategy to SCT programmes enable effective graduation from dependence of recipient households. PSP will ensure the sustainability and multiplier effects of the initiatives by analysing the lessons learnt and disseminating the results. These efforts should ultimately contribute to the achievement of the overall objective.

2. To enable Zambian NSAs to contribute to effective pathways to graduation from Social Cash Transfers (SCT) for extremely vulnerable households.

   The project will increase the capacity of PSP and its 15 members in promoting complementary livelihoods support among SCT beneficiaries through training on VSL and SPM methodologies. As implementing partner, PSP will engage community volunteers called Village Agents (VAs) to deliver the VSL and SPM

training and monitor performance of VSLAs. Four PSP members with presence in the four target districts will closely participate in the process of introducing VSL and SPM to the 10,000 target SCT beneficiaries, and in monitoring and coaching VSLAs. These approaches will facilitate transfer of knowledge to PSP and its members and prepare them for future scale-up of the model.

Every five (5) years, reassessment and exit of beneficiary households whose economic status has improved is conducted and replacements are made to accommodate other qualifying households.[3] The complementary model of VSL and SPM build on the existing SCT beneficiary household's graduation model. The SCT beneficiaries are organised into VSLAs and trained on VSL and SPM methodologies. As VSLAs mature, they serve as effective platforms for growing financial assets and skills as well as non-financial social support to VSLA members. The target groups of the action are as follows;

1. Ten thousand (10,000) SCT household beneficiaries (approximately 60,000 household members);
2. PSP with its fifteen (15) member organizations;
3. Fifty (50) Village Agents recruited by PSP from the communities have been trained in the delivery of VSL and SPM and are capacitated to independently continue related activities at other locations after finalization of the project.; and
4. Anticipated final beneficiaries of 99,000 current and future SCT households (with approximately. 595,000 household members).

These initiatives will increase the capacity of the civil society network to complement government's efforts in social protection action and policy.

1.1.1. Objectives of the impact study

The main purpose of the impact study was to analyze the implementation process of the SCALE with the view of assessing its impact among SCT household in Kazungula, Kalomo, Kaputa and Katete districts.

The specific objectives of the study were as follows:

1. To assess the impact of SCALE project on key social and economic indicators that were defined among SCT household during the baseline survey namely food security, income, savings, assets as well as business knowledge and skills.
2. Develop recommendations based on the findings of the impact evaluation to inform project stakeholders on SCALE implementation process.

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[3] MCDMCH, Harmonised Operations Manual, May 2012

2.0. Impact study approach and methodology

2.1. Fieldwork

The impact study started at the beginning of June 2015, and was completed on the 20th June 2015, taking nineteen (19) days to complete. Four (4) teams comprising fourteen (14) enumerators were employed for the household survey to collect data in four districts in phases starting with Kazungula and Katete then finally with Kalomo and Kaputa. All enumerators were carefully trained in administering the questionnaire and were involved in the training and associated debrief during field work. Two (2) of the fourteen (14) were trained as supervisors; one to lead two teams (Kazungula/Kalomoand Katete/Kaputa). The teams were adequately trained in data collection process.

2.2. Study design

A modified Randomized Controlled Trial (RCT) was employed where randomization was done at the level of the Community Welfare Assistance Committee (CWAC) within each of the four (4) targeted districts.

Total sample size was 300 households drawn in a multi stage sampling process randomly picked from the intervention and non-intervention CWACs in the four districts (Kalomo 58 households; Kazungula33 households; Kaputa131 households and Katete 78 households) chosen with probability proportional to the number of SCT beneficiary households in a CWAC (Table 1). The sampling for this survey followed a multi-stage design, meaning that the identification of the ultimate survey unit (household heads) was at the end of a series of sampling stages (starting with CWACs, going to households and eventually individual respondents) consistent with random sampling techniques.

The first stage was the verification of the intervention and non-intervention CWACs identified at baseline. In the second stage, the identified intervention and non-intervention clusters (CWACs) provided the sampling frame for sampling individual households. At this stage individual households from the sampling frame were randomly selected (using a process of systematic random selection from the list of households) and in proportion to the population composition of the district.

Table 1: Sample size for the evaluation study

District	Current SCT population	District proportion in relation to overall population	Estimated programme Target population	Sample population at 3%	Sample for intervention group @ 50%	Sample for non-intervention Group @ 50%	Number of Research Assistants per district
Kaputa	10,520	44.8%	4,480	131	62	69	5
Kazungula	2,570	11%	1,100	33	16	17	2
Kalomo	4,438	18.9%	1,890	58	30	28	2
Katete	5,965	25.3%	2,530	78	39	39	3
Total	**23,493**	**100%**	**10,000**	**300**	**147**	**153**	**12**

2.3.   Survey instruments

The survey used a combination of quantitative and qualitative tools. Quantitative data was collected through structured questionnaires, whilst qualitative data was collected through key informant interviews and Focus Group Discussions using semi-structured interviews. Questionnaires were developed in English and then administered in local language in the field. FGD and key informant instructions and checklists for each sub-group were also developed in English. Transcripts of each FGD and key informant interviews were originally recorded in both local language and English.

2.3.1.   Questionnaire for household survey

The questionnaire for the household survey component of the baseline survey was designed around key expected outcomes and associated indicators of the SCALE project. The aim was to have a questionnaire that was simple to answer and record responses, and not take more than 30 minutes on average to complete. They were very few open ended questions in the questionnaire making recording of answers simple and quick. A total of 300 questionnaires were administered.

2.3.2.   Key Informant Interviews

Qualitative information was collected by means of key informant interviews with key stakeholders in the four districts and in Lusaka. The following were the key informants who were purposively sampled and interviewed (Table 2):

Table 2: Key Informants Interviewed

Organisation/Institution/Department	Number of interviews
Care International	1
PSP Zambia	6
District Social Welfare Officers	4 (one per district)
Village agents	4(one per district)

2.3.3. Focus Group Discussions

Qualitative information was also collected by means of focus group discussions with various community sub-groups including the beneficiary households and District Welfare Assistance Committees (DWAC). These including the key informant interviews used open ended questions developed focusing on specific themes. FGD's were conducted with purposively selected beneficiary households and DWAC members. A total of 4 FGDs were conducted, with VSLA members. The FGDs were equally distributed between male and female participants.

2.4. Data analysis and reporting

All questionnaires were checked by supervisors in the field prior to leaving each CWAC to ensure they were completed fully and correctly. Questionnaire data was then entered into Epi Info and data entry errors were identified and corrected systematically until no transcription/entry errors remained. Analysis was then undertaken using SPSS. Qualitative data was analyzed using thematic method approach.

2.5. Limitations of the Study

Despite the fact that the study was designed at the time of the baseline survey (2013) as a randomized non-intervention trial with intervention and non-intervention CWACs, during implementation there was contamination in the both intervention and non-intervention CWACs. However, since we knew which groups had the intervention and which groups didn't, we were still able to attribute the results to SCALE, even if there was contamination in both the intervention and non-intervention CWACs.

3.0. Findings from the impact study

3.1. Sample –Intervention and Non-Intervention Comparisons

Ideally in analyzing the program impact/results of the study, this would have been estimated using a difference-in-differences (DD) multivariate statistical model that compares the change between baseline (2013) and follow-up between treatment and non-intervention groups (2015) as shown in Table 3 below.

Table 3: Analysis of treatment and control groups

	Baseline (2013)	Post (2015)	1st difference
Treatment (T)	Y^T_{2013}	Y^T_{2015}	$Y^T = (Y^T_{2015} - Y^T_{2013})$
Comparison (C)		Y^C_{2015}	$Y^T = (Y^C_{2015} - Y^T_{2013})$

However, such an analysis could not be performed because the treatment and non-intervention CWACs were not defined during implementation. Therefore, the study separated households into intervention and non-intervention groups based on household's participation in the program. Households that participated were categorized as intervention and households that did not participate were categories as non-intervention.

3.2. Demographic information

3.2.1. Gender Distribution of Respondents

A total of 300 respondents were interviewed in the survey, the majority being females, 82% as compared with males 18% (Figure 1). Like many other studies including the baseline survey have confirmed in the past, this study suggests that there are more beneficiary female headed households than their male counterparts due to the fact that female headed households are more vulnerable than the males. The SCT Scheme targets the most destitute and vulnerable households. Almost all the respondents interviewed were adults above 18 years. However households with children under five years as target beneficiaries in the case of Kaput district were interviewed through their primary care givers.

RESPONDENT'S GENDER

Male; 17,7%

Female; 82,3%
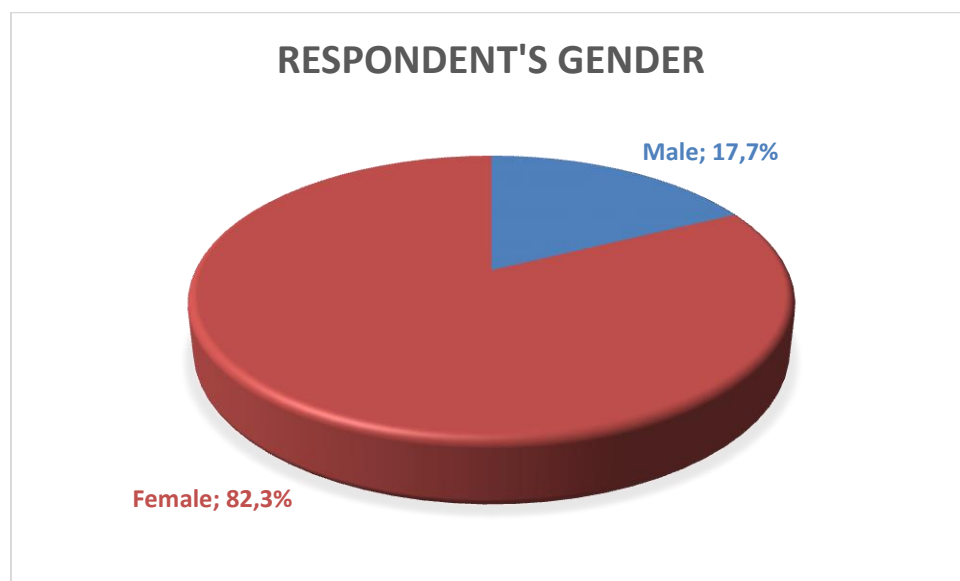
3.2.2. Age of sampled population

The majority of the respondent age are aged 60 years and above accounting for 46.5% of the population covered, those aged between 40 and 59 accounted for 18%, those between 19 and 39 accounted for 34% while those below 18 accounted for 1% as shown in the Table 4 below.

Table 4: Age of Respondent

No	Age of Respondent	Percent (%)
1	60 years and above	46.5
2	Between 19-39 years	33.8
3	Between 40-59 years	18.4
4	Below 18 years	1.3
Total		100

3.2.3. Level of education completed

A large number of respondents interviewed had attained some level of formal education. Only 26% of the household heads had never attended any formal education at the time of the survey.11 % of the head of household's reached standard 6 (grade seven) level of education while 8% attained form two (grade nine) school level and 0.7 % of the household heads had gone beyond secondary school. This presents a possibility for easy assimilation of skills and adoption of skills that are to be offered under the SCALE programme (Table 5).

Table 5: Level of Education of Household Heads

Education Level Completed	Per cent (%)
No formal education	26.1
Completed Primary Education	62
Completed Secondary Education	11.6
Completed Certificates, Diploma,	0.3
Total	**100**

3.2.4. Occupation of household heads

The study showed that the main occupation was that of farmer/herder 54%. The too-old-to-work accounted for 13%, those doing piece works accounted for 10% while 7% were too ill or disabled to work. 6.4% indicated that they are self-employed while other occupations accounted for 9% (Table 6).

Table 6: Occupation of Household Head

No	Main Occupation	Per cent (%)
1	Farmer/herder	54.
2	Too old to work	13
3	Piecework	10
4	Other	9
5	Too ill/disabled to work	7
6	Self employed	6
7	Fishing	1
	Total	**100**

3.3. Household Livelihood Conditions

3.3.1. Food Security and Household welfare

Findings of the evaluation on food security showed that overall, there has been an increase in food security at household level over the past two years as reflected in Table 7 below. The number of households who reported that they had access to food increased by 11.5 percentage point from 69% in 2013 to 80.7% in 2015. Compared to the non-intervention group the increase is by 11 percentage point. The percentage of households that have 3 meals per day increased

by 38.3 percentage point from 13% in 2013 to 51.3% in 2015.This finding on increase in meals per day over the two years was also explained in the FGD as explained below.

"*We have been able to live a normal life in terms of eating food. We eat twice a day*"(beneficiary household head).

The study also revealed that there has been a reduction in the number of households that sometimes reduce the amount of food to eat by 17.6% percentage point (Table 7). Compared the baseline situation which was 33%, the impact evaluation showed that only 15.1% and 15.3% of the households in the intervention and non-intervention groups respectively reported that they sometimes reduced the amount of food. This change could be attributed to the improved household's ability to save.

Table 7: Selected Indicators on Food Security and Household Welfare

No.	Description of food security indicator	Percentage (Baseline 2013)	Percentage evaluation (Intervention)	Percentage evaluation (Non -intervention)
1	HHs that have access to food	69.2	80.7	69.7
2	HHs that do not have access to food	30.8	19.3	30.3
3	HHs that have one meal per day	49.7	4.2	9.7
4	HHs that have two meals per day	13.0	43.7	61.3
5	HHs that have three meals per day	13.0	51.3	28.2
6	HHs that have more than three meals per day	0.3	0.8	0.8
7	HHs that rarely(once or twice) reduce amount of food	38.8	43.7	50.8
8	HHs that sometimes (three to ten time) reduce the amount of food	32.7	15.1	15.3
9	HHs that often reduce the amount of food	28.6	3.4	7.3
10	Overall number of households that reduce the amount of food as a result of not enough food	86	71.6	68.5
11	HHs that limit choice of food due to lack of resources	77.2	65.5	74.2

3.3.2. Coping strategies

Different households used different coping strategies in the community over the past two year (Table 8). Some strategies potentially demonstrated that the households were moving towards improving consumption, smoothing their financial capacity and food security of households. The key positive changes in the coping strategies include reduction of households working on

piece work on farms belonging to other households by 7.3 percentage point compared to baseline and 13.1 percentage point compared to non- intervention group. The change can mean that these households no longer need to work on other households farms to earn some income because now they can access this from the VSLA. The use of own savings increased by 42.4 percentage point compared to baseline and 35.2 percentage point when compared to non-intervention groups. Another important indicator is the selling of some assets like animals which when compared to baseline, there has been an increase by 24.1 percentage point and compared with non-intervention group there was a 19.1 percentage point increase. In addition, very few people in the intervention group (2.5%) borrowed money from lenders compared to non-intervention group (6.5%). This is a good project impact because money lenders often increase vulnerability. The study also showed that fewer respondents (7%) in the intervention group did nothing as a copying strategy compared to 13.7% in the non-intervention group. This could be attributed to more households in the intervention group using other proactive means such as spending savings as copying strategies.

Table 8: Coping Strategies

No	Coping Strategies	Percentage (Baseline 2013)	Percentage (Evaluation 2015) *Intervention*	Percentage (Evaluation 2015) *Non Intervention*
1	Piece work on farms belonging to other households	22.4	15.1	28.2
2	Worked more hours/started business	14.4	16	12.1
3	Other piece work	10	18.5	37.9
4	Spent savings	9.7	52.1	16.9
5	Sold Animals	8.7	32.8	13.7
6	Did nothing	7	5.0	13.7
7	Received/asked for gifts/assistance from relatives, friends/ others	5	22.7	12.9
8	Sent children to work/sell	4.7	1.7	1.6
9	Reduced non food expenses	4	5.9	19.4
10	Substituting ordinary meals with mangoes, pumpkins, sweet potatoes	3.3	6.7	6.5
11	Borrowed money from friends/relatives	3.3	15.1	17.7
12	Grew/sold additional/ other crops	2.3	5.9	8.9
13	Sought help from government	1.7	0.8	0.8
14	Working on ' Food For Work or Work For Assets Program	1	1.7	4.0
15	Eating wild foods only	1	0.0	0.8
16	Sold Assets(Tools, Furniture, Radio, TV, Car	0.3	1.7	0.8
17	Borrowed from money lenders	0.3	2.5	6.5

3.4. Access to Basic Social Services

The study also explored whether or not there has been a positive change with regards to accessibility to social services over the past one year. Compared to the baseline survey, more than half of the respondents (65%) reported that there has been a positive change with regard to accessibility to social services. There was a 13.6 percentage point increase in the accessibility of social services as reported by respondents in the intervention group compared to the non-intervention groups (Table 9). Structured interviews, FGDs and key informant interviews showed that the changes included improved access to health facilities and schools. Others also narrated that they had been able to acquire basic services such food and clothing.

Table 9: Change in access to basic social services

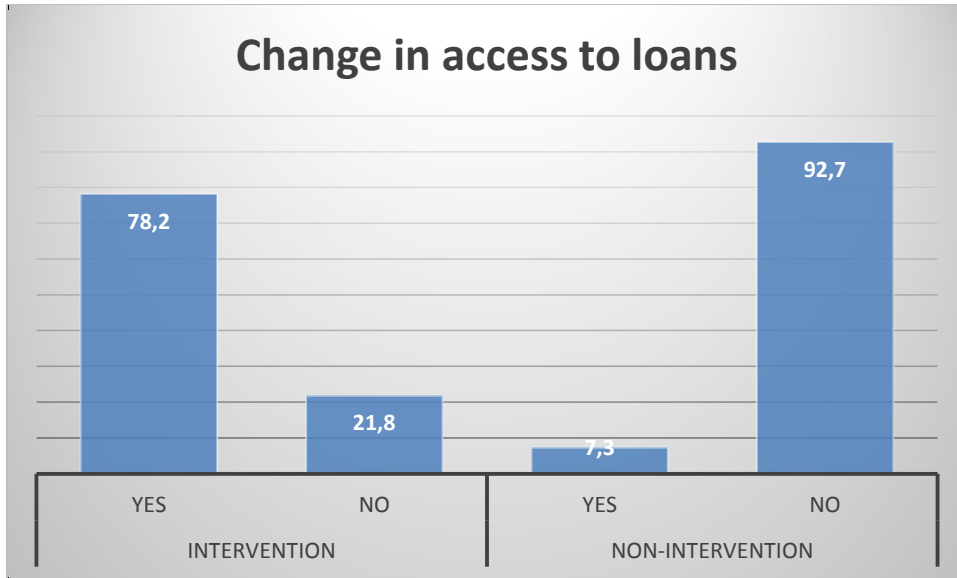|		Percentage intervention	Percentage non intervention
Valid	No	22.2	35.8
	Yes	77.8	64.2

3.5. Access to General Financial Services

3.5.1. Access to loans

Regarding access to financial services, the study analyzed changes that had occurred over the past year with regard to accessing loans, ability to save and also capacity to assist other relatives with loans. On the issue of accessing loans, 78.2% of the households reported that there had been an increase with regard to possibilities or opportunities of accessing loans over the past one year in 2015 compared to 21% of respondent in 2013. This shows an increase of 57.2 percentage point and when compared to the non-intervention, the percentage point increase is 70.9 clearly showing the huge shift of households in the intervention group on access to loans. Figure 2 below shows the households' perspectives regarding changes of the loan situations in the communities. The increased opportunities to borrow were attributed to mainly formation of VSLAs. Below is how one of the respondents explained this increased access to loan as a result of the VSLA.

"I have benefited from the VSLA through loans and also a lot of lessons from my friends on how to manage finances" (beneficiary household head).

Change in access to loans

	YES	NO	YES	NO
	78,2	21,8	7,3	92,7
	INTERVENTION		NON-INTERVENTION	

3.5.2. Capacity to Save

About 84.6%, of households indicated that there has been improvement with regard to their ability to save since the baseline survey. Compared to the non-intervention this shows an increase of 44.4 percentage point. Only 15 % reported that they had not seen any changes in terms of capacity to save since the baseline survey (Figure 3). These who reported that they did not see any change cited low household income from the businesses.

Figure 3: Capacity to save
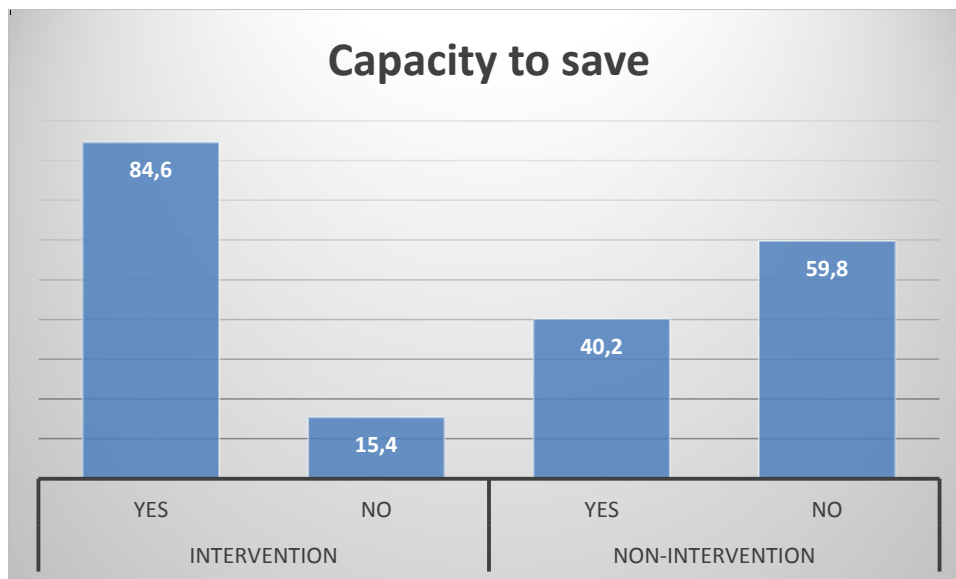
Of the households who reported that there had been an increase or change with regard to their ability to save over the past year, the highest amount of money saved at one point in time was K1200 (142 Euros[4]) by household. This amount was followed by K500 (61 Euros). Most households (60%) reported an increase of savings between K20 - K200 (2.4 to 24 Euros).

Partly due to increased ability to save finances, over half of the households (53%) reported that their ability to give food, animals, livestock or medicines to other people who were not necessarily members of the family had improved since the baseline survey (Table 10).

Table 10: Households ability to giving money/food to other people

		Percentage intervention	*Percentage non intervention*
Valid	No	46.6	49.6
	Yes	53.4	50.4
Total			

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[4] 1 Euro= ZMW 8.2

One of the respondents explained this improved ability to give things or money to other people in the community:-

"Because I am able to borrow money from the VSLA at a low interest rate, I have been able to buy livestock and give some of the animals to my relatives" (Beneficiary household head).

3.5.3. Method of Saving and Borrowing

Respondents were asked how they saved money 2 years ago and at present. The study has revealed that there has been a positive change in the way households saved 2 years ago and now as seen from the Table 11 below. More than half the respondents 68% save with VSLA compared with the non-intervention. .

With regards to borrowing money, majority of the households (70%) are now are borrowing money from VSLA compared to 2 years when most households borrowed from friends. Compared to non-intervention groups the majority of households borrow from member of family or a friend, 25.4 percentage point of households borrowing through the VSLA. It is clear that the pattern of saving and borrowing among households is changing due to the introduction of the VSLA. This is expected to increase over time with the promotion of the VSLA in the community.

Table 11: Method of saving

How do you save money?	Percentage intervention		Percentage non Intervention	
Method of Saving	2 years ago (%)	Now (%)	2 years ago (%)	Now (%)
Bank	1.7	1.1	3.2	4.8
VSLA	2	68.2	0.8	8.1
'Under the bed/in the pot/tin'	55.1	36.9	73.4	62.9
With my husband/wife	22.7	20.5	18.5	20.2
How do you borrow money?				
Method of Borrowing	2 years ago (%)	Now (%)	2 years ago (%)	Now (%)
Member of family	23.3	19.9	41.1	41.1
Money lender	4.0	1.7	14.5	6.5
VSLA	29	69.9	3.2	6.5
From a friend	44.3	36.9	32.3	39.5

3.6. Assets

Asset ownership was used as an important indicator of wealth and as a useful proxy for characterizing livelihood security of households. It was reported that the households own and value assets in different forms. Over the past 2 years, it was reported that some respondents had acquired new or additional assets. Household materials acquired included chairs, ploughs, bicycles, hoes, axes and beds. Respondents indicated that the SCALE project had helped them acquire such assets as reflected below:

"The SCALE project has been very useful. For example, last year I had no axe and bed, but now I managed to buy these from the savings from VSLA" (beneficiary household head).

In additional to smaller assets like the beds and axes, a few households reported that the SCALE project had helped them acquire bigger assets such as cattle and houses. They reported that the easy access to loans from VSLA and low interest rates attached to loans from the VSLAs had helped them acquire such assets. One of the respondents narrated how the SCALE project had helped the household build the house as follows:

"Having joined the VSLA, my ability to save money increased and I was also able to borrow money at a low rate - thus making it possible for me to finish building a house. All I can say is that through the SCALE project, I now have a house" (beneficiary household head).

3.7. Household's Engagement in Income Generating Activities

Compared to the situation during the baseline survey, the evaluation study indicated that there was an increase in most of the business categories. As indicated in Table 12 below, the percentage of households selling small livestock like chickens increased from 10% to 12 % in the intervention group and 13% in the non-intervention group. The percentage of households engaged in selling medium livestock like goats increased from 5% to 6% in the intervention group and 7% in the non-intervention group while those selling big livestock like cattle increased from 1% to 3 % in the intervention group and 7% in the non-intervention group. The lower percentage increase of households engaged in selling medium livestock like goats compared to those selling big livestock could be due to big livestock attracting more income than medium livestock. Meanwhile, the percentage households involved in small scale trading (tuntemba, selling wild fruits and chibwantu) remained the same at 32% over the past 2 years in the intervention group. The only drop in the percentage of those households involved in

IGAs was recorded in the marketing of agro outputs which reduced from 32% to 29%. This reduction could have been as a result change of business focus by other households.

Table 12: Income Generating Activities

Type of IGA	Percentage baseline 2013	Percentage evaluation, 2015 (intervention)	Percentage evaluation, 2015 (non-intervention)
Selling small live stock	10	12.3	12.9
Selling medium livestock	5	5.7	6.5
Selling big livestock	1	3	7.3
Selling/burning charcoal	15	5.9	8.1
Brewing beer	5	6.1	7.3
Small scale trading (shops)	32	32	14.5
Selling or marketing agro out	32	29	12.1

In terms of the overall contribution of the SCALE project to starting of businesses, the evaluation surveys showed that of the households that were operating businesses or IGAs, 24 % stated that they started their businesses with the help of the SCALE project. The relevance of the SCALE project in contributing towards starting and expansion of the businesses was reported in structured interviews, key informant interviews, FGDs as well as the structured interviews. Below are some of the views from the households regarding the role of SCALE and SCT in shaping business plans.

"*Through savings, I was able to start a garden*" (*beneficiary household head).*

" *Through the money from the SCT and borrowing from the VSLA, I was able to buy domestic animals, feed them and sell them at a higher price after some months.... that is my business for now, I buy and resell animals*" (*beneficiary household head*).

3.8. Income at household levels

The study further analyzed possible changes of income that is raised from the businesses of IGAs. About 33% reported that they had experienced improvement in income raised from the IGAs or businesses over the past one year. Overall, 38% reported that the SCALE project had contributed to the increase in income generated at household level.

3.8.1. Highest/lowest income earned per month

Analysis of monthly income data showed that there was variation with regard to income earned per month across the households. The highest increase in household income earned in a month since the baseline survey was K 1000 (122 Euros) and was followed by K550 (67 Euros) and K500 (61 Euros) respectively. The three (3) lowest increases in monthly household income from the IGAs/businesses raised over the past two years were K30, K20 and K10 respectively (Figure 4).

Figure 4: Highest/lowest income earned per month
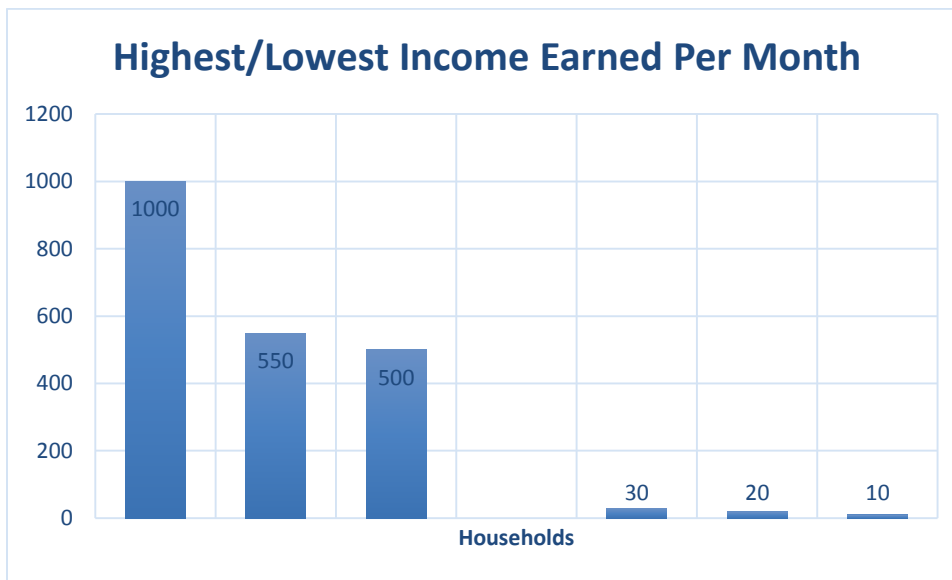
Most of the respondents 62% reported that they recorded an increase in household income of between K50-200 (8 -24 Euros) per month. In terms of annual analysis, about 19 % of the households indicated that their annual income increased by less than K200 (24 Euros) while 40% of the households indicated that their income increased by roughly between K200 (24 Euros) and K800 (97 Euros) per year. The remaining 41% reported that their annual income increased by over K800 (97 Euros) per year.

3.9. Belonging to community groups

Data showed all the people in intervention group belonged to the VSLA. Thus, there was a 100% percentage point increase in the number of community members belonging to VSLA in the intervention group. Compared to the baseline survey where only 2% of the households reported belong to credit and savings groups (Table 13).

Table 13: Belonging to VSLA

Description	Percentage baseline 2013	Percentage evaluation 2015
Households belonging to VSLA	2	100

3.10. Benefits of belonging to VSLAs

The evaluation showed that 93.3% of those who belonged to the VSLAs reported that the VSLAs were very beneficial (Table 14). The benefits included ability to increase financial savings and acquire capital for business, ability to pay school fees for children, acquire farming inputs and livestock, build houses and acquire household assets.

Table 14: VSLA participation/benefit

		Percent	Valid Percent	Cumulative Percent
Valid	No	6.7	6.7	6.7
	Yes	93.3	93.3	100.0
	Total	100.0	100.0	

3.10.1. Increased financial savings and capital for business

Overall majority of the stakeholders who belonged to the VSLAs reported that the VSLAs were beneficial because by being members of such associations, they were able to acquire knowledge about the importance of financial savings and how to manage group savings. One of the respondents explained the role of the groups in enabling access to loans as follows.

"Through being a member of VSLA, I was able to get loan without any difficulty, this enhanced my capital base" (*beneficiary household head*).

3.10.2. Ability to pay school fees and access medical services

Qualitative data showed many respondents reported that being part of the VSLAs reduced the challenges that they used to have in paying school fees for the children. They reported that in most cases, they were no finances at the time when school-going children were required to pay fees due to limited ability to save and also few opportunities from where to borrow money at short notice.

"Before being a member of the VSLA, I used to struggle to pay fees for my children. And sometimes I had to borrow money from individuals at a high interest, now things are better...with VSLA, I was able to pay fees for my children without much difficulty" (*beneficiary household head*).

In addition to meeting the school requirements, other respondents indicated that they have been able to raise funds to meet transport costs to the health facilities and also buy medicines. *"Because of the finances that I have saved from the VSLA, we have been able to access medical services as a family"(beneficiary household head).*

3.10.3. Acquisition of farming inputs and livestock

Belonging to VLSA had also contributed to increased access to farming inputs and livestock. Key informant interviews, FGDs and also structured interviews showed that households have been able to purchase ploughs, cattle, goats, chickens and acquire fertilizer.

"I have been able to buy goats, pigs and fertilizer through my being a member of VSLA" (beneficiary household head).

3.10.4. Building houses and purchase of household goods

All the households that belong to VSLA indicated that one of the benefits of belonging to the VSLA has been the ability to purchase household goods. These included beds, chairs and blankets. The role of VSLAs in enabling households to purchase household requirements was explained as follows.

"I would recommend that many households benefit from the VLSA because by being part of these associations I have been able to save money which I use to buy food for the household and also other groceries" (*beneficiary household head*).

Some individuals reported that the savings and loans from the VSLA had enabled them to commence building houses while others were able to complete the houses which they had started building before being members of the VSLAs. Some informed that they had used the money from VSLAs to start procuring materials for constructing houses such as iron sheets which they intended to use in the future.

"The VSLA is very good, it has enabled me to complete building my house."

3.11. Business Knowledge and Skills

Compared to the baseline survey, there was an increase in the percentage of respondents who indicated that identification of businesses, development of business plans, starting and management of businesses had improved. Whereas only 5% of the respondents rated their level of knowledge as being very good in the baseline survey, 18.5% of households in the intervention group and 15.3 % in the non-intervention group rated their level knowledge in these aspects as being very good. On the other hand the percentage of people who rated their knowledge as poor reduced from 43% in the baseline to 13.4% in the evaluation phase in the intervention group. The percentage of respondents who rated their knowledge as poor was higher in the non-intervention group by 13.2% compared to those in the intervention group. The improved knowledge levels in the intervention group were attributed to the training that was provided under the SCALE project.

Table 15: Rating of business knowledge and skills

Description	Percentage baseline 2013	Percentage intervention	Percentage non Intervention
Households rating knowledge as very good	5.3	18.5	15.3
Households rating knowledge as poor	43.3	13.4	26.6

4.0. Conclusion

Findings of this impact study largely indicate optimism and promising results of the SCALE project among the SCT households. The project significantly improved food security, access to social services, savings and income among the SCT households that received the SCALE intervention. From the data gathered, the project has given most SCT household VSLA members the capacity to improve their livelihood and that of their families, independent of the benefits of borrowing from the VSLA. For instance, savings also facilitates the loan function, which presents further opportunities to improve the overall wellbeing of the household.

Apart from improvements in the increased income of the project participation, there are many other sources of potential benefits other than investments in productive capital. One such benefit is that of consumption smoothing. The funds from VSLA program participation are used for a variety of consumption purposes, including purchasing food, paying for school fees, purchase of farm inputs and livestock, housing improvements and medical expenses. By supply these funds when needed, the VSLA project enables members to maintain a steady level of consumption and prevents them from slipping into a more desperate level of debt and poverty, thereby improving their chances of eventually moving up the income ladder.

Nevertheless, the findings from the impact study show that there is need to strengthen project monitoring and mentorship systems at community level in order to not only sustain the results but also ensure that more household's record increased positive impacts.

Overall, the results show that the SCALE project has great capacity of enhancing the food security, social and economic development indicators among SCT households, hence the need to scale up the project among other SCT beneficiaries.

4.1. Recommendations

4.1.1. Although some households (38%) reported that the SCALE project had contributed to the increase in income generated, there is need to strengthen project monitoring and mentorships systems at community level in order to ensure more households record increased income and savings.

4.1.2. Considering that there has been a drop in the marketing of agro output, there is need to conduct further studies focusing on mechanisms that could have caused such a reduction.

4.1.3. Enhance training in business skills and knowledge considering that less than half of the respondents (18.5% of households in the intervention group and 15.3 % in the non-intervention group) rated their level knowledge in these aspects as being very good.

4.1.4. Since the SCALE project has some significant improvements in the intervention group compared to the non-intervention group such as the increase in the number of households accessing food, loans and saving finances, there is need to enhance documenting and sharing of best practices in the VSLAs within the SCALE sites in order to motivate other SCT beneficiaries.

4.1.5. The SCALE project should be replicated in other areas where SCT is being implemented as it is very promising and relevant with regard to enhancing food security, social and economic development indicators among SCT households.

Annexes:

Attached to the report.