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**EXPANDING
SOCIAL
PROTECTION**

Evaluation of the Uganda Social Assistance Grants for Empowerment (SAGE) Programme

Impact after one year of programme operations 2012–2013

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Executive Summary

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Executive Summary

Introduction

The Social Assistance Grants for Empowerment (SAGE) pilot social cash transfer scheme is a key element of the government of Uganda's Expanding Social Protection Programme (ESPP). The aim of SAGE is to help to tackle chronic poverty in Uganda and address the impact of poverty on social cohesion and the ability of chronically poor people to access healthcare, education and other key services.

The SAGE pilot tests a range of implementation modalities for an efficient, cost-effective and scalable social transfer. This is to generate evidence for national policy making and to provide a reference point to relevant stakeholders about the government's acceptance of and commitment to social protection.

The SAGE pilot is expected to reach around 600,000 people in about 95,000 households over a period of four years (April 2011–February 2015), covering approximately 15% of households in 14 pilot districts. Two targeting methodologies are being implemented in separate sub-counties of the 14 pilot districts. One – known as the Vulnerable Family Support Grant (VFSG) – employs a composite index based on demographic indicators of vulnerability to determine eligibility. The other – Senior Citizens Grant (SCG) – uses age to determine eligibility, with all individuals aged over 65 entitled to receive the transfer (over 60 in the Karamoja region).

This evaluation component assesses the impact and operational effectiveness of the SAGE pilot programme, compares the performance of the two targeting methodologies used, and ensures that impact evaluation findings are disseminated nationally. A robust impact evaluation can contribute to ESPP's learning aims. It is a vital tool in ensuring the effectiveness of the programme and in uncovering potential challenges to its implementation and ability to achieve impact.

This report presents findings from research conducted in September–November 2013 for the midline round of the independent impact evaluation of the SAGE programme, some 12 months after the programme started implementing in evaluation areas. Its purpose is to provide an analysis of the impact of the SAGE programme in the study locations after the first 12 months of programme operations. A second round of research will provide the basis for assessing the impact of the SAGE programme after 24 months of implementation. Additional reports, offering detailed findings from the qualitative research and an assessment of programme operational performance, are also available.

Methodology

The evaluation assesses SAGE against its main objective of empowering recipient households through: reducing material deprivation; increasing economic security; reducing social exclusion; and increasing access to services. To achieve this the evaluation collects quantitative and qualitative information on a range of key indicators and supporting data over three 'rounds' of research: baseline, midline and endline. The research presented in this midline report was undertaken in September and October 2013. The baseline research was conducted in 2012 and the endline in September–October 2014.

The quantitative survey is implemented in 399 clusters across 48 sub-counties in eight programme districts. The two targeting mechanisms (SCG and VFSG) are randomly assigned evenly between the 48 sub-counties. The exception is the Karamoja region, in which only the SCG was employed. A sample of 100 control communities is also surveyed in order to assess impact on a selection of community-level outcomes.

The evaluation was set up on the basis of a regression discontinuity design (RDD), an approach agreed upon via a multi-stakeholder consultation process. While offering a number of advantages, the RDD approach to modelling impact also contained a number of risks, and ultimately did not produce consistent or robust enough results in the context of SAGE. In light of these risks, the evaluation team proposed an alternative methodology, propensity score matching (PSM) combined with difference-in-differences (DID). Section 2 and an accompanying technical annexure give more details on the methodologies employed for the quantitative and qualitative research.

The SAGE cash transfer

Section 3 of the midline report describes receipt of the SAGE cash transfer by households and explores differing levels of exposure to the programme. It considers who controls the cash transfer within households and how it is spent.

The SAGE cash transfer is currently worth UGX 25,000 per month and is paid bi-monthly by electronic transfer to a named recipient, using a SAGE programme card that contains a SIM. The survey found that households have received 2.7 payments on average since baseline, worth a total of UGX 132,000. This was against a predicted target of five–six transfers, worth up to UGX 290,000. The shortfall is explained by delays in the start of payments, which affected all evaluation areas. The average number of transfers received differs by targeting mechanism: SCG households received 2.7 payments and VFSG 2.9. The average total value of transfers received is UGX 128,500 for SCG beneficiaries and UGX 138,500 for VFSG beneficiaries.

The transfer is paid to individuals in the case of the SCG, and to households in the case of the VFSG. Women are selected as the named recipient in VFSG households if present. The proportion of female beneficiaries is high overall, at 66%, and much higher for VFSG households than SCG households (84% vs 56% respectively). SCG recipients are older on average than VFSG recipients (70 compared to 65). In the vast majority of cases it is the named beneficiary who decides how the SAGE transfers are spent, often following discussion with other family members. The transfer is largely spent on food and basic needs, but is also used for productive investments. Health and education are two further significant expenditure items reported by beneficiaries. A small portion of households report sharing some of the transfer in the form of gifts or loans to other households.



The transfer is largely spent on food and basic needs, but is also used for productive investments

The value of the transfer to households depends on their size and level of consumption. The survey found that, due to differing household composition between the two groups, the monthly value of the transfer per adult equivalent is slightly larger for SCG than for VFSG (UGX 11,800 compared to UGX 10,400). This represents around 13% of total household consumption for beneficiary households (the same for both SCG and VFSG recipients).

There are some differences between the two targeted populations in how they spend the SAGE transfer. SCG beneficiaries largely spend the transfer on food and other basic goods. Productive investments, health and education are three other commonly reported expenditure categories. VFSG households also spend the majority of the transfer on food and basic needs, but less so than SCG recipients (approx. 57% compared to 72%). Instead, VFSG households tend to report spending more on productive investments and education.

There are indications that SAGE is having an influence on the composition of SCG households, including on migration behaviour. It may be that SCG households are reorganising themselves by responding to the transfer's ability to support small numbers of people. However, this is a complex area and requires further research.

Impact of SAGE – 12 months after operations started

Economic and material welfare

Section 4 of the report analyses the impact of the SAGE cash transfer on households' economic and material wellbeing, including consumption, food security and nutrition, livelihoods, and child labour. It finds that the programme is not yet demonstrating an impact on poverty rates. For both SCG and VFSG beneficiary households, the programme appears to be having a positive impact on total household consumption. Total consumption increased by a bit less than half of the value of the transfer, while another part appears to have been saved and/or invested otherwise. The impact on overall household consumption, and thus potentially poverty rates, is expected to consolidate once the programme is delivering regular transfers over a longer period of time.

When looking at different consumption items, the effect of SAGE was found to be quite different between VFSG and SCG target groups. For the VFSG group, SAGE has resulted in expenditure on food, as well as shoes and clothes. The increase in food consumption is matched by a strong reduction in the proportion of households suffering hunger and an increase in the quality of diets and food security. For the SCG group, while SAGE did increase expenditure on shoes and clothes (and there is some indication of an increase in health expenditure), its effects on food security were less evident. Such differences are partly related to the fact that the SCG is universally perceived to be a personal rather than a household benefit. SAGE has not impacted child malnutrition for children in either SCG or VFSG households, which is not surprising given the multidimensional nature of the problem.

SAGE is having a positive impact on subjective wellbeing across a number of dimensions. VFSG households show a clear improvement in subjective welfare, and there are indications that elderly SAGE recipients under the SCG are also moving from being unable to meet their needs to being able to meet those needs. Meanwhile, increased expenditures on items such as food and clothes are reported to have positively affected elderly beneficiaries' self-esteem by reducing their dependence on others and their need to 'beg'. This has enhanced their status and dignity and increased their ability to share and thus access reciprocal support networks.

This finding is quite powerful, especially considering the relatively low value of the transfer, as it seems to engender a number of important positive effects on the material welfare of elderly beneficiaries. These include improved ability to smooth consumption and cope with negative shocks (including ill health), as well as improved voice and participation in community decision-making structures.

The types of shocks households face are very similar across SCG and VFSG areas and across time, including illness/injury or loss of a household member, loss of productive assets or income, or increased expenditures. Both SCG and VFSG households report being better able to borrow a large amount of money (UGX 60,000 or more) in an emergency. This, combined with the positive effect of the programme on SCG households' ability to access borrowing and credit, and VFSG households' ability to save, implies a positive overall impact on reducing household's vulnerability to the shocks they face.

As mentioned above, SAGE is enabling VFSG households to save more, and SCG households to better access borrowing and credit. At the same time, the study finds no significant impact of the programme on the value of outstanding credit debt for SAGE beneficiaries.

SAGE does not seem to be causing dependency. Whilst the proportion of working-age adults engaged in economic activities has increased since baseline, the increase in labour participation rates is not attributable to SAGE. The labour trends observed appear to be due to broader economic contextual factors and are not the result of the SAGE programme. SAGE is not impacting rates of child labour.

There are indications that SAGE may have increased the propensity of SCG beneficiaries to cultivate the land they own, possibly by making it affordable for them to hire labour. However, the data here are not conclusive and these results are not observed for the VFSG group. The SAGE programme has positively impacted the proportion of both VFSG and SCG households that have purchased livestock in the last 12 months (as animal husbandry is often combined with subsistence agriculture). It has also contributed to increasing the proportion of VFSG beneficiaries who own livestock, with investments concentrated primarily on cattle and goats. In addition, the programme is helping VFSG households purchase other productive assets.

Access to services

Section 5 considers SAGE's impact on access to education and health.

Education

SAGE is not shown to be increasing education expenditure, nor is it impacting education attendance or attainment for children in SCG or VFSG households positively or negatively. The report examines some negative trends observed across school-age children in SCG households, but these are not attributable to SAGE. For the VFSG group, the enrolment rate amongst girls has increased more in the control group than amongst beneficiaries, ascribing a negative impact to SAGE, but this is difficult to interpret.

Healthcare

SAGE does not seem to be impacting health status or health-seeking behaviour either positively or negatively. Although the data suggest some changes in relation to beneficiaries' health status as well as health-seeking behaviour (for example, there is a statistically significant increase in the proportion of people who were ill or injured who sought formal health care), these are not attributable to the programme. However, the qualitative survey includes a number of accounts from individuals testifying to positive experiences in terms of SAGE's ability to help individuals meet healthcare costs if those occur in the immediate period around receipt of the transfer.

Social relations and cohesion

Section 6 analyses the relationship of SAGE to formal and informal institutions, social relations and notions of citizenship.

The SAGE cash transfer has not displaced formal support from other sources for either SCG or VFSG beneficiaries. Instead, the midline research found that SAGE had a significant positive impact on SCG recipients' integration into community-based reciprocal support mechanisms, with a positive impact particularly with regard to their receipt of support from other households. Conversely, in VFSG areas SAGE is found to have had a significant impact on beneficiaries' support provided to other households. This different outcome for VFSG households may partly be explained by inter-household tensions caused by the VFSG targeting. VFSG beneficiaries may have felt obligated to, or pressured by, other members of the community to share SAGE resources that were not perceived as fully deserved. In SCG communities, by contrast, the cash transfer is often reported to have contributed to inter-household harmony.

At the household level, the cash transfer was reported to have helped reduce the dependence of the elderly on the extended family, and in some cases has enabled the elderly to support others. This has been reported as a positive experience for elderly beneficiaries themselves, who previously were often disregarded or treated like 'beggars'.

Qualitative evidence suggests that SAGE may contribute to changes in the demographic structure of SCG beneficiary households by fostering the autonomy of elderly members. This is partially corroborated by quantitative evidence (see the section on the SAGE cash transfer above). This needs to be confirmed by further research.

SAGE has contributed to enhancing women's empowerment by improving the status of SCG female beneficiaries and enabling VFSG female beneficiaries to buy assets (livestock). Despite this, overall, SAGE has not significantly influenced female control over household decision making. In most communities, the cash transfer has contributed positively to household relationships; however, it has exacerbated marital tensions in some VFSG households due to the named beneficiary being female.

There has been no significant change in perceptions of the social contract or citizenship accountability processes as a result of the programme. Yet the qualitative research did find a notable increase in elderly SAGE beneficiaries' participation and voice in community meetings. This has benefitted from the contributions of the cash transfer to beneficiaries' self-esteem, status and respect.

SAGE has contributed to enhancing women's empowerment



Local markets and infrastructure

Section 7 discusses SAGE's impact on local markets, wages and prices. It finds that agricultural wages seem to have decreased over time for both male and female workers in control and treatment communities alike, but this is not attributable to SAGE. On the other hand, non-agricultural male wages show a positive and significant impact of the programme, with male wages going up in treated communities and not in control ones. Qualitative findings suggest that there might be an increase in demand for casual labour in treatment communities, with beneficiaries using their transfer to hire casual labour for strenuous tasks such as collecting water. However, this finding should not be over-emphasised as only a small percentage of individuals is engaged in non-agricultural activities, and the data on non-agricultural wages show high variation across different activities. SAGE is not seen to be having any impact on local price inflation.

The qualitative research highlights that female beneficiaries in particular have been investing in savings groups, as well as supporting other community members with their cash transfer in the knowledge that this support will be reciprocated when they are in need. Similarly, the quantitative data show that SAGE has had a significant positive impact on the communities within which a credit or savings group is operating. The quantitative data do not show any significant programme impact regarding the development of local markets, though there are indications from the qualitative research that SAGE may be having positive spillover effects on the local economy beyond the immediate beneficiaries.

Conclusions

Section 8 of the report sets out the conclusions from the midline data, as well as looking ahead to the final round of the evaluation.

This is the first follow-up round of the SAGE pilot programme impact evaluation. The results of this study reflect the impact of the SAGE cash transfer on beneficiary households and communities 12 months after the baseline survey. Detailed findings from the qualitative research conducted at midline are also available. An assessment of programme operational effectiveness is provided by a separate report.

The findings from the evaluation midline report feed into the ESPP and SAGE programme learning framework in order that they can be used to update and improve performance of all components of the SAGE programme and the ESPP more generally. They will also be disseminated more broadly, to help build the evidence base for social protection and the reduction of chronic poverty, both in Uganda and internationally.

The impact results after two years will be presented in a final endline report, due in 2015.



Qualitative research indicates that SAGE may be having positive spillovers on the local economy



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