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Applying Science to Strengthen
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CASE STUDY

Improving income-generating activities for vulnerable children and families at Agape Nyakibare Civil Society Organization

Income-generating activities and education are priority services for families of vulnerable children, and community savings groups are often proposed as a key intervention to facilitate them. Managing loans to ensure repayment and replenishment of funds is critical for the sustainability of such interventions. In Western Uganda, Agape Nyakibare Civil Society Organization (CSO) introduced changes to improve loan repayment from 38% to 90% in the Tukore Hamwe-Nyakibare community and spread these ideas to six other communities. Agape Nyakibare is one of many CSOs in Uganda providing essential services to vulnerable children and families with support from the United States Agency for International Development (USAID) and the U.S. President's Emergency Plan for AIDS Relief (PEPFAR).

Introduction

Agape Nyakibare is a civil society organisation (CSO) located in Rukungiri District of Uganda that is receiving support from the Inter-Religious Council of Uganda (IRCU). It provides services to approximately 1,300 orphans and vulnerable children in 547 households in Nyakajeme, Buyanja, and Bwambara sub-counties and Rukungiri Municipality. Among the services provided to vulnerable children and their households are economic strengthening activities that focus on building households' ability to meet their short- and long-term needs.

The Agape Nyakibare quality improvement team

1. Tumusiime Baptist - Programme manager
2. Tumuramyie Assumpta - M&E officer
3. Kabayo Augustine - Social worker

Selected vulnerable children are provided apprenticeship training for different skills including tailoring, mechanics, and hair dressing. Apprenticeship training is provided for children who cannot continue with formal education for one reason or another. It is considered an alternative to provide skills to youth aged 14 – 23 years. The child is enrolled after discussion with the family and after it is determined that the child cannot be supported to go back to formal education. Some of the children are from child-headed families, and as they are the only bread winners in the household, they need these skills to help them to support their families. At the end of the trainings, start-up kits are provided to support the youth to start their income-generating activities (IGAs). At the household level, adult caregivers are trained in business entrepreneurship skills and supported to form Savings and Loans groups for the purpose of funding income-generating activities and generating start-up capital. Poultry, commercial crop farming, piggery and trading are some of the IGAs the households are involved in.

Supporting CSOs to Improve Care Delivery

With PEPFAR funding, the USAID Applying Science to Strengthen and Improve Systems (ASSIST) Project is working in collaboration with the Ministry of Gender, Labour and Social Development (MGLSD), orphans and vulnerable children (OVC) implementing partners, and CSOs to support the application of

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quality improvement approaches to services for vulnerable children at the service delivery level and support the national level to coordinate and institutionalize these efforts.

ASSIST led a training on quality improvement in Western Uganda in June 2013, with the aim of orienting CSOs to the approach of using data to identify gaps and testing ideas to improve the process of service provision. The training had 43 participants from seven CSOs; Agape Nyakibare was represented at the training by three staff, including two technical program officers and a monitoring and evaluation officer.

The trainers used baseline data on 13 indicators on services for vulnerable children, collected during the six months prior, to identify areas in which services were below expected levels of performance. Teams were guided in how to use a prioritization matrix tool to select at least two focus service areas for their improvement efforts.

Agape Nyakibare's Analysis of Gaps with Savings and Loan Groups

According to Agape Nyakibare's May 2013 data, 396 out of the 547 (72%) supported households were members of one of the seven saving groups the CSO had formed (each with membership ranging from 42 to 93 households). Of these, 276 (70%) were attending the monthly group meetings, and 253 (64%) were depositing monthly savings with their groups. Each group has its own constitution which stipulates the operational guidelines for the group, including the amount of money to be saved, frequency of saving, loaning and loan repayment. The CSO improvement team received reports from the groups about the failure of members to pay back loans as one of the major challenges affecting their functionality. Because loans were not repaid, the groups' funds were not adequate for other members to borrow and invest in their IGAs.

One group, Tukore Hamwe – Nyakibare, was selected as a case to start the work on improving loan repayments. The group has 93 registered member households and conducts monthly meetings, with an average of 52 members attending regularly. During the monthly meetings, each member is expected to save 1,000 Uganda shillings. At Tukore Hamwe – Nyakibare, eligible members can receive a loan of maximum of 100,000 Uganda shillings (roughly US \$40), which is payable in three months, with a 10% interest. Repayment of the loan is expected within three months from the disbursement date.

In June 2013, the CSO officers started with a data review exercise and found that the register used by the group was only showing members who attended the meeting and those that save, but did not show a schedule for loan repayment. They requested data on loan repayment and noted that the group treasurer did not know those expected to pay back the loans. A review of the group's records showed that 15 members had defaulted by going over the specified three months to complete their payments.

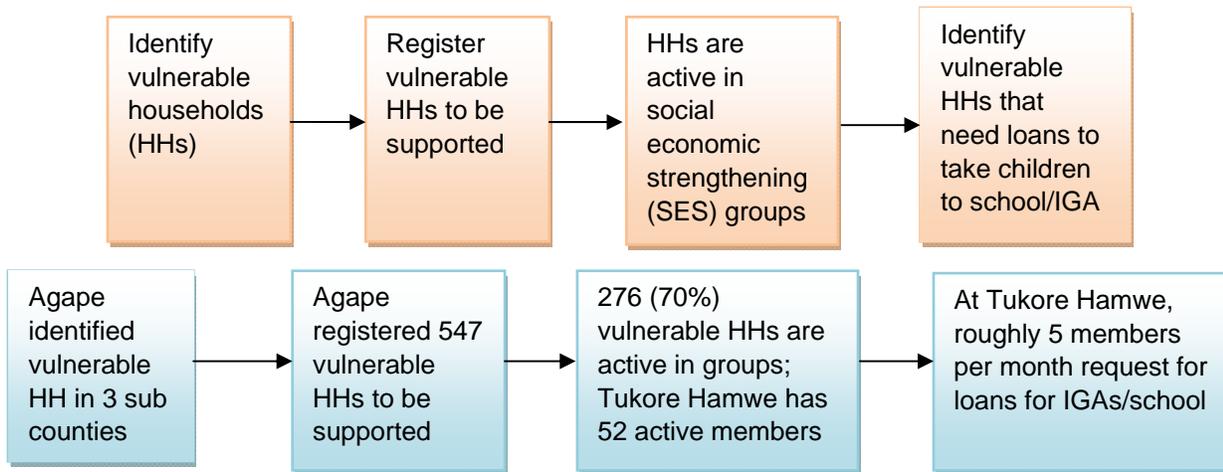
A Caregiver's Experience

A widow with four school-age children had challenges with her children starting school on time and regularly attending due to lack of school fees. She shared her experience: *"I borrowed money from my group and used it to grow tomatoes. I used the money earned from the tomatoes to repay the loan and buy chicken layers as my new business. I am doing well and now able to take my children to school on the first day."*

Changes Tested

Agape Nyakibare prioritized economic strengthening and food security as focus areas to start improvement work. Following the training, a joint on-site coaching session was held in July 2013 by the MGLSD officials, IRCU staff, and district quality improvement coaches supported by ASSIST staff. The session was focused on following up with those who had received training and had developed improvement aims and plans to improve the focal areas they were going to work on. Under the economic strengthening focus area, a flow chart was used to elaborate the different processes and the steps that need to be followed for the scheme to yield the results it was set out to achieve. These included: members saving regularly, obtaining loans, repaying loans on time, and increasing the group funds (as shown in Figure 1 below).

Figure 1: Flow chart to show the processes for social economic strengthening at Agape Nyakibare



Tukore Hamwe – Nyakibare’s group data easily showed the number of members who had failed to repay their loans on schedule but did not, however, show those who were expected to pay within a percentage of members expected to pay specified timeframe. The team was not able to quantify the percentage of members expected to pay who failed to make payments each month. The team was advised to create a column in the register where they would record the due date for repayment against each member’s name. This would show the managers of the group how many members were expected to make loan repayments each month.

The team also modified the group registers to include columns to track members who had borrowed money, when they are expected to repay the loan, and those that had paid on the due date. Data from the months prior was also reviewed and updated at every monthly meeting. The data compilation exercise provided reliable information on the status of households involved in group activities, showing both progress made and remaining challenges.

ASSIST has continued to work with the MGLSD, district, sub-county and IRCU quality improvement coaches to conduct monthly coaching visits to build the capacity of CSO teams to use data to make improvement in the selected areas.

Results

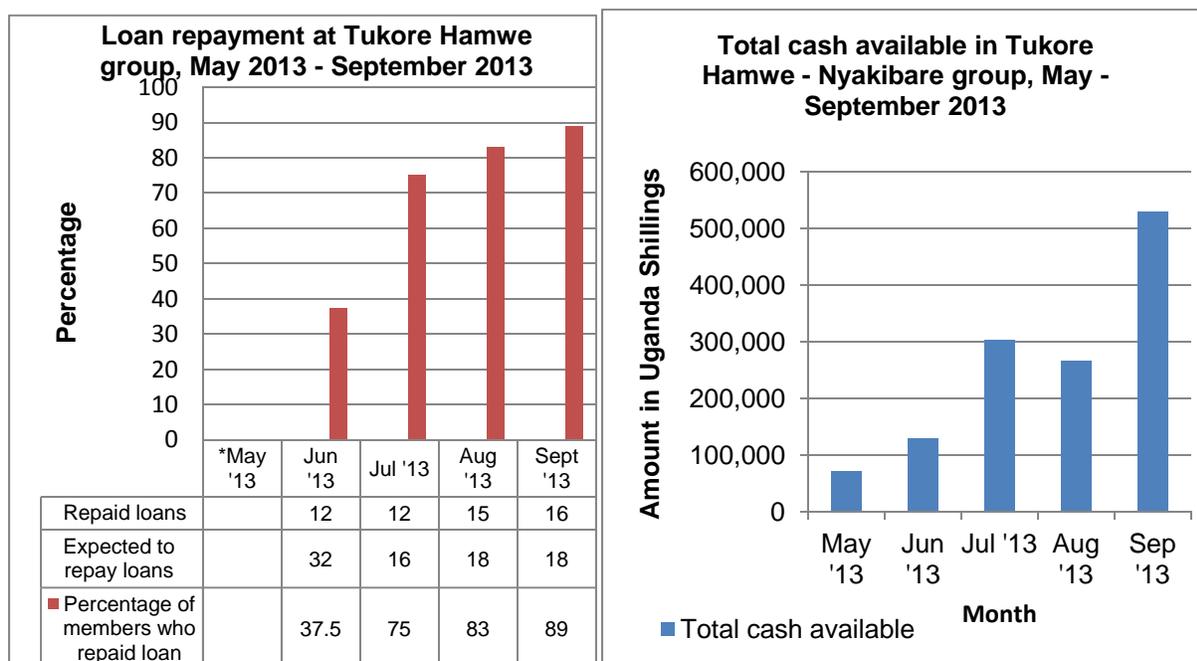
In July, five members applied for loans, but only three received them because the pool of funds was low due to unpaid loans. When changes were made to improve loan repayment, more funds became available to be loaned out to members; all five members who applied for loans in September received the money.

Loan payment improved with an increase in the percentage of group members who repaid their loans on schedule from 38% in June 2013 to 89% in September 2013. This improvement is mainly attributed to the support provided to the CSOs through joint coaching visits. This support includes guidance on improved data collection and management and follow-up of group members in the community to reduce default rates on loans disbursed. In August 2013, the Agape CSO team spread the use of modified registers and the other changes to all seven savings groups. Data collected from six of the groups shows the number of group members who defaulted on loan repayment was only 17.5% (10/57) in September (see Figure 2).

One Community Loan Group’s Experience

After the improvement effort, the percentage of members of Tukore Hamwe group who failed to repay their loans decreased from 62.5% in June 2013 to 11.1% in August 2013. There was an increase in the amount of funds available for group members to borrow, from 71, 000 Ushs in May 2013 to 530,000 Ushs in September 2013. These funds enabled member households to fund IGAs to manage the needs of vulnerable children.

Figure 2: Increase in percentage of loans repaid and cash available at Tukore Hamwe group



Changes that Improved Loan Repayment

The ideas that the community groups implemented included:

- Introduced an attendance register and monthly meeting attendance was made mandatory for all members. Members who missed meetings or payment dates were fined.
- The group resolved that they will publically name those expected to pay that month during their monthly meetings.
- A loan committee was formed to assess eligibility of members for loans and actively follow-up with members to ensure loans were used with the desired intent. Members have to complete a loan application form with guarantors as a sign of commitment.
- Members who had ongoing loans were not allowed to obtain another loan until they have fully retired the previous one.
- A group member who resides near a defaulter who does not attend the monthly meeting was assigned the responsibility to follow up with the defaulter. Their assignment was to remind the member to make the payment and also to find out the reasons for none payment so that the group would devise means to support their member.

Agape Nyakibare also opened up files for each group at their offices where they keep group-based data to track participation of each supported household. When households visit the CSO office, the files are reviewed to check if a care giver is actively participating in group activities, including loan repayment, and is informed of risk of losing support for their children due to non-participation.

Conclusion

The Agape Nyakibare team was happy with the results and plans to continue monitoring this indicator across the groups until all loans are repaid. The team will focus on monitoring regular school attendance for the children of the members of the social economic groups to ensure that the benefits include the children's welfare. Data from August 2013 showed that 22 out of the 91 (25%) children were irregularly attending school due to involvement in domestic work. Group members were asked to follow up with identified households and report in the subsequent meetings. In the September 2013 learning session convened by ASSIST, Agape Nyakibare shared their experience and tools with another nine CSOs.