Community Economic Empowerment Project
(CEEP)

BASELINE SURVEY REPORT

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ACKNOWLEDGEMENT

Gorta – Self Help Africa signed a two and half year contract with AFARD for the implementation of Community Economic Empowerment Project (CEEP) in West Nile region. This baseline survey was therefore conducted as part of the start-up activities. AFARD is grateful to all the respondents for their shared information. Equal thanks go to the Field Officers for conducting the data collection and data entry.

However, AFARD takes full responsibility for the views and errors expressed herein.

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Dr. Alfred Lakwo
Study Team Leader

December 3, 2014

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ACRONYMS

AFARD	=	Agency For Accelerated Regional Development
AIDS	=	Acquired Immunodeficiency Syndrome
BO	=	Beneficiary Organization
BoM	=	Beneficiary Organization Members
CEEP	=	Community Economic Empowerment Project
IGA	=	Income Generating Activity
Kgs	=	Kilograms
M+E	=	Monitoring and Evaluation
UGX	=	Uganda Shillings
WENDI	=	West Nile Development Initiative programme

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1.0 INTRODUCTION

1.1   The Context

Between 2009 and 2013 Gorta funded AFARD to implement West Nile Development Initiative (WENDI) programme. Over the 5 years, beneficiary households gained food and health security and they actively participated in decentralized governance. However, many households were still economically insecure, as only 6% had moved above the $1.25 poverty level, leaving behind 93% in poverty. Low risk and low return income generating activities (IGAs) continued to inhibit their ability to increase their income portfolio, and save in cash and productive assets. Community Economic Empowerment Project (CEEP) was designed to address this gap.

CEEP is a 2.5 year project that targets 32 Beneficiary Organisation (BOs) composed of 1,824 households with Community Agro-enterprise Development (also known as Product Cluster Agribusiness Development) approach that focusses on farming as a business as a pathway to building a self-sustaining, economically resilient community in the districts of Nebbi, Zombo, Arua, Yumbe and Moyo. CEEP's main goal is *to contribute to reducing hunger and poverty and developing an economically prosperous rural Africa.* By 2016, CEEP aims at reducing asset poverty rate by 20%; increasing food security status by 6%; and building financially sustainable farmer groups with an average savings of ≥UGX 35 million. In so doing, CEEP will contribute towards building a West Nile society in which rural marginalized communities have secure and self-sustaining livelihoods.

1.2   About AFARD

The Agency for Accelerated Regional Development (AFARD) is a local non-denominational NGO formed in July 2000 by professional sons and daughters of West Nile because of mass poverty, lack of endogenous development and a weak decentralized governance. AFARD's vision is, **"*a prosperous, healthy and informed people of West Nile.*"** While the focus on prosperity is about economic security through increased financial net worth, the health component targets increased longevity of life through the reduction of preventable cases of sicknesses and death and increased family labour productivity. Finally, the informed component of the vision strives to increase education and improve citizenship for people to engage with their governments in search for quality public services offered with transparency and accountability. Therefore, AFARD's mission is, **"*to contribute to the moulding of a region in which the local people (men and women, boys and girls), including those who are marginalized, are able to participate effectively and sustainably and take a lead in the development of the region.*"** To achieve these, AFARD primarily works in the thematic areas of food, economic, health and education security together with good governance. It covers 28 lower local governments in 5 of the 8 districts (Arua, Nebbi, Yumbe, Zombo and Moyo) in West Nile and reach out to more than 500,000 people.

2.0 Objectives and Methodology

This section explains the need for the study and the methodology used.

2.1 Why the study

By 2016, CEEP aims at increasing beneficiary household net worth from UGX 4 million to UGX 25 million. In so doing, it will have reduced asset poverty rate by 20% and increased food security status by 6%. BOs will also be transformed into viable business entities with own farmer-to-farmer extension system, an average savings of ≥UGX 35 million, and sound governance and financial management systems.

This baseline study was therefore conducted to: (i) establish the status of the beneficiaries at the beginning of the project so that interventions are fine tuned for maximum effect; and (ii) refine the systems required for effective monitoring and evaluation based on the expected outcomes and impacts.

2.2 CEEP's Basis for Monitoring and Evaluation: Theory of Change

To ensure that the baseline is relevant to CEEP project, the M+E indicators were refined in a simplified theory of change that specified the different levels of changes that will accrue from the project focus on the transformation of smallholder subsistence farming into farming as a business. To note is that CEEP will use a Product Cluster Agribusiness Development Approach, which pivots of increasing productivity, competitiveness, and profitability through strengthening production capacity, improving product quality, and collective marketing. These are achievable through the combined provision of skills training, value addition inputs, and market information. Together, these inputs are envisaged to enable smallholder farmers to sustainably and collectively deliver competitive and profitable products to the markets through a chain of: improved production, and organization and enterprise management practices, which will in turn increase productivity (high volume of quality yields and at low cost) able to fetch high incomes. With increased incomes, the beneficiary smallholder farmer households will experience reduction in extreme poverty level and increased food and nutrition security status while at group levels there will be improved financial sustainability and good governance. For this baseline, attention was paid only on farming activities. Aspects of group management and financial sustainability; aspects that will be dealt with elsewhere.
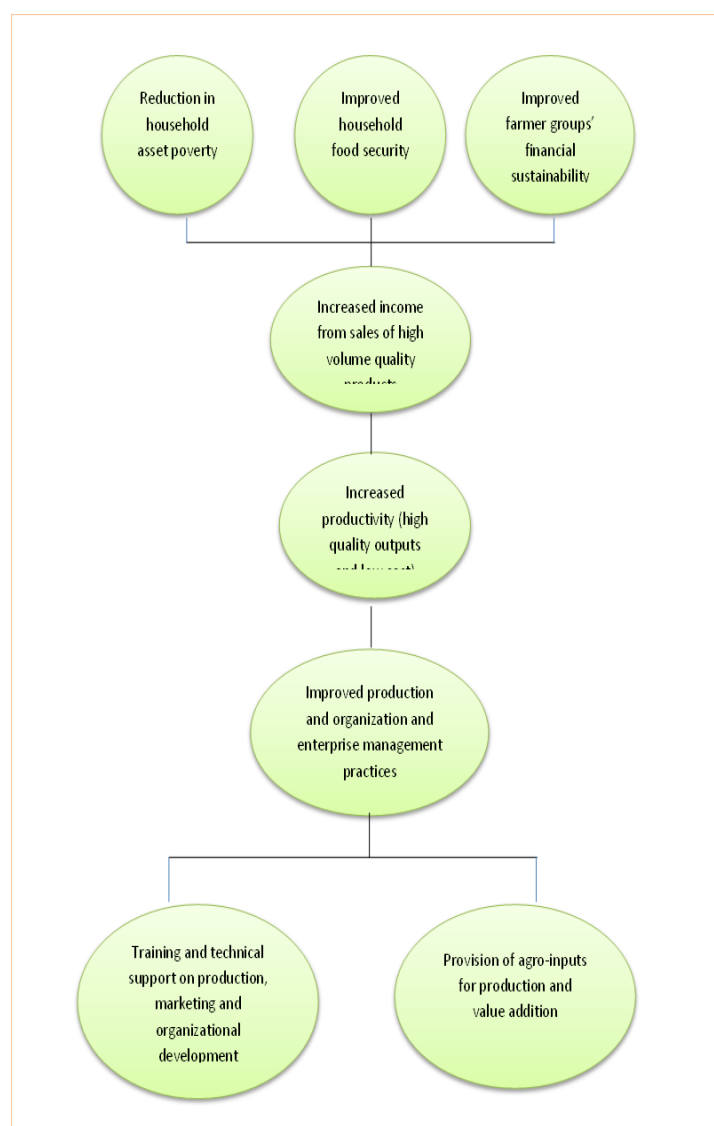
2.3 Data management processes

In order to collect relevant data to meet the above objectives, the following critical questions were asked: (i) To what extent are the beneficiaries using recommended agro-technologies and environment conserving practices? (ii) What is their current productivity level? (iii) What marketing strategies are they using? (iv) What is their economic security level? And (v) What is their food and nutrition security status?

Answers to these questions were considered critical in identifying the strengths and gaps in existing practices. They were also considered helpful to improve the intervention strategy as well as the review of the project M+E framework. In answering these questions, the following were done:

- *Questionnaire production:* The baseline questionnaire was developed to capture critical information with regards to the core indicators in the M+E framework. This involved the process of reviewing with the project staff the data needs and ensuring FANTA guidelines are integrated.

- *Household and individual interviews:* This was done by AFARD Field Officers. They interviewed BO members from BOs that had registered by co-funding enterprises under CEEP. The interview covered all BO members including those who did not co-fund so as to derive a control group for final evaluation.

- *Data entry, cleaning, and analysis:* Once data collection was finished, AFARD Field Officers entered the data in a simplified template designed in Excel spreadsheet. They were briefed on the data entry requirements and norms. After the team accomplished their task, the data was imported into, cleaned of entry errors, and analysed using SPSS.

- **Final report generation:** Once the draft report was produced, it was shared internally for discussions within AFARD and the feedbacks received provided the basis for the production of this final report.

Important to note here is that the baseline data analysis as is presented here is only for the registered CEEP members. It only include a few selected case of non-CEEP members. The data that has been generated from non-CEEP members will be used during the final evaluation to assess the net impact of CEEP (using a "*difference-in-different method*").

2.4 Report structure

This report is divided into 8 parts as follows: Part 1 deals with background information about the project. Part 2 explains the justification for the baseline study. Part 3 handles the characteristics of the respondents. Part 4 presents the farming and environment conservation practices. Part 5 shows the market and marketing practices. Part 6 analyses the food security status. Part 7 presents the wealth status and finally part 8 shows the revised M+E framework.

3.0 BENEFICIARY CHARACTERISTICS

This section describes the respondents: Their location, enterprises and their demographic and household characteristics.

3.1 Distribution of respondents

Data was collected from all the districts involved in CEEP implementation. Overall, as figure 1 below shows, of the total respondents, Moyo district had the largest uptake of CEEP (37%) followed by Yumbe district with 25%, Arua with 15%, Nebbi district with 14% and Zombo district had the least uptake rate 9%.

Figure 1:   Distribution of respondents by district
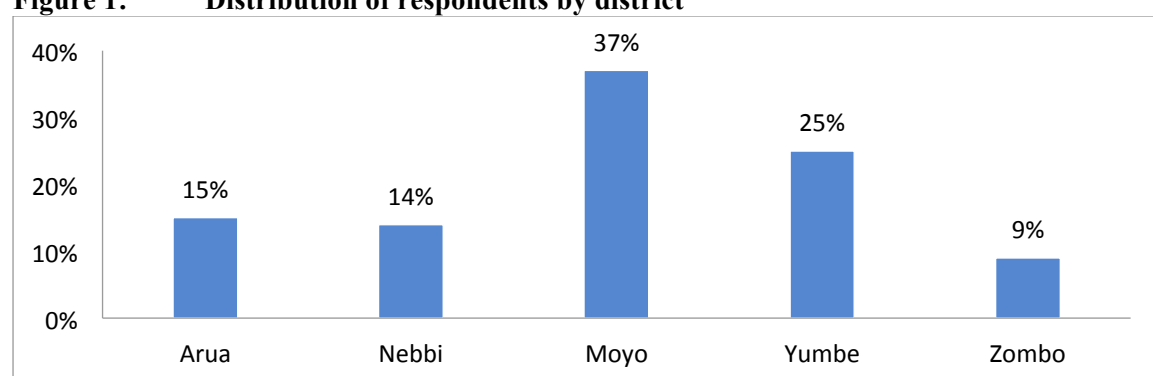
3.2 Distribution of enterprises

The commercial crops that CEEP is promoting are presented in figure 2 below. What is evident from the table is that many of the registered smallholder farmers, due to geographic location and economic viability reasons, were engaged in the production and marketing of simsim (47%). This is followed by cassava (27%) and beans (22%). Both Irish potato (6%) and onion (3%) had very low uptake because of the relatively higher co-funding cost.

Figure 2:   Proportion of BoMs engaged in CEEP Enterprise
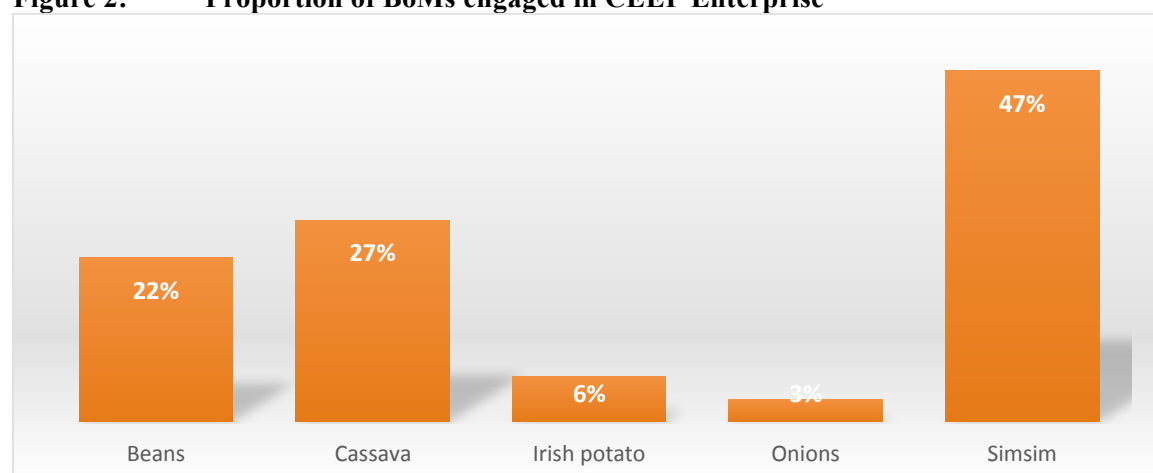
3.3   Demographic characteristics

From the 758 households interviewed, 59% were women and 41% were men. These households (or registered CEEP members) were mainly (44%) headed by those aged between 18 – 64 years (mean age of 43 years). They had a total of 3,154 people (an average of 8 persons per member) composed of 0-17 years old children (52%), orphans (11%), Persons with disabilities (2%) and Persons Living with HIV/AIDS (1%). Most of the members are married (87%). Majority: have some form of education (73%); know their HIV status (98%); and participate in local government planning meetings (92%).

Table 1:   Demographic characteristics of CEEP members

Characteristics	%
Gender of respondents	
Male respondents	41.4
Female respondents	58.6
Composition of the household population	
Persons with disabilities	2.0
Persons living with AIDS	0.6
Orphans	11.4
Members unemployed in any IGA	49.3
Mean household size	8,2
Age-group	
Age 0-17 years	52.0
Age 18-64 years	44.0
Age 65 years and over	4.0
Marital status of household heads	
Single	6.2
Married	87.1
Widow(er)	6.7
Education status of household heads (%)	
None	27.4
Primary	54.5
Secondary	12.9
Tertiary	5.1
Able to read and write	
Literate	68.9
Knowledge of HIV status	
Know HIV status	97.6
Involvement in local government planning processes	
Attend government planning meetings	92.0

3.4   Household characteristics

Members of CEEP project have a fairly improved quality of life (see figure 3 below). Although 78% live in temporary housing unit as compared to only 6% with permanent units, 96% use safe water sources (boreholes, rainwater tanks and piped water) and only a dismal 0.3% use open defecation (due to the collapse of pit latrines during the heavy rains in the study period). What remains a challenge is that 70% use paraffin lamps for lighting due to inaccessibility to grid electricity and low uptake of solar lamps and majority (75%) cook using the fuel-wood consuming 3-stone cook stove.

Figure 3: **Household characteristics of CEEP participants**
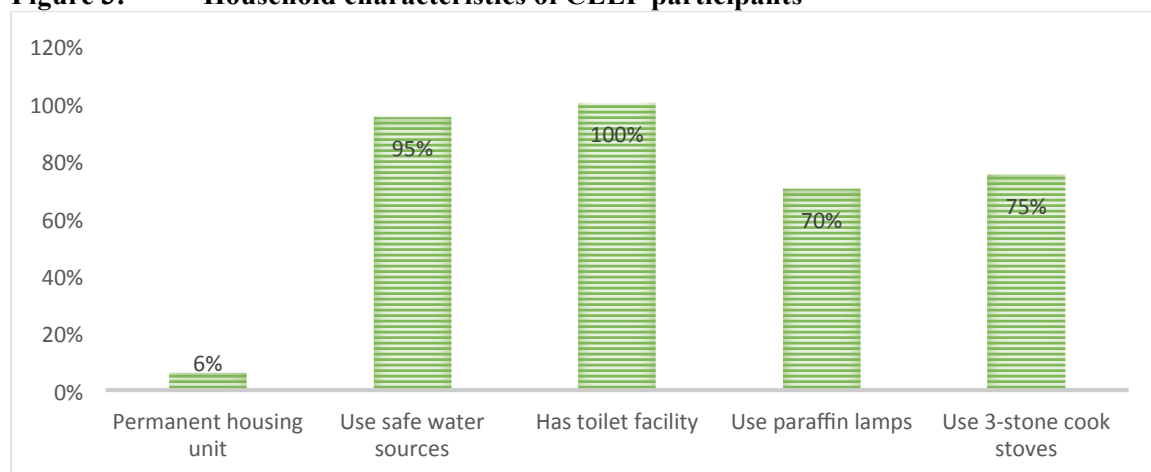
3.4 *Main sources of income*

From figure 4 below, it is evident that eight in every 10 members of CEEP depend on agriculture as their primary source of income. This is complemented by small business and as a last option, the smallholders earn income from sales of their assets (especially livestock) and hiring out their own labour.

The average annual income from all sources for the CEEP members however remained very low at UGX 1 million. Of this, about 60% was contributed by the primary source of income (farming).

Figure 4:   Sources of household income
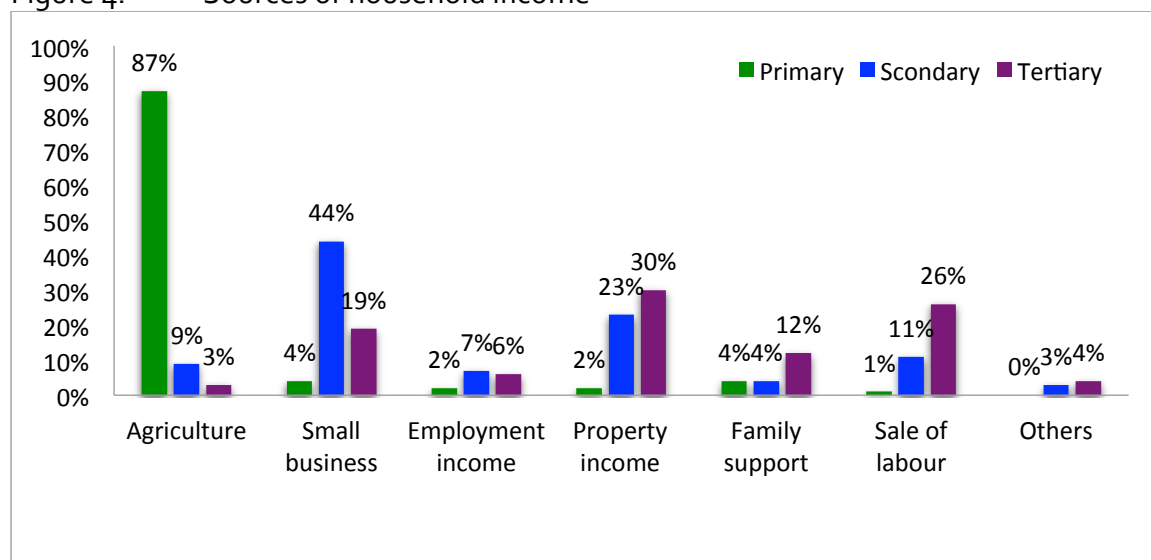
4.0 Farming and Environment Conservation Practices

Under CEEP only 5 crop enterprises are promoted. These crops are not new to the beneficiaries. Many have been engaged in them before given that 84% of CEEP members actually planted the crops last season.

In this section we examine productivity of the enterprises in the last January – June 2014 season (before intervention) and some of the practices that are being used with respect to crop agronomy, soil and water conservation and the exposure to risks.

4.1 Types of seed planted

The common varieties that were planted last season were local (44%) and a mixture of both local and improved seeds/planting materials (32%). Generally, there is low use of improved varieties (24%). Even for simsim, what farmers consider as improved variety is not Sesam II or Sesam III but the white type from Acholi region. And, onions was not planted in the first season.

Figure 5:   Type of seeds used last season
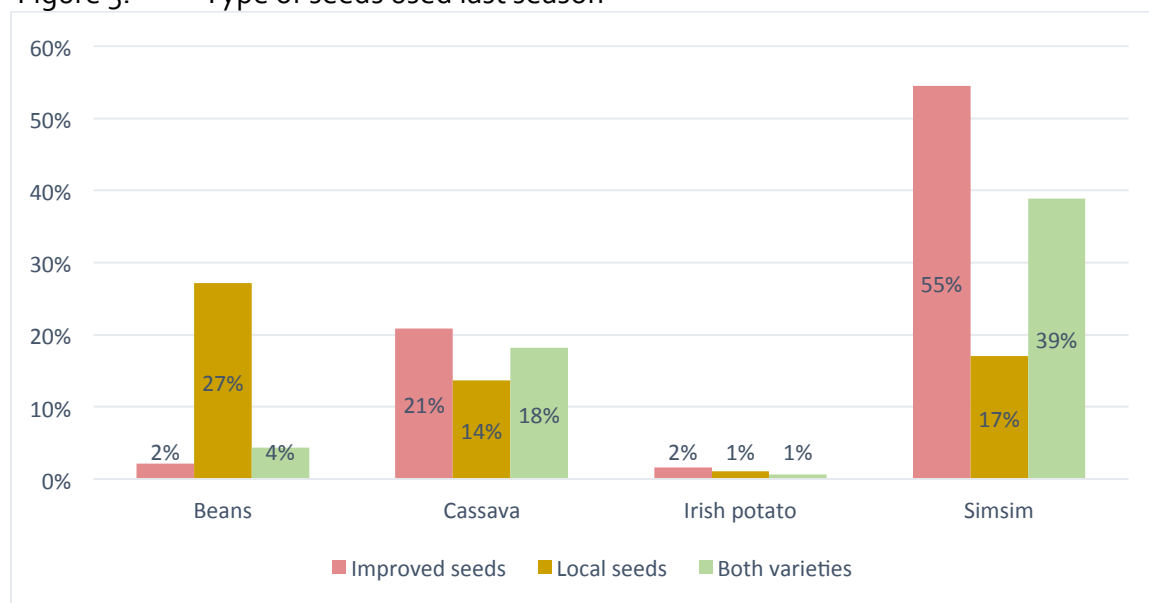
4.2   Sources of extension information

Conditions under which improved yields can be achieved include, among others, the correct application of recommended agronomic practices. That knowledge can come from various sources. Asked where the farmers get their main source of agricultural information, the respondents indicated that the predominant source of extension information are AFARD Field Officers (54%) followed by Lead farmers (22%) who were initially trained as production committee members under WENDI programme. Given that these two sources are AFARD

extension system, it means that 76% of agricultural extension information are derived from AFARD. Local governments that are by design supposed to offer the bulk of extension services in the country is hardly on the ground (5%).

Figure 6:   Sources of agricultural extension information
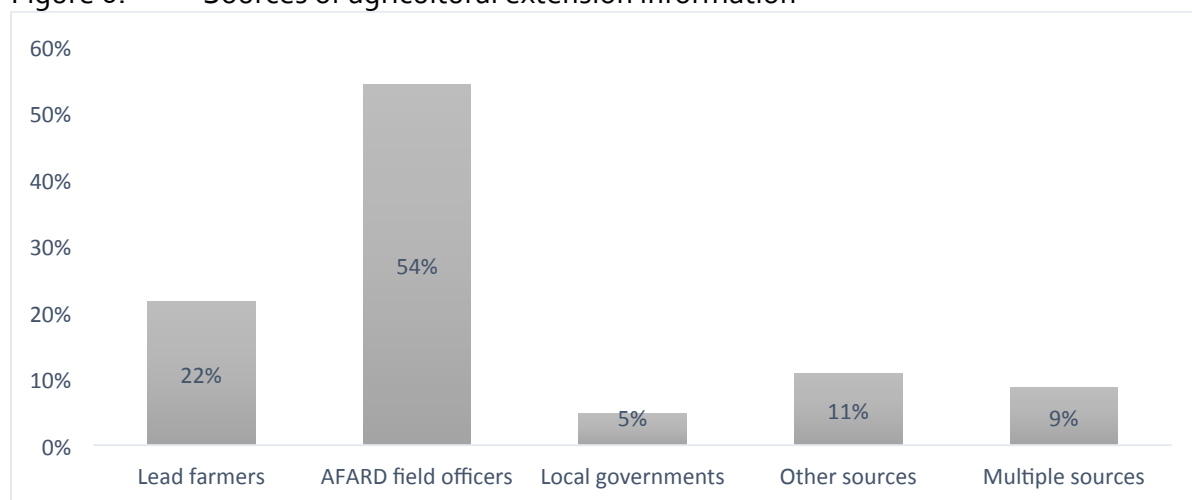
4.3   Land availability

Another important resource needed for crop production is land. Table 2 below presents the average size of land respondents had access to. Other than onions that was not planted in the last season, on average farmers have adequate land (7 acres). It is only in the Irish potato growing area where the average land sizes are small. However the land sizes used for the production of the various crops were on average very small. Such small land sizes are already a serious limitation to the farmer because it is not economically viable to operate on less than two acres except for Irish potato and onions.

Table 2:   Access to land and use last season

	Beans	Cassava	Irish potato	Onion	Simsim
Average acres owned	5.7	7.8	2.1	4.0	8.2
Average acres used last season	0.6	2.1	0.7	0	2.2

4.4 Agronomy, soil and water conservation practices

Farm practices have significant bearing not only on crop yield but also on sustained productivity over a longer period of time. Figure 7 below presents how farmers selectively use recommended farm practices. Early land opening, crop rotation, and tree planting are highly used practices. Other critical practices, especially those that maintain/enhance soil fertility are used by few farmers, for instance, mulching and manure application. This means that over time the soil will continuously lose fertility and hence productivity. Besides, proper postharvest handling is used by very few farmers implying that whatever is harvested may still suffer from excessive losses.

A practice that is witnessing increased adoption is tree planting. BoMs had each planted on average 7 fruit trees and 42 timber trees. Although tree planting helps with climate change

mitigation, the primary reasons farmers are planting trees is for economic reasons: income generation both in the short run from fruit trees and in the long term from timber trees. Many farmers noted that trees are better retirement savings than livestock.

Figure 7:   Use of recommended practices
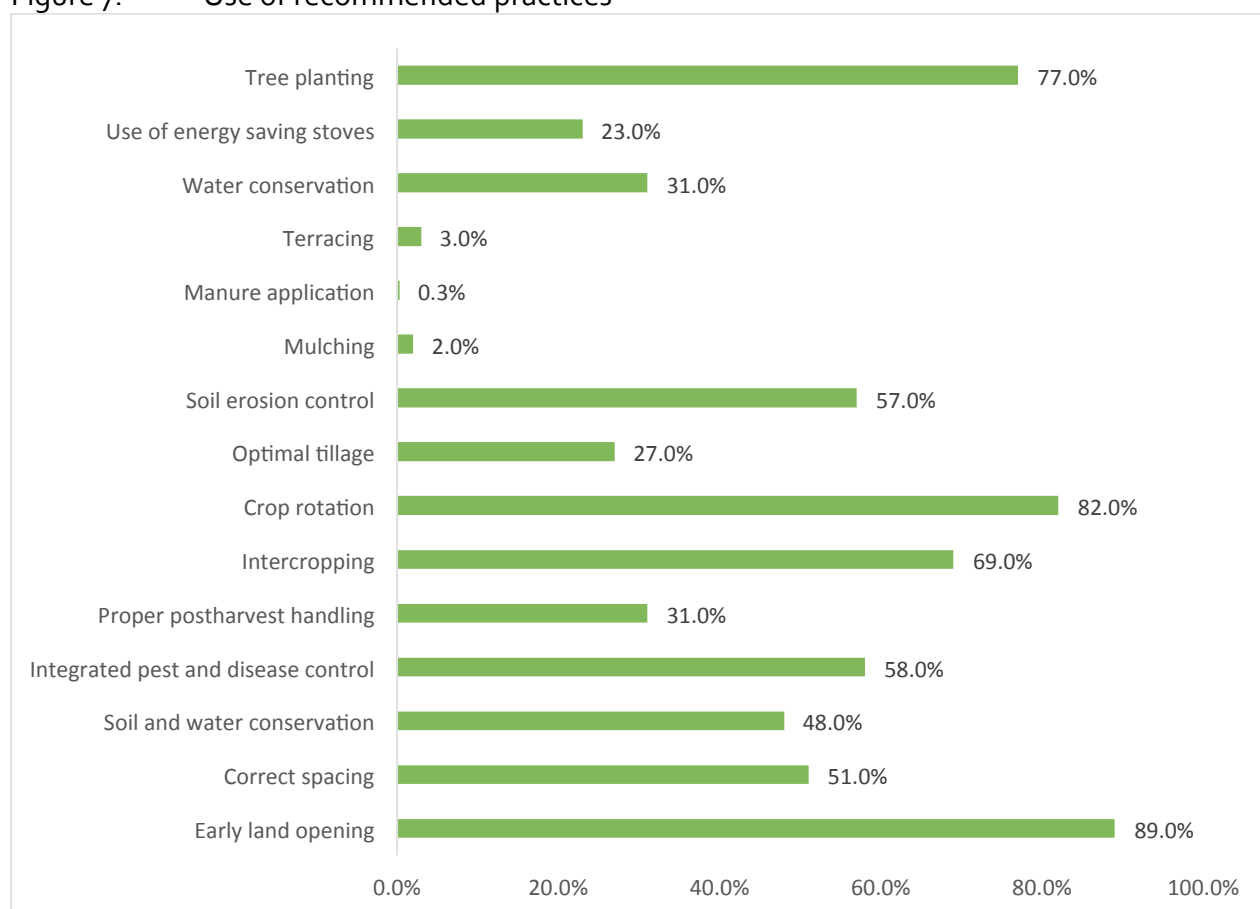
4.5   *Cash and external labour invested in various enterprises*

Farming as a business is built on an investment model driven by profitability (i.e., returns to investments). However, as table 3 below shows farmers are making minimal investment of both cash (average UGX 196,160) and external labour force in the enterprises. Many rely on family labour, which is often not enough if large land sizes are to be cultivated for increased profits. In most cases, farmers use cash at critical times to supplement family effort. This is typical of subsistence farming practices; something CEEP strives to change with a co-funding model.

Table 3:   External labour and money invested in various enterprises last season

	Cassava	Beans	Irish	Simsim
Number of Non-family labourers employed	1	5	2	2
Amount of money invested (UGX)	140,956	55,245	138,500	242,279

4.6   *Risk Exposure and Mitigation Measures*

Farming as a business also entail risk management. Asked about the major risks that the farmers experienced in the last cropping season, respondent noted that they were exposed to

mainly unfavourable weather (64%) especially through drought and floods. With changes in weather conditions has also come increased exposure to pests and disease outbreaks (36%) which in the case of cassava, Irish potato and beans led to devastating losses. Yet, for these tragedies farmers do not have any protection for their investments. All the respondents reported that they did not secure any insurance against these risks. It was therefore apparent that farmers who bear all the losses to their investment made minimal investment in the enterprises.

Figure 8:   **Risk factors encountered last season**
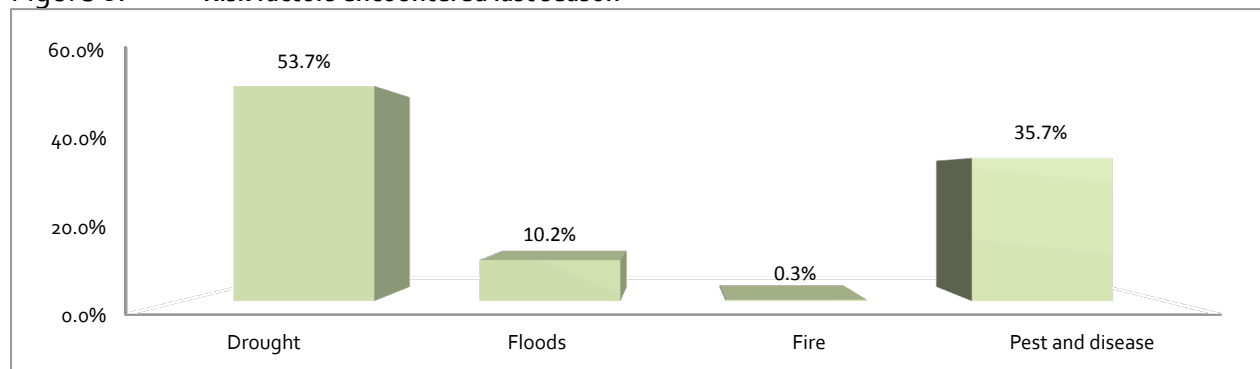
4.7   *Crop yields*

Crop yield figures are presented in table 4 below. Evident from the table are: First, the average yield per acre are extremely lower than the estimated potential yield for improved varieties. Second, farmers have limited surplus produce (50% of harvest) to offer in the market from which to earn adequate income. Third, despite the small volume per farmer when they aggregate they can generate adequate volume to attract big buyers. For instance, when the 22% beans farmers bulk 30Kgs each they would generate about 5.8MT of beans that can ably to attract a big buyer (e.g., a school) with whom they can negotiate better price than selling individually in the local markets.

Table 4:   Crop yield and utilisation

	Beans (Kgs)	Cassava (Bags)	Irish potato (Bags)	Simsim (Kgs)
Average yield per acre	100	19	10	121
Quantity used for food	44	8	2	38
Quantity used for seeds	17	-	3	12

5.0 MARKETING PRACTICES

This section examines income from the CEEP crops and whether the farmers were linked to the market and other services.

5.1 Produce marketing practices

To explore farmer engagement in collective marketing respondents were asked how they market their farm produce. Except for simsim that had established marketing at group level through AFARD Business Wing, farmers sold their produce mainly raw and individually in local weekly markets.

5.2 Income from sales and its use

Table 5 below presents the income generated from sales during the last 6 months. The figures show that while the average amount raised by a farmer was UGX 4.5 million, cassava and simsim generated the highest income; signs that large acreage increases farmers' income.[1] In addition, farmers are paying taxes (produce fees/dues) to local government. However, the amount of income re-invested in the enterprises is averagely low.

Table 5:   Average income earned and used last season

	Beans	Cassava	Irish Potato	Simsim	Total
Income earned	360,000	5,000,000	2,400,000	4,500,000	4,500,000
Amount paid in taxes	746	13,445	8,300	6,069	6,231
Amount reinvested	50,452	114,770	165,500	224,705	154,829

5.3 Market Linkages

By working in groups, farmers are enabled to leverage market access. Figure 9 below however shows that the majority of the respondents accessed financial services (75%) operated by their groups and produce marketing opportunities (66%). However, services that were in scarcity included value addition opportunities, certified input dealers, and insurance.

Figure 9:   **Services accessed over the last 6 months**

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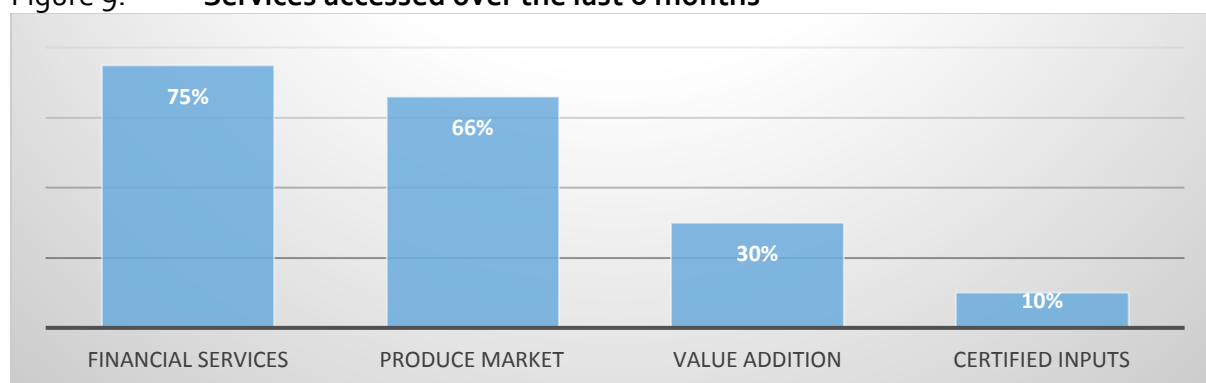
[1] This figure should be read with caution because for simsim, many farmers engage in produce trade to top up their own production. At the prevailing yield and market price, no farmer can earn such an income.

6.0 FOOD SECURITY STATUS

CEEP ultimately target to increase food security status in the beneficiary households. In the project food security is seen to accrue when all household members, at all times, have access to adequate nutritious foods that is socially acceptable. To assess this indicator, respondents were asked a number of specific questions related to daily feeding practices, dietary diversity, and months of adequate provisioning. Below are the findings.

6.1   Sources of food and feeding practices

As figure 8 shows, overall, 100% of the respondent produce their own food with a negligible number who access their food from the market. No doubt, 96% of the surveyed households have food all years round and 97% eat at least three meals daily. There are negligible differences between CEEP and non-CEEP members. For equitable food sharing, majority of the respondents (97%) reported that they eat as a family contrary to the tradition where men eat first followed by children and women eat last (often small quantities of food).

Figure 8:   Feeding practices
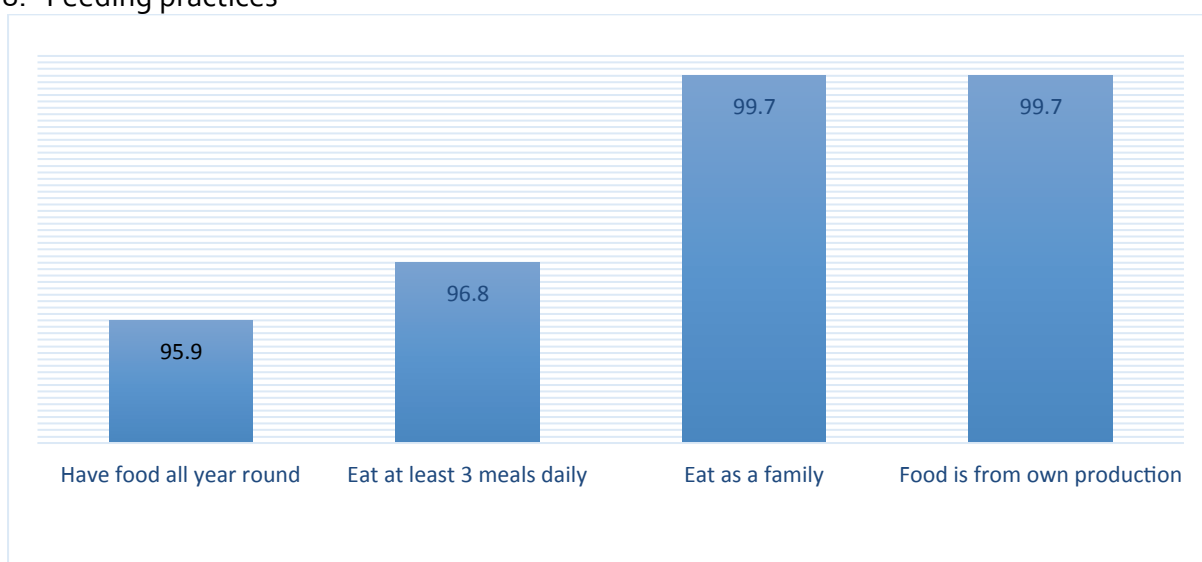
6.2   Food adequacy

To assess food adequacy, respondents were asked about the months in which they had no adequate food for all their household members in the last 1 year. It was found out that 51% reported having not experienced any month of food inadequacy at all and at least 18% of the respondents experienced situations where they did not have enough food for their household members. The most critical month was, as figure 9 below shows, July that is a transition period of food store between the two cropping seasons in a year. This is the month when first season crops are due for harvest and it is the time when many households exhaust their food stock harvested in December-January.

Figure 9: Months of food inadequacy
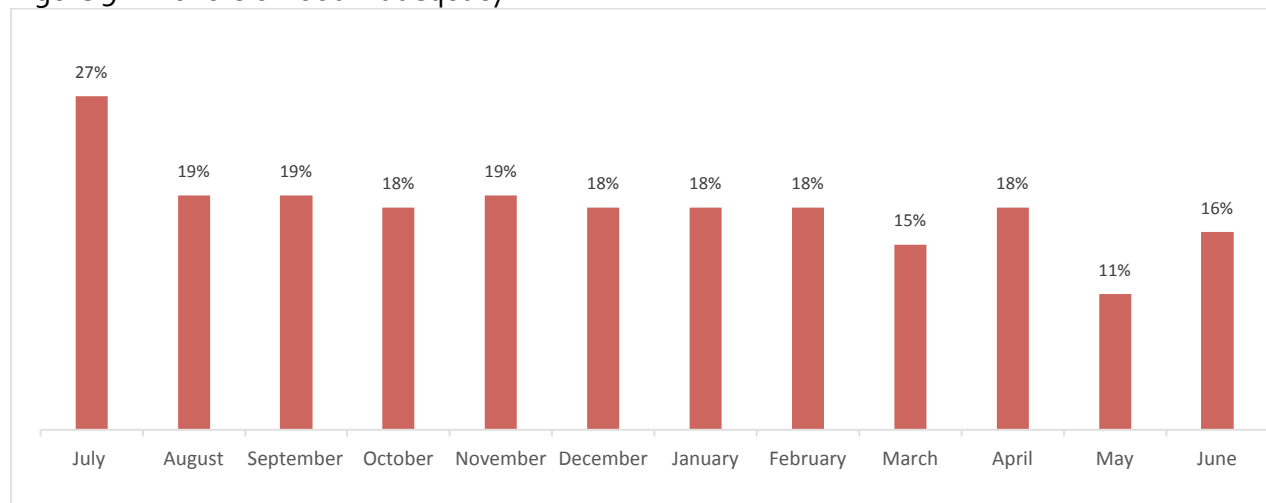
6.3   Dietary diversity

Respondents were also asked whether they eat any of the 12 food groups (cereals, roots/tubers, vegetables, fruits, pulse, eggs, dairy products, meat, fish, oil and fats, sugar, and condiments) in the last one week before the survey. While only 2% reported no dietary diversity, as figure 10 shows, at least 82% reported having eaten any one form of diversified diet. Vitamin A rich diet (of fruits and vegetables) was least eaten by 16% of the households when compared to livestock related diet by 25% of the households. The least eaten foods are condiments (due to the tradition that does not prioritise spices) and dairy products (due to inaccessibility).

Figure 10: Percent of dietary diversity intake

Category	Value
Alcohol & Tobacco	12
At least one diversified diet	82
Vitamin A rich foods	16
Livestock-related foods	25
Condiment	28
Sugar & Honey	92
Oil & fats	97
Fish	93
Meat	85
Dairy products	51
Eggs	66
Pulse/Legume/Nuts	96
Fruit & fruit juice	92
Vegetables	98
Roots/Tubers/Plantains	98
Cereals	95
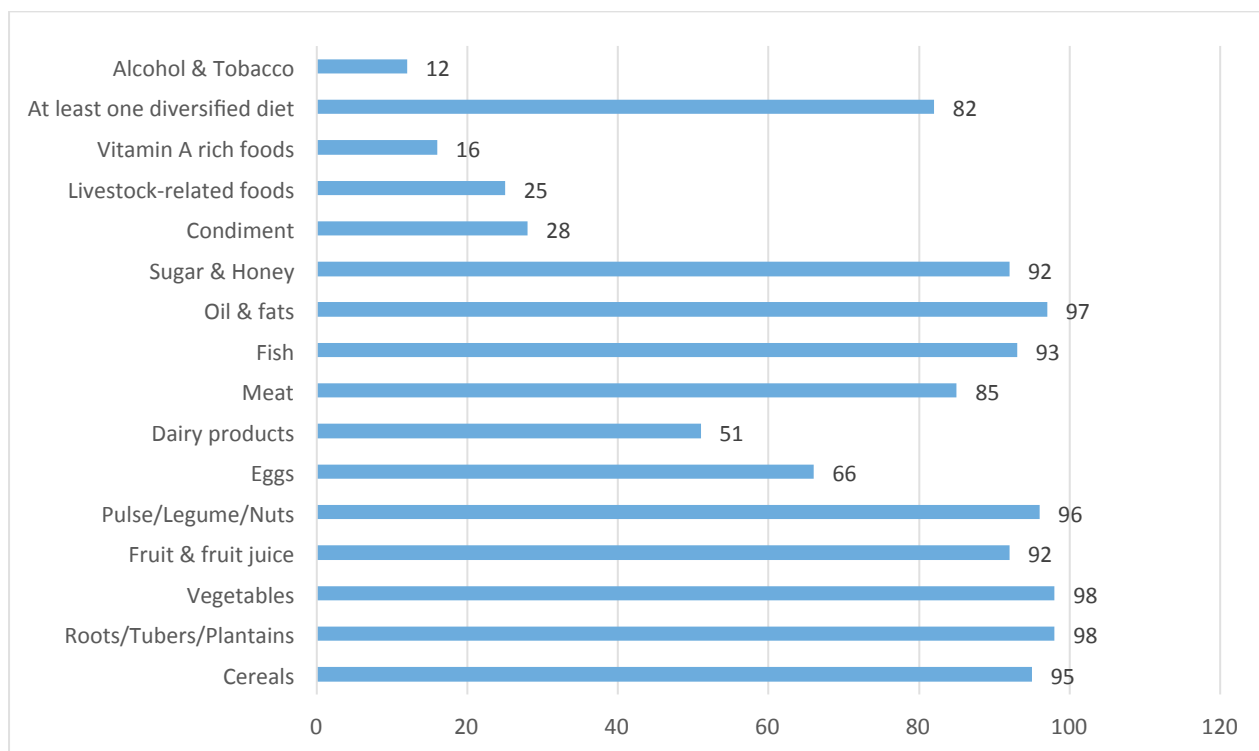
7.0 WEALTH STATUS

This part explore the poverty status of the CEEP beneficiaries. It is a critical indicator towards which the project intends to make a contribution.

7.1 Asset poverty status

To assess the poverty status of the respondents we used the asset poverty measurement approach as proposed by Haveman and Wolff (2004).[2] Asset poverty measures a household economic ability, using its tangible assets, to sustain a basic needs level of consumption during temporary hard times for a period of 3 months. Leonard and Di (2012: 1-4) stretched this period to 9 months because they found out that asset accumulation at levels equal to nine-months' worth of income at the income poverty level or greater improved a family's odd of permanently escaping poverty.[3] Thus, a household is asset poor if its financial net worth is unable to meet its consumption needs over a 3-month period. It is considered non-poor if its net worth is able to meet its 9-month consumption needs. In this way, a household is poor when its asset net worth cannot enable it to meet 3-month consumption needs at $1.25 per person per day. Non-poor households are those whose asset net worth ably meets 9-month consumption needs and beyond.

To compute a household's net worth first, all its productive assets were valued at the current market price. Second, the asset value was added to the current cash savings (i.e., cash at hand and cash at bank). Third, the current value of debts was deducted from the asset and cash

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[2] Haveman, R., and Wolff, E.N. (2004) "The Concept and Measurement of Asset Poverty: Levels, Trends, and Composition for the US, 1983-2001." *Journal of Economic Inequality*, 2(2) 145-169. See also Haveman, R., and Wolff, E.N. (2005) *Who are the Asset Poor? Levels, Trends, and Composition, 1983-1998*. Discussion Paper No. 1227-01. Institute for Research on Poverty.

[3] Leonard, T., and Di, W. (2012) *Reentering Asset Poverty After an Exit: Evidence from the PSID*. Research Department Working Paper 1204. Federal Reserve Bank of Dallas.

savings value to get a financial net worth. Finally, the financial network was subjected to the required household consumption at the international poverty line of US$1.25 (or UGX 3,125 – 2005 price) per person per day. While a single person household would need UGX 1,140,625 million per annum to live at the poverty line, this value would increase by the number of people in a household. Households with many people would require more financial net worth to sustain their livelihoods.

Table 6: Household mean financial net worth (in Uganda shillings)

	Status
Average value of cash savings	384,117
Average value of debts	56,242
Average value of productive assets	3,233,181
Average financial net worth	3,561,056
Average 3-months asset worth	2,433,609
Average 9-month asset worth	7,300,828
Proportion able to meet 3-months consumption	25.1%
Proportion able to meet 9-months consumption	3.2%

From Table 8 above, CEEP households have accumulated assets over the years. Much of these assets are in the form of productive assets (livestock and movable assets) than liquid asset (cash savings). This status reflects not just the formal financial exclusion the remote CEEP areas face. It also shows the preference for alternative savings method especially in tangible assets, which also carry other non-economic values such as prestige. It is also a confirmation of long steps that lie ahead in mainstreaming these subsistence-based households into the formal market-led money economy where money is not only a medium of exchange but also a store of wealth.

Finally, figure 11 shows that 5% of CEEP members had no cash savings and 41% had no debt at the time of the survey. Besides, many of the households (75%) are asset poor and can hardly secure their livelihoods for 3 months should any shock (e.g., pull out of G-SHA) occur. The percentage of the proportion of the asset poor members increases to 97% if the period is extended to 9-months. This poverty status is at tandem with the core objective of CEEP; poverty reduction given that many of the beneficiary households are still vulnerable and are less resilient to any shock.

Figure 11: Asset poverty status (%)
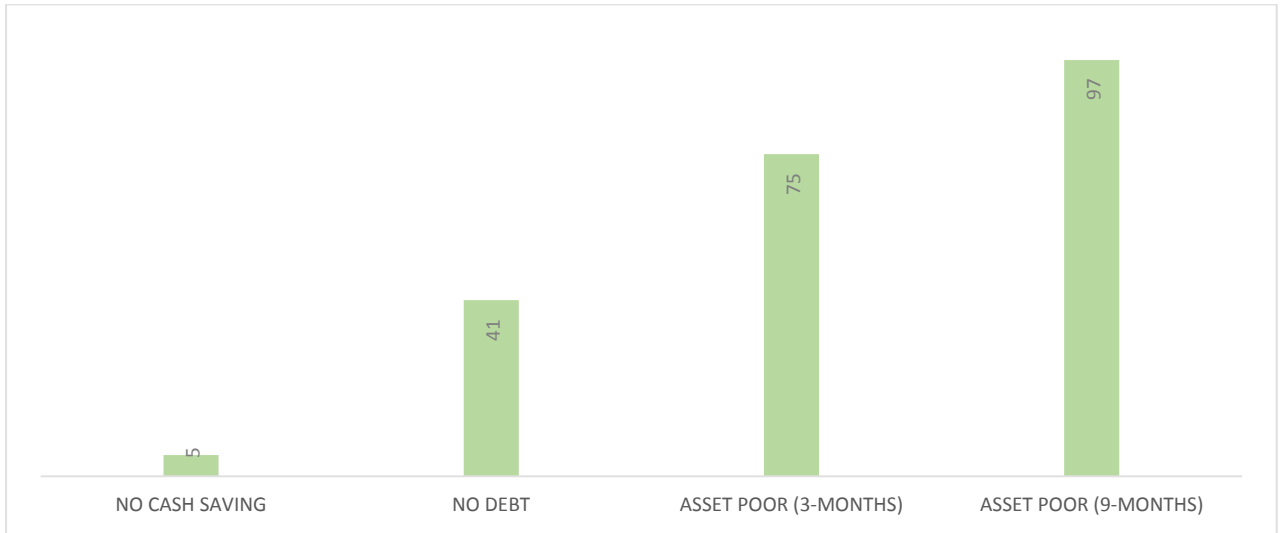
8.0 Revised Monitoring Framework

Given the baseline information, below is the revised M+E framework.

Table 7:   Revised project outcome and impact targets

Indicators	Baseline 2014	Target 2016
Goal: Increased wealth and food security in smallholder households.		
Proportion of households living above US$1.25 (national poverty line)		
a) Asset poor at 3-month consumption level	75%	77%
b) Asset poor at 9-month consumption level	99%	79%
Proportion of households that are food secure		
a) Eat at least 3 meals daily	97%	100%
b) Eat diversified dietary weekly	82%	90%
Objective 1: Increased economic empowerment in the West Nile districts of Nebbi, Zombo, Arua, Yumbe and Moyo.		
Average household income from agricultural livelihoods (in UGX)	426,177	7,000,000
Number of non-family members employed	1,613	4,839
Proportion of households with personal savings in micro-finance institutions	28%	50%
Average yearly sales turnover of each BO (in UGX)	7,949,838	21,000,000