



Center for Evaluation
and Development



Session 5: Counterfactual impact evaluation of the STEDE programme's VSLA intervention in Ethiopia

C4ED – EUTF

March 2024

Results presented here are preliminary and may change as the complete dataset is analyzed. Final results of the evaluation of the STEDE programme's VSLA intervention will be presented in the final evaluation report in December 2024.



Outline

- The STEDE programme : VSLA component
- Evaluation questions
- Impact Evaluation design
- Findings
- Lessons learned



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The STEDE programme

VSLA Intervention



The STEDE programme



STEDE: Strengthened Socio Economic Development and Better Employment Opportunities for Refugees and Host Communities in Fafan Zone

Implementing partners: Mercy Corps and Danish Refugee Council

Goal: to strengthen socio-economic development and better livelihood opportunities for refugees and the host community through a Market Systems Development (MSD) approach.

Targeted population: 54,000 vulnerable individuals from refugee and host communities including market actors (producers, retailers, small enterprises)

Project components:

1. Expansion of business and financial services (under evaluation);
2. Job skills development;
3. Social integration and rights.



The VSLA intervention

VSLA: Village Savings and Loan Associations

Goal: to improve the economic inclusion and access to financial resources for both refugees and host communities by establishing VSLAs

Lead agency for implementation: Mercy Corps

Target population: vulnerable refugee and host community individuals, who do not currently have access to formal financial services.

- 7,620 beneficiaries (318 VSLAs) of which 90% are women and 30% youth 15-29

Activities timeline: November 2020 until February 2023
No cost extension I until Nov 2023
No cost extension II until May 2024

How: through Field Agents (FAs) who are recruited and trained by Mercy Corps

Key roles of FAs:

- sensitize the community and form VSLAs;
- provide trainings on financial skills and practices for members;
- report transactions on VSLAs' savings and borrowings in the Jamii.one database

⇒ financial services providers access the Jamii.one database information on VSLAs' creditworthiness ⇒ helps facilitate loan provision (in addition to the social loan from the VSLA) ⇒ helps to improve economic and social wellbeing



The VSLA intervention

Target area:

Region: Somali region, Ethiopia

Implementation zone(s): Fafan - one of nine zones of the Somali region, where the capital city of the region is located

Implementation Woreda(s):

Refugee camps: Awbarre, Sheder, and Kebribeyah

Host communities: Awbarre and Kebribayah (proximity to the camps)



Evaluation questions

- Performance on KPIs (effectiveness)
- **EQ 1: Contribution to employment and skills (impact)**
- **EQ 2: Contribution to resilience and livelihoods (impact)**
- EQ 3: Cost-effectiveness analysis (efficiency)
- **EQ 4: Contribution to intended & unintended outcomes (impact)**
- **EQ 5: Inclusion of vulnerable groups (impact)**
- EQ 6: Coherence and EU added value (Coherence)

Impact evaluation design

Mixed methods approach

Quantitative component

to assess impact (quasi-experimental approach) and effectiveness

+

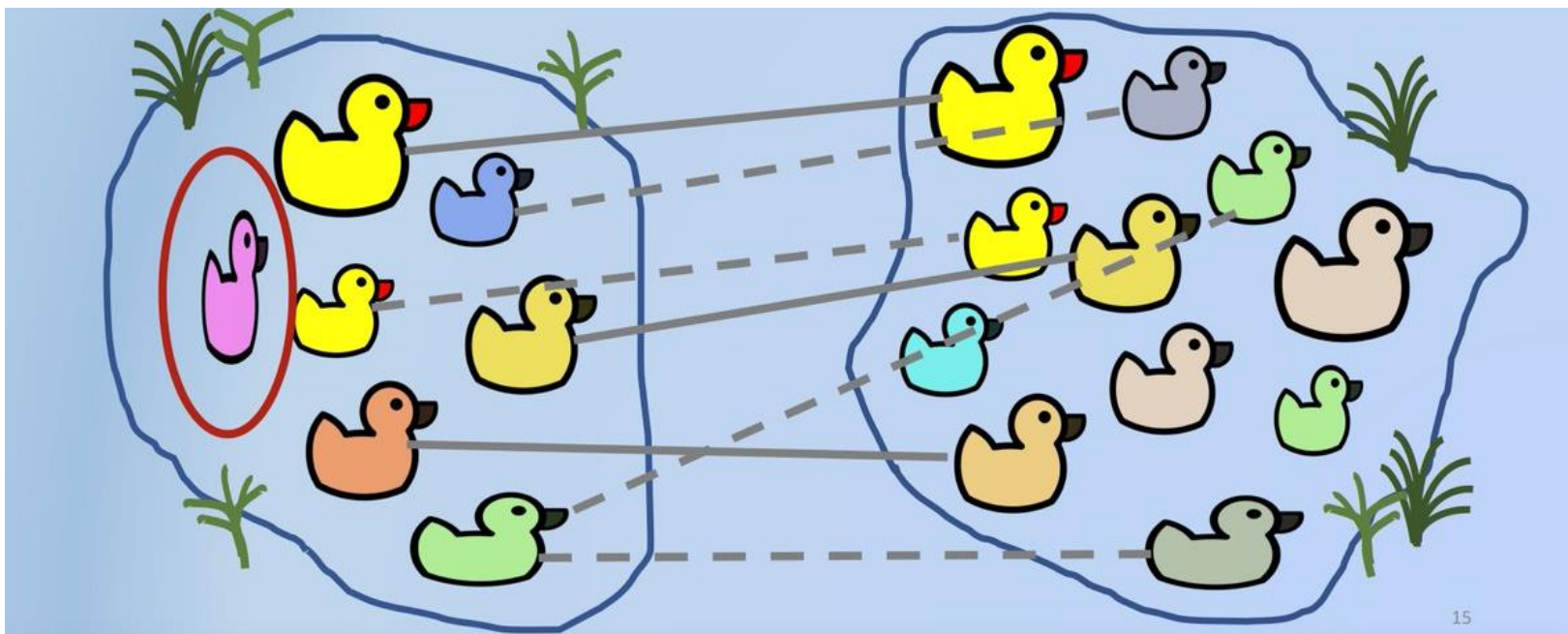
Qualitative component

to assess impact, effectiveness, coherence and relevance
(FGDs, KIIs, IDIs)



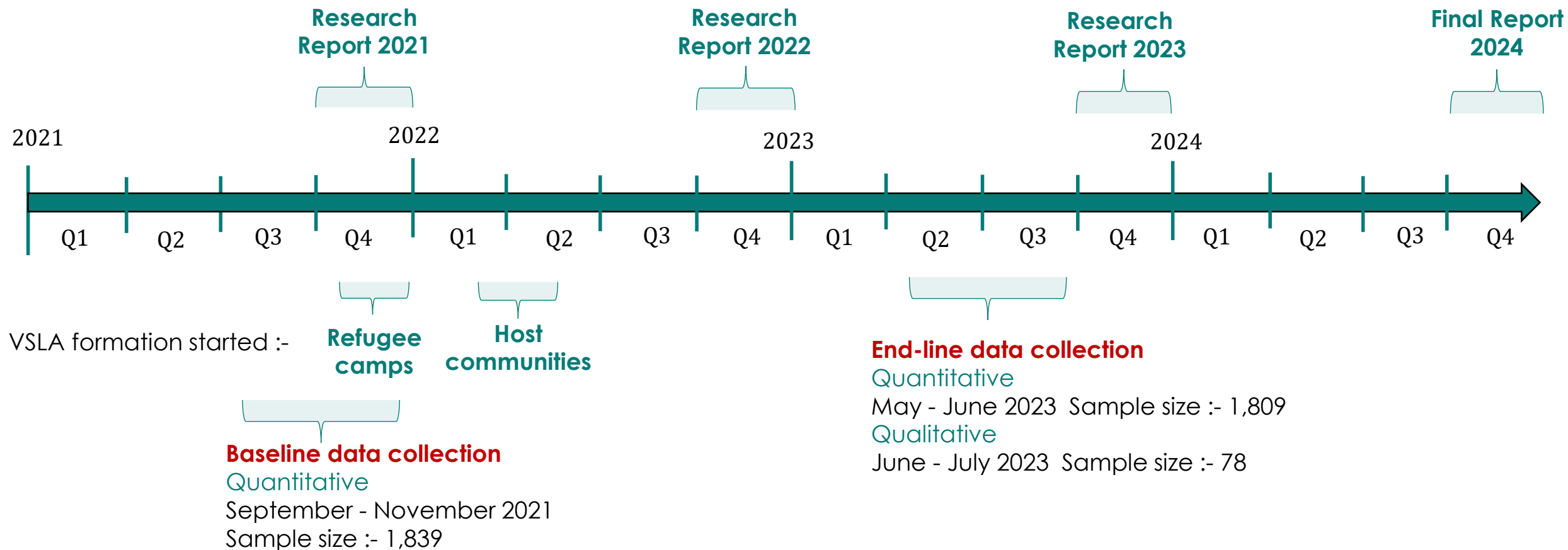
Impact evaluation design: Quasi experimental design

Matching Approach





Impact evaluation design: Timeline of evaluation activities













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Preliminary Findings

	Dimension	Females	Males	Refugees	Hosts
	Employment	++	+	+++	+
	Business Development	x	x	+	x
	Savings	++	+	++	+
	Access to loans	x	x	x	x
	Income	+	x	+	x
	Resilience	++/-	+/-	++/-	+/-
	Social capital	-	-	+/-	-
	Intention to migrate	x	x	x	



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Preliminary conclusions and lessons learned

Link VSLAs with Formal Financial Service Providers (FSPs)

- Limited impact of the VSLA intervention on new business development
- Linking the VSLAs to FSPs → unlock access to larger loans

Training on financial skills and practices

- Limited impact of the VSLA intervention on financial literacy
- Facilitate training sessions for VSLA members on financial literacy and loan application processes

Gender-sensitive approaches yield results

- Larger impact of the VSLA intervention observed for female beneficiaries
- Effective in empowering women within communities
- Continue providing targeted capacity building and leadership training for women within VSLAs

Enhance social capital and social cohesion

- Positive influence on network connections and relationships, negative impact on trust
- Implement trust-building initiatives within VSLAs
- Joint VSLA groups → promote social cohesion and integration between refugee and host communities



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Thank you

Q & A



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Annex

Clustered randomized encouragement design

- **F**ormation of VSLAs is **randomized at the community level**
 - host communities: randomize villages within kebeles;
 - refugee camps: randomize study areas (made of blocks/ sections within zones).
- FAs would **encourage households in treatment areas** to form VSLAs
 - **A**fter receiving the list of interested households from C4ED (after baseline data collection).
 - Households in control areas are free to establish VSLAs on their own but would not be provided with the assistance from FAs.

Employment Dimension	Females	Males	Refugees	Hosts
Self-employed as a family worker	+	+	+	+
Self-employed with(out) employees	+	X	+++	X
Regular employee	X	X	X	X
Other employment type	+	X	+	X

Resilience Dimension	Females	Males	Refugees	Hosts
Wellbeing at the present time	+	+	+	+
Food insecurity experience scale	+	X	++	+
Number of months of food shortage	+	X	++	X
Brief resilience scale score	X	X	X	X
Number of income sources	X	X	X	X
Coping strategies index	-	-	-	-