



Picture 1 SHG Participant engaging in small business, CWW 2021

DANWADAAG DURABLE SOLUTIONS CONSORTIUM

LIVELIHOODS ENDLINE REPORT

SOMALIA

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Executive Summary

Background

The Danwadaag (meaning “common purpose”) Durable Solutions Consortium is a three-and-a-half-year programme in Somalia supported by the UK's Foreign, Commonwealth & Development Office (FCDO). It aims to enhance progress towards durable solutions for displacement affected communities (DAC) in urban and peri-urban areas, with implementation in Benadir Regional Administration, Jubaland State and Southwest State. Danwadaag works with the government authorities, host communities, IDPs and returning refugees towards (re)integration, to make DACs more resilient and self-reliant, and less dependent on humanitarian aid. To monitor progress of targeted households and to assess the impact of its livelihood's component, Danwadaag carried out an endline survey of households that are benefiting from livelihoods interventions in Jubaland, namely in Kismayo, and Southwest State, in Baidoa and Afgooye.

Method and Data Collection

Data collection took place at household level in a panel survey between October - December 2021, using a closed-ended questionnaire, re-visiting the same households that were interviewed at both baseline and midline. 99% of the households were able to be relocated and interviewed. A total of 1,259 households were surveyed, with a representative sample taken for each of the activity sub-groups, apart from TVET as this activity was excluded from the survey, having commenced after the midline survey data was taken. Without TVET (200 beneficiaries), a total of 2000 beneficiaries benefited from the livelihoods programming, meaning that a total of 12,000 individuals benefited from these interventions, with all individuals per households (an average of six) benefiting from the one household member involved in these livelihoods' activities. Data was collected in face-to-face interviews by trained enumerators, using a pre-coded questionnaire, giving selection choices where possible, capturing answers to a few open-ended questions, and prompting for more information if a change with regards to key questions was identified between midline and endline data from the same household. Sampling was done with the help of FCDO's third party monitoring agency, Monitoring and Evaluation for the Somalia Humanitarian, Health, and Resilience Programmes (MESH). As part of data quality assurance, daily quality assurance reports were shared, while an extensive training and close monitoring of enumerators in the field ensured correct application of the questionnaire and adherence to field protocols. Data was analysed quantitatively, looking for changes between baseline, midline and endline where applicable and looking for patterns in answers to open-ended questions.

Summary of Key Findings

The programme captured positive contributions towards improved community **self-reliance** as evidenced by findings from this study, with households' income increasing at an average of USD 66 baseline to USD 134 endline, expenditure increasing from USD 75 baseline to USD 161 endline and savings improving from USD 1 baseline to USD 29 endline. Along with this, most households also diversified their income sources, making them more resilient to shocks. Separately, a 13% increase in number of households relying on salary support further proves that households successfully apply knowledge and skills gained from the skills training and mentoring support. Despite this very positive trend, households continued to spend

more than a third of their income on food and although they reported to have increased their ability to meet their needs, the majority also still struggles to meet these needs

Improved

Notable improvements in income levels - Results from the endline survey show a substantial improvement in households' income. The average monthly income of households went from 66USD at baseline to 108 USD at midline to 134 USD at endline. Overall, 78% of beneficiaries saw an increase in their income (70% IGA, 83% Learn2Earn and SHG/VSLA) while only less than 1% saw a decrease. Before the programme, 62% of the HHs had an income of below 50 USD while at endline majority fall under USD 50 – 100 (50%) and between USD 100 - 200 (40%). Overall, 61% of households managed to increase their income by at least one level. When off-set against investments, increases in income supersede paid additional cash injection with Learn to earn beneficiaries in Baidoa and graduation group doing best.

Income sources: Diversified income sources are observed as new sources of income, such as salary support from the private sector, NGOs, UN, and Government is noted at endline especially in Baidoa.

Significant increase in future income expectation: 97% of households are optimistic about their future income when interviewed at the point of endline

Higher Savings: Notable increase in total savings, especially in Kismayo and Baidoa. Overall, households' savings improved from one dollar at baseline to USD 13 at midline to USD 29 at endline.

Increased monthly expenditure: Household's expenditure increased from 75 USD at baseline to 135 USD at midline to 161 USD at endline. However, households continued to spend the largest amount on food, with an average of 59 USD per month which is almost 37% of their average monthly expenditure.

Improved ability to meet basic needs: Households remain vulnerable with 42% reporting to be in stage 3 indicating they are struggling a bit financially but with improvements as compared to the baseline and midline results. At endline, a 13% increase was noted in the number of households who passed the self-reliance threshold. Additionally, a decrease was noted in number of HHs in stage 1 and 2 'those who are unable to meet their basic needs and struggling a lot financially' (Baseline 69%, midline 47% and endline 24%)

Increased Social capital as compared to the midline:

Ability to share food and to invite other members of the community has increased across the activity groups and location as at endline.

Increased assets: Increased assets at endline: Across all three locations, households reporting to own no assets has

Decreased / No change

Decreased literacy rate - Slight decrease in literacy rate across the activity groups and locations noted at endline as compared to midline results (midline 55%, endline 53%). Only members of the households above 18 years were asked about their ability to read and write. One plausible explanation for the decrease in literacy rate could be that members of the HH who were below 18 years at midline had now moved into the category where they qualify to be asked about their literacy rate and they reported to be illiterate.

Increased debt for IGA participants in Kismayo: Slight overall increase in the households' average debt (Midline USD 52, Endline USD 57). This increase was observed mainly in Kismayo IGA participants (Midline USD 46, Endline USD 92)

Limited use of feedback mechanisms: Majority of surveyed households have never asked a question or raised a complaint.

Increased reduced CSI: Households are noted to have applied more coping strategies at endline with a score of 15 as compared to midline rCSI score of 13.

notably reduced as compared to midline results. Land ownership is noted to have improved with 39% of the households reporting to own land with majority being from Baidoa.

Graduation: Improved outcomes for Danwadaag graduation group as they reported higher income, expenditure, savings as compared to the control group. They also had higher literacy rate, owned more assets and were better able to lend money to others and share food with others

Recommendations

1. **Improve literacy rate:** Following the downward trend observed at endline with regards to literacy rate, it is critical to strengthen the literacy and numeracy components of the livelihood programme. Improving literacy is vital as people who are able to read and write have enhanced employment opportunities and are more able to understand their rights.
2. **Further Research:** According to the data household savings improved from one dollar at baseline to USD 13 at midline to USD 29 at endline however when HHs were asked if their ability to save increased, decreased or stayed the same, 65% reported no change. The same was noted for perceived income, lending ability and assets. There is need to understand why they think otherwise or report no change while the data shows contrary to their perception. Further research is also needed to understand why expenditure is higher than income, sources of credit and debt households use and their conditionalities and the potential of different value chains for sustainable livelihoods including the agricultural sector.
3. **Integrated livelihoods approach:** There is need to improve targeting as households based on their vulnerability have different sets of skills, assets, and need different programs and services at different times. It is important to ensure livelihood activities for targeted households are appropriate for their situation.
4. **Partnership with private sector should be established:** to guarantee increased business productivity for the livelihood participants increased private sector linkages is critical to sustain gains in income as demonstrated in this endline report.
5. **Layering and sequencing of interventions:** Extremely poor households need the reassurance and stability that a regular income (or cash payment) provides, so that they can concentrate on building their skills and engage in the social and economic activities that are so critical for resilience. This pilot has shown the positive impacts that can be achieved through linking social protection programmes (regular cash payments) with comprehensive livelihoods and poverty reduction approaches and layering different types of activities using a humanitarian-development-peace (HDP) Nexus approach, within the same population. This created synergies and benefits that neither intervention could have provided alone.
6. **Cooperation with other actors in Danwadaag areas of operation:** Collaboration with other actors such as the cash consortium has worked out well as evidenced by the gains reported by the graduation group. The most vulnerable households need more of a leg-up first before they can be targeted with livelihoods activities. Future scale up of such initiatives is recommended.
7. **Leveraging assets owned to access loans for the most vulnerable and marginalized groups.** Across all locations, 26% of the households interviewed reported to own land, with the highest proportion 72% from Baidoa. With most households facing challenges to access loans due to a lack of guarantors, the programme can assist the households to leverage their asset in securing loans and enhancing partnerships with financial sector actors.

1. Introduction

The Danwadaag Durable Solutions Consortium is an area-based, government-lead and community-driven consortium aiming at enhancing progress towards durable solutions and (re)integration for targeted displacement affected communities (DAC). It focuses on long-term solutions to displacement by increasing the government's capacity to effectively lead durable solutions processes, increasing DAC's self-reliance through better access to sustainable basic services, land tenure security, and livelihoods opportunities, and connecting these durable solutions to urban development processes. It is a three-and-a-half-year programme funded by UKAid, led by IOM, with partners Concern Worldwide (Concern), Norwegian Refugee Council (NRC), and learning partner the Regional Durable Solutions Secretariat (ReDSS) as well as local partners GREDO, SHACDO, and Juba Foundation.

One of the consortium's programme component aims at increasing self-reliance through inclusive economic opportunities. To achieve this, Danwadaag has implemented four different types of livelihood activities that target the most vulnerable households in the programmes area of operation in and around Baidoa, Afgooye and Kismayo:

- Learn to Earn – this includes business development packages, start-up grants, mentorship, and intensive training.
- Self-help Group (SGH)/Village, Loan and Savings Association (VSLA) – this includes establishing and mentoring of SHGs and VSLA groups, linking them to microfinance institutions and providing basic skills trainings such as numeracy, literacy, and bookkeeping
- Income Generating Activities (IGA) – this includes entrepreneurship skills training such as budgeting, losses, profit, record keeping, bookkeeping and saving, nutrition sensitization, Hygiene awareness, Business plan Development, sustainable livelihood building, business skills for effective business through sustainable use of small-scale business techniques
- Graduation – layering livelihoods promotion, financial inclusion, and social empowerment support on top of Multi-Purpose Cash Assistance (MPCA) for severely affected DACs through the Cash Consortium

The objective of this report is to evaluate the progress of households with regards to specific indicators under the broad umbrella of self-reliance and determine the relevance and effectiveness of the implementation of the above activities. Based on these findings, recommendations are made to adapt programming to increase efficiency and improve targeting criteria.

2. Methodology

The data was collected at household level in a panel survey with a closed-ended questionnaire, re-visiting the same households that were interviewed at baseline and midline.

2.1 Sampling

The sample size for the endline consisted of 1,276 households from eight settlements in the three locations where Danwadaag implements livelihoods activities: Baidoa, Afgooye and Kismayo. Sampling was done with the help of FCDO's third party monitoring agency Monitoring and Evaluation for the Somalia Humanitarian, Health, and Resilience Programmes (MESH), ensuring representativity of the sample across the locations and different types of activities. The sample size was calculated to estimate changes in key indicators of 1) perception of self-reliance and 2) average monthly income for each of the three interventions separately. For self-reliance, a 2-sample dependent (or before-after) binomial

proportion equation was used, with 80% power at the 5% level of significance for detecting significant change. For monthly income, a 2-sample dependent normal equation was used, with the same power and significance. Finite population adjustment was made to adjust the sample size for the total number of beneficiaries currently registered for each intervention. For the SHG/VSLA, no adjustment was made for the group effect (intra-cluster correlation, ICC) as it was observed that often members of the same group have different displacement statuses or come from different locations. Their responses therefore would not be more related than between members of other groups. The endline was conducted on a sample of registered beneficiaries to assess changes in key livelihood indicators since midline for each of the four interventions (SHG, Learn2Earn, IGA and Graduation)¹, and an additional 200 beneficiaries serving as control group for the graduation beneficiaries. The sample size was calculated to estimate programme level changes for each intervention, individually. The table below represent the distribution of the sample size across the activity groups and locations.

Table 1 Sampling distribution across activity group and location

Sample					Activity group					
Agency	agency_2	State	District	Cluster	IGA	Learn2Earn	SHG /VSL A	Grad	Grad_Comp	Total
CWW	CWW	SWS	Baidoa	ADC		62	150			212
				Hanano		39	95			134
				(blank)				200	213	413
	Shacdo	SWS	Afgooye	Doolaawe	49		77			126
				Hawatako	52	41	42			135
				Outside Afgooye		9				9
CWW Total					101	151	364	200	213	1029
NRC	NRC	Jubaland	Kismayo	Alanley	185					185
				Fanole	13					13
				Farjano	28					28
				Gulwade	21					21
NRC Total					247					247
Grand Total					348	151	364	200	213	1276

Additional important aspects to note:

- 99% of the sample size was able to be interviewed during the endline survey as shown in the table below.

TVET was not included in the livelihood endline as the registered beneficiaries had not been included in the baseline and midline study.

- The graduation pilot comparison group registration data was obtained from the Cash Consortium, and had similar characteristics, or recruitment criteria, to those recruited for the graduation pilot. Of the 213 comparison households surveyed at baseline (i.e., in December 2020), 204 were traced and re-surveyed at endline. At baseline, an oversampling was done to ensure such drop-out would be catered for. Both graduation and graduation control group beneficiaries were taken from a programme of the Cash Consortium, through which they had received Multi-Purpose-Cash Assistance (MPCA), but only the graduation group then went on to receive additional livelihoods interventions through Danwadaag.

Table 2 Total households surveyed

Row Labels	Total Households Benefitting from Intervention	Total Households Sampled	Interviewed Households	% Of Households Interviewed at Endline
CWW	1,600	1029	1014	99%
Afgooye	600	270	265	98%
IGA	200	101	100	99%
Learn2Earn	100	50	49	98%
SHG/VSLA	300	119	116	97%
Baidoa	1000	759	749	99%
Grad	200	200	200	100%
Grad_Comp	N/A	213	204	96%
Learn2Earn	200	101	101	100%
SHG/VSLA	600	245	244	100%
NRC	400	247	245	99%
Kismayo	400	247	245	99%
IGA	400	247	245	99%
Grand Total	2,000	1,276	1,259	99%

2.2 Survey Method

Data was collected in face-to-face interviews, using a pre-coded questionnaire, asking closed-ended questions, and providing selection choices where possible, while capturing answers to a few open-ended questions. The questionnaire was based on the livelihoods midline tool and adapted in consultation with local partners and stakeholders to ensure provision of adequate choice selection and adding re-call questions where additional information gathering as compared to the midline were deemed necessary. For key questions, the questionnaire was coded in a way that answers from the midline of the specific household interviewed were pulled into the App in real time, for the Enumerator to compare these with answers given at the point of the endline survey, to enable prompting with follow-up questions if significant changes between midline and endline were identified. The questionnaire was then translated to Somali and digitalized using Kobo Toolbox. Separate questionnaires were developed, translated, and coded for the contact procedure identifying the right household, and for call-back interviews as part of the quality assurance for the Field Coordinators. Separate lists of the households, unique household ID

numbers, and contact data disaggregated by location and activity type were created to assign enumerators specific households to be interviewed.

To train the Enumerators and Field Coordinators, a training deck was developed, and 20 Enumerators and 3 Field Coordinators were trained in a two-day training on the purpose of the study, usage of the survey tools, identification of households to be surveyed, survey ethics, and field and data quality assurance protocols. Repeated mock-interviews and data control thereof ensured all Enumerators understood the training content and were able to carry out the household contact procedure and main interview procedure correctly.

2.3 Data Collection

The data collection took place between 19-26 October 2021 in Kismayo and in 25 November- 10 December in Afgooye and Baidoa, with Enumerators interviewing a total of 1,259 households with the help of the phone-based app ODK Collect. To ensure as many households as possible from the midline could be located and interviewed again, households were assigned a unique ID number, and the data collection was carried out in two phases: Contact procedure and main interview. The contact procedure involved the Enumerators calling households assigned to them, confirming key household composition data, and booking interviews for the next day, or repeating calls if the household could not be reached, requesting assistance from camp leaders or village elders to locate the household, or using the GPS captured at midline to locate the household if all other methods failed. The households that had moved but were still located within Danwadaag area of operation, were interviewed at their new location and GPS captured at the new household location to enable record keeping. 99% of the households were able to be located and interviewed. When carrying out the main interview, Enumerators used the main interview form, entering the unique household ID number that enabled linking the data of the contact form, main interview form and call-back form later to ensure consistency. The steps observed by the enumerators in the contact and interview procedure are depicted in the diagram below.

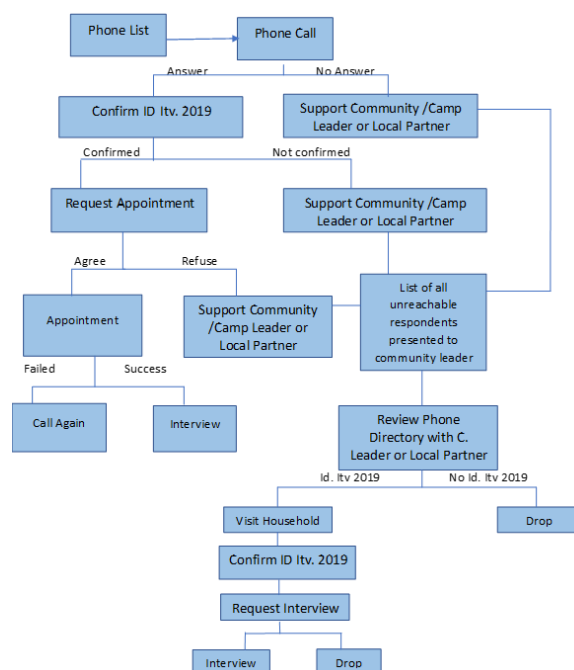


Figure 1 Household Contact Procedure

2.3 Quality Control

The following mechanisms were put in place to ensure data quality:

1. Automated checks were coded into the questionnaire to ensure coherence between answers to different questions, for example number of household members reported during midline not matching baseline results, income not matching expenditure etc.
2. FCDO third party monitor MESH set up an automated data quality control dashboard, monitoring quality criteria such duration and time of the interview, average of answers with do not know/refuse to answer, repeated figures of the reduced Coping Strategy Index (rCSI) input, repeated figures of income and expenditure levels. Interviews that did not match the quality criteria were flagged on the dashboard and addressed up by the Study Coordinator.
3. The Study Coordinator pulled together daily a quality assurance field report based on dashboard results, on the basis of which feedback calls with the Field Coordinators took place, identifying areas for improvement and need for closer monitoring of specific Enumerators or repeating of training components for Enumerators when necessary.
4. Enumerators were assigned one Field Coordinator per location that coordinated the data collection, assigned Enumerators to specific households to interview and supervised data collection closely, performing on-the-spot checks of Enumerators interviewing households, and targeted shadowing of Enumerators where necessary.
5. Field Coordinators were asked to do at least three call-back checks daily, calling households already interviewed and repeating key questions, the answers to which were matched with the answers recorded by the Enumerators.

2.4 Data Analysis

Data was analysed using quantitative measures, including comparison between baseline, midline and endline data and disaggregation of data by region and registered activity (Income Generation Activity, Learn to Earn activity, VSLA/Self Help Group), and comparing the graduation and graduation control group data, looking for patterns and significant changes.

3. Key Findings

The section below displays findings ordered by criteria's relevant for self-reliance. In brief, majority of households report to have an increased monthly income with diversified sources of income, have higher savings, higher expenditure and increased social capital. In the following section, findings are ordered according to key indicators.

3.1 Beneficiaries of IGA, VSLA, SHG and Business Skills Trainings

3.1.1 Household Composition and Displacement Status

In comparison to the midline results whereby the average household size was 8.7 there was no significant change noted in the household compositions or displacement status of respondents at endline. Across all three regions, 71% of the households interviewed were IDPs, 21% host community and 7% returnees. 67% of the members of the household fall between the age of 6-49 years old and the ratio of male to female head of household remained 1:1. Like the baseline and Midline data, most of the households (71%) indicated that they are IDPs and have been displaced approximately between 1 to 5 years with majority (86%) of the IDPs originating from Southwest state mainly Baidoa.

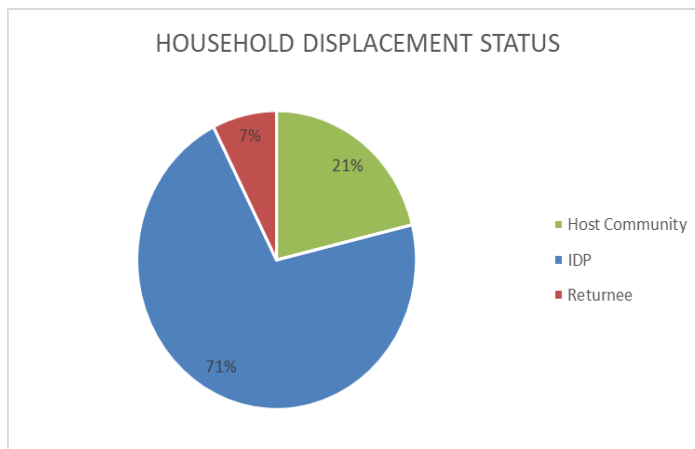


Chart 1 Household displacement status

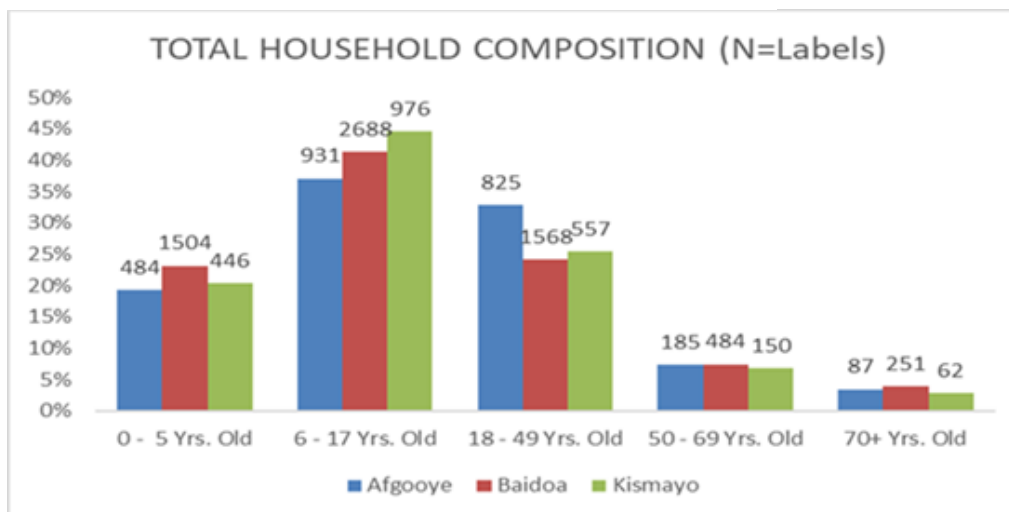


Chart 2 Total household composition

3.1.1 Disability

Slight decrease in number of households with disabilities – Rate of disability has slightly decreased since midline especially in Afgooye with a 6% decrease (16% midline, 10% endline) and in Baidoa (21% midline, 19% endline). Kismayo continues to have the highest rate of disability at 25%. Notable changes were also seen among SHG/VSLA participant whereby disability rate reduced from 21% at midline to 15% endline.

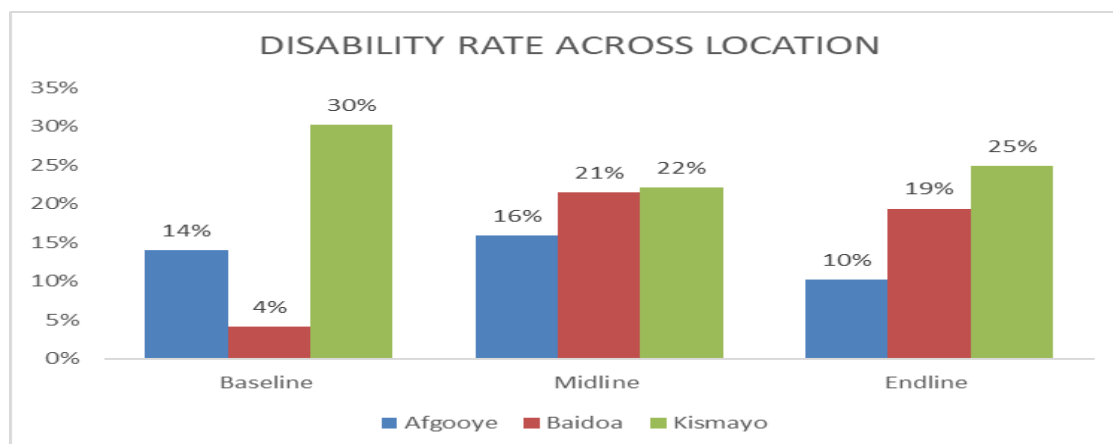


Chart 3 Rate of disability across the three locations

It is unknown as to why the rate of disability decreased as the same households were revisited at endline.

Health Activities: Danwadaag is only implementing health activities in Southwest State (Baidoa and Afgooye) through two MCHs providing health and nutrition services including immunization against Polio, BCG, tetanus, and measles etc. In Baidoa active health awareness and outreach services take place as compared to Kismayo where Danwadaag is not implementing health related activities. Separately field staff in Kismayo have noted that more people with disabilities are moving to IDP settlements due to the favourable living conditions in the sites and easy access to resources hence the high number of people with disability. In Baidoa and Afgooye, it is unclear what could have caused the reduction in disability rate as the same households were interviewed at midline.

3.1.2 Literacy Rate

Decreased literacy rate: Findings from the endline survey results suggest slight decrease in literacy rate across the activity groups and locations. Literacy rate was measured by household's ability to read and write in any language. Only adult household members above 18 years were asked if they could read and write in any language mainly because literacy rate increases when younger population is considered hence for this survey only members of the households above 18 years were asked about their ability to read and write. The decrease in literacy rate could be that at endline there were some household members who had gotten to the age of 18 and were now asked this question and they reported to be illiterate.

Overall, across the activity groups, literacy rate decreased by 2% as compared to midline results (midline 55%, endline 53%). SHG/VSLA literacy rate decreased by 5% (midline 43%, endline 38%) followed by Learn to earn beneficiaries whose literacy rate decreased by 4% (midline 59%, endline 55%) while IGA improved by 1% (midline 65%, endline 66%).

Separately, literacy rate of females also decreased slightly as compared to midline results (midline 44%, endline 41%). In comparison to their male counterparts, literacy rate for females also remained low as compared to male literacy rate (Literacy rate male 62%, female 41%). In summary, there is need to further

improve the literacy and numeracy component of the livelihood programming generally across the activity groups while prioritizing female inclusion and participation. Improving literacy rate across all age groups is critical as people who are able to read and write have enhanced employment opportunities and are more able to understand their rights

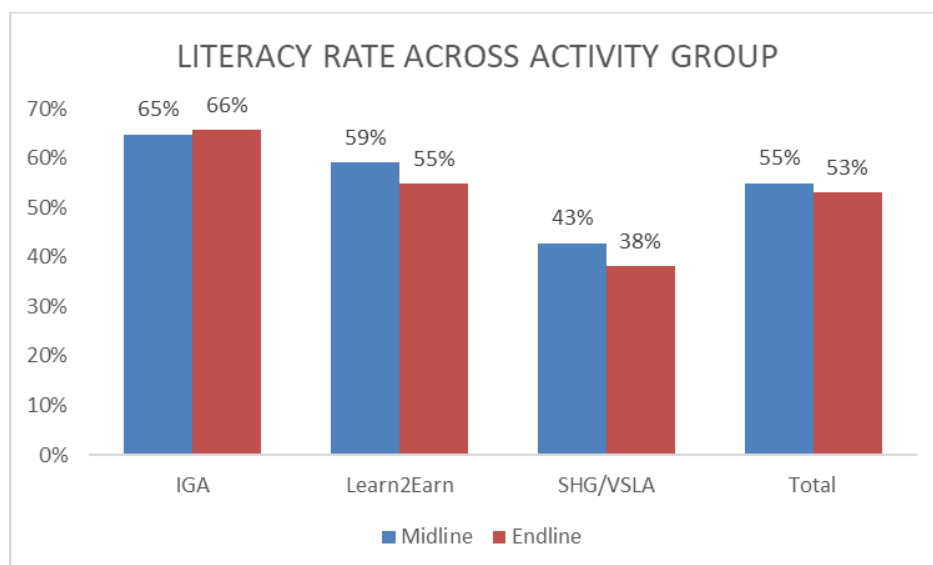


Chart 4 Literacy rate across the activity groups

3.1.3 Main Source of Income

Diversified sources of income – Households were asked their **top three sources of income** and based on the findings from the endline survey, the top three main sources of income were found to be small and petty trade (67%), casual daily labour (66%) and NGO cash assistance (33%). Most notable changes from midline to endline is increased households reporting small and petty trade and casual labour as top sources of income in comparison with midline results (small and petty trade midline 53%, endline 67%; casual daily labour (midline 54%, endline 66%). Other notable changes identified at endline include **increased reliance on NGO cash assistance** (baseline 0%, midline 11%, endline 33%), **increased reliance on Salary support** from private sector, NGOs, UNs, Gov., etc (baseline 1%, midline 2% and endline 13%) and **Sale of agricultural** (non-livestock) products (baseline 11%, midline 12% and endline 17%)

New trends are being established at endline as new sources of income such as salary support emerge and sale of agriculture, indicating households are making effort to diversify their sources of income. 19% of IGA and Learn to earn respondents have reported to rely on salary support from private sector, NGO's, UN, and Government, especially those from Baidoa (20%). Overall, across the three locations an upward trend highlighting increased reliance on salary support was noted (baseline 0%, midline 2% and endline 13%). This positive change shows that respondents are seeking skilled labour and applying knowledge gained from the skills training, mentoring and coaching support. These findings are backed up by reports from field staff stating that some beneficiaries are contracted for cash for work and other activities by local NGOs operating in the areas of operation.

Separately, an upward trend indicating increased reliance on small and petty trade was also noted for respondents who were registered for IGA (69% midline, 81% endline) and Learn to Earn activities (55% midline, 75% endline) while those registered for SHG/VSLA majority continued to rely on casual daily

labour as a main source of income (64% midline, 67% endline). This indicates that it is viable to have different livelihoods activities to target different types of beneficiaries. In Kismayo, the large majority (93%) continued to engage in small and petty trade as they participate in IGA activities only hence are mainly interested in skilled labour and due to selection criteria as IGA targets DAC women already engaged in small scale businesses. In Baidoa and Afgooye, 67% and 54% respectively do casual daily labour however an increase is also seen in number of households engaged in small and petty trade in both locations as compared to midline results, midline (Afgooye 35%, Baidoa 45%) endline (Afgooye 51%, Baidoa 64%).

Lastly, gradual improvements were also noted with sale of agricultural (non-livestock) produce with an upward trend of (baseline 11%, midline 12% and endline 17%). Across the activity groups slight improvement were noted especially for Learn to earn and SHG/VSLA participants. Baseline sale of agricultural produce (IGA 8%, Learn to Earn 4% and SHG/VSLA 13%) Midline (IGA 10%, Learn to Earn 7% and SHG/VSLA 15%) Endline (IGA 11%, Learn to Earn 13% and SHG/VSLA 19%). Improving households' agricultural productivity encourages entrepreneurial activities which could in turn contribute to income diversification and emergence of new and improved income sources for the households. Although the improvements are minimal there is need to further focus on households' agricultural productivity in the next phase of programming as it is vital for poverty reduction by raising households' income and reducing food shortage and hence should be further explored. Moreover, to guarantee increased business productivity for the livelihood participants increased private sector linkages is critical to sustain gains in income as demonstrated in this section of the report.

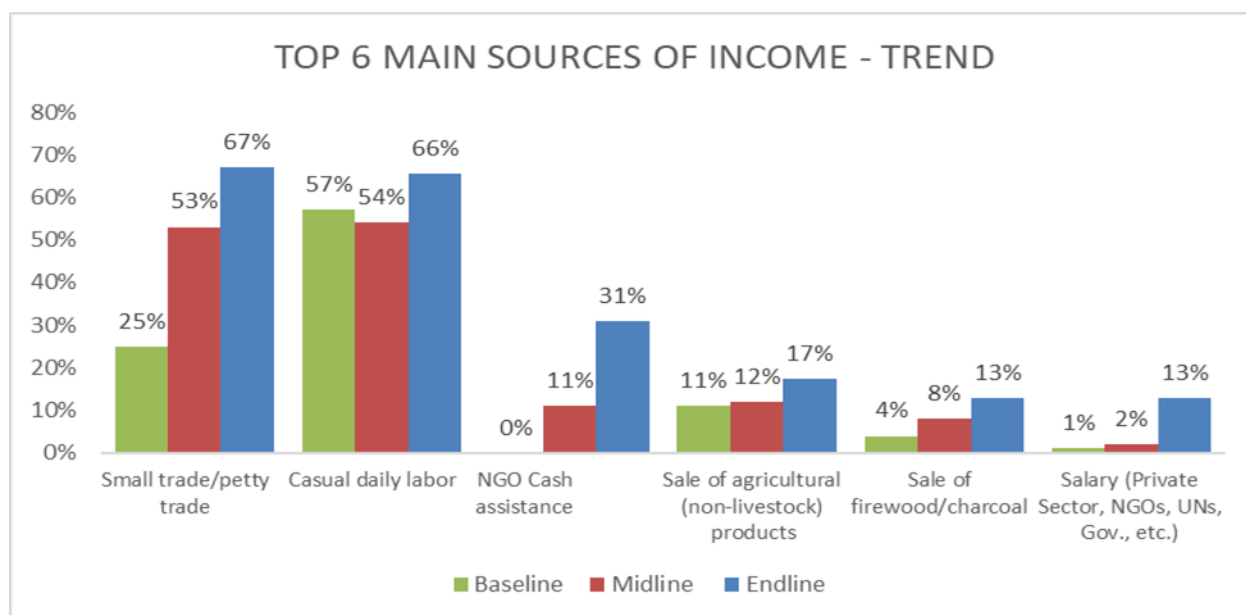


Chart 5 Households Top 6 Main Sources of Income

Casual daily labour remained the second most prominent source of income with 62% of the respondents reporting it as their main source of income. As compared to midline results there is an upward trend noted with regards to casual daily labour (midline 54%, endline 62%). In Kismayo number of households reporting casual daily labour has doubled as compared to midline results (34%, 62%), in Baidoa slight increase is noted (midline 49%, endline 54%) and relatively no change in Baidoa. Farming, hawking, and construction work were the most common types of casual daily labour reported at endline. The main type

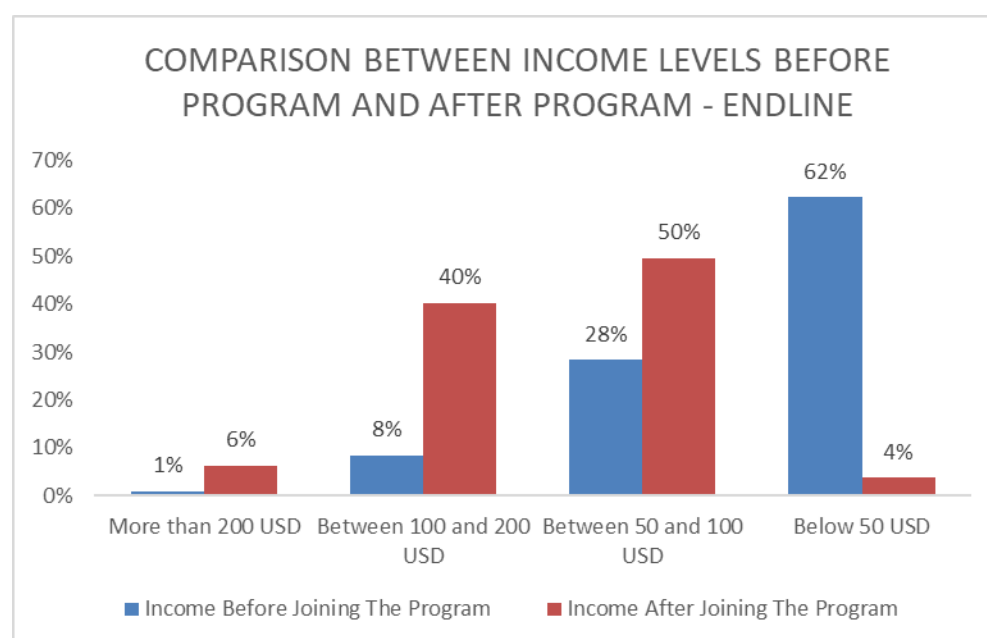
of casual daily labour varies across activity groups, IGA; construction (36%), Learn to earn; hawking (38%) and SHG/VSLA; farming (31%).

Table 3 Percentage of households with casual daily labour as main source of income

Casual Daily Labour	Afgooye Midline	Afgooye Endline	Baidoa Midline	Baidoa Endline	Kismayo Midline	Kismayo Endline	Total Midline	Total Endline
IGA	16%	16%	0%	0%	34%	62%	12%	23%
Learn to Earn	7%	9%	17%	20%	0%	0%	10%	11%
SHG	25%	29%	48%	47%	0%	0%	32%	28%
Total	49%	54%	65%	67%	34%	62%	54%	62%

3.1.4 Income Level

Increased income levels as compared to baseline and midline results despite crisis - Results from the endline survey show substantial improvement in households' income, **the average monthly income of households went from 66USD at baseline to 108 USD at midline to 134 USD Endline**. When households were asked about their income before joining the livelihood program as compared to their income at the point of endline, majority confirmed that their income had improved. Notably, this is the case despite households experiencing a major shock in form of Covid-19 pandemic, decreased job opportunities, droughts, and increased food prices. Before the program 62% of the households had an income of below USD 50 while at endline majority 90% reported to have an income between 50 – 200 USD.



Overall, 78% of beneficiaries saw an increase in their income since midline (70% IGA, 83% Learn2Earn and SHG/VSLA), while only less than 1% saw a decrease. Notably, 61% of the households managed to increase

their income by at least one level. The table and graph below show the comparative changes in households' income disaggregated by activity and in brackets are the value of N.

Table 4 Change in Income category of households after program, % of households

Activity	Decrease	% Down 2 - 3 levels	% Down 1 level	% No change	% Up 1 level	% Up 2 - 3 levels	Increase	Total N
IGA	0.6 (2)	0 (0)	0.6 (2)	24.3 (84)	50.4 (174)	20 (69)	70.4 (243)	345
Learn2Earn	0 (0)	0 (0)	0 (0)	16.7 (25)	61.3 (92)	22 (33)	83.3 (125)	150
SHG/VSLA	0.6 (2)	0 (0)	0.6 (2)	15.6 (56)	71.9 (259)	11.1 (40)	83.1 (299)	360
Overall	0.5 (169)	0 (0)	0.5 (4)	19.3 (165)	61.4 (525)	16.6 (142)	78 (667)	855

In summary, there is an overall growth in the income of households at endline. This could be due to multiple factors such as diversification of income sources, households acquiring new skill sets through the trainings, expanded business opportunities and entrepreneurial skills, additional cash injections and participants dedication to improve their lives. Households' income was categorized into four levels, those who have an income below USD 50, between 50 – 100 USD, between 100 -200 USD and those with income above 200 USD. The percentage graph below shows the comparative changes in households' income disaggregated by activity with the value of N being represented by the data labels. The graph represents how different activities relate to changes in income levels and the percentage of households under each activity who went up 1 level, 2 levels or those who saw a decrease or no change in income.

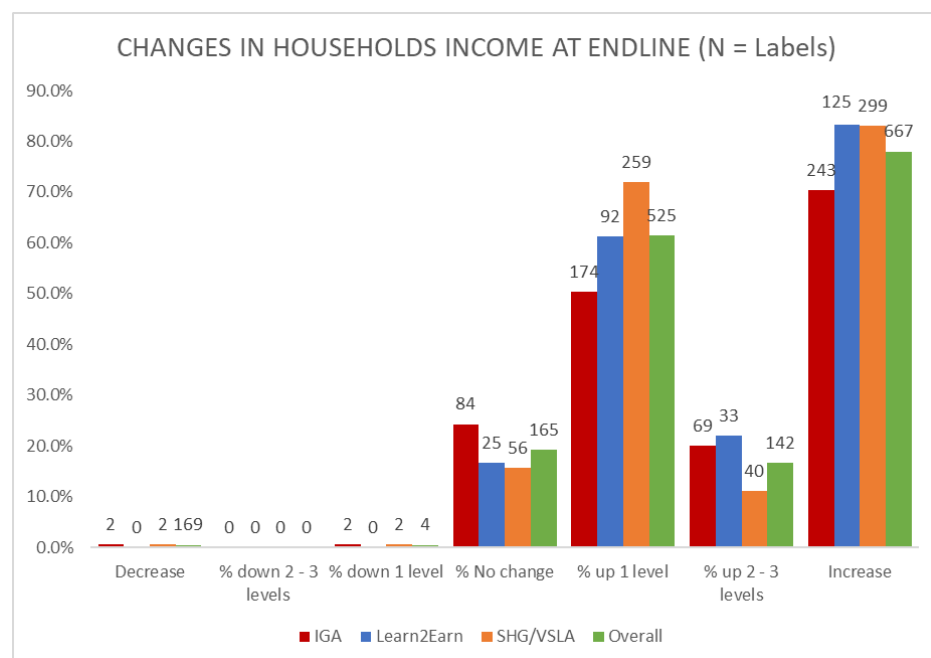


Chart 6 Changes in households' income at endline

Overall, 90% of the respondents reported to have an income between 50-200 USD. As part of the intervention, cash injection was provided to the livelihood's participants in form safety net and start-up grants. During the period of this endline study, cash injections provided are as detailed below:

- **IGA:** participants received a one-off start up grant of USD500. This payment was made after the IGA trainings were concluded and beneficiaries were registered. The aim of the grant is to support small scale businesswomen to start businesses or expand existing businesses. Aside from this, no additional cash support was provided.
- **Learn to Earn:** Participants received their 2nd instalment of USD 200 in November 2021 which was part of the planned intervention cost. The aim of this grant was to provide safety net to cushion the participants against shocks.
- **SHG:** Participants received their 2nd Instalment of USD 70 around November 2021 which was part of the planned intervention cost. Besides the planned intervention cost, no other cash injections were provided.

For detailed analysis, please refer to section 3.1.8 where investments into beneficiaries are 'offset' against monthly income increase per household.

Significant increase in future income expectation: notable changes were observed with regards to future income expectation with households reporting to be optimistic about their income and expecting an increase in revenue (Midline 63%, Endline 97%). Consequently, number of households reporting to be not optimistic and not sure about their future income greatly reduced at endline (Midline 38%, Endline 3%). Lack of direct costs and changes in market were the top main reasons given by respondents who were not optimistic about their future income.

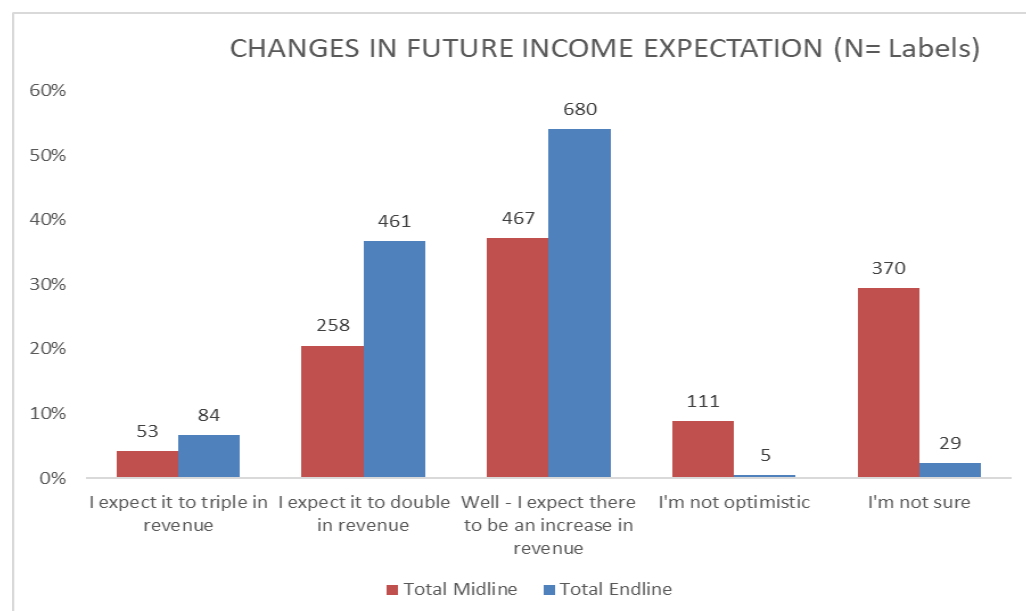


Chart 7 changes in future income expectation

3.1.5 Monthly Expenditure

Increased household monthly expenditure – In comparison to midline results, the total expenditure has gone up, except for learn to earn beneficiaries in Baidoa. At baseline, across the three regions, the

households reported to spend an average of 75 USD per month, at midline the expenditure was around 135 USD and at endline average expenditure increased to 161 USD. However, learn to earn beneficiaries in Baidoa indicated a downward trend as their average expenditure reduced from 199 USD at midline to 136 USD at endline. On the contrary, IGA and SHG participants reported increased expenditures; (IGA 133 USD midline: 209 endline) and (SHG 115 USD Midline: 124 USD endline). The table below represents households' expenditure breakdown.

Items	Average monthly expenditure in USD at baseline	Average monthly expenditure in USD at midline	Average monthly expenditure in USD at endline
Food	41.8	46.6	59.1
Education	6.6	12.8	16.4
Health	4.2	10.3	11.3
Water	6.5	9.5	9.3
Cooking fuel	Not in baseline	8.4	10.7
Rent for accommodation	3.1	9.6	13.7
Loan repayment	4	6.6	14.5
Consumption goods	2.2	5.3	7.1
Transport	3.2	5	6.3
Accommodation repair	2	4.6	5.2
Livestock	0.5	2.7	2.6
Average of other expenses	1	16.5	4.5

The households continued to spend the largest amount on food, with an average of 59 USD per month. Households spent 37% of their income on food which was slightly higher in comparison to midline results.

Table 3 Average households' expenditure on food per location.

Average of expenditure on food (food expenditure portion)								
	Afgooye Midline	Afgooye Endline	Baidoa Midline	Baidoa Endline	Kismayo Midline	Kismayo Endline	Total Midline	Total Endline
IGA	92(0.51)	127(0.47)	0(0)	0(0)	150(0.34)	243(0.31)	133(0.38)	210(0.34)
Learn2Earn	91(0.4)	115(0.41)	253(0.21)	148(0.38)	0(0)	0(0)	200(0.24)	137(0.39)
SHG/VSLA	78(0.54)	109(0.47)	134(0.32)	133(0.37)	0(0)	0(0)	116(0.36)	125(0.4)
Grand Total	85(0.5)	117(0.46)	169(0.27)	137(0.37)	150(0.34)	243(0.31)	138(0.34)	161(0.37)

3.1.6 Ability to Cover Basic Needs

Households remain vulnerable but with improvements as compared to the baseline and midline results – At endline majority of the households (42%) fall under stage 3 'My household is struggling quite a bit financially and in meeting our current needs'. Despite that notable improvement has been noted in comparison to midline results. There has been a 13% increase in the number of households who pass the self-reliance threshold. This means that they are doing quite well financially and can meet most of their current needs or they have a stable income and can meet all their current needs. Additionally, a decrease

was noted in number of HHs in stage 1 and 2 ‘those who are unable to meet their basic needs and struggling a lot financially’ (Baseline 69%, midline 47% and endline 24%)

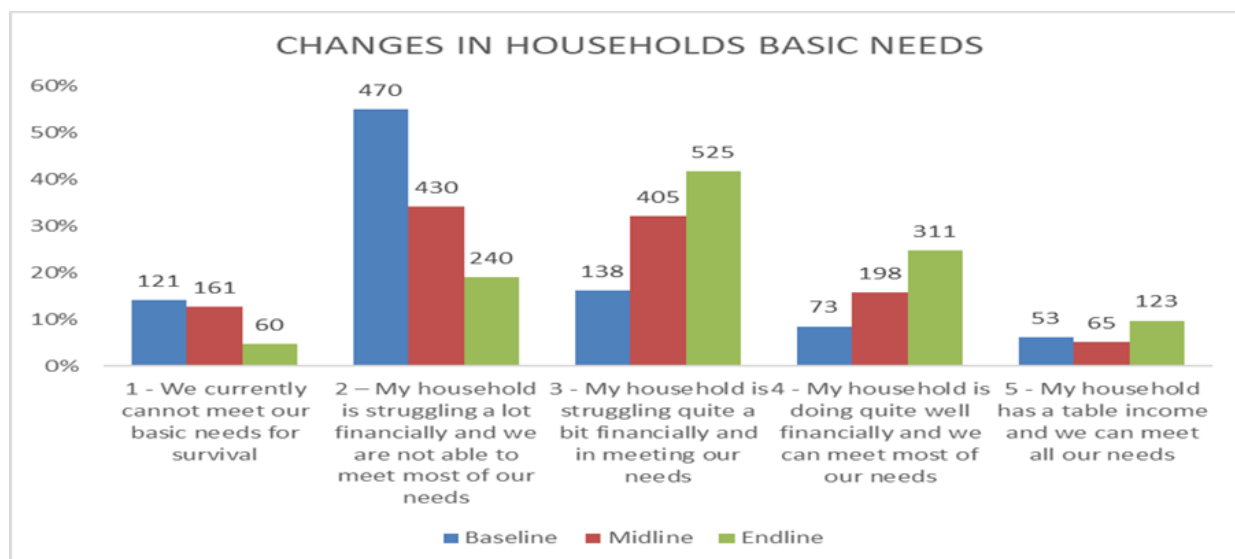


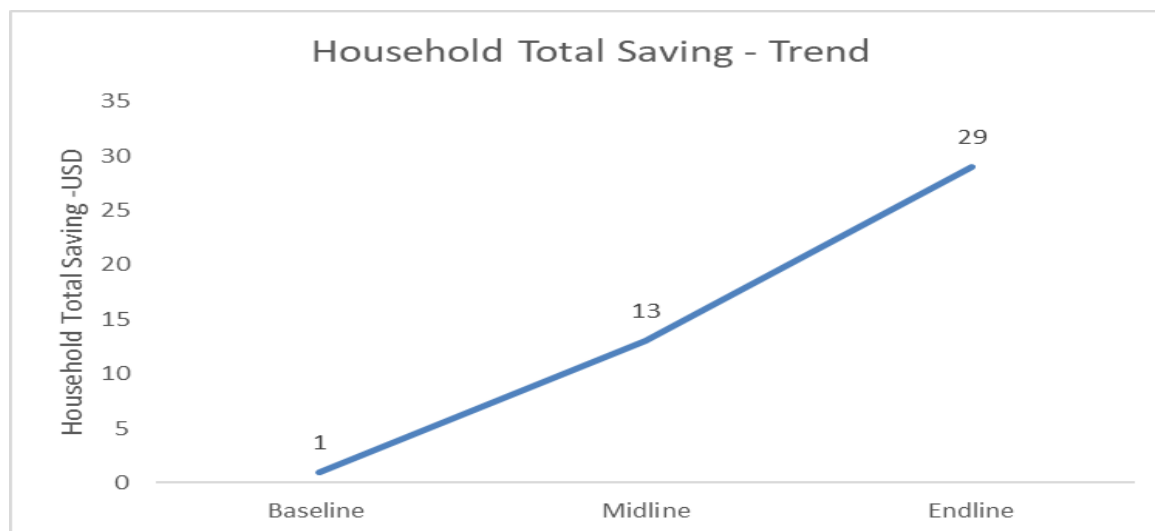
Chart 8 Changes in households basic needs at endline

3.1.7 Levels of Savings and Debt

Notable increase in total savings, especially in Kismayo and Baidoa – On average, savings per households have increased for all the activity groups as compared to Midline results:

- IGA: saving improved from USD 1 to USD 16 to USD 38
- Learn to Earn: saving improved from USD 1 to USD 21 to USD 40
- SHG/VSLA: saving improved from USD 1 to USD 5 to USD 17

Chart 9 Housing savings trend overtime



Overall, households' savings improved from 1 dollar at baseline to USD 13 at midline to USD 29 at endline. Across the three survey locations, Kismayo had the largest improvements (midline USD 23, endline USD 52) followed by Baidoa (Midline USD 14, Endline USD 34) and lastly Afgooye (midline USD 1, endline USD 3). Most notable changes were seen in Learn to Earn participants in Baidoa as they continued to show an upward trend with an increase of USD 26 in savings as compared to midline results (Midline USD 30, Endline USD 56). Separately, when households were asked about changes in their ability to save since the midline study, majority stated that it remained the same as shown in the chart below. Overall, 65% of the surveyed population indicated no change in saving, 6% saw a decrease while 29% reported an increase in saving.

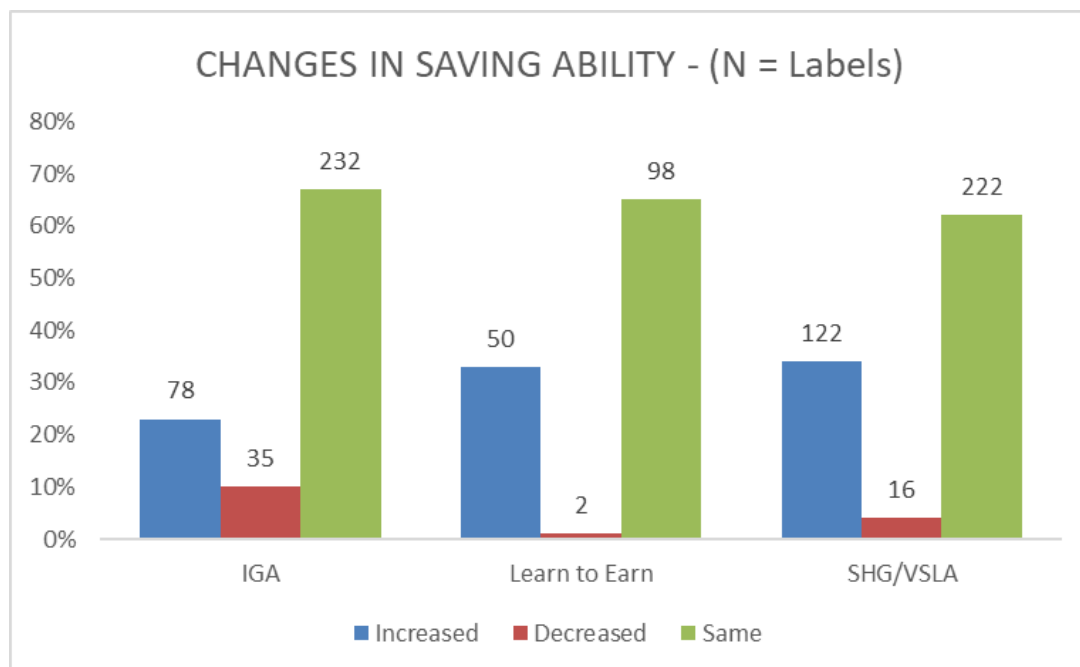


Chart 10 Households changes in savings ability at endline

However, in terms of perception versus reported savings, while 65% of respondents across all activities and locations reported no change, an increase was observed particularly for learn to earn participants and SHG/VSLA who had reported no change as referenced in the table below. The cells highlighted in green indicate that savings had actually increased for those households although they reported no change in saving ability.

Table 4 Perceived change in savings ability versus actual household saving

Change in savings (average across households) versus perceived change in savings ability										
Row Labels	afgooye Midline	Endline	baidoa Midline	Endline	kismayo Midline	Endline	Total Average of ML_saving	Total Average of EL_saving	N	
IGA		0.1	2.9			22.8	51.9	16.2	37.7	345
decreased		0.0	0.0			25.5	16.8	22.6	14.9	35
increased		0.0	20.0			17.9	127.9	16.0	116.9	78
same		0.1	1.5			24.6	22.5	15.3	14.5	232
Learn2Earn		3.0	5.1	30.2	56.4			21.3	39.6	150
decreased		0.0	0.0	0.0	0.0			0.0	0.0	2
increased		0.0	100.0	43.2	65.4			42.3	66.1	50
same		3.1	3.2	18.4	48.8			11.1	26.9	98
SHG/VSLA		0.3	2.1	7.7	24.7			5.3	17.4	360
decreased		0.0	0.0	20.0	10.2			18.8	9.6	16
increased		0.0	18.3	5.9	31.7			5.4	30.4	122
same		0.3	0.2	7.7	20.2			4.3	10.9	222
Grand Total		0.7	3.0	14.3	34.0	22.8	51.9	12.5	29.5	855

In summary, levels of households' savings had improved as compared to midline results (IGA – average savings of 16.2 USD midline to 37.7 USD endline, Learn to Earn – average savings of 21.1 USD midline to 39.6 USD endline, SHG/VSLA – average savings of 5.3 USD midline to 17.4 USD endline). See table above.

Increased debt for IGA participants in Kismayo —Results from the survey indicate slight overall increase in the households' average debt (Midline USD 52, Endline USD 57). This increase was observed mainly in Kismayo IGA participants (Midline USD 46, Endline USD 92) while for Learn to Earn and SHG/VSLA, respondents reported decreasing debt as compared to midline results (L2E: Midline USD 73, Endline 43; SHG/VSLA: Midline USD 48, Endline 29). The below chart details the changes in debt and trends overtime across the three activity groups.

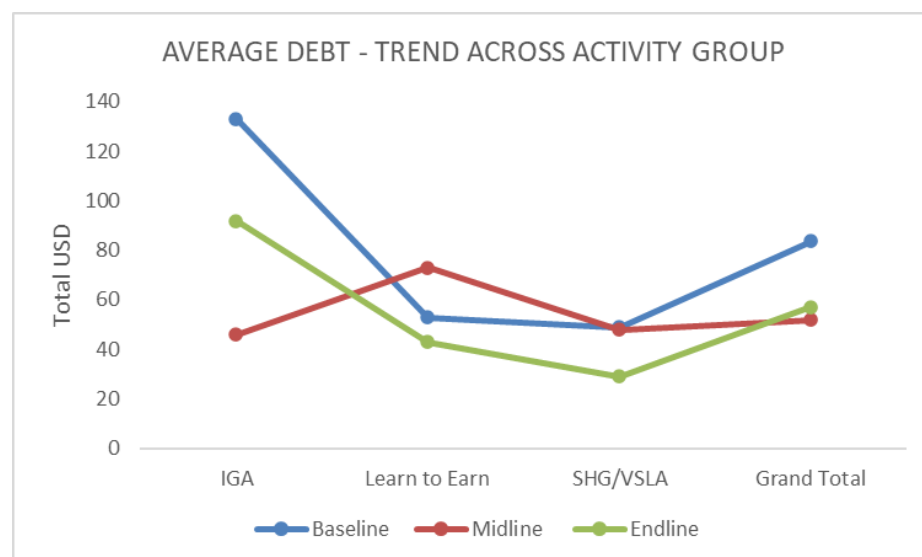


Chart 11 Households average trend across the activity group

Similar to the midline results, majority of respondents who had debt owed the money to local traders and neighbours. This could be due to the increase in food prices as previously seen in the report as household spend majority of their income on food and other basic necessities. Additionally, at endline households'

expenditure on loan repayment is noted to have increased as compared to midline results (midline 6.6, endline USD 14.5).

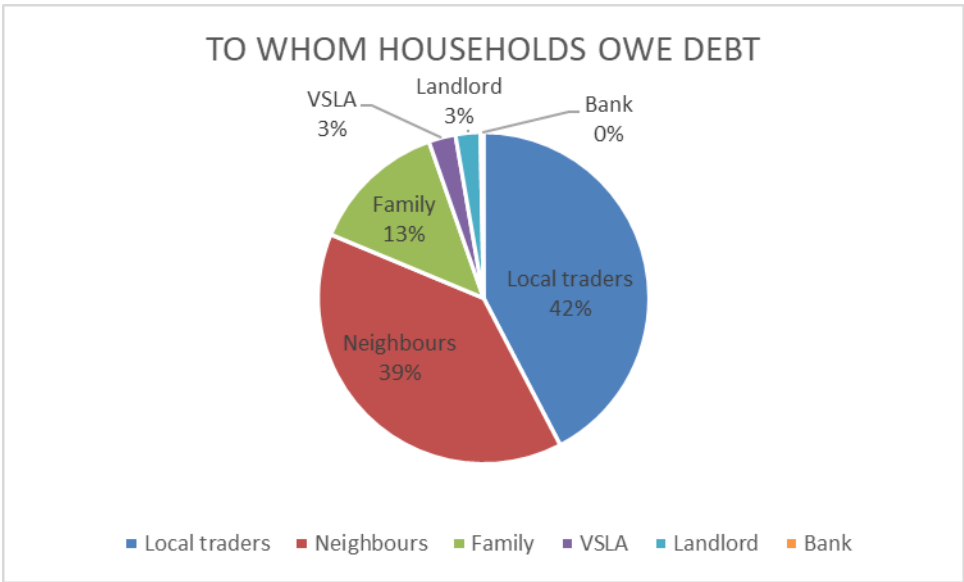


Chart 12 Who Household owe debt

Separately, when households were asked if their lending ability increased, decreased, or stayed the same since the midline survey, majority 84% reported no change as depicted in the chart below.

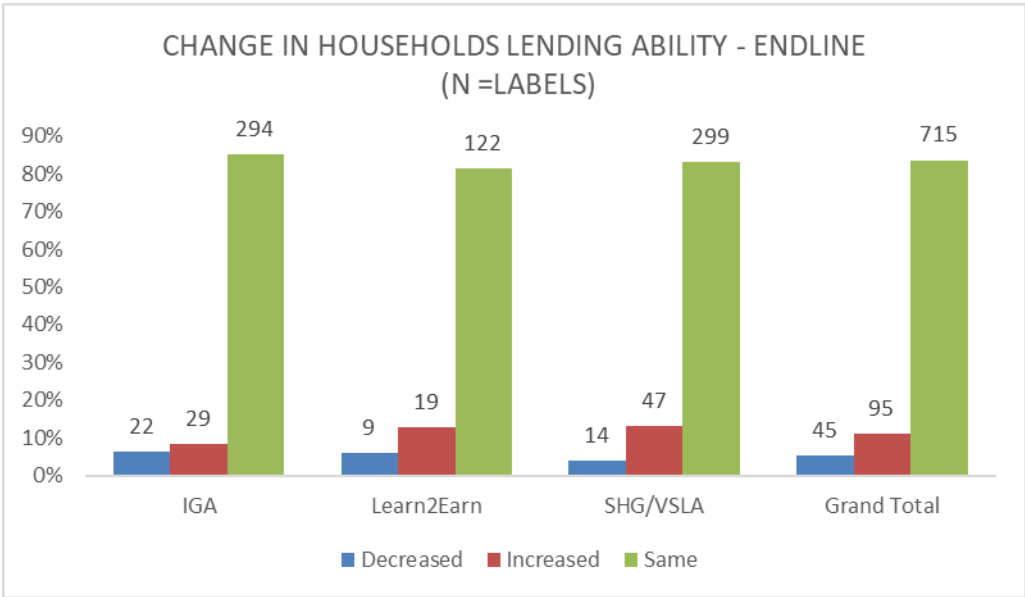


Chart 13 Changes in households lending ability at endline

Although 84% of the households reported no change in their ability to lend money, an increase was noted as compared to midline results when households were asked if they had given loans to others in the past 6 month. There is need to understand why households think otherwise or report no change while the data shows contrary to their perception.

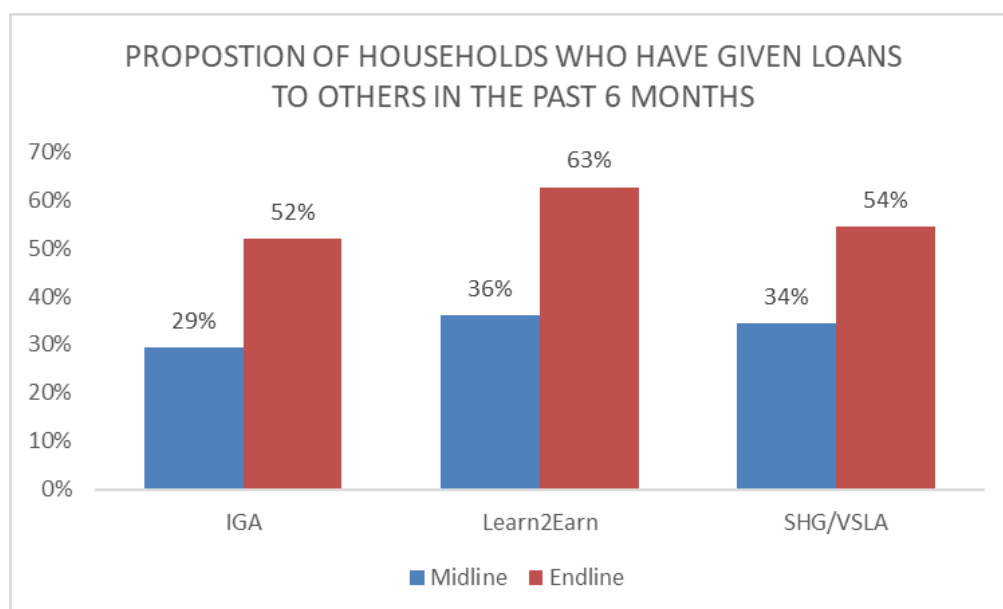


Chart 14 Households who have given loans to others in the past 6 months

When level of debt and perceived change in lending ability was jointly analysed, it was found that households who reported downward trend in debt (SHG/VSLA participant) also said their lending ability had increased, implying that they had extra to lend others. IGA participants' level of debt increased while consequently lending ability also decreased, Learn to Earn participants' level of debt reduced however lending ability decreased as presented in the table below.

Table 5 Changes in average debt across households versus perceived change in lending ability

Change in debt (average across households) versus perceived change in lending ability									
	afgooye		baidoa		kismayo		Total Average of	Total Average of	
Row Labels	Midline	Endline	Midline	Endline	Midline	Endline	ML_Debt	EL_Debt	
IGA		47	43			46	112	46	92
decreased						62	240	62	240
increased		0	0			39	131	38	126
same		48	43			45	94	46	77
Learn2Earn		51	16	84	56			73	43
decreased				182	112			182	112
increased				91	78			91	78
same		51	16	70	43			63	32
SHG/VSLA		12	10	65	38			48	29
decreased				48	17			48	17
increased				55	46			55	46
same		12	10	69	37			47	27
Grand Total		32	24	71	43	46	112	52	57

3.1.8 Joint Analysis of Households Income, Expenditure, Savings and Debt

As previously seen in the report, the income level of households has improved, monthly expenditure has also increased compared to the midline, levels of savings have increased, and the level of debt has increased. Below is a representation of how these changes correspond.

Table 6 Joint Analysis of Households Income, Expenditure, Savings and Debt in USD

Activity	Values	afgooye		baidoa		kismayo		Overall	
		Endline	Midline	Endline	Midline	Endline	Midline	Endline	Midline
IGA	Monthly Income	107	94			196	179	170	155
	Expenditure	174	92			295	150	260	133
	Savings	3	0			52	23	38	16
	Debt	43	47			112	46	92	46
Learn2Ear	Monthly Income	98	93	137	96			124	95
	Expenditure	151	91	202	253			185	200
	Savings	5	3	56	30			40	21
	Debt	16	51	56	84			43	73
SHG/VSLA	Monthly Income	95	78	114	102			107	94
	Expenditure	151	78	175	134			167	116
	Savings	2	0	25	8			17	5
	Debt	10	12	38	65			29	48
Grand Tot.	Monthly Income	100	87	120	100	196	179	136	119
	Expenditure	160	85	183	169	295	150	208	138
	Savings	3	1	34	14	52	23	29	13
	Debt	24	32	43	71	112	46	57	52

- **IGA:** Households' level of income, expenditure and savings all increased as compared to midline results across all the locations. However, at endline expenditure was greater than income, especially in Kismayo. This can be attributed to the ongoing drought and increase in food prices in the region, as beneficiaries also pointed out during the survey. As previously seen in the report, majority of the households continue to remain vulnerable and are not able to fully cover their basic needs despite the improvements noted as compared to midline results. Also, findings from the endline report show that households largely spend on food and that food prices have risen; hence despite the increase in monthly Income, households continue to have greater expenditure to make ends meet.
- **Learn to Earn:** Households' level of income increases while expenditure slightly reduces, savings increase, and debt reduces as compared to midline results. However, households continued to have greater expenditure than monthly income despite the positive changes. This implies that households continue to remain vulnerable and spend most of their income to make ends meet. Also as previously seen in the report, households spend largely on food items and other basic needs. Lastly, Increased savings was noted across the locations, especially in Baidoa where savings improved from USD 30 to USD 56.
- **SHG/VSLA:** Households' level of income, expenditure and savings increase while debt reduces. As compared to midline results whereby household's savings was quite low, increased savings was

noted across the locations especially in Baidoa (Midline USD 8, Endline USD 38). Level of debt also reduces especially in Baidoa.

To get a better sense of actual monthly income increases irrespective of investments made in the form of payments to beneficiaries as part of the livelihood activities, we can have a look at the following table that provides an overview of payments made to beneficiaries and income changes. The orange column displays - the approximate investments per beneficiary per month; this includes core programme intervention support costs, for example, in the form of grants, as well as additional cash support such as safety net payments to cushion COVID-19 impact - subtracted from the average monthly income per beneficiary.

As per the orange column, notable changes were noted at endline as compared to midline results as majority of the groups reported positive results indicating that their increase in income supersedes paid additional cash injection. Notably Learn2Earn participants in Baidoa and SHG/VSLA participants who at midline had negative results when income was offset against investments now report increased average income irrespective of additional cash injections provided. The highest increase can be witnessed for Learn2Earn participants in Baidoa, IGA participants in Afgooye and SHG participants in both Baidoa and Afgooye.

Following the table below, the offset amount for the Learn2Earn beneficiaries in Afgooye is negative, meaning that the increase per month does not supersede the payments made to the beneficiaries at the point of endline.

Table 7 Household's income offset against direct investments

Partner and location	Activity	Total benefs targeted	Dates of disbursements of second instalment of start up grants prior to endline survey	Average increase in mthly benef expenditure in USD after activity	Average increase in total savings in USD after activity	Average increase in total debt in USD after activity	Average increase of mthly benef income in USD after activity	Average mthly income increase in USD irrespective of programme support in USD after activity (G-J)	Total amount paid to beneficiary per benef in USD incl. Intervention support and additional cash support (prior to survey)
CWW (Afgooye)	IGA/SME	200		82	3	-5	13	12.8	0
CWW (Afgooye)	Learn to Earn	100	Nov-21	60	2	-35	5	-12.1	200
CWW (Baidoa)	Learn to Earn	200	Nov-21	-51	26	-28	41	24.7	200
CWW (Afgooye)	SHG	300	Sep-21	73	2	-2	17	11.2	70
CWW (Baidoa)	SHG	600	Sep-21	41	17	-27	12	6.1	70
CWW (Baidoa)	Graduation	200	Nov-21	23	51	-16	41	21.8	230
NRC (Kismayo)	IGA/SME	400		145	29	66	17	16.9	0

3.1.9 Levels of Social Capital

Increased Social capital as compared to the midline: Social capital is paramount and greatly influences the integration process and is hypothesized to lead to sustainable livelihoods. To assess this, households were asked about their ability to give loans, share food, and invite other members of the community. When the households were asked if they have given loans to others (57%) confirmed they had lent out money as compared to midline results whereby only (38%) had reported to have given loans. With improved income and savings across the activity groups households seem to be better situated to give loans to others at endline.

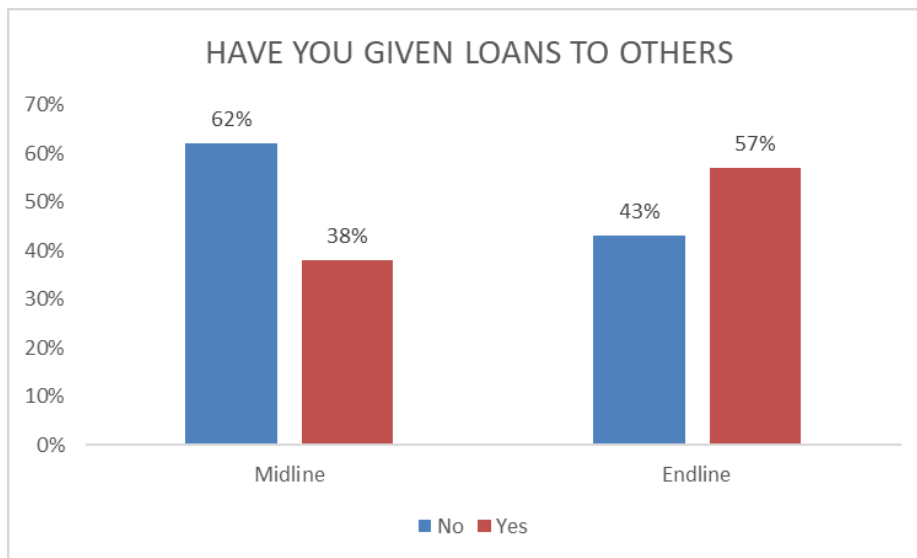


Chart 15 Changes in households' ability to give loans to others

Increased ability to share food as compared to midline results: 83% of the households reported to have the ability to share food with others, this highlight's increased social capital and improved results as compared to midline whereby only 65% of the households were able to Share food.

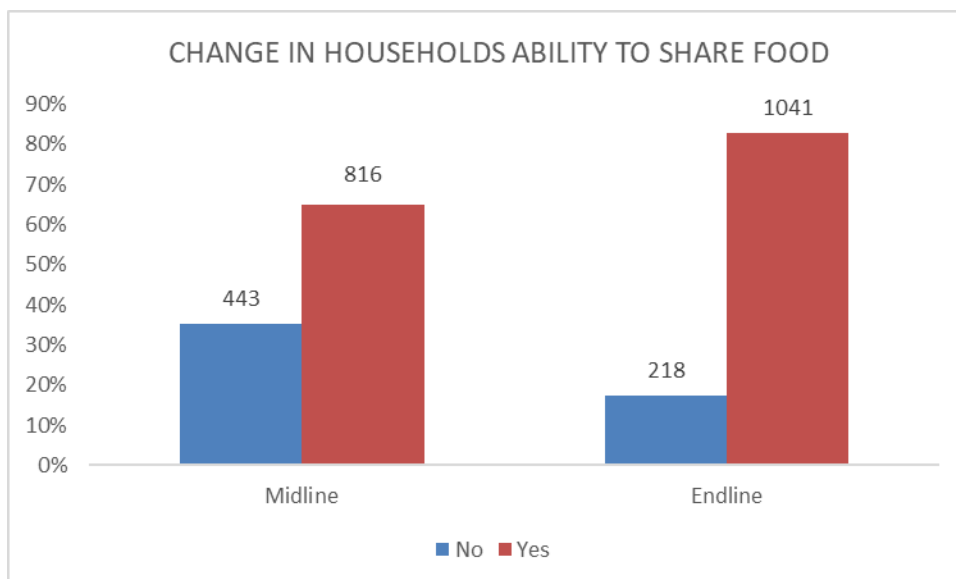


Chart 16 Changes in households' ability to share food since midline

3.1.10 Assets

Increased assets at endline: Across all three locations, the proportion of households reporting to own no assets has notably reduced as compared to baseline/midline results. Land ownership is noted to have improved especially in Baidoa where 72% reported to own land, overall, across the three locations 39% indicated land ownership. This improvement was likely to be partly a result of the Barwaqo relocation site, where resettled vulnerable households were issued land title deeds. Danwadaag is reported to have issued title deeds to 2,278 households in Baidoa. Additionally, households in Baidoa generally possess more assets (52% more) as compared to the other two regions. There is a need for increased asset-building initiatives to strengthen the economic functioning of vulnerable households.

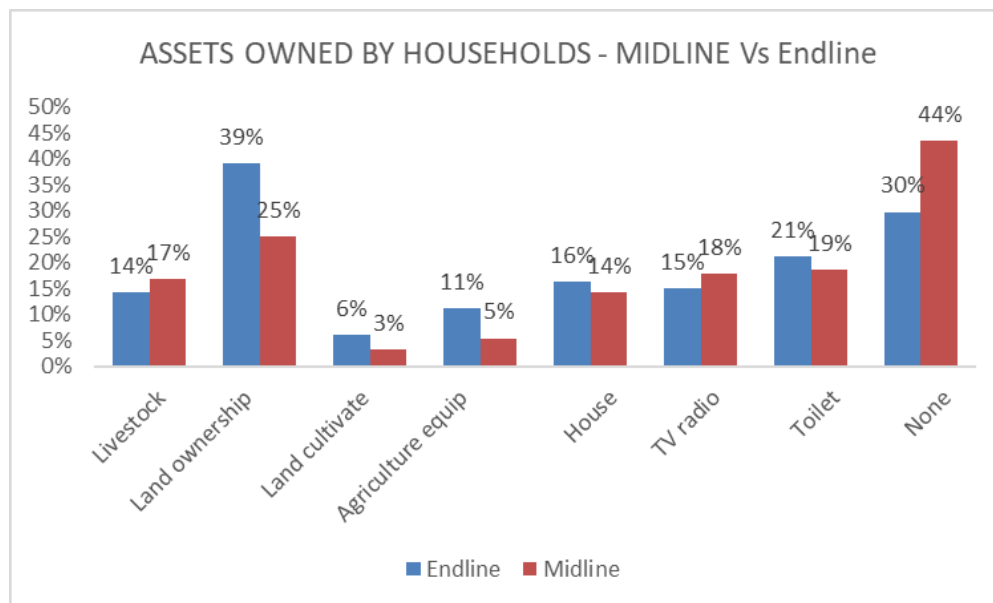


Chart 17 Assets owned by households, midline and endline comparison

3.1.11 Accountability to Affected Population (AAP)

Limited use of feedback mechanisms in place – When the respondents were asked if they had ever made a complaint or asked a question, the majority of the households interviewed stated that they have never had a question or complaint which did not change from the midline. Separately, 29% of respondents across all locations cited that they do not know how to make a complaint, while 67% never had a question or complaint. This means that there is a need to strengthen the community feedback and response mechanisms (CFRM) to a more participatory approach or to have increased consultation meetings. Those who indicated that they had made a complaint were further asked what channels they used to make the complaints, with the majority responding that they preferred using phones.

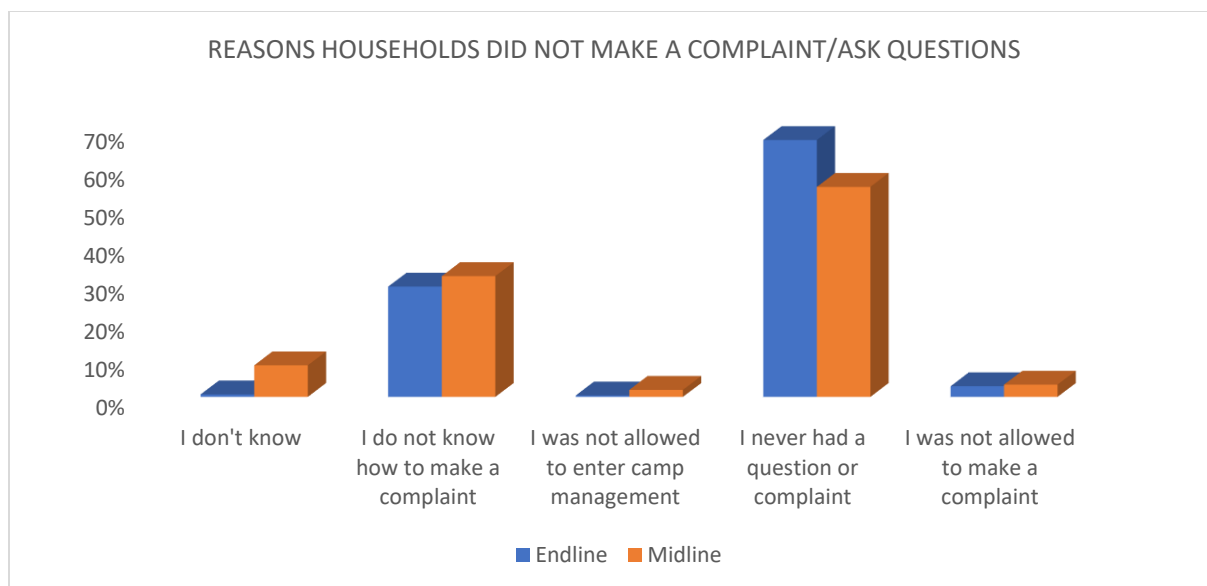


Chart 18 Reason households did not make a complaint or ask questions

3.1.12 Reduced Coping Strategy Index (RCSI)

Coping Strategy Index is higher as compared to midline – Households were asked if there had been times when their households did not have enough food or money to buy food and how many days during the last 7 days, they had to reduce meal portions, borrow, restrict consumption of adults, reduce the number of meals eaten per day, or limit portion size.

A score of 0 or above was given to analyse this question, with zero indicating that no coping strategy was used during the past seven days. Results from the endline survey show that households had an average score of 15 across the three regions while at midline households had a score of 13. This implies that households have applied more coping strategies at endline, and food vulnerabilities have increased.



Picture 2 Livelihood Beneficiary planting crops in her compound, CWW 2021

4. Endline for Beneficiaries of Graduation Model

The graduation model is implemented only in Baidoa by Concern. Danwadaag targets 200 extremely poor and vulnerable IDP households with an aim of graduating the participating households from extreme poverty. The program focuses on households with no income or assets, new IDPs, minority/marginalized groups and vulnerable households with many dependants. The households selected to participate in the graduation, have previously received multipurpose cash assistance (MPCA) through the Cash Consortium. The sequencing of interventions for this graduation pilot, which is also in line with the Humanitarian-Development-Peace-Nexus (HDPN) is the first of its kind in Somalia. A part of the MPCA beneficiaries is then transferred into the Danwadaag graduation model, benefiting from further livelihoods activities, while others do not (control group). Both the participants and control groups received consumption support of \$30 for ten months from Danwadaag (Jan-Feb 2021) and SCC (March-October) and \$50 for the final two months (November and December 2021), again from the Somalia Cash Consortium. The control households did not receive anything further from Concern or Danwadaag in this period.

The midline of the livelihoods survey was the baseline for graduation pilot. The endline survey evaluates progress made since baseline and the comparison between the graduation participants and the comparable control against key indicators. The beneficiaries selected to take part in the graduation activities and the beneficiaries that remained with MPCA support only do not have systematic differences and can therefore be used for a control group setup, this chapter looks for progress achieved by the two groups since baseline. Learnings from this evaluation will be used to influence future programming. If successful, it has potential to be up scaled in the collaboration between the Cash Consortium and Danwadaag Consortium and replicated by other stakeholders.

Data Analysis

The project measured a number of demographic, economic and social indicators in the participant and control households at baseline, before the start of the intervention in December 2020 and again a year later at endline, in December 2021. At baseline there were 200 participant households and 213 control households. At endline, all 200 participants were surveyed again, but only 204 of the controls could be located. Therefore the 9 controls that were missing from the endline survey were removed from the baseline dataset before analysis.

Analysis for this section is done by comparing the households registered for graduation activities under Danwadaag and the comparable control group. The hypothesis tested is that the Danwadaag graduation group will report higher income, savings, and improved basic needs as a result of receiving additional Danwadaag livelihoods interventions.

Limitations

Timeframe: A standard Graduation programme should last 24 months, to enable time for the various components to be sufficiently layered in and carried out, and for participants to engage, learn and receive sufficient support to reach some of the expected outcomes. Due to delays stemming from changes in donor priorities as well as Covid-19 restrictions, this pilot only ran for slightly under 12 months before endline data was collected. Therefore, the results should be considered indicative rather than absolute, of what a full Graduation approach in this context might achieve.

Case-control comparability: Some of the indicators show that the participants were already better off at baseline than the Controls, meaning that a like for like comparison at endline is not possible and all the results should be interpreted with caution. For the statistical analyses carried out on a few core indicators given below, comparison was therefore made between the differences in each group from baseline to endline assuming unequal variance between the groups – not between the absolute endline values for each. This gives a much more precise comparison of the change that occurred during the project, but this kind of analysis cannot be done on every variable.

Contextual factors: It was impossible to control and monitor whether or not the controls (and even the participants) were supported by other agencies. There are many NGOs operating in the Baidoa area providing a range of services and cash assistance and has become a major source of income for many IDP families. The control group may have received assistance from other sources. As a result, comparing the results of the intervention between the participant and control groups should be done with caution.

Covid-19 restrictions affected both the startup of the project (causing delays) and the extent of hands-on training, capacity building, support, oversight, and monitoring that could be provided to the field staff and coaches/mentors hired for the project. As this was a new activity for Concern in Baidoa, it would ideally have benefited from close technical support throughout the first year (at least) of implementation, however due to travel restrictions and security concerns, this was not possible.

Key Finding

4.1.1 Income levels

Increased average monthly income especially for graduation group – At endline, results from the survey indicate improved monthly income for both groups but more so for Danwadaag graduation group. Average monthly income for the graduation participants improved from USD 105 to USD 146 while the control group improved from USD 104 to USD 114 as shown in the line graph below.

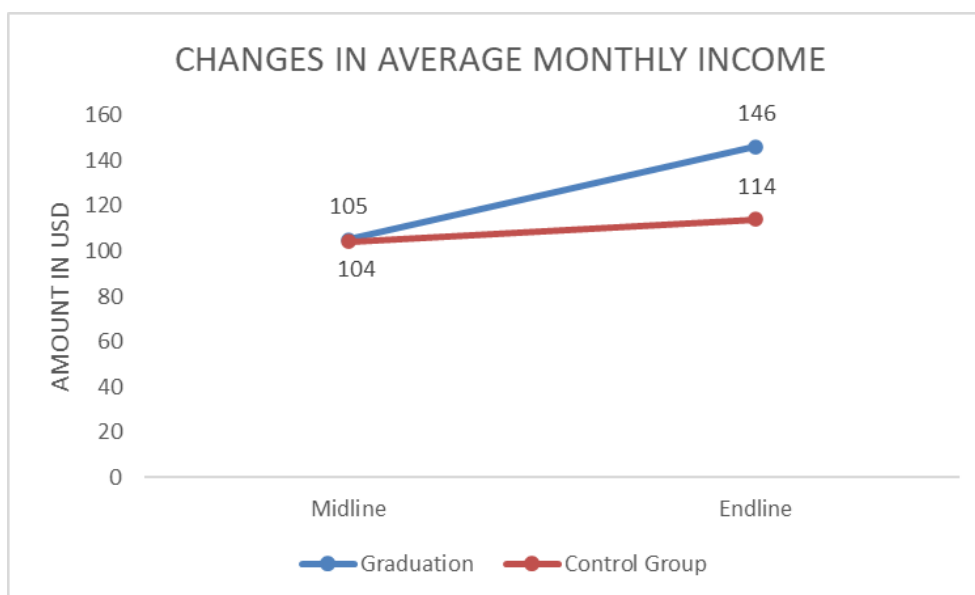


Chart 19 Comparison between graduation and control group average monthly income

Separately, monitoring information from the field indicates that 198 beneficiaries (99%) are involved in small businesses enterprises. When the increase in income for the graduation group was offset against paid intervention cost the results were positive - meaning that the increase per month supersedes the payments made to the beneficiaries. Danwadaag graduation participants were provided with USD 400 in two tranches as part of core intervention cost and USD 50 safety net prior to this survey. When the additional cash support provided was subtracted from the average monthly income per beneficiary, an average monthly income increase of USD 20.1 was noted. The table below shows an overview of payments made to the graduation beneficiaries against income changes.

Table 8 Graduation group's income offset against additional cash injections

Partner and location	Activity	Total benefits targeted	Dates of disbursements of the first instalment of start up grants	Average increase in mthly benef expenditure in USD after activity	Average increase in total savings in USD after activity	Average increase in total debt in USD after activity	Average increase of mthly benef income in USD after activity	Average mthly income increase in USD irrespective of programme support in USD after activity (G-J)	Total amount paid to beneficiary per month (amount paid per benef incl. Intervention support and additional cash support (prior to survey))	Total investment per month (amount paid per benef)
CWW (Baidoa)	Graduation	200	Aug-20	23	51	-16	41	20.1	250	20.8

At midline both groups had reported to mainly rely on casual daily labour however at endline 80% graduation participants reported to rely on small and petty trade implying that they are now more interested in skilled labour. Top main sources of income for households in both groups remained Casual daily labour, NGO cash assistance and small/petty trade. Reduced reliance on NGO cash assistance is noted in both groups. Preparation of stones for building and hawking remained the most common type of casual daily labour.

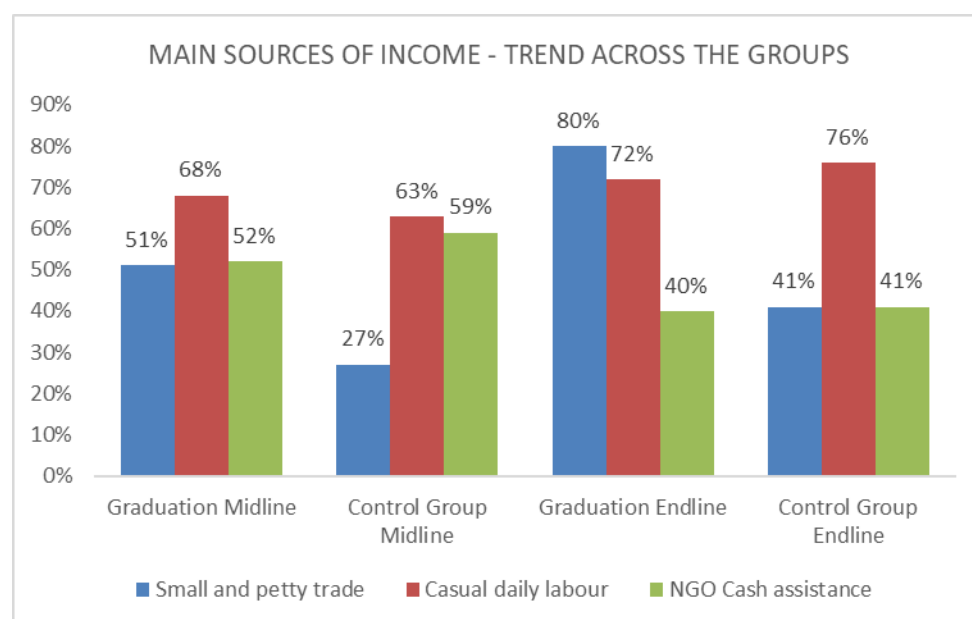


Chart 20 Comparison between main sources of income between the graduation and control group

Higher savings for graduation participants – Both groups have reported higher savings at endline, however the graduation group has reported a much higher saving as compared to the control group.

Savings for graduation group notably improved from USD 19 at midline to USD 71 at endline while the control group's savings increased from USD 3 to USD 22 as shown in the chart below.

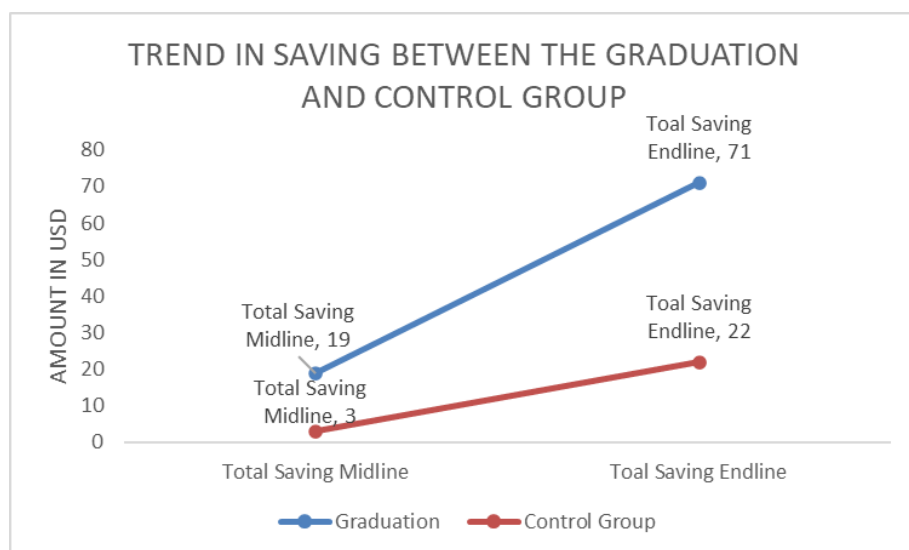


Chart 21 Savings trend comparison between graduation and control group

Joint Analysis: Income and Savings

Both groups significantly increased their monthly income and amount held in savings, during the project period. However participant households achieved a significantly greater increase in both income and savings than control households did (both: $p < 0.0001$). See table below.

Amongst participant households, the increase in savings held and income earned between baseline and endline were statistically significant (both: $p < 0.0001$). Within the control households, there was also a significant ($p < 0.0001$) increase in savings held between baseline and endline and also in monthly income ($p < 0.05$).

These findings show that the economic situation of all these households improved over the course of the project, though there seems to have been a particularly strong effect on the Graduation participants compared to the control households.

Indicator	Savings		Income	
	Baseline	Endline	Baseline	Endline
Participants	\$19	\$71	\$105	\$146
Controls	\$3	\$22	\$104	\$114
Significance test of differences		Significant $p < 0.0001$		Significant $p < 0.0001$

Higher expectation in future income for graduation group – At the point of midline both the graduation and control group reported to expect increase in revenue while at endline levels of optimism is much

higher for the graduation group as compared to the control group. 99% of graduation participants are confident about their future income with 53% expecting double revenue and 14% expecting their revenue to triple. On the other hand, majority 62% of the control group report to expect an increase as shown in the chart below.

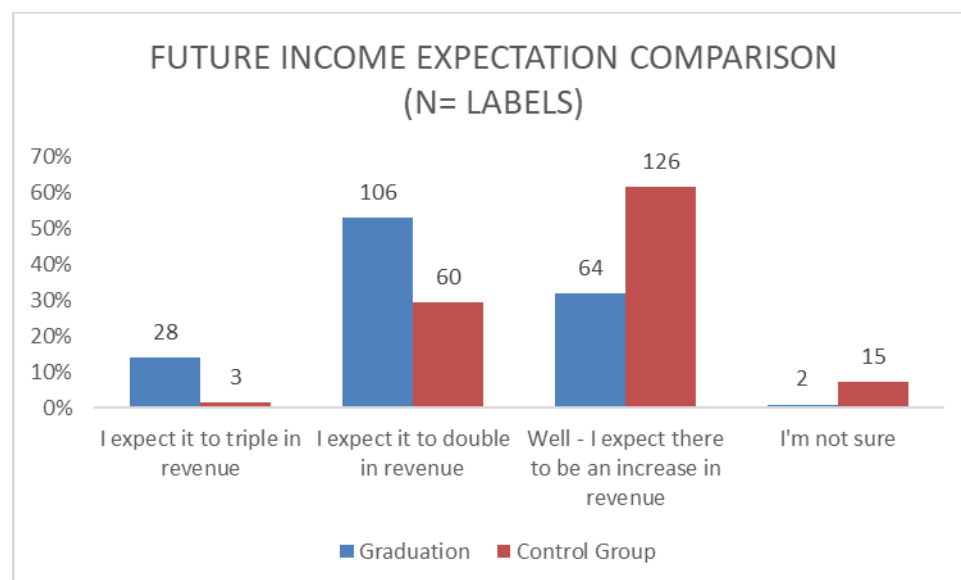


Chart 22 Comparison between graduation and control group's expectation in future income

Decreased debt across both groups – Overall for both groups, average debt relatively decreased as compared to midline results (Midline USD 78, Endline USD 55). This decrease was more so for the control group participants (Midline 78, Endline USD 49) while the graduation level of debt decreased from (Midline USD 77, Endline USD 61).

Decreased expenditure especially for graduation participant – Household expenditure decreased over the project period across both groups as shown in table below. However, both participants and controls increased both the absolute amount, and the proportion of their overall income, that they spent on food over the project period: see table below. This may reflect increased food prices, the impact of the drought, or perhaps a decision to purchase more desired/expensive foods as their overall household situation improved – it would require further interviews to understand the exact reasons.

	Total Household expenditure (USD)		Expenditure on food (USD)		% Expenditure on food	
	Baseline	Endline	Baseline	Endline	Baseline	Endline
Participants	190	167	48	55	25.3%	30.2%
Controls	151	134	46	55	33.2%	40.9%

Health accounted for the fourth highest proportion of household expenditure in both groups, at both baseline and endline. Education and loan repayment were in the top four at endline. This could indicate that both groups had better credit rating and were able to invest more in their capacity and children's futures, which are important factors in long-term resilience and wellbeing.

4.1.2 Ability to Cover Basic Needs

Improved ability to cover basics needs for both groups - At baseline, majority of the households in both groups reported to be struggling a lot financially and could not meet most of their needs however at endline majority of the households fall under stage 3: "My household is struggling quite a bit financially and in meeting our needs" or stage 4: "My household is doing quite well financially, and we can meet most of our needs."

Separately, there was a positive shift across both groups, with a notable reduction in those reporting that they were unable to meet any needs. At baseline, 27% of those participating in the Graduation pilot were already self-reliant. After a year of involvement in the programme this had risen to 45%, a 67% increase. Among the control households, 19% were already meeting the threshold for self-reliance at baseline, which rose to 42.6% at endline – a 124% increase.

When analysed overall, the change in average self-reliance score from baseline to endline between participants and controls was not strongly significant ($p=0.09$). Therefore, while the Graduation package did notably improve the situation of the participants, the controls also improved their situation substantially. We cannot know what may have contributed to these results because contextual factors and other assistance they may have received during the project period was not monitored, as explained above.

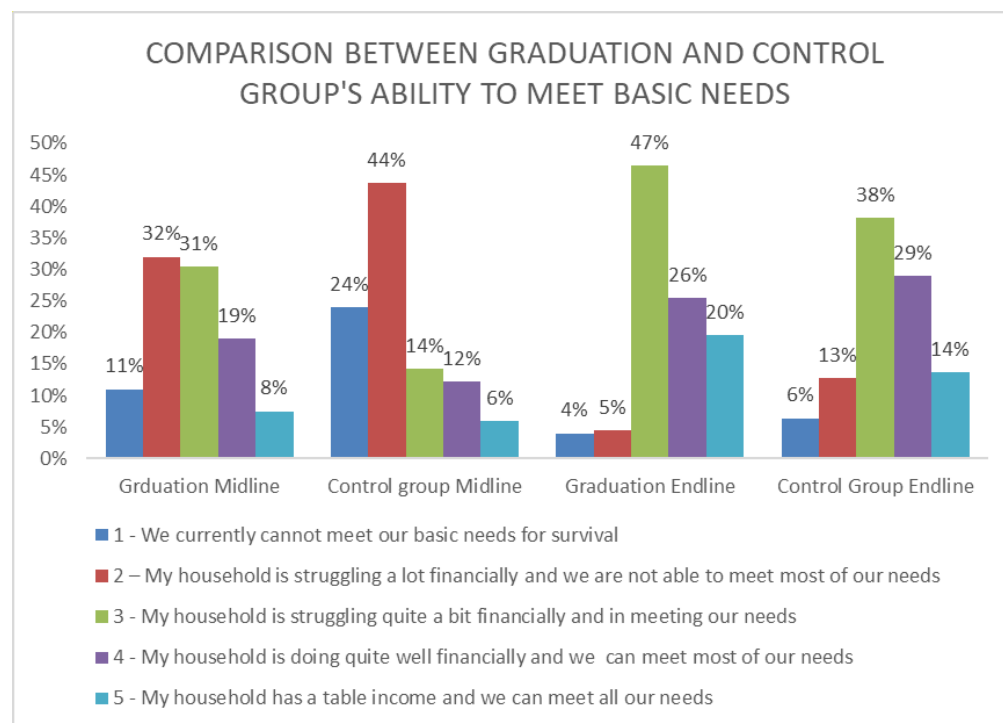


Chart 23 Comparison between graduation and control's group ability to meet basic needs and changes since midline

4.1.3 Coping Strategies Across the Graduation and Control Group

The reduced Coping Strategy Index (CSI) consists of 5 questions and gives a score which is useful in comparisons over time. A lower score indicates a lower use of negative strategies such as skipping meals, reducing meal sizes, having to borrow food, or relying on less preferred foods.

At baseline the participant households had a lower average CSI score than the controls (11.3 compared to 14.2), meaning they were more food secure. This tallies with their slightly higher self-reported rating of ability to meet their needs. By endline, however, this difference had reduced – see table below.

The difference between participants and controls in terms of the *change in average CSI score* over the project period was not significant (p=0.11).

Indicator	Participants		Controls	
	Baseline	Endline	Baseline	Endline
Coping Strategy Index score	11.3	12.2	14.2	13.6

Other dimensions of impact

Graduation programmes are structured around four main issues or “pillars” which keep people in extreme poverty. These are: social protection; social empowerment; livelihoods; and financial inclusion. Below the impact on some aspects of these four pillars are discussed.

4.1.4 Level of Social Capital

Increased social capital - To assess this, the households were asked about their ability to share food and lend money to others in the community. The project had positive impacts on both measures, with the proportion of participants lending money within the past six months increasing from 50% to 71%, and the proportion of controls lending money increasing from 48% to 53%. Again, the increase was greater amongst participants (a 21% increase compared to a 5% increase).

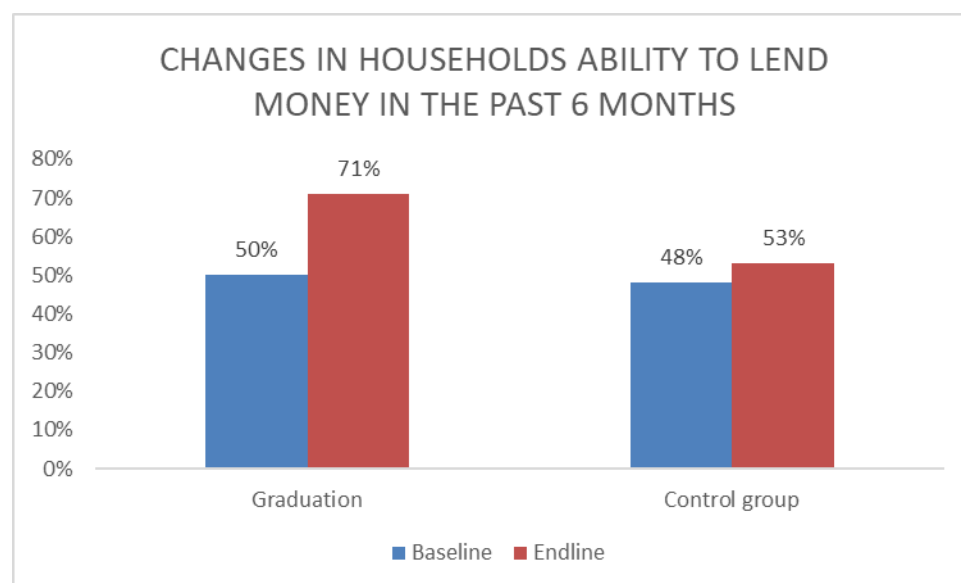


Chart 24 Proportion of households across both groups lending money within the past six months

A similar pattern was seen with sharing food: at endline, 36% of participants compared to 11% of controls said that they were more able to do this. Concurrently, fewer participants (4%) said their ability to do this had declined compared to controls (13%).

4.1.5 Literacy Rate

Improved households' literacy rate across both groups – A core part of the capacity building provided by caseworkers (mentors/coaches) in graduation programmes is literacy support, either directly or by referring participants to partners providing this service. In this pilot, 52% of participants and 37% of controls were able to read and write at baseline, indicating that the participants were better off in this respect as well. This is likely to be partly because a greater proportion of the participants were men (41%) than in the controls (17% male) and a higher proportion of the men were literate (53% compared to 33% of women).

At endline, both groups had improved: 68% of participants were literate (a 31% increase) and 45% of controls (a 22% increase). It can be assumed that the majority of this change happened among women since they were the majority of the control group and the majority of the illiterate participants. Which is a positive result for women's empowerment and shows that Graduation had a useful impact on a key life skill of the extreme poor.

4.1.6 Assets

Household assets: 59% of participant households and 25% of control households said that the number of assets they owned had increased since the start of the programme. Amongst this there was a very small increase in land ownership, from 31% to 39% among participants and from 31% to 36% among controls. In a very short time period, this could however be quite meaningful particularly give the importance land tenure has for finding a lasting solution to displacement.

4.1.7 Financial Inclusion

Access to finance: At baseline, only 3% of participants and 3% of controls had an account in a bank or other financial institution. By endline this had increased marginally in the controls, to 10%, but amongst participants it had increased significantly to 64%. Around half of them use the account for saving, and a quarter use it mainly for loans or payment services.

The main barriers to accessing credit for both groups at endline remained lack of a guarantor followed by lack of assets and capital.

Savings groups: an effective way for extremely poor people to get out of their predicament is to get into the habit of saving money regularly, even if it is very small amounts. This is also a traditional activity in Somalia, especially amongst women. At baseline, 62% of the participants and 32% of the controls were already a member of a savings group of some sort. By endline this had increased to 78% amongst participants (a 26% increase) and 51% amongst controls (a 58% increase). This indicates that controls made more progress here than the participants. It is not known if they were targeted by other agencies for this activity, which is commonly a component of livelihoods or resilience programmes in Somalia.

4.1.8 Discrimination

In both groups, no notable change was observed when it came to discrimination. Majority 98% of the households indicated that they did not feel discriminated. The most common perceived forms of discrimination among both groups were social challenges. Furthermore, the majority (72% Graduation, 69% control group) had not made a complaint or asked the local authorities a question because they never had a question or complaint. Those that did, had raised their concerns by phone or forum.

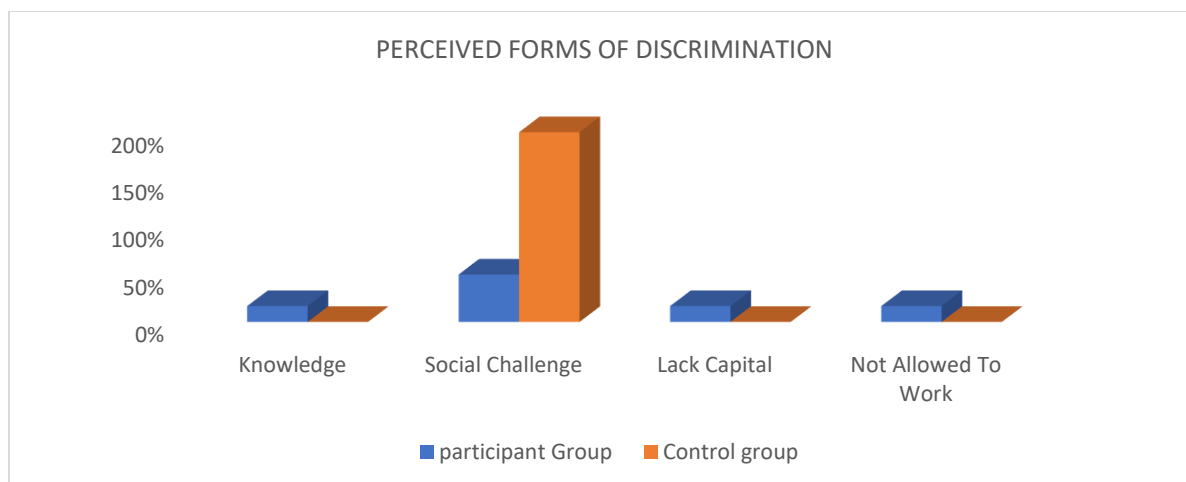


Chart 25 Perceived forms of discrimination comparison between graduation and control group

Overall, in summary, the findings from the endline survey compared to baseline results which was conducted a year ago show significant improvement in the income, savings and self-reported self-reliance of households who participated in the Graduation pilot project. They also had higher literacy rate, owned more assets and were better able to lend money to others and share food with others, which are important social acts and resilience capacities in Somalia. There are some discrepancies in the data with regards use of negative coping strategies around food consumption and how these tallies with increased income, which may need to be investigated further

It is potentially possible that the changes seen as a result of this pilot project could have increased further given a longer implementation period – as stated above, the graduation pilot should have run for 24 months but only ran for 12 months due to several reasons. Therefore, these figures do not necessarily show the full potential of the approach if it were given the recommended amount of time to mature.



Picture 3 Graduation ceremony for the 200 households that participated in the graduation program

5. Conclusions

The endline survey was carried out during times of major drought crisis and ongoing pandemic in the region. Despite the challenges, across the activity groups positive results were noted with regards to income, savings, and social capital. However, based on the findings from the survey more emphasis needs to be placed on increasing economic opportunities for DACS which will in turn lead to longer term gains and more economic self-reliance. Most households report to have an increased monthly income, have higher savings, higher expenditure and social capital as compared to midline results. When off-set against investments, increases in income supersede paid additional cash injection with Learn to earn beneficiaries in Baidoa and graduation group doing best. Despite results showing a clear upwards trend, many households still were not able to fully cover their basic needs and were using negative coping strategies with regards to food. The livelihood intervention could not realize its full potential because of recurrent shocks that have undermined beneficiaries progress and most of the interventions were implemented in the programme's final year hence the full impact of the activities could not be realized within the program period.

Recommendations specific to the endline results

1. **Improve literacy rate:** Following the downward trend observed at endline with regards to literacy rate, it is critical to Strengthen the literacy and numeracy components of the livelihood programme. Improving literacy is vital as people who are able to read and write have enhanced employment opportunities and are more able to understand their rights.
2. **Further Research:** According to the data household savings improved from one dollar at baseline to USD 13 at midline to USD 29 at endline however when HHs were asked if their ability to save increased, decreased or stayed the same, 65% reported no change. The same was noted for perceived income and lending ability. There is need to understand why they think otherwise or report no change while the data shows contrary to their perception. Further research is also needed to understand why expenditure is higher than income, sources of credit and debt households use and their conditionalities and the potential of different value chains for sustainable livelihoods including the agricultural sector.
3. **Integrated livelihoods approach:** There is need to improve targeting as households based on their vulnerability have different sets of skills, assets, and need different programs and services at different times. It is important to ensure livelihood activities for targeted households are appropriate for their situation.
4. **Partnership with private sector should be established:** to guarantee increased business productivity for the livelihood participants increased private sector linkages is critical to sustain gains in income as demonstrated in this endline report. There is need to teach participants on how to identify social and economic opportunities in their location and how to access them.
5. **Layering of intervention and cooperation with other actors in Danwadaag areas of operation:** Collaboration with other actors such as the cash consortium has worked out well as evidenced by the gains reported by the graduation group. The most vulnerable household need more of a leg-up first before they can be targeted with livelihoods activities. Future scale up of such initiatives is recommended.
6. **Leveraging assets owned to access loans for the most vulnerable and marginalized groups.** Across all locations, 26% of the households interviewed reported to own land, with the highest proportion 72% from Baidoa. With most households facing challenges to access loans due to a lack of guarantors, the programme can assist the households to leverage their asset in securing loans and enhancing partnerships with financial sector actors. There is a need for increased asset-

building initiatives to strengthen the economic functioning of vulnerable households. Economic opportunities related to land ownership and land development must be considered in the future.