NUSAF Youth Opportunities Program: Impact Evaluation Results

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Funding sources: BNPP, SIEF, GAP

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1. NUSAF YOP
2. Impact Evaluation Design
3. Results
4. Conclusions & Recommendations
Northern Uganda Social Action Fund (NUSAF)

- **CDD**
  - $100M IDA credit
  - Empower communities to identify, prioritize, and plan for their needs within their own value systems.

- **Youth Opportunities Program (YOP)**
  - $6M component
  - Grants up to $10,000
    - Average of $7,108, or $374 per member
  - Groups of 15-30 youth (age<32)
    - Average of 21.8 members
  - Purchase vocational training and tools and materials
YOP Objectives

- Provide youth with specific vocational skills and tool kits to enable them to earn incomes and improve their livelihood
- Contribute towards community reconciliation and conflict management
- *Build capacity of NGOs, CBOs, and Vocational Training Institutes (VTIs) to respond to the needs of youth.*
Evaluation Questions

Do YOP grants for vocational training AND assets improve lives?
- Training and enterprise formation
- Labor market outcomes
- Income
- Household assets and consumption levels
- Leadership abilities and empowerment
- Community integration
- Conflict and violence
- Psychosocial well-being
Outline

1. NUSAF YOP
2. Impact Evaluation Design
3. Results
4. Conclusions & Recommendations
Evaluation Design

Full Sample
530 groups

Control
260 groups

Treatment
260 groups

CCD 1
80 groups
Normal program

CCD 2
90 groups
District evaluate facilitator

CCD 3
90 groups
Youth evaluate facilitator

Random Assignment

Random Assignment
## YOP Baseline Balance

<table>
<thead>
<tr>
<th>NUSAF YOP - Random Assignment</th>
<th>Treatment</th>
<th>Control</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGE</td>
<td>25</td>
<td>24.8</td>
<td>-0.006</td>
</tr>
<tr>
<td>Female =1</td>
<td>0.32</td>
<td>0.35</td>
<td>-0.032</td>
</tr>
<tr>
<td>Literate</td>
<td>0.72</td>
<td>0.74</td>
<td>-0.012</td>
</tr>
<tr>
<td>Health (ADL)</td>
<td>8.58</td>
<td>8.69</td>
<td>-0.203</td>
</tr>
<tr>
<td>Ever Borrowed Money =1</td>
<td>0.35</td>
<td>0.33</td>
<td>0.14</td>
</tr>
<tr>
<td>Hours Worked last Week</td>
<td>10.54</td>
<td>10.56</td>
<td>-0.104</td>
</tr>
</tbody>
</table>
NUSAF YOP Evaluation Timeline

**Treatment Groups**
- Sample: 1300 youth
- 260 groups
- Baseline: March 08
- Training Complete: May 09
- Effective Attrition: 13%
- Endline: August 10

**Control Groups**
- Sample: 1300 youth
- 260 groups
- Baseline: March 08
- Training Complete: May 09
- Effective Attrition: 13%
- Endline: August 10

**Tracking**
- November 09
- Endline: August 10 - March 11
Outline

1. NUSAF YOP
2. Impact Evaluation Design
3. Results (select results)
   1. Average Impacts
   2. Gender Differences
   3. Return on Investment
   4. Leakage of Funds
4. Conclusions
### Impact of YOP Cash Grant on Vocational Training and Business Inputs

<table>
<thead>
<tr>
<th></th>
<th>YOP Treatment</th>
<th>Control</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received Vocational Training</td>
<td>78%</td>
<td>17%</td>
<td>+375%</td>
</tr>
<tr>
<td>Hours of Vocational Training</td>
<td>437 hours</td>
<td>48 hours</td>
<td>+810%</td>
</tr>
<tr>
<td>Value of Tools and Machines Acquired</td>
<td>226,713 UGX</td>
<td>46,470 UGX</td>
<td>+387%</td>
</tr>
</tbody>
</table>
Types of Training

- Tailoring: 40%
- Carpentry: 20%
- Welding: 10%
- Salon: 5%
- Business: 5%
- Mechanics: 5%
- Borehole Repair: 5%
- Brickmaking: 5%
- Shoe Repair: 5%
- Plumbing: 5%
- Bicycle Repair: 5%
- Blacksmith: 5%
- Bee Keeping: 5%
- Fisheries: 5%
- Other: 5%
### 6a. Impacts on Economic Outcomes

<table>
<thead>
<tr>
<th></th>
<th>YOP Impact</th>
<th>Control</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently engaged in skilled work =1</td>
<td>0.340***</td>
<td>0.343</td>
<td>99%</td>
</tr>
<tr>
<td>Total hours of employment past 4 weeks</td>
<td>19.61***</td>
<td>120.6</td>
<td>16.2%</td>
</tr>
<tr>
<td>Total hours spent on market activities past 4 weeks</td>
<td>22.16***</td>
<td>70.36</td>
<td>31.4%</td>
</tr>
<tr>
<td>Total hours spent on household chores past 4 weeks</td>
<td>-9.258***</td>
<td>39.66</td>
<td>-23.4%</td>
</tr>
</tbody>
</table>

N=1986. Each estimated impact form individual 2SLS regression. Regressions include age, district indicators and baseline controls for employment, human and working capital. Robust standard errors clustered by group and stratified by district; *** p<0.01, ** p<0.05, * p<0.1
Distribution of hours worked in non-household production, per day
### 6b. Impacts on Economic Outcomes

<table>
<thead>
<tr>
<th></th>
<th>YOP Impact</th>
<th>Control</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total profits from last 4 weeks (000s of UGX)</td>
<td>19.55***</td>
<td>43.45</td>
<td>44.9%</td>
</tr>
<tr>
<td>Total profits per hour worked from last 4 weeks (UGX)</td>
<td>81.61</td>
<td>455.8</td>
<td>18%</td>
</tr>
<tr>
<td>Net savings (000s of UGX)</td>
<td>20.65</td>
<td>46.77</td>
<td>42.3%</td>
</tr>
<tr>
<td>Index of wealth (z-score)</td>
<td>0.13**</td>
<td>-0.0196</td>
<td>659%</td>
</tr>
</tbody>
</table>

N=1986. Each estimated impact from individual 2SLS regression. Regressions include age, district indicators and baseline controls for employment, human and working capital. Robust standard errors clustered by group and stratified by district; *** p<0.01, ** p<0.05, * p<0.1
Distribution of profits earned in past one month (UGX)
## 9a,b. Impacts on social cohesion and community participation

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<thead>
<tr>
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<th>YOP Impact</th>
<th>Control</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of group memberships</td>
<td>0.35**</td>
<td>3.74</td>
<td>9.3%</td>
</tr>
<tr>
<td>Spoke out at community meeting</td>
<td>0.048*</td>
<td>0.614</td>
<td>7.7%</td>
</tr>
<tr>
<td>Is a community mobilizer</td>
<td>0.045*</td>
<td>0.507</td>
<td>9%</td>
</tr>
<tr>
<td>Index of social support</td>
<td>0.431**</td>
<td>9.179</td>
<td>4.7%</td>
</tr>
<tr>
<td>Perceived community standing (index)</td>
<td>1.046**</td>
<td>20.27</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

N=1986. Each estimated impact form individual 2SLS regression. Regressions include age, district indicators and baseline controls for employment, human and working capital. Robust standard errors clustered by group and stratified by district. *** p<0.01, ** p<0.05, * p<0.1
Gender Heterogeneity

- No significant differences by gender on economic, social cohesion and community participation measures with one notable exception:
  - Impact of YOP on total profits from last 4 weeks:
    - 52.3% increase for men
    - 18.8% increase for women

- Important Differences in measures of aggression and hostility:

<table>
<thead>
<tr>
<th></th>
<th>YOP Impact Men</th>
<th>Control</th>
<th>YOP Impact Women</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index of aggressive behaviors</td>
<td>-0.202**</td>
<td>0.719</td>
<td>0.28**</td>
<td>0.689</td>
</tr>
<tr>
<td>Index of disputes</td>
<td>-0.176**</td>
<td>0.726</td>
<td>0.145</td>
<td>0.565</td>
</tr>
<tr>
<td>Index of friend’s aggressive behaviors</td>
<td>-0.199**</td>
<td>0.807</td>
<td>0.161*</td>
<td>0.525</td>
</tr>
</tbody>
</table>
Returns on Investment

- Average grant amount: 674,026 UGX
- Profits: 19,558 per month
- Return = 2.9% per month, or 35% per year
  - “High Return” relative to commercial lending rates of 10 to 20%

- Alternative analysis: time to repay loan of 674,026 UGX
  - Males: 25 months at 0% interest rate; 34 months at 20% interest rate
  - Females: 110 months at 0% interest rate; infinite at 20% interest rate
Leakage of funds

- No evidence of widespread leakage
  - Funds reached groups
  - 2/3 of funds used directly for training and asset purchase
  - 8 groups (1.7%) report funds stolen

- No evidence of widespread mismanagement or capture of funds by leaders
  - Little evidence that group leaders benefited disproportionately
    - Received moderately more training
  - Group members report high levels of satisfaction with group
  - Only 2 groups (0.8%) report money was not disbursed
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Conclusions

- **YOP Objectives:**
  - 1) Provide youth with specific vocational skills and tool kits ✓
  - to enable them to earn incomes and improve their livelihood ✓
  - 2) Contribute towards community reconciliation ✓
  - and conflict management ✓

- **Young women:**
  - Substantially lower profits and return on investment than men
  - Puzzling increases in measures of aggression and hostility

- **Little evidence of leakage or misallocation of funds**
  - Auditing, monitoring and evaluation likely contributed
  - Rigorous evaluation on program effectiveness helps counter claims of corruption
Recommendations

- Expand set of micro-enterprise and skill development beyond traditional vocations: e.g. business investments; life skills; other
- Explore whether more technical assistance or information about market opportunities can improve decisions
- Explore mechanisms for making investment more profitable for women: e.g. choice of vocation; mobilization of “women’s groups”; empowerment within mixed-gender groups,
- Continue strengthening evidence base for interventions that address youth unemployment
  - Include rigorous M&E in future operations
THANK YOU