



Savings Group Member Resilience after Crises: Lessons for Compounding Crises from COVID-19 in Nigeria and Uganda

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Introduction

Since the onset of the COVID-19 pandemic, CARE has invested in listening to the voices of women and girls from vulnerable groups to understand the challenges they face, what they need, and the ways in which they respond and lead throughout the pandemic. This data-driven listening exercise, called Women Respond, has shown the need to lift the voices of women and girls, by using real time data to support community needs. Women Respond contributed to the global understanding that the effects of the pandemic are compounded amid other shocks and stressors, such as climate change, and conflict (De Milliano et al., 2022).

CARE partnered with the Evidence Consortium on Women's Groups (ECWG) to expand Women Respond by focusing specifically on the voices of female and male members of Village Savings and Loan Associations (VSLAs) as part of the Women (in VSLA) Respond sub-initiative. This study uses four rounds of quantitative panel data and two rounds of qualitative data on the influence of the COVID-19 pandemic on VSLA members. This brief specifically focuses on the results of the Women (in VSLA) Respond sub-initiative in Nigeria and Uganda.

CARE's and the ECWG's previous findings suggest that VSLAs and their members in Nigeria and especially in Uganda may require continued investments to mitigate some of the negative economic

Key Findings and Recommendations

Findings

- Nearly half of the VSLA members in Nigeria and three out of five VSLA members in Uganda report that their individual savings were lower than before the start of the pandemic.
- In Uganda, the COVID-19 induced restrictions likely had negative economic effects on the individual resilience of VSLA members, while in Nigeria the economic recession and the increases in food prices may have created the largest negative economic effects on VSLA members' economic outcomes.
- While Nigerian VSLA members primarily reported economic needs two years after the start of the pandemic, most Ugandan VSLA members expressed a need for physical and mental healthcare.
- COVID-19 resulted in negative gendered impacts with larger negative social and economic consequences for women than for men, but male and female VSLA members mostly report similar challenges in both Nigeria and Uganda.
- Members of more regularly functioning VSLAs in Nigeria reported fewer food and nutrition needs, but VSLA characteristics in Uganda were not statistically significantly associated with individual resilience.

Recommendations

- Invest in the shock responsiveness of VSLAs, for example by introducing insurance mechanisms or cash transfers for members.
- Support VSLAs in response to COVID-19 and other large shocks, such as food price increases and supply chain shortages.
- Support VSLA members through recovery grants or cash transfers.
- Convene a working group of different social protection programs in Nigeria and Uganda to improve coherence and cost-effectiveness by the integration of different social protection mechanisms.
- Examine opportunities to integrate life skills training or other mental health programming as part of VSLAs.
- Invest in regular data collection to listen to VSLA members, especially women

consequences of the COVID-19 pandemic. Savings groups likely contributed to mitigating the negative effects of COVID-19 induced lockdowns (Adegbite et al., 2022; Anderson et al., 2022). Despite these potential positive effects, more recent research based on analyzing two rounds of quantitative data shows that most VSLA members in Nigeria and Uganda reported lower savings than before the pandemic, and very few VSLA members were able to obtain credit (De Milliano et al., 2022). Additional qualitative research by CARE and the ECWG based on the first two rounds of quantitative and first round of qualitative data indicated that COVID-19-induced restrictions caused strains on businesses and livelihoods (De Milliano et al., 2022; Sanyal et al., 2022). These individual financial challenges could lead to increased poverty among VSLA members and may threaten the sustainability and effectiveness of VSLAs if members can no longer contribute to savings. In addition to the financial challenges, members' focus on food security may have reduced their savings contribution (De Milliano et al., 2022). The qualitative research showed that members used different coping mechanisms to address food insecurity; households in Nigeria and Uganda used a variety of coping strategies, including selling assets and seeking help from extended family and neighbors (Sanyal et al., 2022).

This study updates those findings by examining the enduring economic, social, and psychosocial challenges of VSLAs and their members during a period of prolonged and compounded shocks that started with the COVID-19 pandemic and the extent to which VSLAs may have mitigated these challenges. Specifically, we address three research questions with which we ultimately seek to understand the extent to which VSLAs may have contributed to VSLA members' resilience in the wake of compounding crises, including but not limited to the COVID-19 pandemic.

- **RQ 1 – Economic consequences:** What are the perceptions of VSLA members about the effects of the COVID-19 pandemic and subsequent large-scale shocks (e.g., recessions, price increases, supply chain disruptions) on their economic well-being, including their propensity to save, ability to access credit, and capacity to repay debts? How do these perceptions differ between male and female VSLA members?
- **RQ 2 – Social and psychosocial consequences:** What are the perceptions of VSLA members about how the COVID-19 pandemic and subsequent large-scale shocks (e.g., recessions, price increases, supply chain disruptions) influenced their individual resilience and household dynamics, including mental health, work burden and stress? How do these perceptions differ between male and female VSLA members?
- **RQ3 – Role of VSLAs:** How have VSLAs adapted their functioning (e.g., meetings, loan repayments, and social funds) since the start of the pandemic?
 - What potential role did VSLAs have in mitigating the effects of shocks on the perceived individual resilience of VSLA members?

In addition to addressing the RQs, we present recommendations to increase the resilience of savings groups and their members in the wake of various compounding crises, including droughts caused by climate change, Ebola in Uganda, and the economic recession and inflation in Nigeria. To develop these recommendations, we paid particular attention to the gendered impacts of COVID-19 and other crises. Previous studies show that women experience larger negative health, economic, social, and educational consequences from COVID-19, though mortality rates are higher for men (Burki, 2020; Buvinic et al., 2020; O'Donnell et al., 2021; Wenham et al., 2020). A more recent phone survey conducted in 40 countries also showed that women, especially younger women with less education, experienced the largest employment losses (Kugler 2021). These gendered

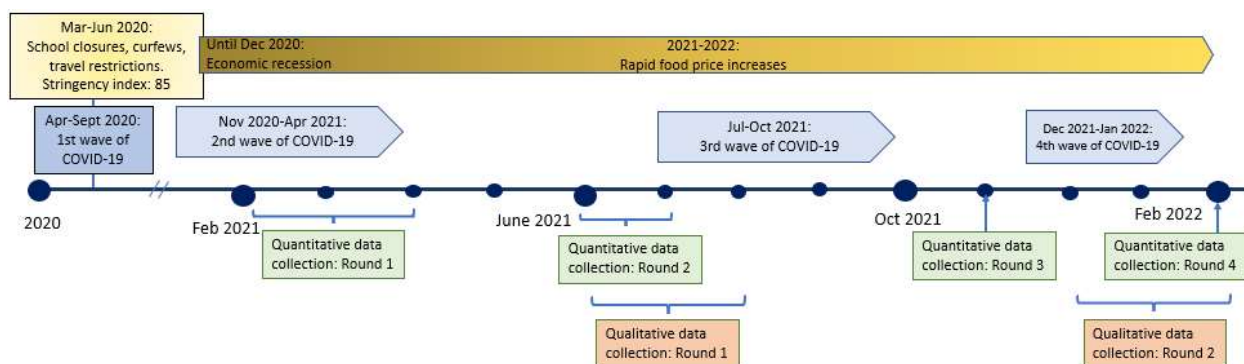
effects are important to consider when developing recommendations for savings groups about how to increase resilience in response to compounding crises, such as climate change and increased conflict.

Background

Nigeria and Uganda faced various compounding crises over the last three years, starting with COVID-19, followed by economic downturns and other large-scale shocks, including floods and droughts in Uganda, a recession in Nigeria, conflict in northern Nigeria, and Ebola in Uganda. VSLA members in both settings experienced economic challenges caused by COVID-19-induced lockdowns, resulting in increases in food insecurity (Anderson et al., 2022; De Milliano et al., 2022; Sanyal et al., 2022). However, the restrictions in Uganda took longer, which likely resulted in larger livelihoods losses for VSLA members (De Milliano et al., 2022; Mahmud & Riley, 2021). Evidence suggests that livelihoods losses were larger for women because of the income losses for informal sector workers and the closure of small businesses (e.g., Tan et al., 2021; UN Women et al., 2020). Despite these larger losses, only one in five global social protection measures during the pandemic addressed gender, demonstrating that a large majority of the social protection responses to the pandemic overlooked gender considerations (Gavrilovic et al., 2022). At the same time, savings groups provided women with formal and informal community leadership opportunities during the pandemic (Adegbite et al., 2022).

COVID-19 in Nigeria: Nigeria experienced various waves of COVID-19 infection with peaks from April until September 2020, November until April 2021, July until October 2021, and an Omicron wave from December 2021 until January 2022 (see Figure 1). The government responded with health and safety measures, including school closures, restrictions on mass gatherings, curfews, and inter-state and international travel bans. The most stringent policy measures were applied during the first wave and reduced with the decline in COVID-19 cases.

Figure 1. Nigeria's timeline of events and data collection timing from 2020-2022



Note. The timeline reflects COVID-19 and related shocks, but does not capture all shocks that occurred during this time period in Nigeria, such as climate and shocks and conflict.

Economic Consequences of COVID-19 in Nigeria: The health and economic consequences of COVID-19, and some policy and other responses to contain its spread, have contributed to supply chain disruptions and likely exacerbated food insecurity and reduced economic growth in Nigeria. Nigeria entered into the worst

recession since the 1980s, during the early phases of the pandemic (see Figure 2), likely as a result of the COVID-19 induced lockdown combined with Nigeria's oil dependency (World Bank, 2022). While Nigeria's economy recovered after December 2020, inflation accelerated. 90 percent of the Nigerian households reported price increases in July 2020. Amankawah & Gourlay (2021) report that these price increases significantly affect households' purchasing power and likely led to reductions in food expenditures, especially for the poorest households.

Gendered Impacts of COVID-19 in Nigeria: While only limited research is available on the gendered impacts of COVID-19 in Nigeria, the research that exists suggests that COVID-19 likely contributed to increases in gender inequality. Longitudinal research indicates that women were more likely to report experiencing household food insecurity compared to men, for example (Mueller et al., 2022). The same study showed that women spent less time on paid employment and more time on domestic care as the pandemic progressed (Mueller et al., 2022). This finding is consistent with our previous qualitative research suggesting that the time Nigerian women needed for domestic chores had increased because of an increased focus on hygiene and cleaning, and changes in work-sharing practices within the household (Sanyal et al., 2022).

COVID-19 in Uganda: Uganda confirmed the first case of COVID-19 by the end of March 2020 after which the government almost immediately introduced a stringent lockdown, which remained more stringent and long-lasting than in Nigeria over the course of the pandemic (Figure 4 shows the timeline of events related to COVID-19 for Uganda). During the early phases of the pandemic, policy measures designed to prevent spreading of the disease restricted mass gatherings and traveling, suspended markets and public transport. Uganda prohibited most non-farm business activities for 4 months and the country had the longest school shutdown in the world from March 2020 through January 2022 (Anguyo & Storer, 2020; Mahmud & Riley, 2021; Mbonye, 2022). The president also declared a nationwide curfew in March 2020, which was strictly enforced. The second wave of COVID-19 infections in June 2021 led to a re-application of a partial lockdown. During this lockdown the policy measures were slightly less severe. The government banned travel between districts, restricted gatherings, and suspended schools. Figure 3 shows the number of estimated COVID-19 infections in Uganda and relates this number to a COVID-19 government response stringency index developed by Hale et al. (2021).

Figure 2. Nigeria's Economic Indicators

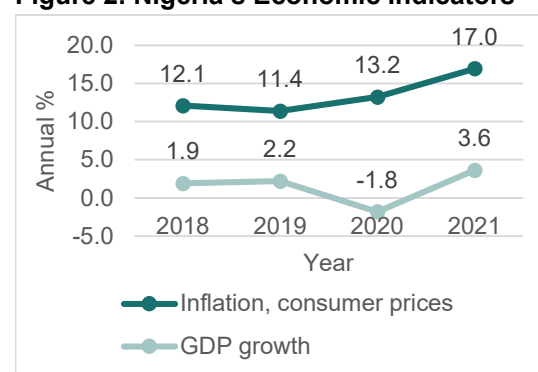


Figure 3. Uganda's COVID-19 indicators

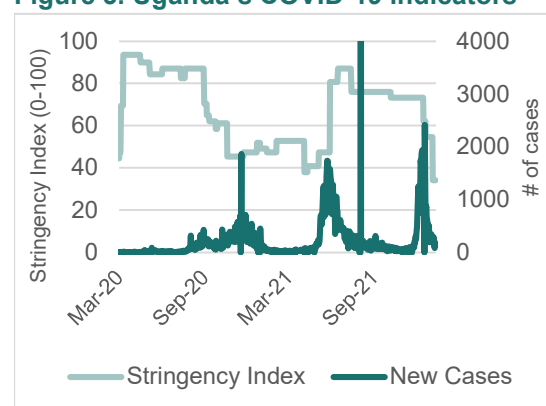
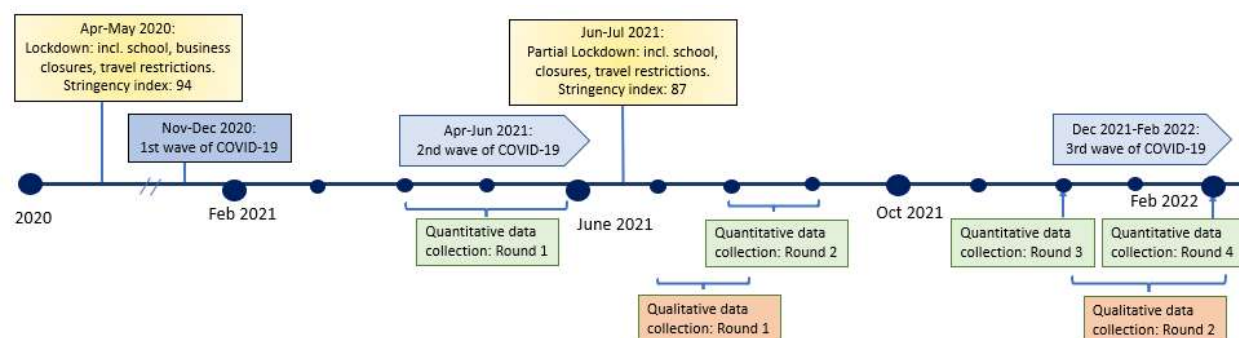


Figure 4. Uganda's timeline of COVID-19-related events and data collection timing from 2020-2022

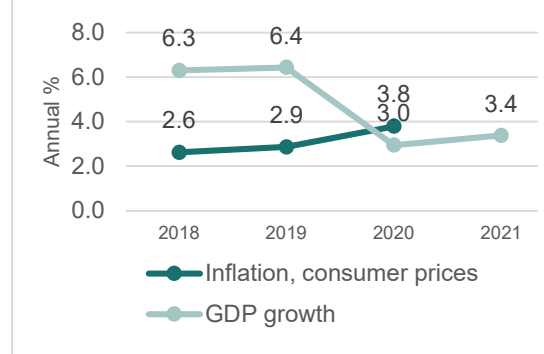


Note. The timeline does not reflect non-COVID shocks that occurred during this time period. Most notably, Uganda experienced inflation, climate-related shocks, and an Ebola crisis

Economic Consequences of COVID-19 in Uganda: While Uganda did not experience a recession like Nigeria, it did experience negative economic, social, and health consequences caused by several

compounding crises, including but not limited to the COVID-19 pandemic. In the early phases of the pandemic (between 2019 and 2020) economic growth declined from 6.4% to 3.0%, while inflation increased from 2.9% to 3.8% (see Figure 5). While the incomes of households without a business before the pandemic had largely recovered to pre-pandemic levels 1 year into the pandemic, better-off households in Western Uganda with a business before the COVID-19 pandemic still had one-third lower income and 30% lower wealth 1 year into the pandemic (Mahmud & Riley, 2021). Increased prices and limited access to essential food products likely also contributed to high food insecurity in Uganda in 2022 (Atamanov et al., 2022). These increases in prices seem to relate to different climate shocks, such as floods and droughts. 69 percent of the households in the Uganda Bureau of Statistics high-frequency surveys reported being affected by at least one such weather shock in June or in July 2022. Uganda was also hit by an Ebola crisis in November 2022, which led to additional lockdowns across the country. Finally, Uganda also experienced an influx of refugees from South Sudan, of which the large majority were women and children (CARE, 2022).

Figure 5. Uganda's Economic Indicators



Gendered Impacts of COVID-19 in Uganda: Just like for Nigeria only limited evidence exists about the gendered impacts of COVID-19 and other compounding crises in Uganda. However, the limited evidence that exists suggests that women likely experienced larger negative economic consequences than men. High-frequency phone-based surveys implemented by the Uganda Bureau of Statistics Employment show higher employment losses for women than men after the pandemic. The same surveys reveal that women are more vulnerable to shocks because of limited income diversification (i.e., women are more likely than men to exclusively rely on agriculture). Young, female heads of household were also more likely than other Ugandan nationals to lose business income. Our previous qualitative research also indicates that gender-based violence increased during the pandemic (Sanyal et al., 2022). Further, a study by CARE (2022) suggests that 58% of refugees from South Sudan in Yumbe and Terego districts reported a decrease in income. Finally, a baseline

evaluation of the Uganda Women's Entrepreneurship Programme (UWEP) showed that the pandemic created challenges for loan recovery (Policy Analysis and Development Research Institute (PADRI), 2020). A considerable number of women and savings groups faced challenges for repaying credit because of the loss in livelihoods after the pandemic. These findings show that women's and savings group members are vulnerable to large economic shocks, such as COVID-19 induced lockdowns or restrictions.

Data and Methodology

We used descriptive statistical and regression analyses and triangulated those analyses with qualitative data to address the three research questions. The descriptive analyses explain how VSLA members' economic, social, and psychosocial resilience evolved amid the COVID-19 pandemic and subsequent shocks. The regression analyses focus on how VSLAs may have mitigated the negative consequences of pandemic-related and other shocks for VSLA members.

We used panel data from phone, interactive voice response (IVR), and virtual interviews with female and male VSLA members as part of the **Women (in VSLA) Respond sub-initiative**, an effort to collect data on the influence of the COVID-19 pandemic on savings group members. Across four rounds, survey respondents answered nearly identical questions on life changes and priority needs since the COVID-19 pandemic started; their response to the pandemic; individual savings and loans; VSLA meeting procedures, processes, and functioning after the start of the pandemic; and changes in the savings, loan disbursements, and share-out schedules of VSLAs after the start of the pandemic.

This brief analyzes data from the four data collection rounds, which span February 2021 to February 2022, in Nigeria and Uganda (see Figure 2 and 4 for more detail).¹ The fourth data collection round occurred prior to the Russia-Ukraine crisis and recent Ebola outbreaks, so the findings do not reflect the influence of these shocks. In the analysis we label the rounds in reference to the start of the pandemic, as '13 months', '16-17 months', '20-21 months' and '23 months' since the start of the pandemic in March 2020.

For the first round of data collection, CARE initially collected data from 971 respondents from 334 VSLAs in Uganda and 1,607 respondents from 273 mature² VSLAs and 466 non-mature VSLAs in Nigeria. CARE reached this sample size after repeated attempts to interview people using short message service (SMS) surveys and phone-based surveys. CARE initially tried to contact respondents by SMS, followed by phone calls, in case intended respondents did not respond.³

Between the four rounds, overall attrition was 8.5% in Nigeria and 34.7% in Uganda (See Annex A1). In Nigeria, a higher percentage of women attrited, whereas a higher percentage of VSLA members above 50 years old attrited in Uganda. Qualitative observations indicated that attrition rates were higher in Uganda because of changes in phone numbers, higher levels of respondent fatigue and limited availability after the

¹ In Nigeria, data collection occurred from mid-February until mid-April 2021, from the end of June until the end of July 2021, November 2021, and February 2022 (Figure 2). In Uganda, data collection occurred from April until early June 2021, from mid-August until mid-September 2021, December 2021, and February 2022 (Figure 4).

² CARE defines mature VSLAs as those that have completed one VSLA cycle. The VSLA cycle is time-bound, usually an agreed period between 9 and 12 months, when the accumulated savings and service-charge earnings are shared out proportionally to the amount that each member has saved.

³ CARE originally planned to sample 1,000 randomly selected survey respondents from VSLAs in Uganda and 1,600 randomly sampled individuals from VSLAs in Nigeria, based on advice from the ECWG and available resources. In Nigeria, CARE further planned to stratify the sample by maturity of the VSLAs to account for differences in responses between members of mature and non-mature VSLAs.

lifting of lockdown measures. Additionally, data collection in Uganda fully relied on IVR, which tended to generate lower response rates, whereas data collection in Nigeria switched to phone-based surveys to limit attrition.

Box 1 describes key variables that we used for our descriptive and regression analyses in more detail. The descriptive analysis examines the changes in VSLA members' lives and needs as well as their ability to access loans or save over time. To understand country-specific variation and to explore gendered, age-related, and context-specific experiences, we also analyzed the results by country, gender, age group,⁴ and—when applicable—refugee status. For this analysis, we present the data as a cross-section for each of the rounds.

For the regression analysis, we exploit the panel structure of our data and compare how changes in individual-level outcomes relate to VSLA processes and functioning. In these analyses, we used individual-level outcomes, such as VLSA members' self-reported individual needs and the most changed area of their personal lives, ability to save or take out a loan, as independent variables and controlled for individual-level fixed effects. We then included covariates describing VSLA characteristics of the current and the previous data collection rounds to understand whether current or past changes in VSLA processes were associated with individual outcomes. For our regression analyses, we use a balanced panel sample with 1,471 VSLA members in Nigeria (of 1,600 sampled) and 634 members (of 1,000 sampled) in Uganda; of these VSLA members, 83% and 59% of respondents were female in Nigeria and Uganda, respectively.

Box 1: Main Variables of Interest



Changes to individual lives: VSLA members reported the area of their personal lives that changed the most since the onset of the COVID-19 pandemic. Possible responses included household's income or livelihood, children's food or nutrition, safety, physical health, access to health care, sanitation and hygiene, mental health, children's education, access to financial services, access to social networks, and community involvement.



Changes to personal needs: VSLA members reported their most urgent need at the time of the survey. Possible responses included physical, reproductive, and maternal health care; mental health care; clean water; sanitation and hygiene supplies; livelihood, employment, or income; food or nutrition; and protection or safe shelter. Survey respondents were asked to mention only one priority need.



Individual response to the COVID-19 pandemic: VSLA members reported how they had responded to the COVID-19 pandemic. Possible responses included volunteering their skills to provide information about or to prevent COVID-19, leading or supporting continuity in groups and associations, performing caretaking duties for children and other relatives at home, ensuring the household had sufficient supplies, continuing work as a key or essential worker, and earning income in different ways than before the pandemic.



Changes in VSLA meeting procedures: VSLA members reported changes in VSLA meeting procedures. Response options included the following changes: VSLA meetings continued to occur as they had before the pandemic, meetings were held only between leaders, there were no physical or virtual meetings, there were fewer physical meetings, the duration of physical meetings was shorter, and meetings occurred virtually (e.g., through phone calls or WhatsApp).



Process of group savings in VSLAs: VSLA members reported changes in the process of group savings in VSLAs. Response options included the following changes: VSLA members had the option to send money through mobile money app or bank; drop off money and leave; savings were suspended; members were unable to save; no changes; or do not know.

⁴ We categorized respondents into three age groups: youth, adult, or older adults. We categorized youth as respondents under 25 years old, adults as respondents between 25 and 49 years, and older adults as respondents of 50 years and older.



Changes in VSLA loan process: Responses captured any changes to the VSLA loan process, whether they continued as usual, loan disbursements were suspended, repayments were deferred, loan amounts were restricted, or payment arrangements were changed (e.g., interest was suspended or changed).



Changes in individual-level savings: VSLA members reported whether their savings were lower, the same, or higher than before the COVID-19 pandemic.



Changes in ability to obtain a loan: VSLA members reported whether they had tried to obtain a loan from a bank, cooperative society, savings association, family or friends, etc. since the onset of the COVID-19 pandemic. Response options included the following outcomes: applied for a loan and was accepted or rejected, did not apply for a loan, and other household members applied for a loan and were accepted or rejected.

To contextualize the quantitative findings and further unpack economic and social vulnerabilities, we use findings from two rounds of qualitative in-depth interview data, which included a subsample from the quantitative surveys of 33 and 31 VSLA members in Nigeria and Uganda, respectively, and occurred during June to August 2021 (round one) and December 2021 to February 2022 (round two). Most informants were women in both Nigeria (70%) and Uganda (61%). Interviews were recorded in local languages and then translated verbatim to English. To analyze these transcripts, we generated three sets of codes, which we updated based on second round interview questions; the codes included economic vulnerabilities, social vulnerabilities, and the role of VSLAs. We trained a team of coders virtually, after which the team coded the interview data⁵ in both countries.

Study Findings

Description of VSLA Member Sample

The overall samples included a large majority of women in Nigeria and a comparatively smaller share of women in Uganda and primarily consisted of VSLA members between 25 and 49 years old (Table 1 – See *Table A2 for descriptive statistics by round*). In the balanced panel, 83% of the sample in Nigeria and 59% of the sample in Uganda were women. On average, the respondents were slightly younger in Uganda (36 years) relative to Nigeria (37 years).

Table 1. Descriptive statistics of the balanced panel

Variable	Balanced Panel	
	Nigeria	Uganda
Total	1,471	634
Female	83% (n=1,221)	59% (n=372)
Less than 25 years old	9% (n=138)	12% (n=76)
25–34 years old	29% (n=433)	38% (n=240)
35–49 years old	48% (n=700)	40% (n=253)
50 years and older	14% (n=200)	11% (n=65)

⁵ To analyze the first round of qualitative data, the research team used NVivo for Nigeria and Excel for Uganda. In the second round, the research team used Excel for both countries.

What are the perceptions of VSLA members about the effects of the COVID-19 pandemic and subsequent large-scale shocks (e.g., recessions, price increases, supply chain disruptions) on their economic well-being, including their propensity to save, ability to access credit, and capacity to repay debts?

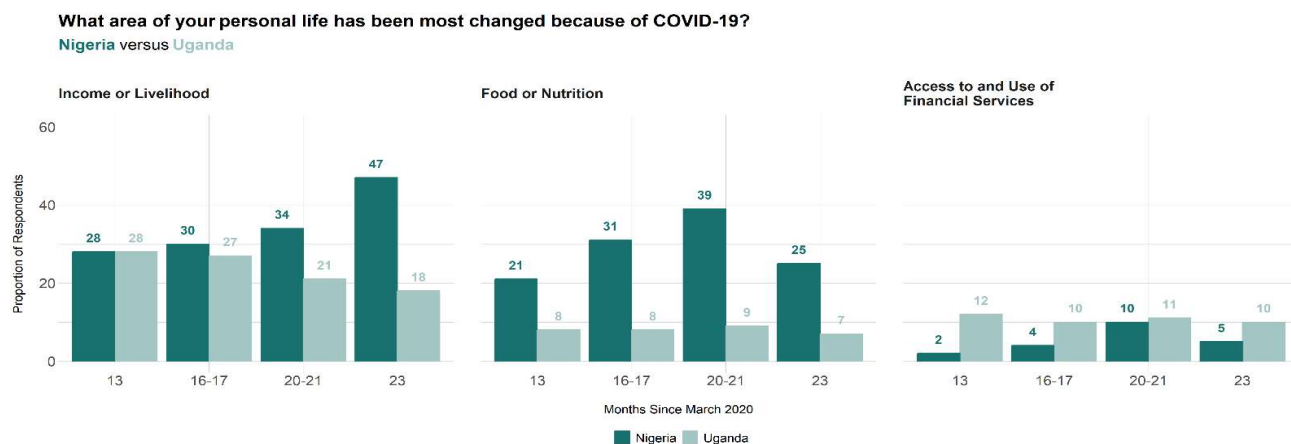
VSLA members report that their livelihoods and income have not recovered since the start of the pandemic and remain challenged by economic shocks

We observed different trends in responses about challenges during the pandemic in Uganda and Nigeria that were likely driven by COVID-19 restrictions and compounding crises in the two countries (Figure 6). In Nigeria, the percentage of respondents reporting changes in ‘income or livelihood’ as the area most affected by the pandemic increased gradually over time, with 28 percent of respondents reporting it as the main change during 13 months after the start of the pandemic and 47 percent of the respondents 23 months since March 2020. Conversely, the trend on ‘income or livelihood’ slopes downward in Uganda from 28 percent to 18 percent after respectively 13 and 23 months since the pandemic’s start. The percentage of VSLA members reporting changes in ‘nutrition and food’ as the area most affected by the pandemic increased with 18 percentage points between April and July 2021 in Nigeria (13 to 16 months since the start) but decreased between November 2021 and February 2022 (20 to 23 months since the start). In Uganda, the proportion of respondents reporting nutrition and food as the main change is relatively stable. These patterns mostly align with the timing of COVID-19 restrictions in Uganda and the larger economic shocks in Nigeria, including inflation and increases in food prices in particular. Income and livelihoods challenges in Uganda largely coincide with the COVID-19 induced restrictions, while the increase in reported income and livelihoods challenges in Nigeria overlaps with the economic crisis caused by the recession and subsequent inflation.⁶

Men and women in both countries report similar challenges in February 2022 (23 months after the start). We do not find statistically significant differences between men and women in the reporting of areas of their lives that were most affected by COVID-19. While refugees were statistically significantly less likely to report food and nutrition challenges than VSLA members from the Ugandan host population, qualitative research indicates that refugees have continued to report irregular food distribution and access to food since the start of the pandemic.

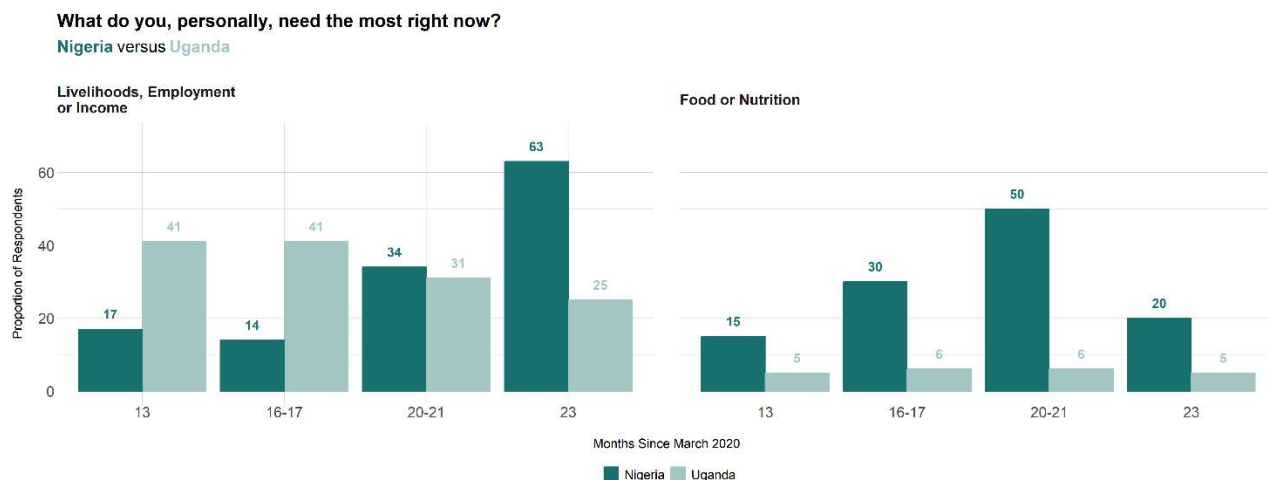
⁶ Seasonality does not explain the difference in responses about nutrition between November 2021 and February 2022 given that the lean season ends in October.

Figure 6. Changes in personal lives – economic domains, by country and months since the start of the pandemic



The patterns on what VSLA members indicate as their main personal need (Figure 7) mimic these results, which align with trends in compounding crises. Responses indicated that ‘livelihood, employment or income’ needs and ‘nutrition or food’ needs are increasingly pressing needs in Nigeria with an increase of 47 percentage points in respondents reporting these individual priority needs between 13 months and 23 months after the start of the pandemic. However, in Uganda, ‘nutrition or food’ needs were mentioned by 5-6 percent of the respondents in February 2022 (23 months after the start), while the percentage of respondents reporting livelihood or income concerns reduced from 41 percent to 25 percent between the 13th and 23rd month after the start. These patterns are consistent with COVID-19 induced restrictions causing economic challenges in Uganda during the earlier phases of the pandemic. Compounding economic crises in Nigeria may have resulted in a shift in individual priority needs to livelihoods, employment, or income and food and nutrition during later phases of the pandemic. Again, we do not find major differences in the reporting between men and women in February 2022 (23 months after). Any differences in priority needs between men and women in both countries are not statistically significant.

Figure 7. Individual priority needs – economic domains, by country and months since the start of the pandemic



In Nigeria, findings from the second round of qualitative interviews (Dec. 2021 to Feb. 2022) were largely consistent with the quantitative trends suggesting that the economic recession resulted in challenges with income, livelihoods, food security, and nutrition. Over half of the respondents indicated that their household economic situation worsened over time and has not recovered from the challenges over the past two years. Respondents said that while their income decreased, commodity prices increased, and they could not afford food, agricultural inputs, and other expenses such as school fees. Several women referred directly to challenges due to inflation:

“The situation has not been improved but worsening because what you used to buy at 1000 Naira is now 1,600 or even more than that so that is the reason why the situation is worst now.” - Female, Bauchi Misau, Nigeria, Dec. 2021-Feb. 2022

By contrast, respondents in Uganda primarily spoke about economic challenges caused by the COVID-19 induced restrictions. During the first round of data collection, respondents from Uganda perceived that the pandemic resulted in employment and livelihood losses for some families, in particular respondents by disrupting the small businesses of respondents and reducing profit margins by increasing the costs of production and transportation (Sanyal et al., 2022). Mahmud and Riley (2021) also report that small business owners in Uganda were hit particularly hard by the negative economic consequences of the lockdown.

Both in Nigeria and Uganda respondents reported having made distress sales by selling livestock, furniture and even land and agricultural machinery to pay for medical expenses of their families or to pay for food. In Uganda respondents also mentioned selling assets to cover school fees or to pay back loans. The sales of productive assets will likely reduce future income potential and may thus have longer-term negative consequences.

While most respondents experienced negative changes, some respondents in December 2021 to February 2022 described an improvement in their economic situation after the lifting of COVID-19 restrictions. The lifting of the restrictions enabled these respondents to increase their mobility and continue with their normal daily business activities. Several Ugandan respondents talked about acquiring new assets (e.g., chickens, pigs, goats, a small plot of land or TV) or hiring assets, such as small plots of land for farming or a bull for plowing to assist with their agricultural businesses, during the second round of qualitative interviews.

Respondents from Nigeria and Uganda both have reduced resilience to shocks with lower savings

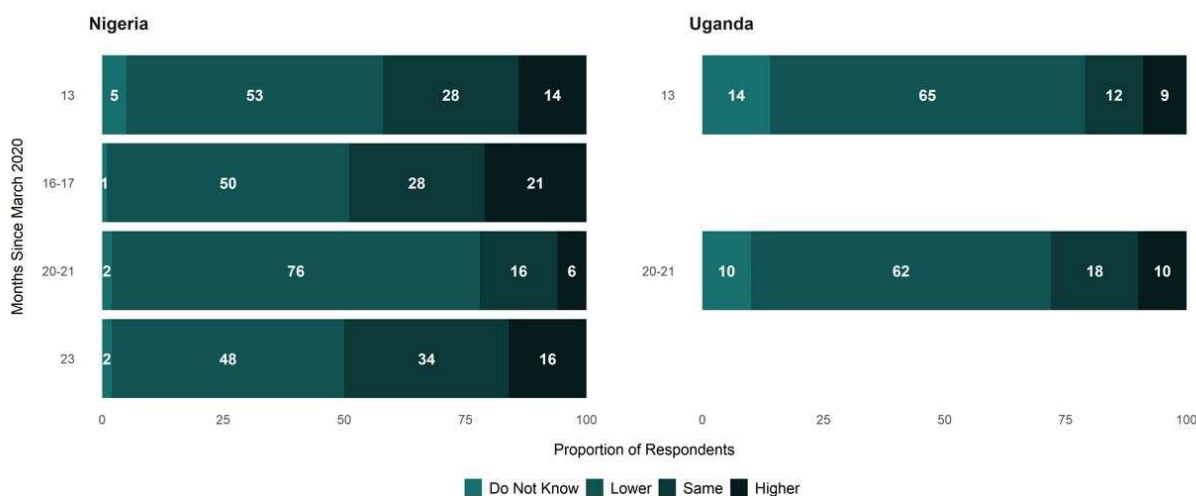
While VSLAs may have led to positive effects on food security and economic outcomes (Adegbite et al., 2022), for nearly half of the respondents in Nigeria and three out of five individuals in Uganda, individual savings were lower than pre-pandemic levels and have not fully recovered two years after the start of the pandemic (Figure 7). The results suggest that lower savings were primarily caused by COVID-19 induced restrictions in Uganda, with no improvements over time, while in Nigeria the compounding economic crises may have resulted in reduced savings, though the trend is unclear. In Uganda, 62 percent of the respondents had lower savings in April 2021 than before the pandemic, and 65 percent of the respondents had lower savings in December 2021 than before the pandemic, with no significant gender differences. In Nigeria, the percentage of respondents reporting lower savings than before the pandemic was 76 percent in November 2021, which was 26 percentage points higher than July 2021, the second round of data collection. This percentage dropped again to 48 percent in February 2022 which is 23 months after the start of the pandemic (see Figure 8). Twenty-three

months after the start of the pandemic women in Nigeria were statistically significantly less likely to report reduced savings than men, but we found no statistically significant differences in Uganda.

These quantitative findings are consistent with the qualitative data in which most respondents in Nigeria and Uganda expressed that they would like to save, but that their income was not enough to cover expenses. This perception was particularly strong among VSLA members in Ugandan refugee camps, where respondents said that they were not able to save at all. Some VSLA members from Uganda also linked their reduced savings to the lower capital and pay-outs from their VSLA during the pandemic.

“Savings are down now, so during sharing I get little money. Before Corona, I used to save 5000UGx but ever since Corona started, I save 2000UGx, 1000UGx, sometimes I fail to get it.” – Female- 37 years old, Uganda, Dec. 2021-Feb. 2022

Figure 8. Ability to save compared to before the COVID-19 pandemic, by country and months since the start of the pandemic



Note: Data for this question were only collected for rounds one and three in Uganda.

Several respondents reported how their ability to save enabled them to access money for needs in the future, such as businesses or emergency situations. In Nigeria, respondents explained that the inability to save led to feeling weak and powerless, like they were failing life. In Uganda, respondents associated the inability to save with economic hardship, missing opportunities, losing respect and not being able to provide for the family. These findings suggest that the reductions in savings may have led to mental health challenges, which we describe in more detail in other sections of this report.

“It [inability to save] portrays ignorance in my household; it’s like laziness.” – Female- 60 years old, Uganda, Dec. 2021-Feb. 2022.

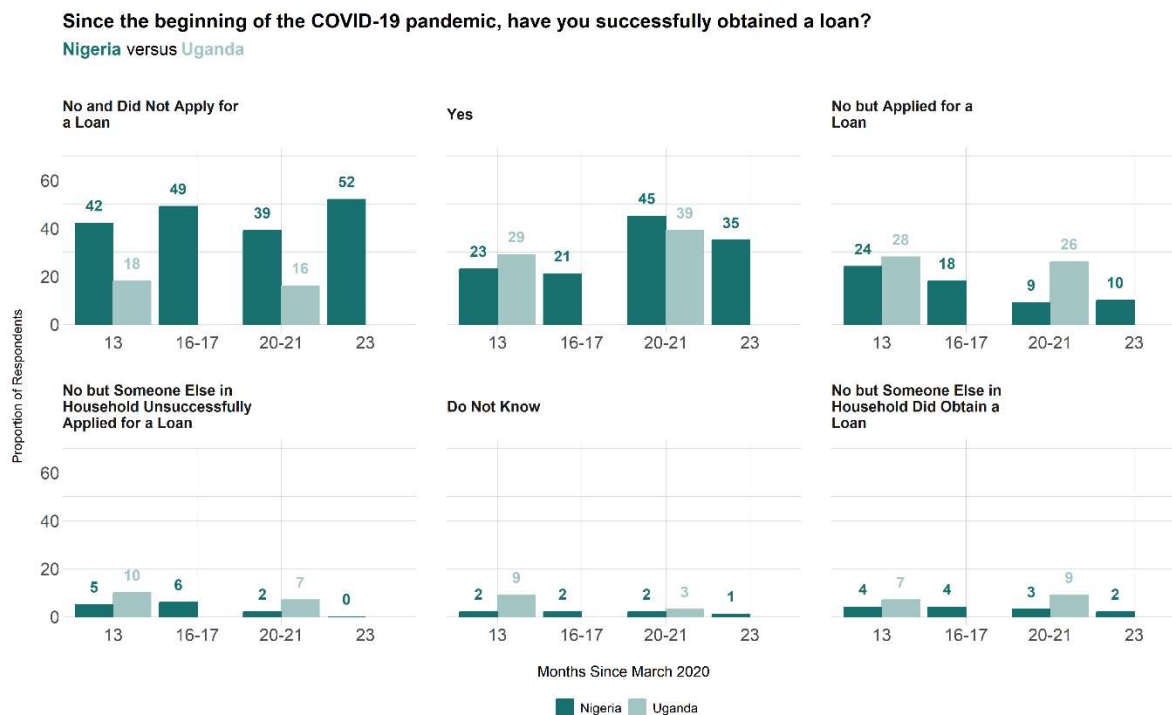
More VSLA members reported taking out loans, and fewer VSLA members were denied loans

While savings remained lower than before the pandemic, VSLA members' ability to 'take out a loan' increased somewhat over time. In Nigeria, between 21 and 23 percent of the respondents took out a loan after 13 to 16 months since the start of the pandemic, which increased to 45 percent and 35 percent respectively 20 and 23 months after the start of the pandemic. Simultaneously, a smaller percentage of VSLA members reported 'having applied for but not received a loan' after 20 to 23 months than during the first year after the pandemic started. Figure 9 displays all these results.

“VSLA has brought me relief knowing I can go there at any time to collect loan. and VSLA has saved my business from crumbling especially during the pandemic.” – Female, Nigeria, Borno, Dec. 2021-Feb. 2022.

We did not find clear trends in the percentage of respondents that applied for a loan. The percentage of respondents that applied for a loan went down to 48 percent during the last round of data collection in Nigeria (23 months after March 2020) after having gone up to 61 percent in the November 2021. In Uganda, where we only have data on access to credit from two rounds, we observe an increase in the proportion of VSLA members taking out a loan from 29 percent to 39 percent between April and December 2021 (see Figure 9). In both countries, no statistically significant differences emerged in loan access between men and women, apart from women in Nigeria who were slightly yet significantly less likely to seek a loan as of February 2022 (53%) relative to men (48%) ($p < 0.10$).

Figure 9. Loan access during the pandemic, by country and months since the start of the pandemic



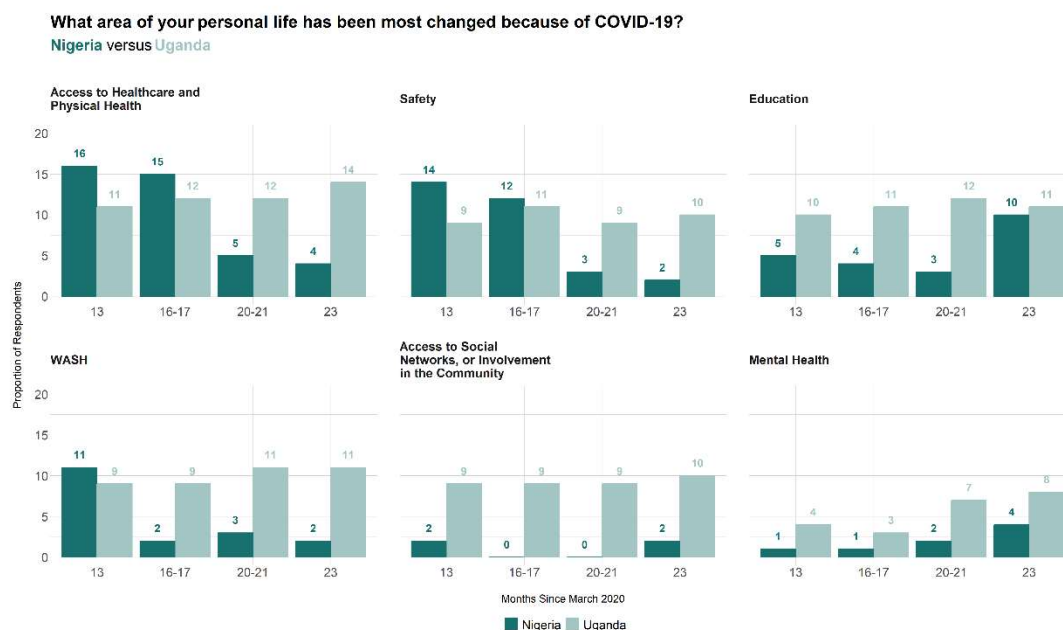
What are the perceptions of VSLA members about how the COVID-19 pandemic and subsequent large-scale shocks (e.g., recessions, price increases, supply chain disruptions) influenced their individual resilience and household dynamics, including mental health, work burden and stress?

While economic changes and needs were more prevalent in Nigeria, respondents in Uganda reported more diverse, non-economic changes and needs two years after the start of the pandemic

About half of the respondents in Nigeria and Uganda reported non-economic domains as the area of their personal life that was most affected by the pandemic. In Nigeria, reported changes in non-economic domains reduced over time (e.g., in April 2021 16% of the respondents reported changes in 'health' and 14% reported changes in 'safety', while only 4% and 2% of the respondents report changes in health and safety in February 2022). In Uganda, self-reported personal life changes in non-economic areas slightly increased over time with the most noteworthy changes in 'physical health' (from 11% during April 2021 to 14% during February 2022) and 'mental health' (from 4% during April 2021 to 8% during February 2022).

Gender and age-related dynamics shaped some of the trends in the respondents' reporting of the area of their personal lives that changed most. Older adults in Uganda reported more non-economic vulnerabilities than in Nigeria, especially women. However, we did not find statistically significant differences in the reporting of non-economic vulnerabilities between men and women in Uganda. Older adults in Uganda were more likely than younger adults to report 'access to healthcare and physical health' (20%) and 'water, sanitation, and hygiene' (WASH) (17%) challenges as the most affected area of their personal life 23 months after the start of the pandemic.

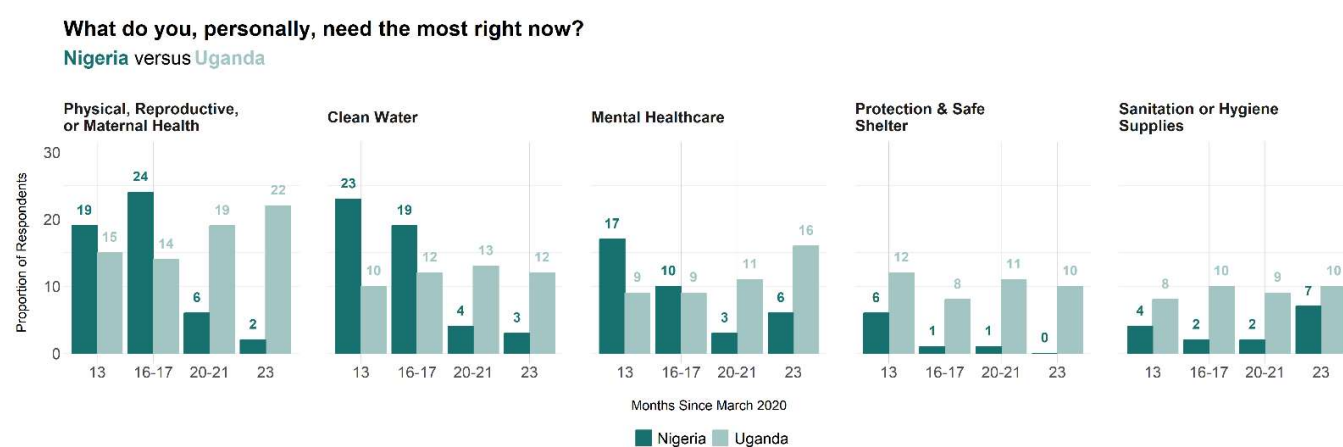
Figure 10. Changes in personal lives – non-economic domains, by country and months since the start of the pandemic



We found large differences between Nigeria and Uganda in the importance respondents allocated to non-economic individual needs versus economic individual needs. In February 2022, less than a quarter of respondents in Nigeria reported any non-economic needs as their most pressing. In Uganda, by contrast, nearly three-quarters of respondents indicated non-economic needs were among their top needs, with most respondents expressing needs for 'physical reproductive or maternal healthcare' (22%) or 'mental healthcare' (16%) in February 2022.

We only found minimal differences in the reported needs by age and gender in both countries. First, we did not find statistically significant differences in the reported needs by age group. Second, gender differences were small, with no statistically significant differences in Nigeria 23 months after the start of the pandemic and a slightly larger percentage of men (15%) than women (10%) reporting clean water needs.

Figure 11. Individual priority needs – non-economic domains, by country and months since the start of the pandemic



Mental health needs increased, especially in Uganda

In both Uganda and Nigeria, the proportion of respondents who reported mental health as the most changed area of their life slightly but steadily increased between 13 months and 23 months past the start of the pandemic, with 3 percentage points in Uganda and 4 percentage points in Nigeria, respectively (Figure 12).

The trend in respondents reporting mental health as the most changed area of their personal life was matched by respondents' most pressing needs, which showed a statistically significant increase in the proportion of respondents who reported mental healthcare as their top need across both countries. Along this dimension, disparities between Uganda and Nigeria were more salient: while 16 percent of respondents in Uganda reporting mental healthcare as their top need 23 months after the start of the pandemic, only 6 percent of respondents in Nigeria reported it as their main need, suggesting mental health challenges were more pressing in Uganda (Figure 13). Although the proportion of respondents in Uganda reporting changes in mental health and needs for mental healthcare remains relatively small, it is possible that the long COVID-19 induced restrictions contributed to mental health challenges in Uganda.

Figure 12. Mental health as changed area of personal life, by country and months since the start of the pandemic

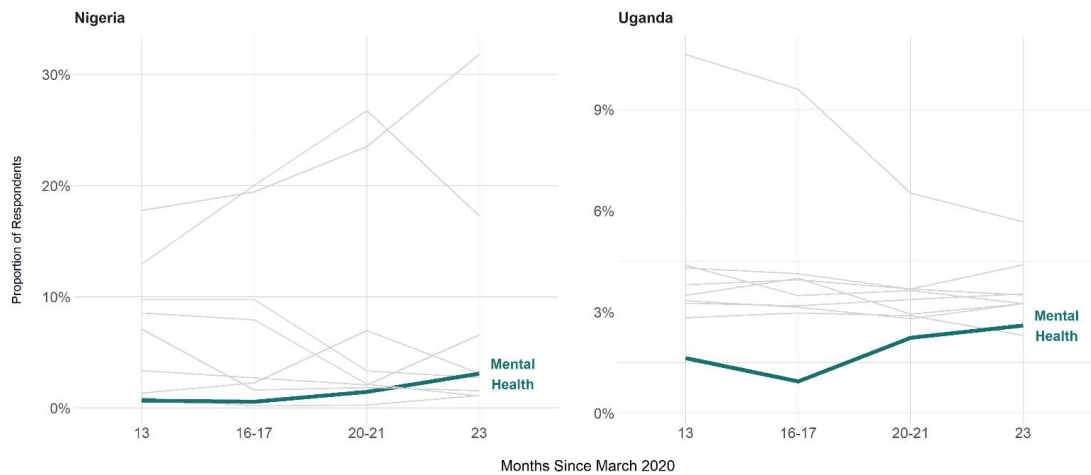
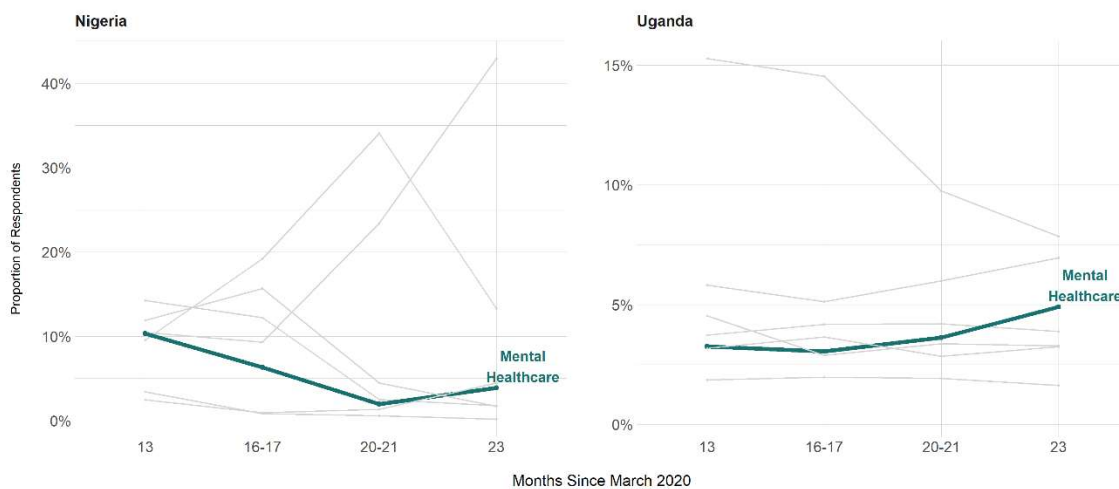


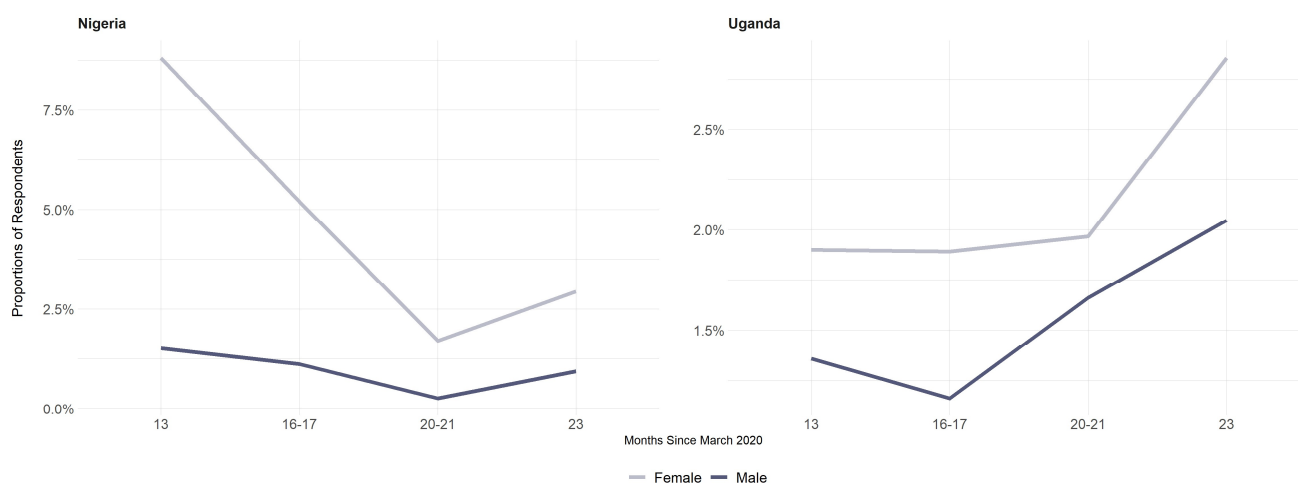
Figure 13. Mental healthcare as most pressing need, by country and months since the start of the pandemic



While youth seemingly drove mental health needs in Nigeria, there were no apparent sub-group disparities that explained emerging mental health trends in Uganda. Twenty-three months after the start of the pandemic Nigerian youth were statistically significantly more likely to report mental health as the most changed area of their personal life relative to adults; compared 13 months after the start, this represents a substantial and statistically significant increase among Nigerian youth, rising from 1 percent to 7 percent between April 2021 and February 2022.

We found no statistically significant differences by gender for mental health as respondent's most pressing need in either Nigeria or Uganda. In Uganda, no single sub-group explained emerging mental health trends, with no statistically significant variation by gender, age group, or refugee status as of November-December 2021. Longer lockdown periods in Uganda could potentially explain this generalized trend.

Figure 14. Mental health as respondent's top need, by country, round, and gender



Qualitative data suggest that social and financial strain may have contributed to rising mental health challenges, especially among women in Uganda. The first round of qualitative data highlighted how physical distancing affected the frequency and quality of meetings and likely contributed to the weakening of social ties, which may in turn have resulted in mental health challenges, particularly among women who rely on VSLAs for social information and community.

“Socially we couldn’t get what we expected to get from our friends, the different ideas and encouragement in some cases.”

- Female - 27 Years, Uganda, Dec. 2021-Feb. 2022.

The second round of qualitative data indicated that social distancing declined with reduced lockdown measures. However, mental health challenges remained, possibly because of challenging household finances and household dynamics. During the later parts of the pandemic, respondents in Uganda faced higher levels of debt and stress about repaying loans relative to their counterparts in Nigeria, especially among women, possibly because of their larger economic challenges in early phases of the pandemic. When applicable, respondents also attributed increased family tensions to economic hardships. Collectively, the longer-term economic effects of the pandemic and additional shocks (e.g., economic shocks) may have made respondents more economically vulnerable, which may have increased stress about their future.

“I don’t rest enough because I have a lot of stress in mind. When I’m resting and I start thinking of loans that I must pay back, so I will not rest enough.”

- Female - 25 Years, Uganda, Dec. 2021-Feb. 2022.

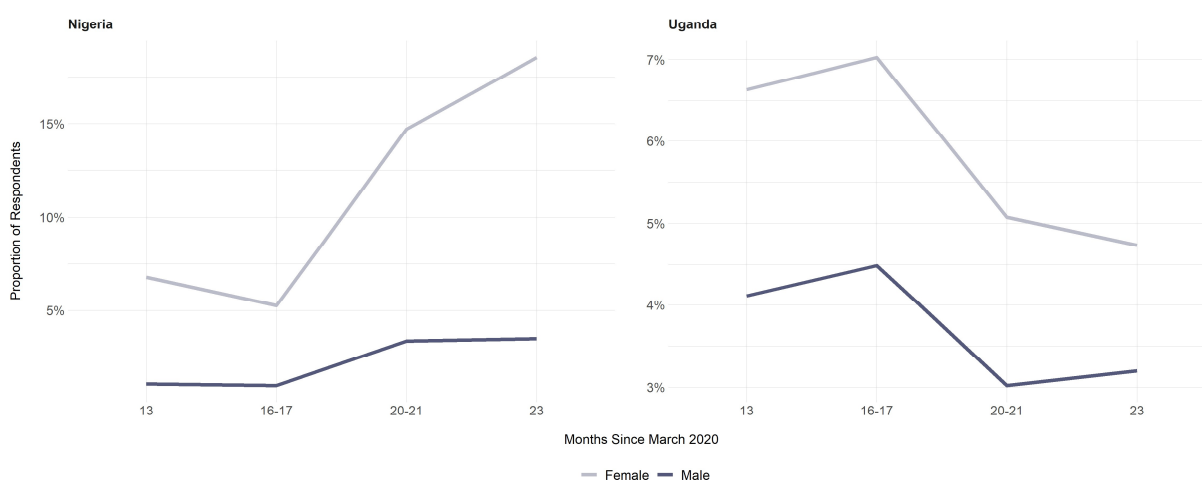
Consistent with this hypothesis, nearly half of interview respondents in Nigeria and Uganda reported diminished aspirations for educational attainment among young women; in Nigeria, qualitative evidence

suggested that young women's educational aspirations were possibly negatively affected, perhaps because girls spent more time working at home or engaging in business to supplement household income. This finding may also explain higher reporting of psychosocial challenges among youth in Nigeria. Quantitative data echo this finding: 23 months after the start of the pandemic in February 2022, statistically significantly more women in Nigeria reported education as the most changed area of their personal life (10%) in comparison with males (7%).

While traditional gender roles persist for care work, gendered expectations regarding labor force participation seemingly shifted as more household members attempted to supplement their household's income.

In Nigeria, coping strategies continued to demonstrate gendered dynamics in private spheres, but we found less evidence for such dynamics in Uganda. Women in both countries were more likely to report performing caretaking duties than men (Figure 14). Approximately a third of females in Nigeria reported performing caretaking duties for children and relatives in their home as the main way they personally responded to the pandemic 23 months after its start, whereas about a quarter of their male counterparts reported the same. In Uganda, by contrast, this gender disparity was marginal and not statistically significant. The share of women who reported caretaking (26%) as their primary response to the pandemic was not statistically significantly higher than for men (25%).

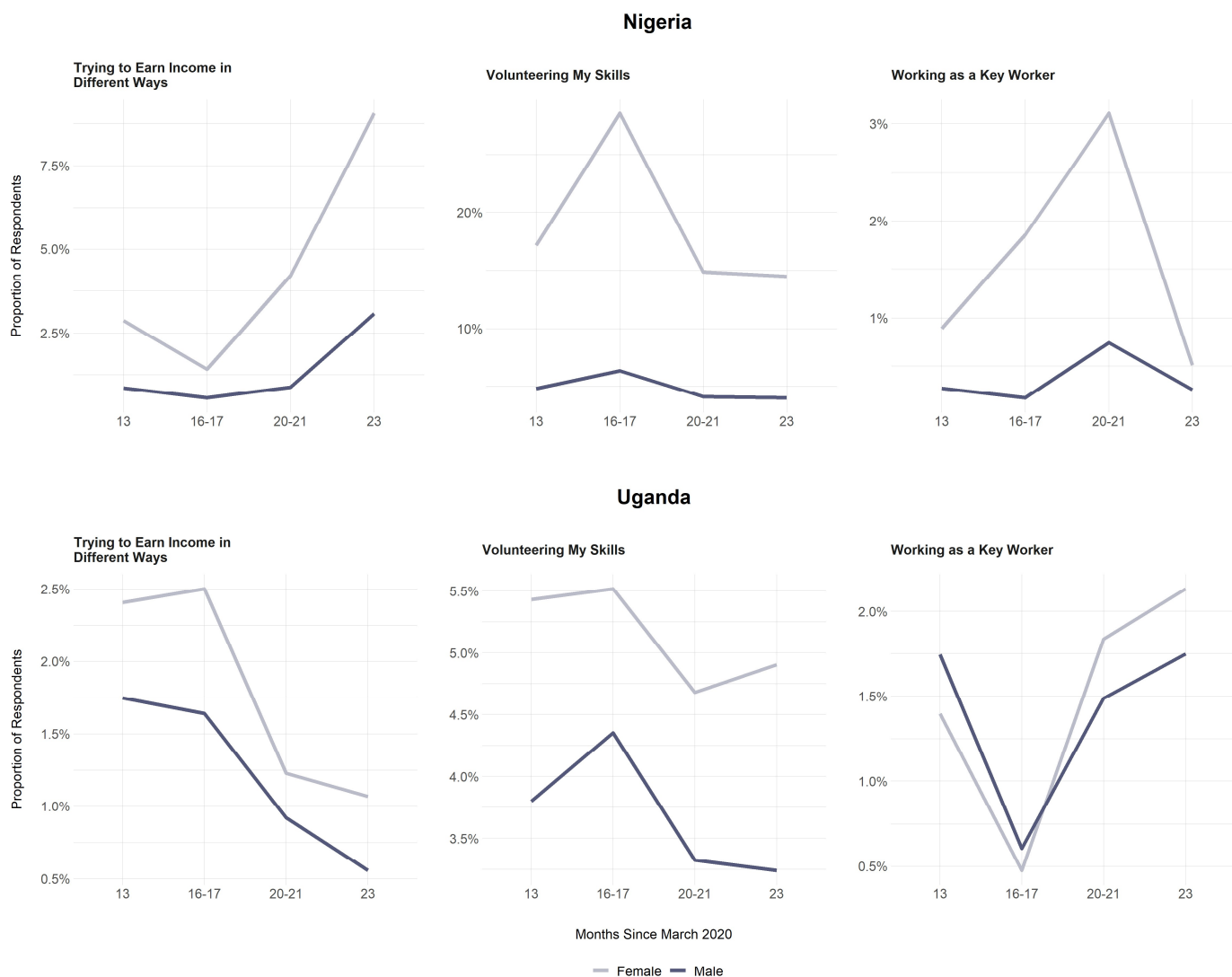
Figure 14. Mainly responded to the pandemic by performing caretaking duties, by country, round, and gender



Gender roles for economic coping strategies were more fluid. For instance, the second round of qualitative data highlighted shifting gendered expectations for labor force participation. With men's diminished income-generating capacity in both countries, interview respondents indicated that women in both countries and male youth in Nigeria entered the labor force to augment household income. The quantitative data partially capture these findings (see Figure 15). In Nigeria, a larger share of men (22%) than women (17%) reported trying to earn income in different ways as their main response to the pandemic ($p < 0.05$). In Uganda, by contrast,

differences between men and women for this response were minimal, with slightly more women than men attempting to earn income as their main response to the pandemic (6% and 4%, respectively).

Figure 15. Personal response to the pandemic, by country, round, and gender



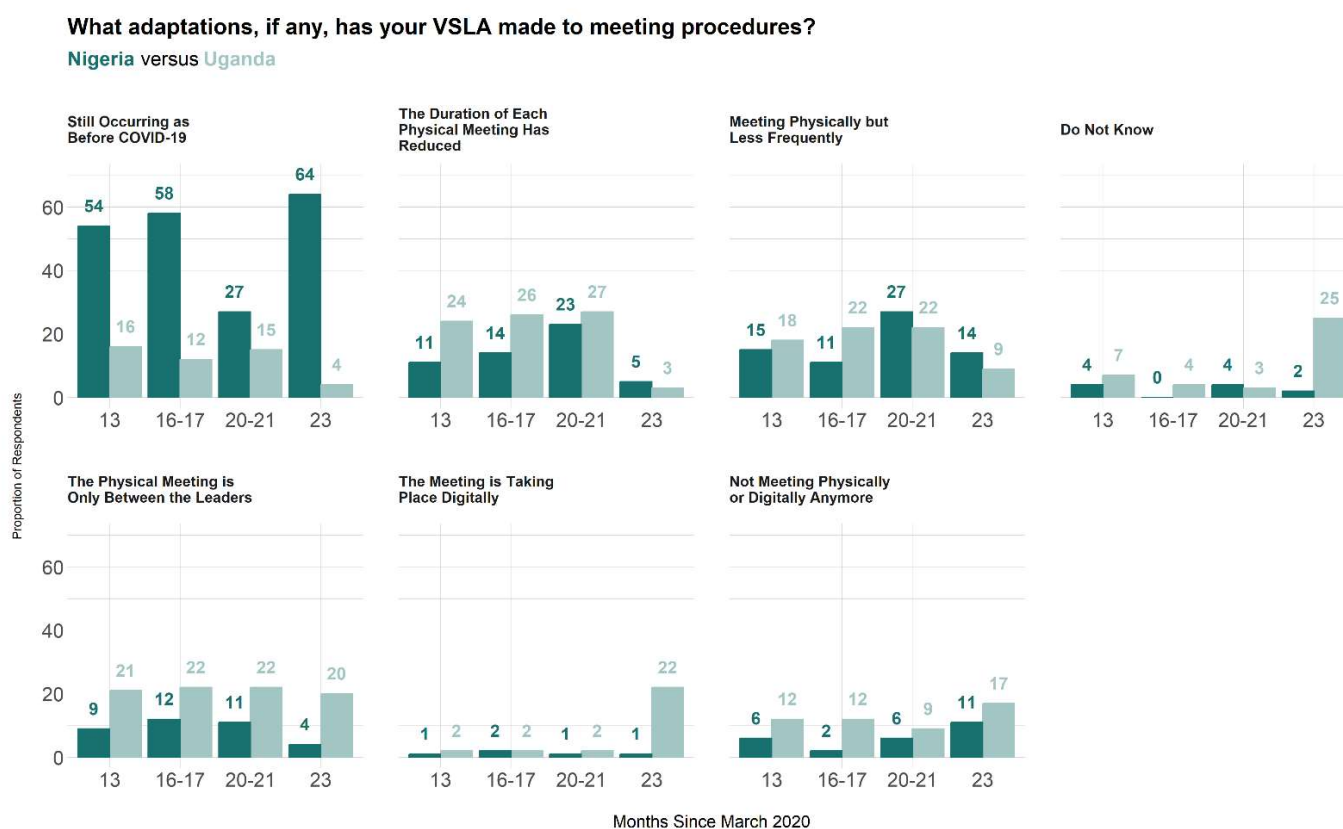
How have VSLAs adapted their functioning (e.g., meetings, loan repayments, and social funds) since the start of the pandemic?

VSLAs in Uganda were slower to return to their pre-pandemic functioning

While VSLA meeting procedures largely returned to pre-pandemic norms in Nigeria, the same did not happen in Uganda. Twenty-three months after the pandemic had started about two-thirds of respondents in Nigeria reported their meetings were occurring as before COVID-19 (64%), which is statistically significantly higher

than in previous rounds. Conversely, the share of respondents in Uganda whose VSLA meeting procedures returned to pre-pandemic norms statistically significantly decreased over time. Respondents reported their meetings predominantly occurred digitally (22%) or exclusively among group leaders (e.g., secretary, treasurer, chairperson) (20%). A significant portion of the respondents were also unaware of their current meeting procedures (25%) or reported their groups were no longer meeting (17%) (Figure 16), which may indicate that VSLAs collapsed because of the pandemic. In Uganda, these trends did not vary by gender, age group, or refugee status. In Nigeria, by contrast, statistically significantly more men reported their group meetings were shorter relative to pre-pandemic norms (8% men; 4% women), and statistically significantly more females reported their group meetings returned to pre-pandemic norms (65% women; 57% men) during February 2022.

Figure 16. VSLA meetings, by country and months since the start of the pandemic



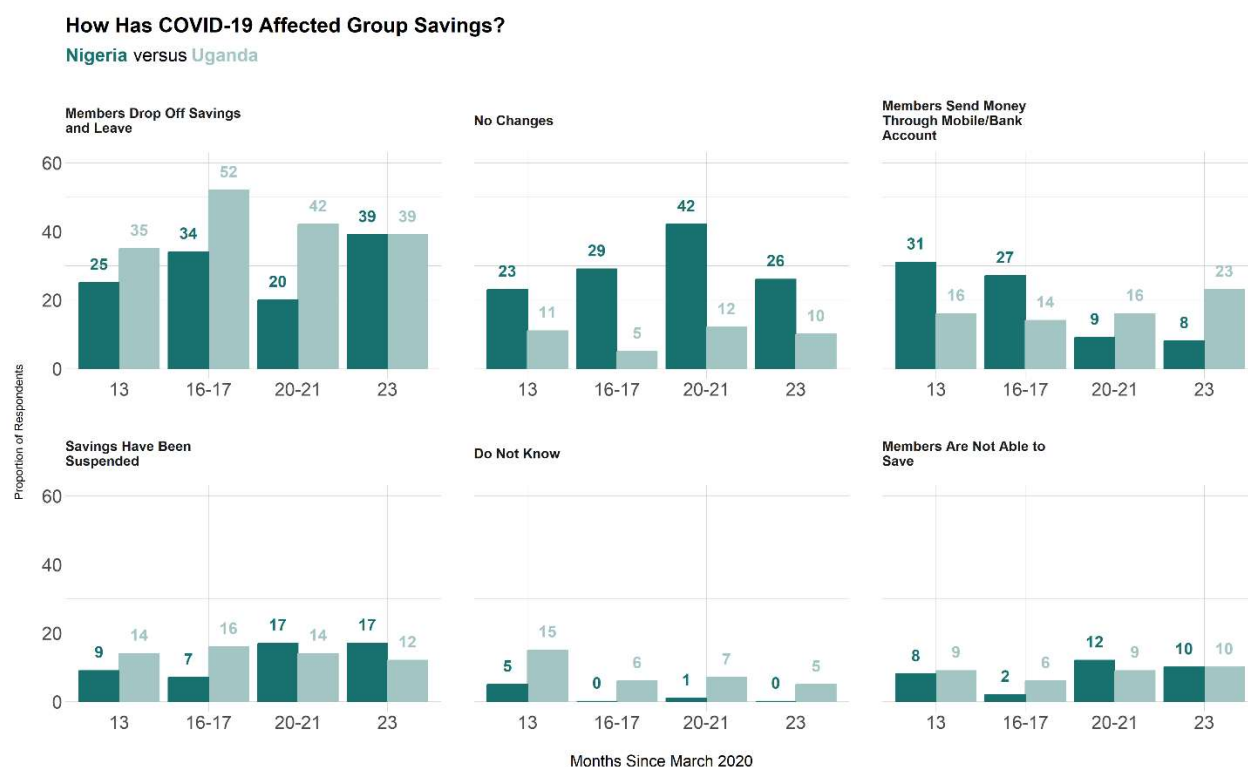
The second round of qualitative data collection indicated that group dynamics in VSLAs remained different after the pandemic in both countries. Nearly two-thirds of interview respondents in Nigeria and nearly all interview respondents in Uganda reported that their VSLA meetings were often inconsistently organized. Even when meeting procedures returned to pre-pandemic norms, respondents in Nigeria indicated that members' attendance rates varied, especially among those with diminished capacity to save. Apart from undermining economic resilience, these different dynamics may have exacerbated social vulnerabilities among VSLA members.

VSLA savings processes remained different from before the pandemic for most of the respondents in both countries. Only a bit more than a quarter of VSLA members in Nigeria reported their group savings processes had not changed (26%) 23 months after the start of the pandemic. Altered or discontinued savings processes were common, with most Nigerian VSLA members reporting that they dropped off their savings (39%) or that their savings were suspended (17%) (Figure 17). Additionally, the share of VSLA members in Nigeria who reported no changes in their group meeting procedures statistically significantly decreased between November 2021 (42%) and February 2022 (26%), suggesting that VSLAs in Nigeria were adapting to new economic shocks or faced longer-term challenges from the COVID-19 pandemic. In Uganda, altered savings processes were more pronounced: most VSLA members reported they dropped off or simply transferred their savings (39% and 23%, respectively). Unlike in Nigeria, trends in group savings processes were relatively stable across time, which may indicate longer-lasting effects on VSLAs of the longer lockdown in Uganda. Other compounding crises may have played a smaller role.

We did not find statistically significant differences in the reporting of VSLA savings processes by gender or refugee status in either country 23 months after the pandemic started. In Nigeria, however, youth less frequently reported that VSLAs suspended savings (11%) relative to adults (17%) and older adults (19%) during February 2022.

Overall, these trends suggest that VSLA members may continue to face lower savings after the pandemic, especially considering the potential negative effects of additional compounding crises. VSLAs will likely continue to operate differently as before the pandemic.

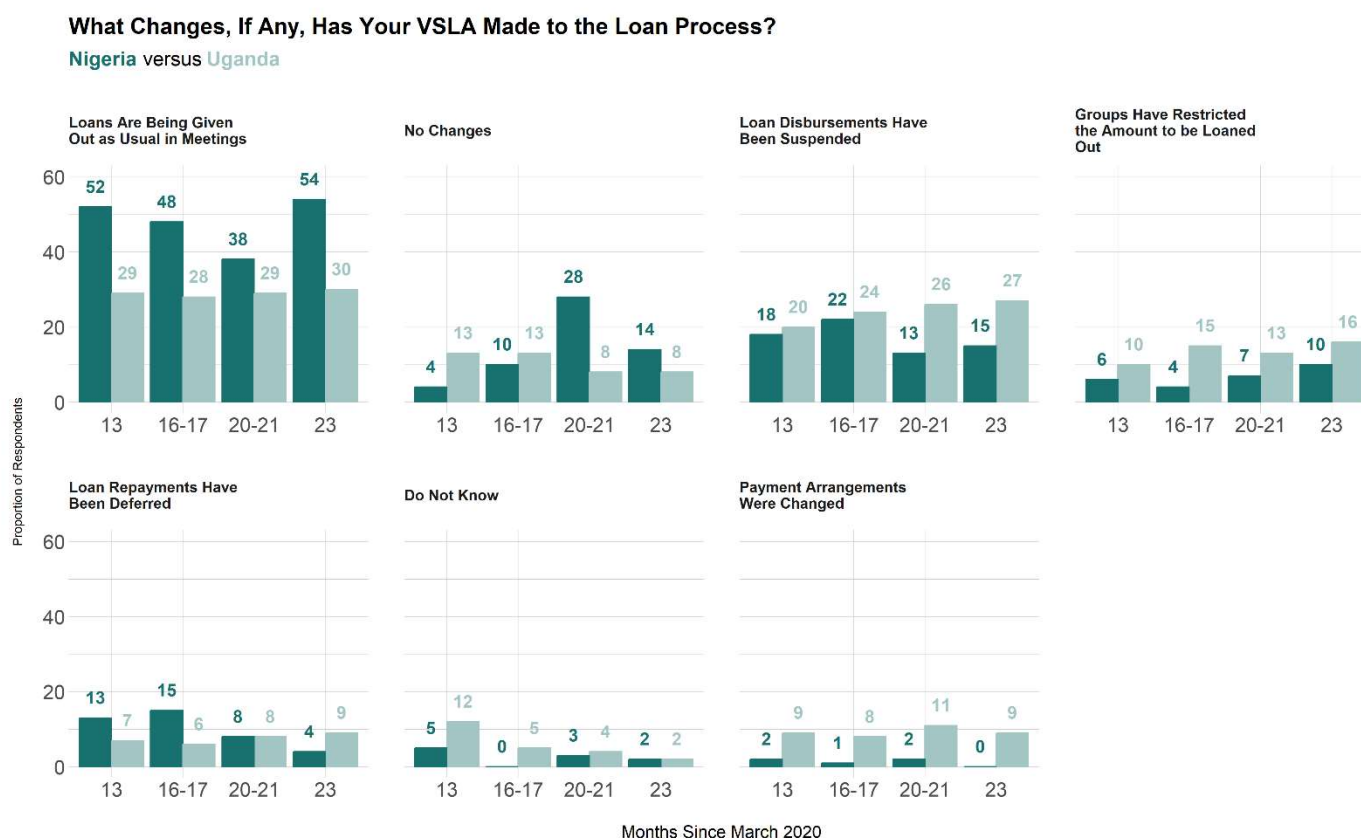
Figure 17. VSLA savings processes, by country and months since the start of the pandemic



Consistent with trends in VSLA meeting procedures and savings processes, VSLA members in Nigeria experienced fewer disruptions in loan disbursements relative to their counterparts in Uganda. While most respondents in Nigeria reported their VSLA loans were disbursed as usual or were otherwise unchanged 23 months after March 2020, most VSLA members in Uganda reported some degree of change in their VSLAs' loan disbursements. More specifically, VSLA members in Uganda indicated that their VSLAs suspended loan disbursements (27%), restricted loan amounts (16%), deferred repayments (9%), or changed payment arrangements (9%) (Figure 18).

While differences in loan disbursement by gender in Uganda demonstrated no statistically significant differences, men in Nigeria were statistically significantly more likely to report that their VSLA loan disbursements were suspended (19%) relative to women (14%).

Figure 18. VSLA loan disbursements, by country and months since the start of the pandemic

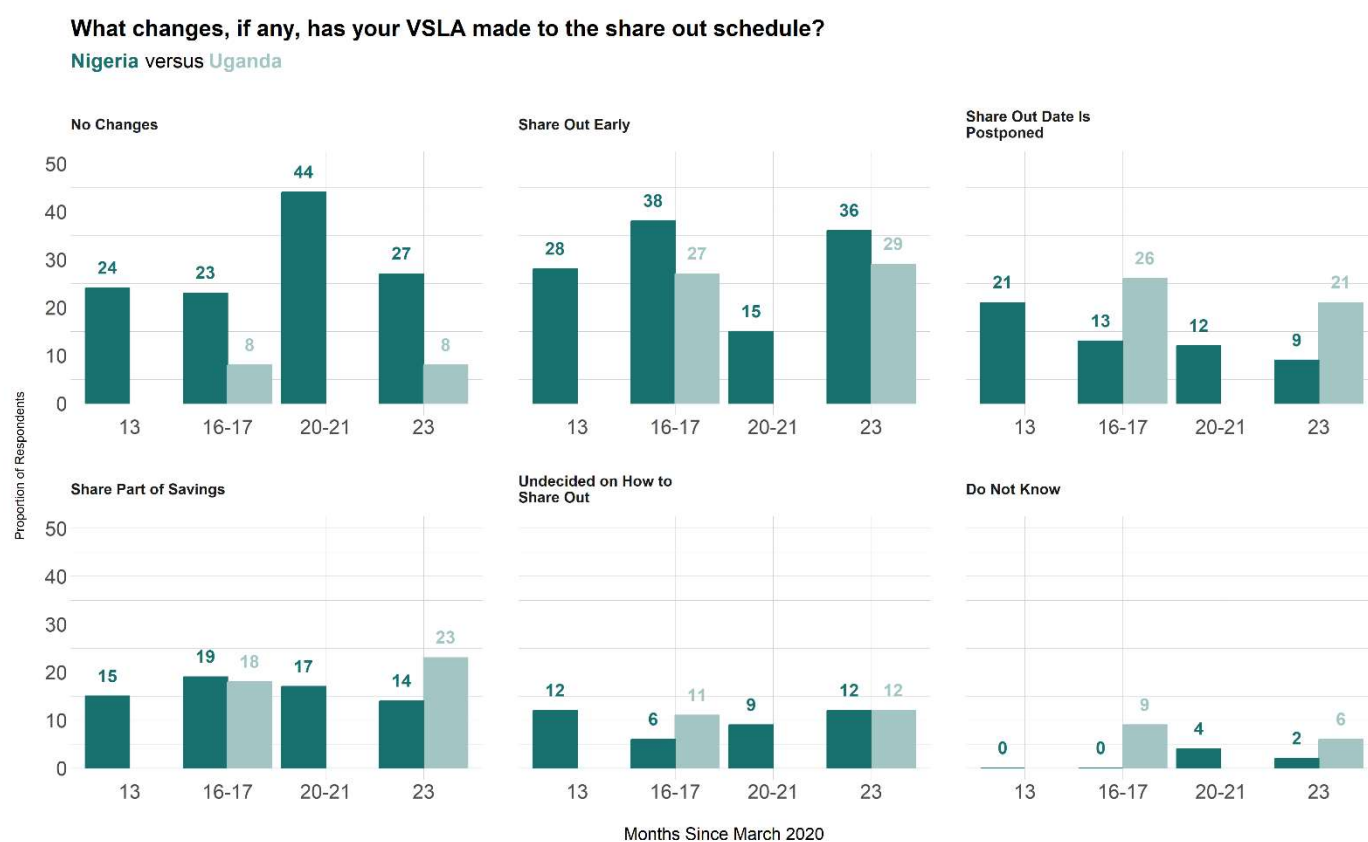


Across both countries, youth seemingly experienced more restrictions on group loan processes, particularly in relation to older adults. During February 2022, youth in Nigeria were statistically significantly less likely to report loan disbursement as usual (52%) relative to older adults (62%). We found similar but only marginally statistically significant differences between these age groups in Uganda, where youth were less likely to report unchanged loan disbursements (25%) than older adults (37%).

Reflecting the slower recovery of group savings processes, VSLAs' share out schedule often deviated from pre-pandemic norms 23 months after its start in February 2022. Members in Nigeria experiencing fewer

disruptions than in Uganda. However, respondents in both countries predominantly reported some degree of change. Most commonly, they reported VSLAs sharing out early (Nigeria 36%; Uganda: 29%) (Figure 19). Approximately a quarter of respondents in Uganda also indicated that their share out date was postponed (21%) or their VSLA partially shared out their savings (23%). Partial share outs were slightly more commonplace among men in Nigeria (18%) than women (14%) in February 2022, whereas postponed share outs occurred more frequently among men in Uganda (25%) than women (18%) in February 2022.

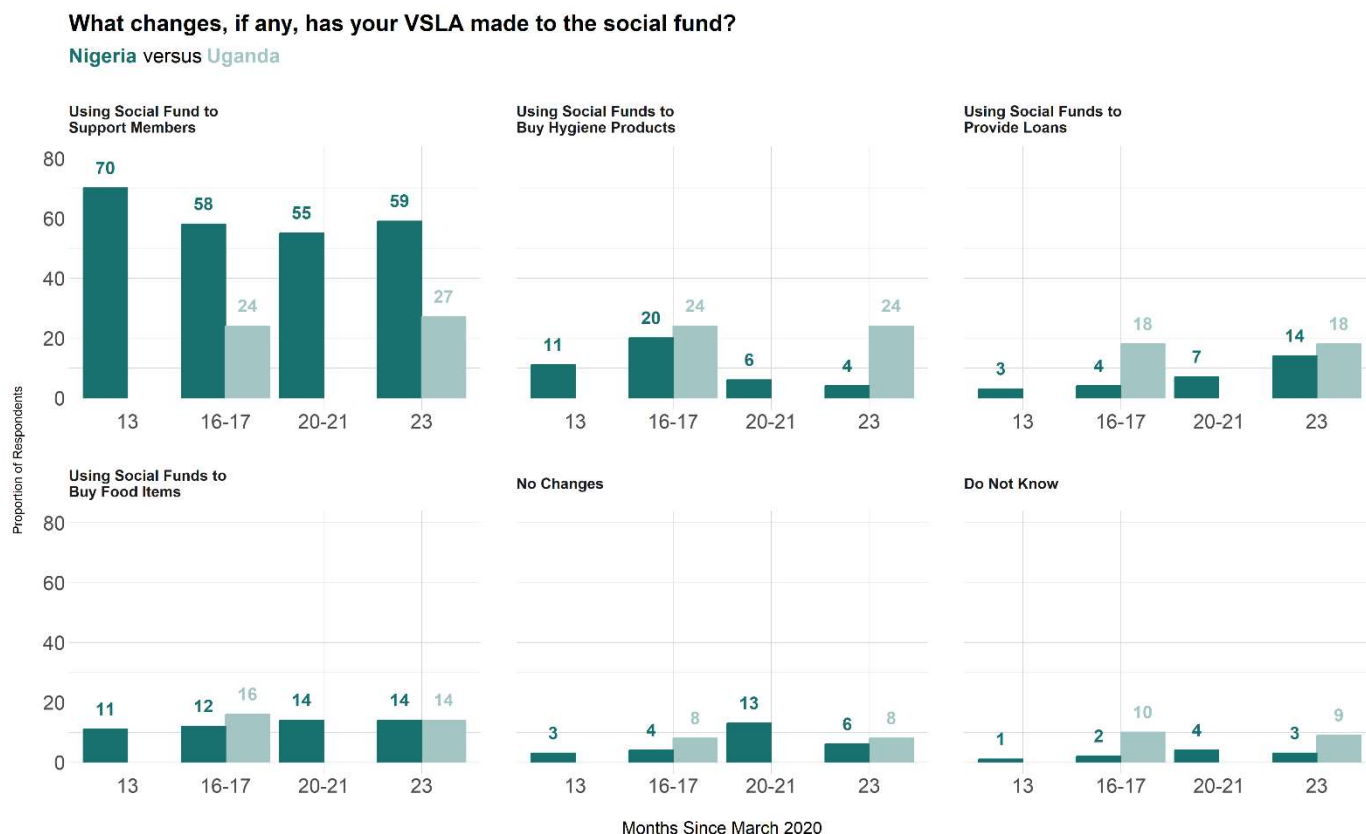
Figure 19. VSLA loan disbursements, by country and months since the start of the pandemic



VSLAs in both countries continued to use their social fund differently relative to pre-pandemic norms. In Nigeria, most respondents (59%) reported their VSLAs used their social funds to support members 23 months after the start of the pandemic and—to a lesser extent—to provide loans (14%) or buy food items (14%) (Figure 20). In Uganda, by contrast, alternative uses of the social fund were more diversified, with VSLAs using the social fund to support members (27%), to purchase hygiene products (24%), to provide loans (18%), and to purchase food items (14%).

Differences by gender in the use of the social fund were minimal. In February 2022 using the social fund to purchase food items was slightly more common among men in Uganda (16%) relative to women (12%). On the contrary, more men reported no changes in the use of the social fund (11%) relative to women in Nigeria (5%) 23 months after the pandemic broke out.

Figure 20. VSLA social fund, by country and months since the start of the pandemic



While the challenges may have created a reduction in the effectiveness of VSLAs, qualitative data suggest that most respondents continue to believe that VSLAs deliver economic benefits. Many VSLA members reported economic benefits of the groups. Most respondents reported that VSLA benefits reduced during the pandemic, but they continued to report access to loans and some food supplies. In Nigeria, many respondents highlighted several improvements VSLAs had caused in their lives during the first round of data collection (Panyal et al., 2022).

“Few of us, about five of us dropped out as a result of how things were difficult but that did not stop us from continuing with the meeting. One of the factors that pushed us not to stop but to continue with the meeting is ... that there is one of us during the rainy season he collected a loan and used it on his farm at the end of the day he harvested bountifully.” - Male, Yobe, Nigeria, Dec. 2021-Feb. 2022.

The second round of qualitative data further suggested that adapted group saving, and loan repayment processes alleviated stress among VSLA members. Over half of the interview respondents in Uganda indicated that they were stressed about group savings penalties when they were unable to save and were

afraid of interest rates for loans as well as penalties for not repaying their loans as scheduled. This is consistent with an evaluation of the UWEP program, demonstrating that the COVID-19 pandemic created challenges for loan recovery (PADRI, 2020). By contrast, most interview respondents in Nigeria indicated that their VSLAs did not impose savings penalties and, thus, did not feel stressed about group sanctions. Greater flexibility in VSLA rules seemingly alleviated stress levels among its members.

What potential role did VSLAs play in mitigating the effects of shocks on the perceived individual resilience of VSLA members?

In Nigeria, VSLA members whose groups continued functioning were more likely to demonstrate psychosocial resilience and—to a lesser extent—economic resilience.

In Nigeria, VSLA members whose groups continued meeting (with or without altered meeting procedures) were statistically significantly less likely to report mental health as the area most affected in their personal life. This association implies that group-based support may have fostered individuals' psychosocial resilience. Or alternatively, VSLAs were more likely to continue meeting in areas where respondents faced fewer challenges related to mental health.

Group continuity in Nigeria seemingly abated personal life changes related to certain basic needs, namely food and nutrition and WASH. VSLA members whose groups continued meeting and disbursing loans were statistically significantly less likely to report food and nutrition challenges as the area most affected in their personal life (Figure 21). In addition, continued group meetings earlier in the pandemic were associated with statistically significantly fewer changes in individuals' lives related to WASH and health or healthcare. Continued loan disbursements were positively and statistically significantly associated with healthcare and health being the most affected aspect of individuals' lives, suggesting that VSLA members who experienced substantive health changes may have accessed loans for healthcare costs through their VSLA.

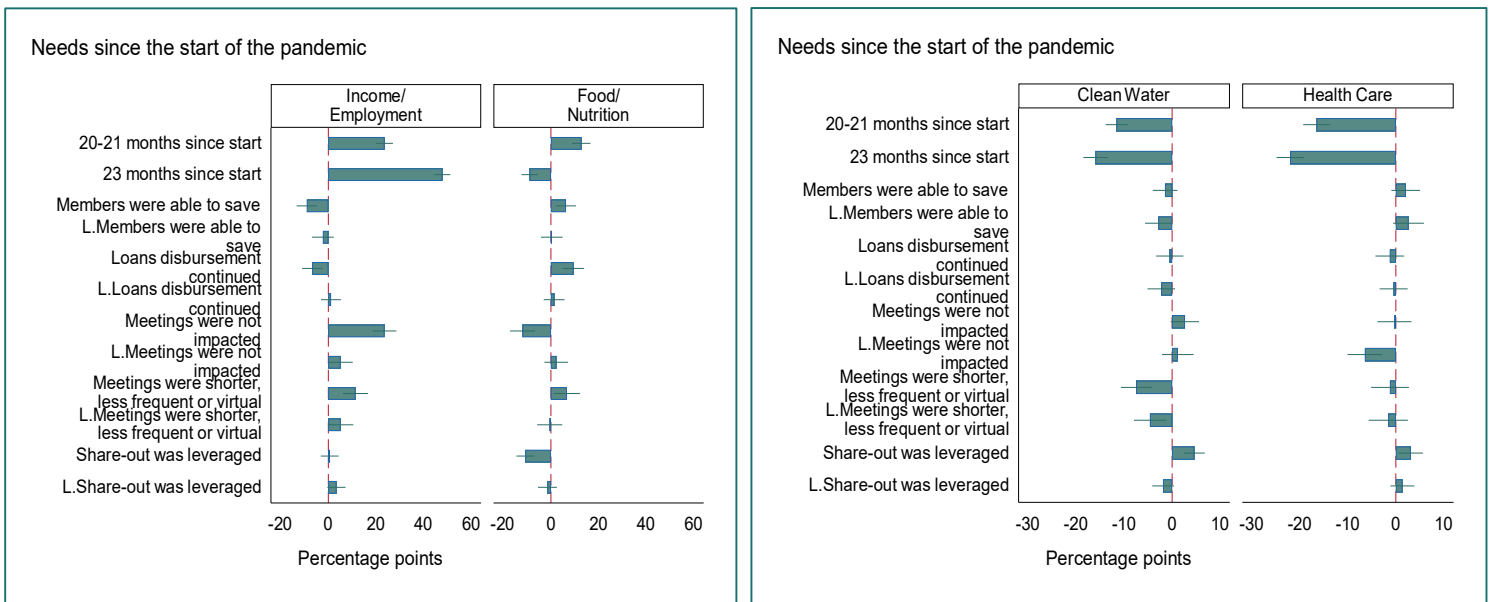
While findings on changes in basic needs suggest group support generally augmented VSLA members' economic resilience, Nigerian VSLA members with unaltered group meeting procedures were more likely to report livelihoods or income as the area most affected in their personal life. These contrasting findings perhaps underscore the role groups played in providing safety nets for their members, suggesting groups were able to mitigate the effect of shocks on its members' personal lives but were unable to mitigate larger macroeconomic effects on their lives. Alternatively, this negative association may indicate that group members had a greater ability to meet due to constrained employment prospects.

Mirroring findings on individuals' most changed area of their personal lives, continued VSLA functioning in Nigeria was associated with lower needs for food and nutrition, clean water, sanitation and hygiene, and health care (see Figure 22 – and Annex A4 for more outcomes). More specifically, VSLA members whose group meetings were not impacted were statistically significantly less likely to report food and nutrition needs. In addition, members whose groups meetings continued were statistically significantly less likely to report sanitation and hygiene needs. Relative to the earlier findings on changes in personal lives, the pattern of these associations was less pronounced, suggesting VSLA characteristics had less influence on individuals' most pressing needs.

Figure 21. Nigeria: Changes since the start of the pandemic – Income, Food, Health care, WASH



Figure 22. Nigeria: Most pressing needs – Income, Food, Clean Water, Health care

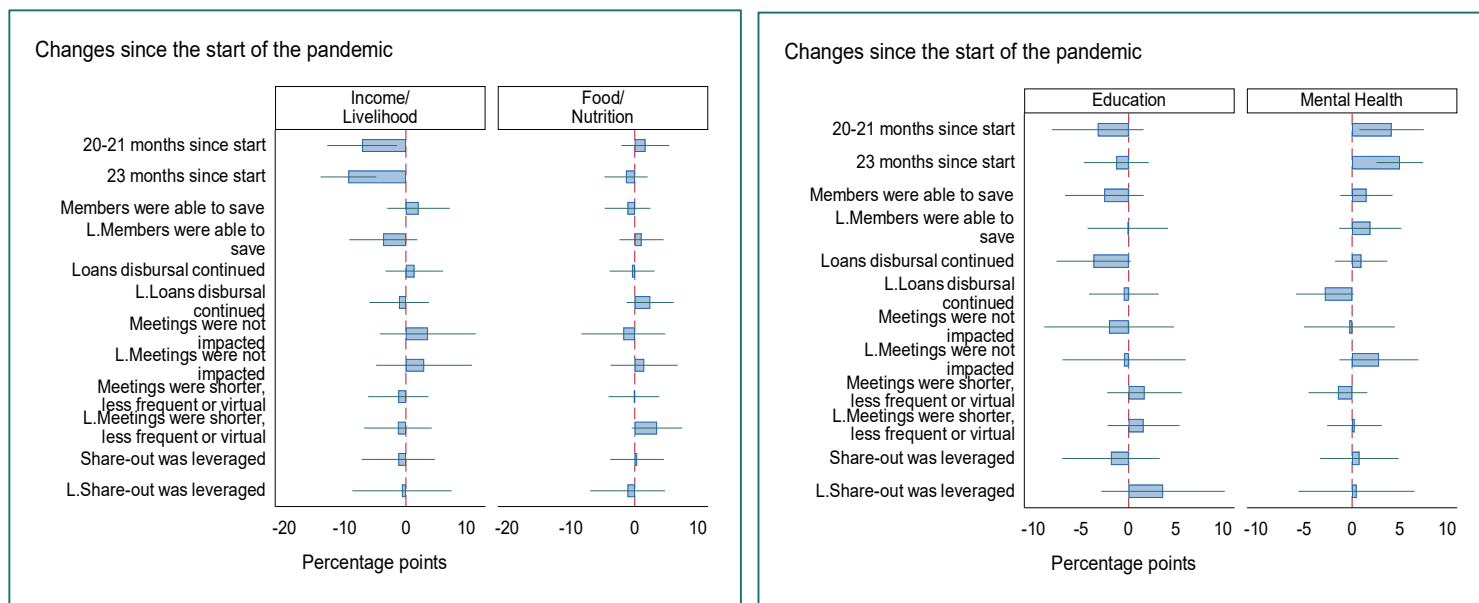


In Uganda, VSLA characteristics were less strongly associated with their members’ economic and psychosocial resilience.

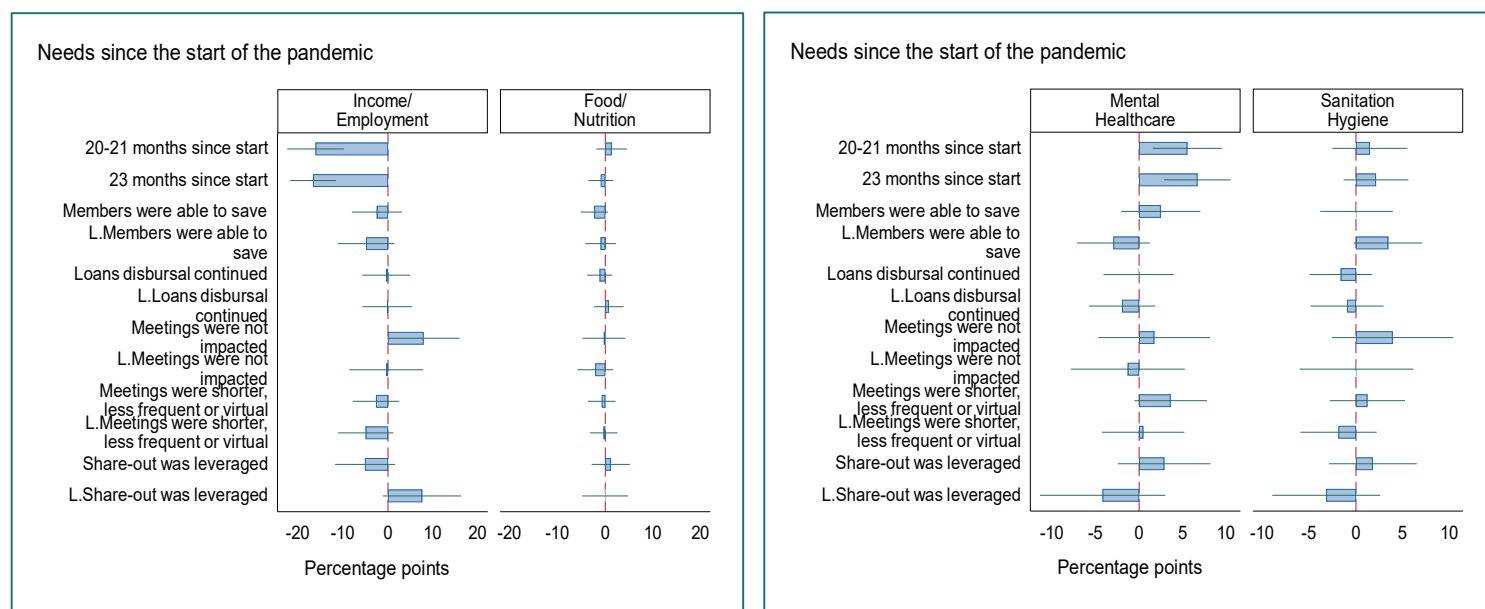
Unlike in Nigeria, VSLA characteristics in Uganda were not statistically significantly associated with substantial changes in economic or basic needs in its members’ lives (Figure 23 and Annex Figure A3). Meeting procedures, group saving processes, loan disbursements, and share out disbursements were not statistically significantly associated with most of the most affected areas of their members’ personal lives, with a few exceptions. VSLA members whose groups continued loan disbursements were marginally statistically

significantly less likely to report that education was the most changed area of their personal life. In addition, continued loan disbursement early in the pandemic was negatively but only marginally statistically significantly associated with mental health as the most changed area of individuals' personal lives 23 months after the start of the pandemic. Altered meeting procedures early in the pandemic were also marginally statistically significantly and positively associated with food and nutrition as the most changed area of individuals' lives. However, given the lack of strong associations between VSLA characteristics and members' economic and psychosocial resilience in Uganda, findings suggest VSLAs may have played a less central role in mitigating the influence of shocks on its members personal lives in Uganda relative to Nigeria, possibly because of the longer COVID-19 induced lockdown.

Figure 23. Uganda: Changes since the start of the pandemic – Income, Food, Education, Mental health



Consistent with the findings on VSLA member's most changed area of their personal lives, most VSLA characteristics were also not statistically significantly associated with its members most pressing needs in Uganda (Figure 24 and Annex Figure A4). Altered meeting procedures were marginally statistically significantly associated with a higher likelihood of reporting mental health needs, and unaltered meeting procedures were statistically significantly associated with a lower likelihood of reporting clean water needs. Likewise, unaltered meeting procedures early in the pandemic were associated with a lower likelihood of healthcare needs during the fourth round of data collection. However, given the lack of strong associations between VSLA characteristics and members' economic and psychosocial resilience in Uganda, findings suggest VSLAs may have played smaller roles in mitigating the influence of shocks on its members personal lives in Uganda than in Nigeria, possibly because of the longer COVID-19 induced lockdown.

Figure 24. Uganda: Most pressing needs - Income, Food, Mental health, Sanitation and hygiene

Conclusions

This report takes stock of VSLA members' resilience in Nigeria and Uganda approximately two years after the start of the COVID-19 pandemic. We present findings from four rounds of quantitative panel data with 1,471 respondents in Nigeria and 634 respondents in Uganda. We triangulate these findings with analyses of two rounds of qualitative data on the influence of the COVID-19 pandemic on VSLAs and their members. We present descriptive and regression analyses to examine changes in VSLA functioning and VSLA members' lives over the course of the pandemic from February 2021 to February 2022. In these analyses we include assessments of the influence of COVID-19, while examining how various other compounding crises (e.g., climate shocks, economic recessions, etc.) interact with each other.

The results show that male and female VSLA members continue to face challenges and that their income, livelihoods, and savings have not yet fully recovered two years after the start of the pandemic. Nearly half of the respondents in Nigeria and three out of five individuals in Uganda report that their individual savings were lower than before the start of the pandemic. A triangulation of quantitative and qualitative data suggests that the long COVID-19 induced restrictions in Uganda may still have negative consequences for the livelihoods and income of male and female VSLA members in Uganda. This is consistent with findings from Mahmud & Riley (2021) who show that better-off households in Western Uganda with a business before the COVID-19 pandemic still had one-third lower income and 30% lower wealth 1 year into the pandemic. In Nigeria, male and female VSLA members also seem to experience considerable livelihoods and income challenges two years after the start of the pandemic. Nutrition and food needs in Nigeria also increased considerably after the economic recession. Triangulating the panel data with knowledge about compounding crises suggests that the economic recession and increases in food prices in Nigeria may have had considerable negative economic effects for the VSLA members in our sample. Increases in food prices significantly affected the purchasing

power of households in Nigeria, which likely resulted in reduced food expenditures, especially for the poorest households (Amankawah & Gourlay, 2021).

While VSLA members in Nigeria and Uganda gained increased access to credit over the course of the pandemic, a triangulation of quantitative and qualitative data suggests that the increased access to credit was likely insufficient to address all VSLA members' economic challenges. In fact, an evaluation of the UWEP program in Uganda suggests that the pandemic created challenges for loan recovery (PADRI, 2020). This indicates that while access to credit can help in the recovery of VSLAs and their members after the pandemic, VSLA members may need access to additional social protection programs to increase their resilience. We found large differences between Nigeria and Uganda in the importance respondents allocated to non-economic individual needs versus economic individual needs. In February 2022, less than a quarter of respondents in Nigeria reported any non-economic needs as their most pressing. In Uganda, by contrast, nearly three-quarters of respondents indicated non-economic needs were among their top needs, with most respondents expressing needs for 'physical reproductive or maternal healthcare' (22%). In addition, 16 percent of the respondents in Uganda and 6 percent of the respondents in Nigeria reported mental healthcare as their top need in February 2022. Qualitative findings indicate that the financial strain from debt and reduced livelihood opportunities combined with physical distancing may have contributed to mental health challenges in Uganda, especially for women.

While COVID-19 resulted in negative gendered impacts with larger negative social and economic consequences for women than for men in both Nigeria and Uganda (e.g., Mueller et al., 2022; Atamanov et al., 2022; CARE, 2022; Sanyal et al., 2022), male and female VSLA members mostly report similar challenges. We find only few statistically significant differences between men and women in their responses to questions about the areas of their life that were most affected by COVID-19 and their priority needs. For example, a larger share of Nigerian men reported trying to earn income in different ways after the pandemic, but in Uganda men and women were similarly likely to do so. We also found no statistically significant differences by gender for mental health or nutrition and food as respondent's most pressing need in either Nigeria or Uganda.

VSLA meeting procedures largely returned to pre-pandemic norms in Nigeria, but the same did not happen in Uganda. In February 2022, 64 percent of the respondents in Nigeria indicated that their meetings were occurring as before COVID-19, while VSLA meetings in Uganda predominantly occurred digitally (22%) or exclusively among group leaders (e.g., secretary, treasurer, chairperson) (20%). A significant portion of the respondents in Uganda were also unaware of their current meeting procedures (25%) or reported their groups were no longer meeting (17%), which may indicate that VSLAs collapsed because of the pandemic. Qualitative data reveal that group dynamics in VSLAs remained different after the pandemic in both countries. Nearly two-thirds of interview respondents in Nigeria and nearly all interview respondents in Uganda reported that their VSLA meetings were often inconsistently organized.

Most VSLA members in Nigeria and Uganda reported that their VSLAs' savings, social fund, and share-out processes were different from before the pandemic, but the mechanisms of change were different in Nigeria and Uganda. In Uganda, group savings processes never went back to normal for most of the VSLA members, indicating that the COVID-19 induced restrictions likely had longer-lasting effects on the functioning of VSLAs. By contrast, most Nigerian VSLAs adapted their savings processes after the economic recession, indicating that economic shocks may have contributed to the limited ability of VSLAs to function as before the pandemic.

We find mixed evidence that VSLAs contributed to individual resilience of their members in Nigeria and Uganda. In Nigeria, VSLA members whose groups continued meeting were less likely to report mental health as the area most affected in their lives and VSLA members whose groups continued meeting and disbursing loans were statistically significantly less likely to report food and nutrition challenges as the area most affected in their personal lives. Unlike in Nigeria, however, VSLA characteristics in Uganda were not statistically significantly associated with substantial changes in economic or basic needs in their members' lives. It is possible that Nigerian VSLAs had better opportunities to contribute to resilience because of the shorter COVID-19 induced lockdown in Nigeria.

While we only found small differences between men and women, youth in Nigeria and Uganda seemed to experience more VSLA restrictions, especially in their ability to obtain credit. Youth in Nigeria were statistically significantly less likely to report loan disbursement as usual relative to older adults (62%) 23 months after the start of the pandemic. We found similar differences between these age groups in Uganda, where youth were less likely to report unchanged loan disbursements (25%) than older adults (37%).

Recommendations

We present six recommendations for policy and practice based on the findings.

1. **Invest in the shock responsiveness of VSLAs, for example by introducing insurance mechanisms or cash transfers for members.** VSLAs likely contributed to the resilience of their members in Nigeria, and while we find only limited evidence for the same mechanism in Uganda it is possible that Ugandan VSLAs will contribute to the resilience of their members if they become less vulnerable to shocks. The COVID-19 crisis showed that women and men savings group members are vulnerable to large economic shocks, such as COVID-19-induced lockdowns and restrictions and economic recessions. VSLA members will continue to face large shocks, including supply chain disruptions and increases in food prices, demonstrating a need to increase resilience. Increasing such resilience will require investments in the shock responsiveness of VSLAs (e.g., through the introduction of insurance mechanisms). Alternatively, VSLA members may require cash transfers or different social protection programs when they face large economic shocks.
2. **Support VSLAs in response to COVID-19 and other large shocks, such as food price increases and supply chain shortages.** Due to the disruptions caused by the COVID-19 pandemic, a significant percentage of existing groups stopped meeting regularly or revised their meeting process. The irregularity in meetings, combined with the economic shock of the pandemic, likely led to a decline in members' savings. Given their network and adaptability to changing protocols, the Ugandan and Nigerian governments could leverage VSLA leaders to assist in a streamlined recovery effort in the aftermath of COVID-19 and similar shocks such as those associated with recent increases in food prices. At the same time, the economic shocks associated with the pandemic also impacted VSLAs. Engaging with VSLAs will enable the government to listen to women's voices regarding community needs, which can in turn inform COVID-19 recovery responses.
3. **Support VSLA members through recovery grants or cash transfers.** Collective efforts are required to build long-term economic resilience of households and businesses and ensure they can bounce back faster in the face of future shocks. Although increasing access to credit during the later phases of the pandemic may have mitigated some of the longer-term negative economic consequences of the COVID-19 pandemic and compounding crises for VSLA members, various VSLA members will require

some type of recovery grant or cash transfer to restart their business or repay their outstanding loans. Without this support, individual financial challenges could lead to increased poverty among VSLA members. This is especially important considering the likely effects of additional nationwide shocks in Nigeria and Uganda related to supply chain disruptions and food price increases. Multiple overlapping, and compounding crises will likely make it more challenging for VSLA members to recover.

4. **Convene a working group of different social protection programs in Nigeria and Uganda to improve coherence and cost-effectiveness by the integration of different social protection mechanisms.** de Hoop et al. (2022) show the importance of stimulating synergies among different government-supported social protection programs. The Governments of Uganda and Nigeria currently run several social protection programs, that can each benefit from a concerted approach towards improving economic outcomes, resilience, and women's economic empowerment. This would require a system-level approach by allocating resources to social protection policy and strategy development to limit gaps and overlaps in program coverage and to improve coherence and cost-effectiveness.
5. **Examine opportunities to integrate life skills training or other mental health programming as part of VSLAs.** The fourth round of data collection shows how the COVID-19 induced restrictions and the financial strain caused by the pandemic and compounding crises will likely increase the need of VSLA members to receive mental health support. Evidence from Niger also shows that integrating life skills training programs can increase the impact of graduation programs on economic outcomes, women's decision-making power, and mental health, as well as their cost-effectiveness in improving these outcomes (Bossuroy et al., 2022). Considering the potential longer-term negative effects of the pandemic, CARE and the government of Uganda should consider investing in programs to improve mental health outcomes, especially for women. As shown in the study in Niger (Bossuroy et al., 2022), such programs may also generate additional economic benefits for VSLA members.
6. **Invest in regular data collection to listen to VSLA members, especially women.** Currently, only limited data are available about the gendered impacts of the pandemic. Gendered data can, however, support policymakers and practitioners in their response to crises, including but not limited to COVID-19. Ongoing data collection to learn about the experiences of VSLA members can help in coming up with evidence-based solutions to effectively respond to future crises and potentially serve as an early warning system to provide social protection to VSLA members.

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Annex

Table A1. Sample attrition

	Nigeria			Uganda		
	All	Men	Women	All	Men	Women
Round 1	1,607	334	1,273	971	400	571
Round 2	1,498	255	1,243	828	347	481
Round 3	1,562	319	1,243	725	294	431
Round 4	1,601	332	1,269	744	309	435
Balanced panel sample across 4 rounds	1,471	263	1,208	634	262	372
Attrition (%)	8.5%	2.1%	5.1%	34.7%	22.8%	23.8%

Table A2. Descriptive statistics by data collection round

Variable	(1)	(2)	(3)	(4)
	Round 1	Round 2	Round 3	Round 4
Nigeria				
Total	1,607	1,498	1,562	1,601
Female	1,273	1,243	1,243	1,269
Less than 25 years old	157	138	149	157
25–34 years old	487	448	465	484
35–49 years old	751	709	739	748
50 years and older	212	203	209	212
Uganda				
Total	971	828	725	744
Female	571	481	431	435
Less than 25 years old	133	105	89	92
25–34 years old	344	290	272	273
35–49 years old	367	331	284	292
50 years and older	127	102	80	87

Figure A1. Nigeria: Changes since the start of the pandemic: Financial services, Safety, Education and Mental Health

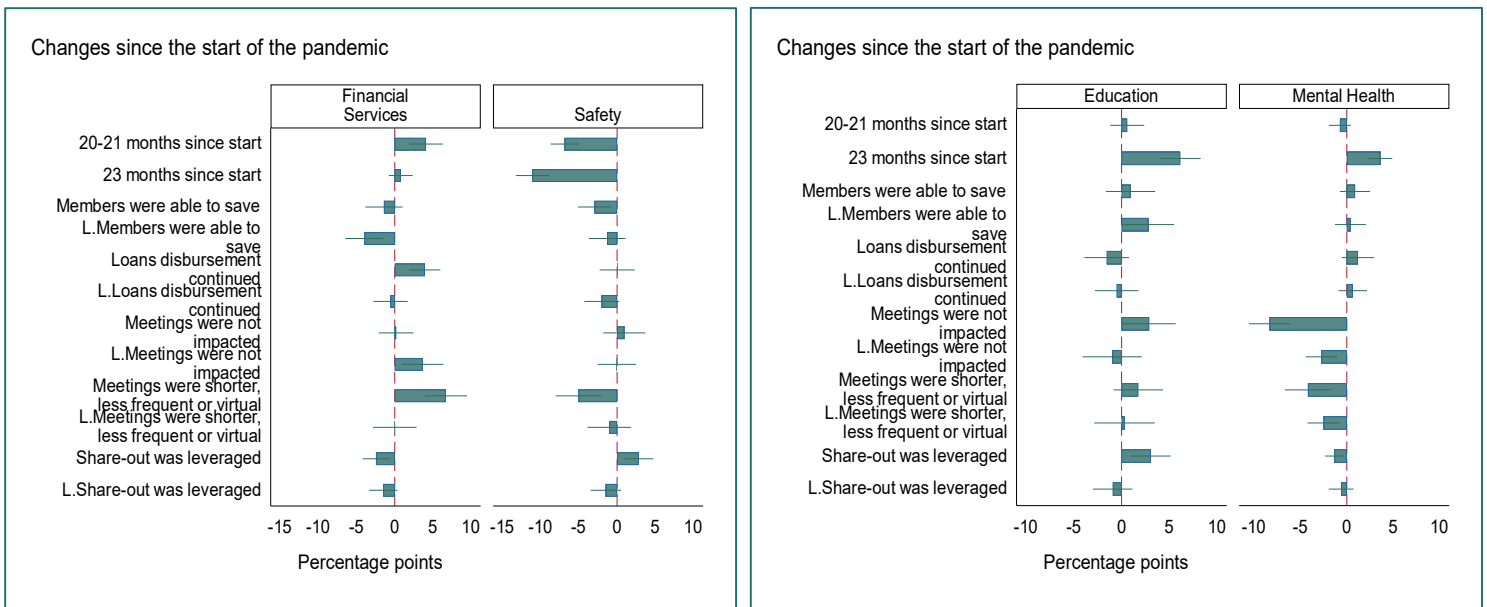


Figure A2. Nigeria: Most pressing needs – Mental health, Sanitation and hygiene

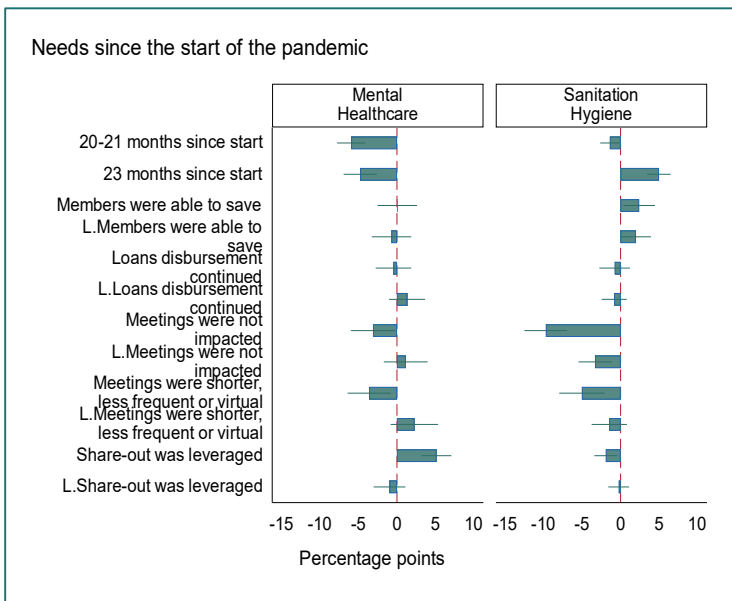


Figure A3. Nigeria: Changes since the start of the pandemic: Financial services, Safety, Health care, WASH

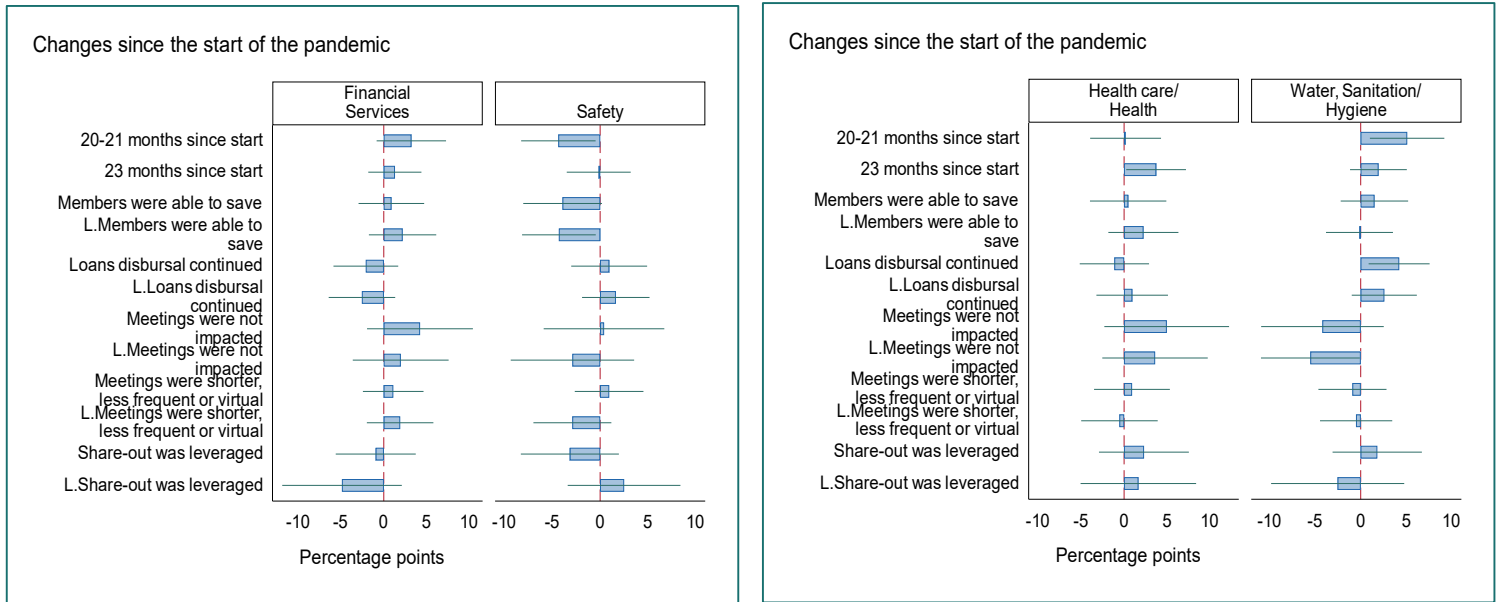
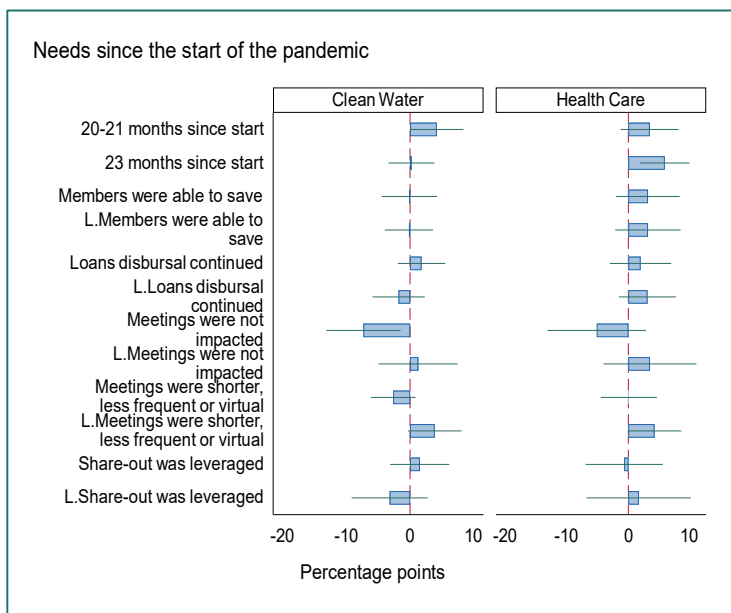


Figure A4. Nigeria: Most pressing needs – Clean water, Health care



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