AFYA LOCAL IMPACT ASSESSMENT AND BASELINE STUDY REPORT SUMMARY

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This report is a summary of the Local Impact Assessment and baseline study report for the AFYA project, which was published in March 2026, by the AFYA team at Ndugu Farmers Ltd, supported by the consortium members of Elucid, ETG, Pure Africa, plus overall support from RVO.

1. INTRODUCTION

The Advancing Farmer & Youth Access to Healthcare (AFYA) project aims to improve healthcare access and economic resilience among coffee-farming households in Greater Masaka, Uganda. The AFYA project area covers 5 super cooperatives within the Ndugu Farmers Ltd network:

- Bukakata
- Kyanamukaka
- Kalisizo
- Bukomansimbi
- Kyotera

The project targets 2,500 households, housing over 12,500 direct project beneficiaries of the AFYA Health Card program.

Study Methodology
A local impact assessment study and baseline study was conducted with:

- 367 farming households for the household survey
- Over 70 farmers in 7 focus group discussions (FGDs)
- 10 other stakeholders participating in 10 key informant interviews

The sample consisted of 55% male respondents and 45% female respondents, with 10% of respondents classified as youth (18–35 years).

Purpose of the Study
The purpose of the Study was to majorly understand:

- How health shocks affect farmer livelihoods
- How farmers currently pay for healthcare i.e. their coping mechanisms
- Whether existing systems (VSLAs, cooperatives, SACCOs, fintech's etc.) can support health financing

2. THE FARMERS' REALITY – CONTEXT

Livelihood Context

- Coffee is the main income source, but income is seasonal and unstable
- Households are large (avg. 7 members)
- High levels of multidimensional poverty (~79%)

Financial Access

For financial access, most farmers rely on:

- VSLAs (informal groups)
- Cooperatives

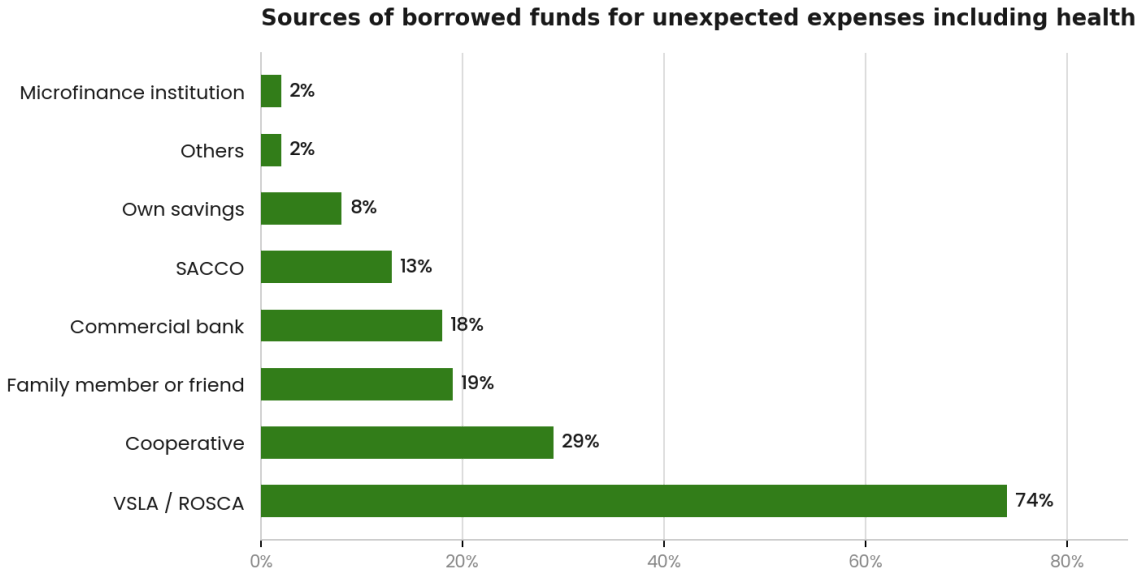


Figure 1: Sources of borrowed funds for unexpected health expenses

There is limited use of banks/insurance companies among farmers for financial access largely due to:

- High costs associated with loan access
- Complexity of systems and procedures for accessing financing
- Physical access barriers e.g. long distance to facilities

3. MAIN BASELINE FINDINGS

3.1. HEALTH & ECONOMIC IMPACT

a) Health Shocks are Common and Severe

- 66% of households experienced illness in 3 months
- Mostly malaria, flu, ulcers, chronic conditions

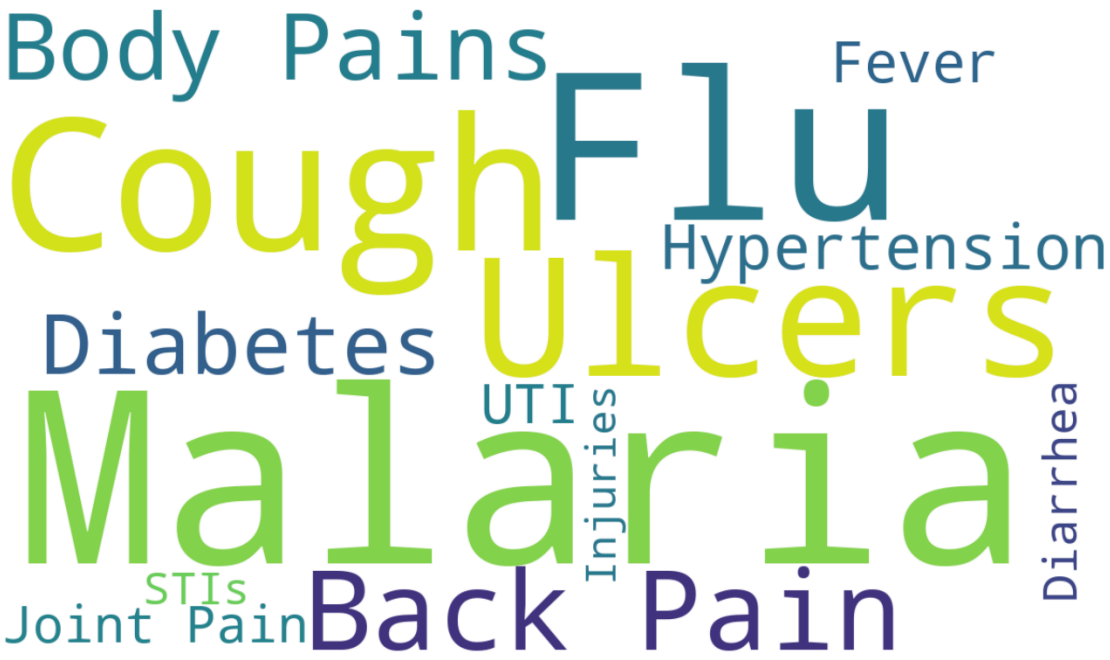


Figure 2: Distribution of health conditions reported by farming households

b) Delayed Healthcare

- 47% of households delayed seeking care
- 91% delayed due to lack of money

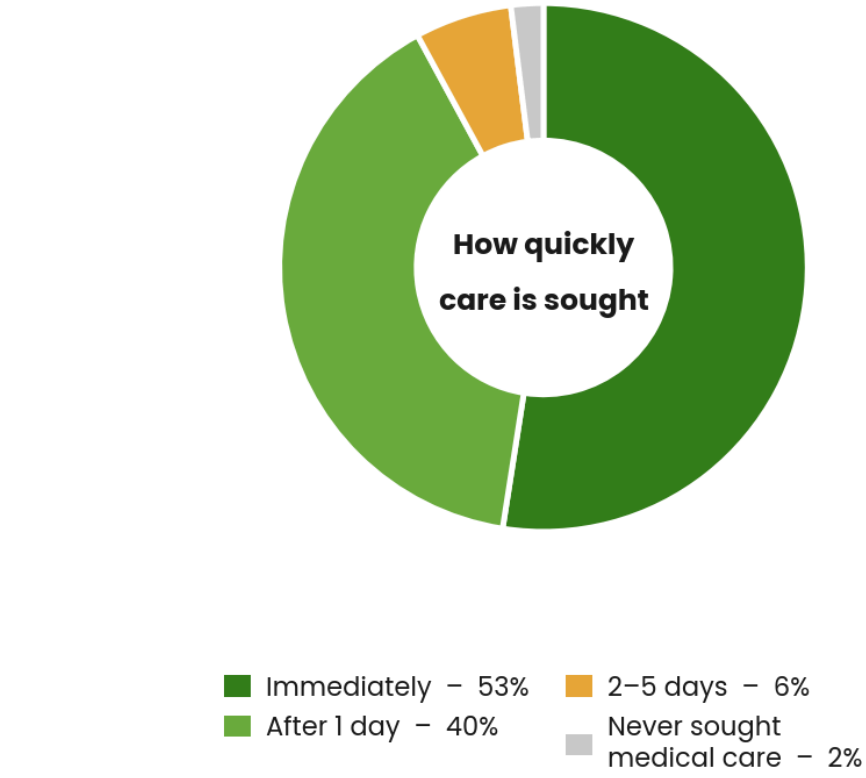


Figure 3: How quickly farmer households seek medical care

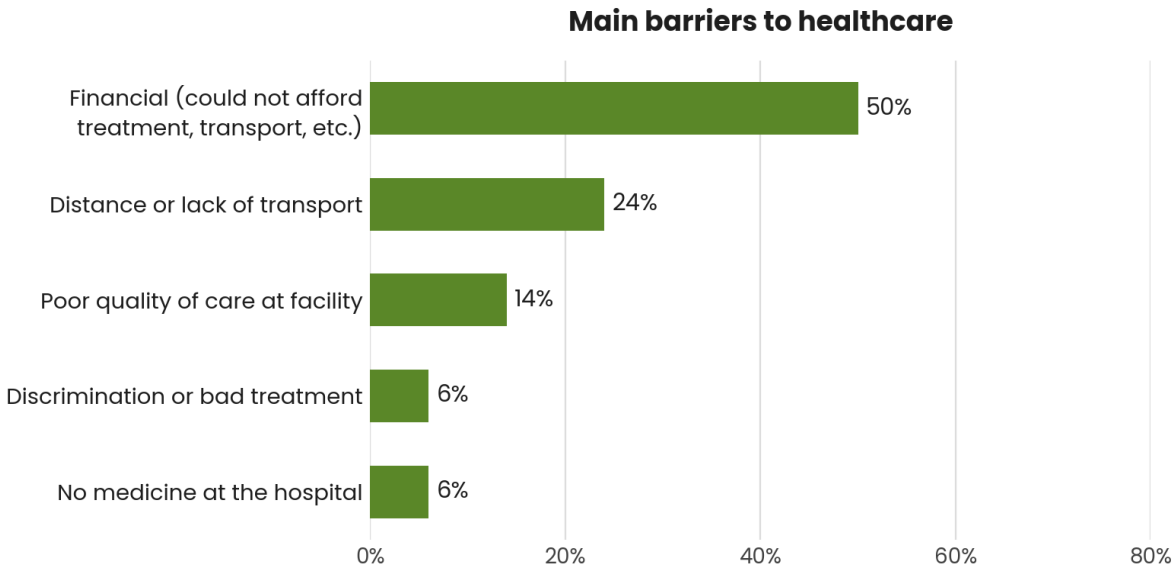


Figure 4: Main barriers to health care

c) Major Economic Impact

- 11 workdays lost per household in a 3–month period
- 5 school days lost per child in a 3–month period

> **Note:** *Illness is not just a health issue - it is a livelihood shock.*

3.2. FINANCIAL BEHAVIOR

a) How Farmers Pay for Healthcare

- 66% use savings
- 34% borrow
- 24% presell coffee at low prices to traders

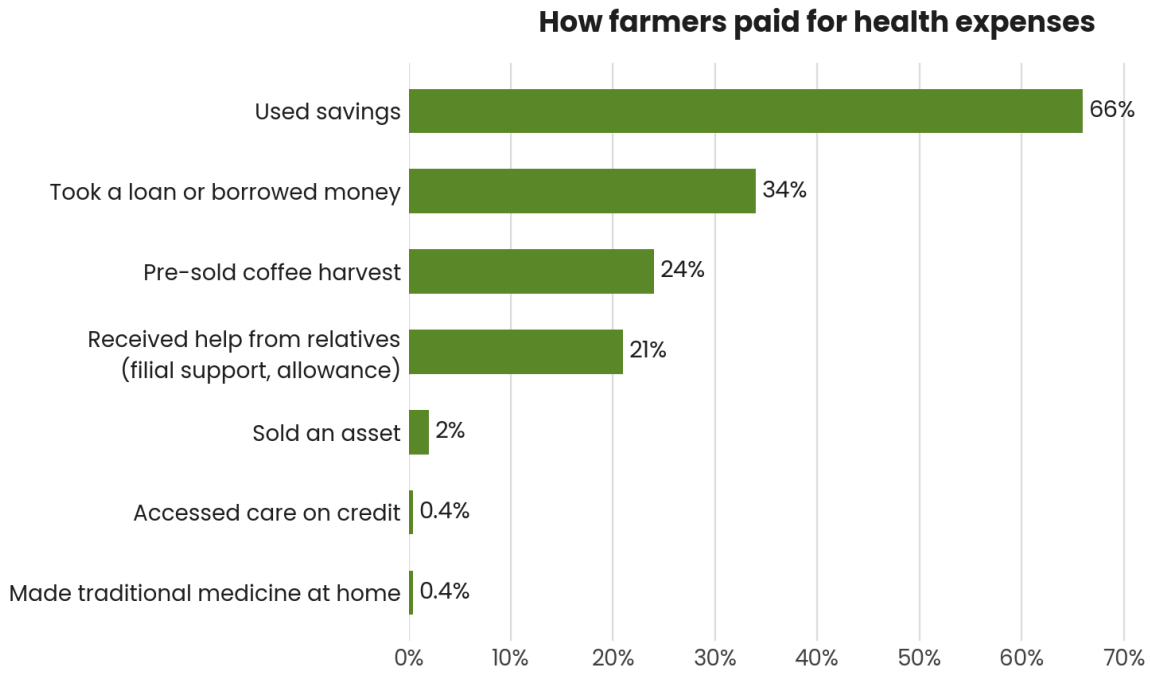


Figure 5: How farmers paid for health expenses

b) Role of VSLAs

- 74% of borrowers use VSLAs, but VSLAs can't serve the farmers financial needs because they face high liquidity challenges.

- However, farmers highly trust the VSLAs, which also happen to be accessible.

Key Insight: *Farmers do not plan for health costs, but react using costly coping strategies. This creates cycles of debt, income loss and perpetual vulnerability.*

4. IMPLICATIONS FOR PHASE B

4.1. HEALTH = FINANCIAL PROBLEM

Healthcare access is mainly limited by cash availability, not awareness. Phase B could focus on financing solutions for health services.

4.2. BUILD ON WHAT FARMERS ALREADY USE

The core strategy needs to embed health financing into existing, trusted structures:

- VSLAs → trust & access
- Cooperatives → structure, aggregation and governance
- Fintech → liquidity and payments

Note: *No single system is enough, a hybrid model is required*

4.3. INSTITUTIONAL READINESS FOR PHASE B

- VSLAs → strong trust but low liquidity
- Cooperatives → ready but need simple systems
- Fintech → strong systems but have lower trust among farmers

Note: *Confirms need for hybrid delivery model*

4.4. DESIGN PRINCIPLES FOR PHASE B

- Simple and transparent
- Flexible (aligned to coffee seasons)

- Group-based approach other than primarily individual
- Inclusive (women, youth, low-income farmers)

5. VALIDATION INSIGHTS ON THE DESIGN FOR PHASE B

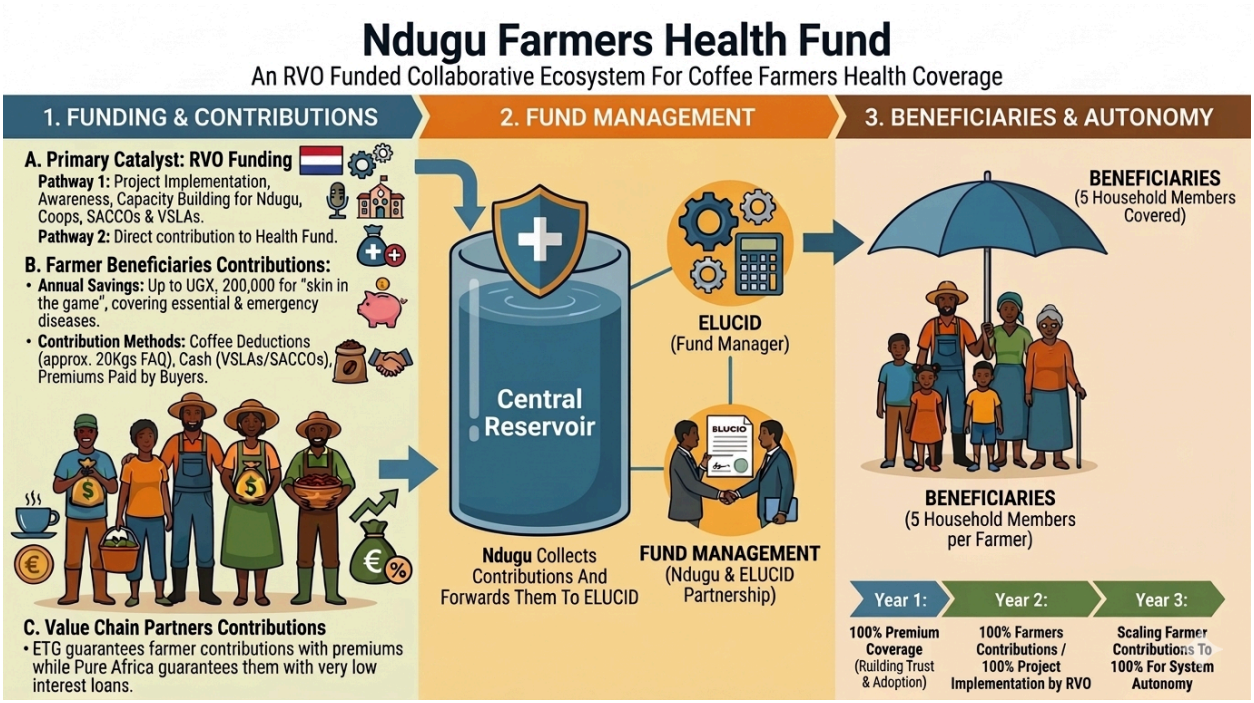
5.1. WHAT STAKEHOLDERS CONFIRMED

- Health shocks may be even higher (~75%)
- Workdays lost likely underestimated, should be about 15
- Only ~30% of coffee use savings to cope with health shocks
- ~70% rely on borrowing to cope with health shocks

> **Note:** *Financial vulnerability is worse than the baseline suggests*

5.2. WHAT FARMERS PREFER FOR THE AFYA HEALTH CARD SYSTEM TO WORK

- Contributions deducted from coffee sales
- System managed by trusted cooperatives, under the umbrella and oversight of Ndugu Farmers Ltd
- Clear rules and transparency
- VSLAs play a critical role in farmer sensitization about the benefits of the AFYA health card.



6. CONCLUSION

In summary, the baseline study provides strong justification for a Phase B design that centers on community-led, flexible, and inclusive health financing mechanisms embedded within existing farmer institutions. By addressing health shocks as a root driver of economic and social vulnerability, Phase B has the potential to improve healthcare access, stabilize livelihoods, protect children's education, and strengthen the overall resilience of coffee-farming households in Greater Masaka. The success of Phase B will depend on simplicity, trust, transparency, and a deliberate focus on inclusion as the project transitions from assessment to implementation.