Village Savings and Loans Associations in Relation Food and Nutrition Security and Climate Change Resilience in Southern Africa

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BACKGROUND
According to the UN, rising food and nutrition insecurity in the face of climate change will be a defining challenge of the 21st century. Food and nutrition security encompasses the availability of food, access to nutritious food, stability of food supplies, and good care, feeding, health and sanitation practices. Food and Nutrition Security and Climate Change Resilience (hereafter FNS/CCR) was the theme chose as a result of CARE’s Sub-Regional Review that was carried out in 2015. Under the review, CARE will work with partners to... enable 10m poor and vulnerable people in Southern Africa to increase their food & nutrition security and their resilience to climate change, with a particular focus on women in their different roles as smallholder farmers, entrepreneurs, workers and consumers.

The focus on women responds to the fact that women tend to be more vulnerable to chronic food and nutrition insecurity especially in situations of crisis. Women, particularly in Southern Africa, have less control over productive assets, have limited mobility and less opportunities to earn an income to provide sufficient, safe and nutritious food to meet the dietary needs for themselves and their families. More specifically, women farmers receive less extension services which means that they are less likely to know about improved, drought resistant seeds or climate resilient agriculture practices. It was further agreed that CARE’s strategy should contribute to three globally and regionally recognized indicators, which also form part of CARE International’s measurement framework:

- Reduced % of stunting in children under 5;
- Reduced moderate or severe food insecurity;
- Increased implementation of risk reducing practices/actions to improve resilience to climate change.

All of this to be implemented under CARE’s SuPER principles, that is the promotion of sustainable, productive/profitable, equitable and resilient agricultural systems. This is also an opportunity to strengthen the partnership between CARE’s Women Economic Empowerment (WEE) and Food and Nutrition Security (FNS) teams.

CARE’s Southern Africa Learning Hubs:
Under the Food and Nutrition Security and Climate Change Resilience, four priority learning themes were identified:
1) integrating nutrition – sensitive and nutrition – specific work;
2) climate resilient agriculture approaches and practices;
3) gender transformation in agriculture;
4) savings-led financial inclusion;

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2 United Nations Systems, Standing Committee on Nutrition
4 The Sustainable, Productive, Equitable, and Resilient Approach (SuPER), CARE International, April 2015.
For over 25 years, CARE has been using village savings and loans Associations (VSLAs) to enable women living in poverty to increase their financial skills and assets. This has proven to be an effective way to increase women’s control over assets and bring women into the realm of financial inclusion, given that savings is one of only three interventions proven to accelerate the economic empowerment of women regardless of their context.5

One of the four specific outcomes that CARE committed to in the CARE 2020 Program Strategy relates to women’s economic empowerment, i.e. that “30 million women have greater access to and control over economic resources.”6 This is relevant to agriculture in two broad ways: 1) building women’s economic resources may enable them to invest in sustainable agriculture systems in ways that improve their food and nutrition security and resilience to climate change; and 2) agriculture can be a key source of income and savings for women.

There is a large contribution that can be made by VSLAs on food security, nutrition security and climate change resilience impact goals. For a majority of the population that CARE works with in Southern Africa, VSLAs are used to fill the gap between registered, semi-formal institutions and informal money lending options including friends and family, offering financial assistance and services. The groups provide members with savings, credit and in some cases, insurance. Additionally, they offer proximity, flexibility and reliability making them more available compared to the formal and semi-formal options.

In agriculture there is potential for agricultural finance activities from SG members being able to tap into their own financial resources; members can apply their group management skills to farmers’ groups; if a group wants to join an external agriculture-related production or marketing entity, it is in a position to do so; and, of course, because of better cash flows, group members have the potential opportunity to maximize profit from their agricultural products by selling at an opportune time in the market.

5 United Nations Foundation: A Roadmap for Promoting Women’s Economic Empowerment; also See: Working for Poverty Reduction and Social Justice: The CARE 2020 Program Strategy, which sets a goal of helping “50 million poor and vulnerable people increase their food and nutrition security and resilience to climate change.”
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As for food security with the income smoothing (to say nothing of increased income) that group members commonly achieve, it is possible for members to save when they have any extra resources and then use those resources when they are needed, particularly in preparation to, during and to recover from weather-related and non-weather crises.

At drafting the learning for influencing proposal, the proposed learning questions were

- Can VSLAs combined with nutrition-specific interventions lead to improved nutrition outcomes?
- To what extent does VSLA membership contribute to measurable improvements in women’s economic empowerment and household food and nutrition security outcomes?
- Can VSLAs be linked to formal financial institutions in ways that support agriculture-based livelihoods, with demonstrable impacts on agricultural productivity and incomes in a SuPER way?
- How can VSLAs best be used as platforms for promoting nutrition-sensitive, gender-transformative, climate-resilient agriculture at scale?

Consultation with country office representatives at the Technical Working Group Meeting in March 2017 reworked the key questions into the following

<table>
<thead>
<tr>
<th>Country-Office Identified Priority Areas</th>
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</thead>
<tbody>
<tr>
<td><strong>Tier One Questions:</strong></td>
</tr>
<tr>
<td>o  Is there an optimal savings group model that works best for food and nutrition security and climate change resilience?</td>
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<tr>
<td>•  How do CARE CO currently implement FNS and CC programs using VSLAs?</td>
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<tr>
<td>•  What are the best practices that have proven to work around VSLAs and FNS&amp;CC?</td>
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<tr>
<td>•  How are external partners and governments working around VSLAs in relation to FNS&amp;CCR?</td>
</tr>
<tr>
<td><strong>Tier Two Questions:</strong></td>
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<tr>
<td>o  Are VSLAs a permanent structure or simply a bridge to facilitate change and allow people to meet their needs?</td>
</tr>
<tr>
<td>•  What is the link between VSLA and Producer Groups; are they a path towards Producer Associations/FFBS? FFS?</td>
</tr>
<tr>
<td>o  How do Fee-for-Service/ PSP models work? What is the role of incentives for CBTs where no remuneration is provided?</td>
</tr>
<tr>
<td>o  How can VSLAs work for agriculture financing?</td>
</tr>
<tr>
<td>o  How have VSLAs played a role in Social Movement in the region?</td>
</tr>
<tr>
<td>o  What is the work done around VSLA digitization in the region and how have/can they improve FNS&amp;CC?</td>
</tr>
<tr>
<td>o  What is the link between VSLA and Income Generating Activities/Income diversification?</td>
</tr>
<tr>
<td>o  Are women in VSLAs homogenous? If not, how diverse are they and how do we approach them for different intervention?</td>
</tr>
<tr>
<td>o  How is the progress of the oldest VSLAs (in Niger) and how did they evolve to social entities?</td>
</tr>
</tbody>
</table>
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For the next 12 months\(^7\), the hub will concentrate on the tier one questions. However, the hub is working with some specific country offices to work on specific tier 2 questions of interest.

The hub aims to contribute to the learning around this process by;

- Providing evidence on the link between CARE’S use of VSLAs and the contributing to changes within the household in improving food and nutrition outcomes, contributing to measurable improvements in women’s economic empowerment as well as supporting agriculture-based livelihoods with demonstrable impacts on agricultural productivity and outcomes in a SuPER way.
- Identify the best practices that maximize the sought impacts under food and nutrition security, gender transformative approaches and climate change resilience.
- Identifying and promoting a scalable VSLA model that incorporates the identified best practices, while balancing program costs and quality to enable CARE to reach 10 million people, a majority of them being women by the year 2020.

This report is the first glance at CARE’S Southern Africa past and current programming under the savings-led financial inclusion hub whose aim is to identify sustainable and scalable VSLAs models that can be used to reach the impact numbers that CARE is targeting in Southern Africa while maximizing impact in food and nutrition security and improving communities’ resilience to climate change.

The success of the hub will be in inspiring and creating CARE internal systems that are working together with other actors within the savings group circles in the sub-region all working together to support a self-running Savings groups ecosystem that empower its participants to provide better quantity and quality of food which is produced using climate sustaining methods.

**The Mapping Process**

The study that produced this report reviewed program documentation from 64 current and past programs implemented by CARE country offices across the six countries between 2009 and 2017. The programs were selected based on information from PIIRS,\(^8\) selecting all projects/programs that fell under at least one of the following 3 categories:

a) Development Access to and Control over Economic Resources  
b) Development Food & Nutrition Security and Resilience to Climate Change and  
c) Humanitarian Food & Nutrition Security and Resilience to Climate Change

Additionally, the process involved conversations with country office specialist on savings who are leading the implementation of VSLAs programs within their countries, some of these interviews happened in-country\(^9\) while others taking place through Skype.\(^10\) Lastly, some data on the region was collected from the SAVIX and the VSL Associates database and clarified by country office M&E staff.

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\(^7\) Between July 2017-June 2018  
\(^8\) CARE’s Program/Project Information and Impact Reporting System 2016 data  
\(^9\) Zambia, Zimbabwe and Tanzania  
\(^10\) Mozambique, Malawi and Madagascar.
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KEY FINDINGS:

1. CARE is Serving More Savings Groups (VSLAs) than any other NGO Partners in the Sub-Region:

The promotion of SGs as a mechanism for community-managed access to savings, credit and insurance services began 2 decades ago in Niger after adopting and modifying the *tontines*\(^{11}\) around 25 years ago, in a program implemented by CARE. Since then, the model has been adopted across a number of organizations including Oxfam, Freedom from Hunger, Catholic Relief Services (*Savings and Internal Lending Committees*), The Aga Khan Foundation (*Community Based VSLAs*), Pact (*Worth*), Plan International, World Vision and a host of others.

Below is comparative data detailing programming by country and the facilitating agency in the sub-region. This data includes VSLAs implementing different sectoral programs in addition to FNS/CCR.

<table>
<thead>
<tr>
<th>Country</th>
<th>Aga Khan Foundation</th>
<th>CARE</th>
<th>Catholic Relief Services</th>
<th>No Facilitating Agency</th>
<th>Plan</th>
<th>World Vision</th>
<th>Total(^\text{12})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madagascar</td>
<td>25,698</td>
<td>44,229</td>
<td>61,453</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>135,380</td>
</tr>
<tr>
<td>Malawi</td>
<td>-</td>
<td>259,330</td>
<td>181,945</td>
<td>4,657</td>
<td>20,844</td>
<td>62,934</td>
<td>635,462</td>
</tr>
<tr>
<td>Mozambique</td>
<td>7,314</td>
<td>124,556</td>
<td>-</td>
<td>111,572</td>
<td>4,150</td>
<td>27,038</td>
<td>435,436</td>
</tr>
<tr>
<td>Tanzania</td>
<td>176,488</td>
<td>578,053</td>
<td>159,936</td>
<td>13,108</td>
<td>143,007</td>
<td>61,345</td>
<td>1,285,333</td>
</tr>
<tr>
<td>Zambia</td>
<td>-</td>
<td>10,221</td>
<td>133,852</td>
<td>1,384</td>
<td>26,966</td>
<td>26,595</td>
<td>204,119</td>
</tr>
<tr>
<td>Zambia</td>
<td>-</td>
<td>175,532</td>
<td>45,361</td>
<td>3,849</td>
<td>19,642</td>
<td>37,120</td>
<td>282,525</td>
</tr>
</tbody>
</table>

| Total number of members per Agency | 209,500 | 1,191,921 | 582,547 | 134,570 | 214,609 | 215,032 | 2,978,255 |
| Total number of Groups per Agency (in Africa) | 11,235 | 21,100 | 10,102 | 11,604 | 9,150 | 10,858 | - |
| Avg. Savings Balance per Member ($) | 103.9 | 80.1 | 75.3 | 66.1 | 113.8 | 60.4 | - |

*Table 1: VSLA Groups in the Six Countries for all Programs*\(^{13}\)

What the data is showing us is that CARE has the most number of VSLAs in the sub-region, which amounts to 28% of all VSLAs registered in the SAVIX database. Additionally, among those registered in the system, CARE programs are serving around 38% of all the beneficiaries under VSLA programs in the sub-region. There are also a number of independently operating VSLAs in the region not currently being run by any of the international organization. Given the 10,000,000 target that CARE aims to

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\(^{11}\) *Tontines* are an example of Revolving Savings and Credit Associations (ROSCAS) that exist in villages (and cities) throughout the world. ROSCAS are known by many names, *Susus*, *Soceidades*, *SANs*, *merry go rounds*, *tandas* and *box hands* are just a few.

\(^{12}\) These totals correspond to the total number of savings groups members in the country by all facilitating agents recorded.

\(^{13}\) Data Source: Hugh Allen (VSL Associates) and the SAVIX database
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reach by 2020, the numbers here give a good indication that this is possible. However, it requires CARE to develop and/or strengthen its partnerships with other actors working in the sub-region.

The data collected was disaggregated and presented below to show the allocation of members in different countries. Across the 6 selected organizations, the highest number of beneficiaries in VSLA programs were in Tanzania, followed by Malawi, Mozambique, Zambia, Zimbabwe and Madagascar.

Graph 1: Disaggregated VSLA Group member numbers by Organization in the Six Countries

2. Through VSLAs, CARE is Serving More Women than Any Others Facilitating Agency in the Sub-Region

In terms of gender, on average, CARE is also in the lead in comparison to the other big actors in the region including Catholic Relief Services, the Aga Khan Foundation, Plan International and World Vision.\textsuperscript{15} SAVIX data indicates that around 79% of CARE’s VSLAs are women, which is higher than the regional average that currently stands at 71.9%. This can also be an opportunity for CARE to influence others working in the sphere into promoting more membership for women in their programming.

\textsuperscript{14} CARE Zimbabwe has not started using the SAVIX database to record its work with VSLAs

\textsuperscript{15} Other organizations working with VSLAs in the sub-region that are not listed in the table include FHI360, ChildFund, World Education and World Relief Canada.
**Graph 2: Percentage Women Membership in Savings Groups formed by Organization in the Six Countries**

3. **Programs Implemented using VSLAs attract More Women than Programs not Implemented through VSLAs**

According to PIIRS data, between 2009 and 2017, the six CARE country offices implemented 62 Food and Nutrition Security and Climate Change Resilience programs covering a total of \(2,538,230\) direct beneficiaries on programs involving an element of improvement of food security, nutrition interventions. An average of \(64\%\) of these beneficiaries were women. Out of these programs, \(38\) were implemented using VSLAs. Below is a breakdown of the percentage of women involved in the programs.

<table>
<thead>
<tr>
<th>Country</th>
<th># Beneficiaries(^{17})</th>
<th>% Women (All Programs)</th>
<th>% Women (Non VSLA Programs only)</th>
<th>% Women (VSLA Programs only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madagascar</td>
<td>194,662</td>
<td>50%</td>
<td>33%</td>
<td>64%</td>
</tr>
<tr>
<td>Malawi</td>
<td>497,615</td>
<td>67%</td>
<td>51%</td>
<td>80%</td>
</tr>
<tr>
<td>Mozambique</td>
<td>69,261</td>
<td>56%</td>
<td>56%</td>
<td>60%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>572,889</td>
<td>74%</td>
<td>21%</td>
<td>74%</td>
</tr>
<tr>
<td>Zambia</td>
<td>670,435</td>
<td>71%</td>
<td>71%</td>
<td>69%</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>533,368</td>
<td>56%</td>
<td>54%</td>
<td>70%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,538,230</td>
<td>65%</td>
<td>61%</td>
<td>78%</td>
</tr>
</tbody>
</table>

**Table 2: Country Office FNS and CCR Programs between 2009-2017**\(^{18}\)

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\(^{16}\) Data source: SAVIX Database, September 2017  
\(^{17}\) Total Number of beneficiaries for Food and Nutrition Security Programs (VSLA and Non VSLA based)  
\(^{18}\) Data Source: PIIRS Database, confirmed by Country Office M&E Personnel
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With the exception of Zambia, all food and nutrition security and climate change resilience programs that were implemented using VSLAs had a higher participation of women than programs that did not. FNS/CCR programs that were implemented through VSLAs had on average a 78% women participation, ranging between 64 and 80%; on the other hand, the average participation of women in non VSLA programs on food and nutrition security and climate change resilience implemented in the 6 countries between 2009 and 2017 was 57%, ranging between 21% and 71% women participation in the programs.

Graph 3: Percentage of Women in VSLA-based vs. Non-VSLA-based FNS/CCR Programs in Southern Africa Programs

The data here shows us what many already know, VSLAs in their nature attracts more women. By using it as the center of interventions, we are ensuring a certain women’s majority participation. While strides in empowering women and increasing their participation in community activities has been made, for many of the communities that CARE works with, the status quo still largely favors men. CARE continues to risk working within this status quo if we do not make an effort to work with women.

4. There is Inadequate Integration between VSLAs and other Interventions

VSLAs largely serve to enhance these other interventions; however, even in programs that were working with VSLAs to introduce other interventions, it was interesting to note that there was a treatment of VSLAs in isolation and the intervention as another separate process. While programs have been able to run using this methodology so far, a better integration of different innovations with VSLAs could only produce better results.

Integration of VSLAs as the basis for Climate smart agriculture training- as opposed to forming separate

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19 Further analysis into this indicated that majority of the Nutrition programs implemented attracted more women due to customs identifying women as the caregivers in the household. In this case, more men need to be involved.

20 Data Source: PIIRS and Country Office M&E Data
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Farmer Producer Groups, could mean better access to resources that is invested in agriculture. The challenge to this is recognized, for instance, for VSLAs to have this multipurpose function, efforts need to be made at selection and VSLA formation to ensure that participants forming a group come from the same/similar value chain. However, it is this additional investment that could spell big returns in group strength, sustainability and allow different programs to layer their interventions over long periods of time. CARE-developed Farmer Field and Business School model is a great example of such interventions.

CARE’s FFBS is a participatory, women-focused extension approach that helps farmers build skills necessary to increase production; access markets and sell at competitive prices; collaborate with each other; and engage in beneficial and efficient decision making. It also transforms the status and recognition of women by providing the support they require to be successful farmers, business-people, leaders, and agents of change. Evidence shows that participation in the FFBS builds women’s self-confidence and expands their autonomy; reduces gender-based violence; and engenders respect from their families and communities towards them.

**Key advantages of the FFBS model:**
- It provides a flexible model that can be tailored to a variety of different contexts and builds on local knowledge, skills, and abilities.
- It ensures comprehensive support to small scale farmers by providing training on farm production techniques; proper nutrition; gender equality; marketing; and business management.
- It uses gender dialogues to engage men and leaders who can facilitate the change required to assist women farmers and communities reach their full potential. This revolutionary approach can provide dramatic changes in gender equality in as little as 2 months.
- The training cycle integrates learning into the agricultural seasonal cycle ensuring that learning and other activities are done without requiring additional time investments from women farmers. In two agricultural cycles, groups are ready to graduate from the program.
- It is based on adult learning principles that offer practical lessons through participatory approaches. Farmers can then translate this learning and adapt it into their own fields creating ownership and sustainability of adoption.

**Results:**
The CARE’s FFBS model gives a $31 return for every $1 invested over just 3 years, and those returns will keep growing. The returns vary by country, and ranges from a $23 return in Mali—which faced armed conflict, displacement, and drought—to $45 in Ghana. Costs for the model also varied, anywhere from $10 – $50 per farmer. The results impacted a range of the issues that contribute to small-scale farmers’ challenges. 43% of benefits were in improved food security; 37% of benefits were in improvements in women’s empowerment; and 13% of benefits were in improved livelihoods.
RECOMMENDATIONS:

RECOMMENDATION 1: Make a deliberate effort to include more women in food and nutrition security and climate change resilience programs: The region’s goal is to “enable 10m poor and vulnerable people in Southern Africa...with a particular focus on women.” However, the percentage average of women in the examined programs on food and nutrition security and climate change resilience programs across the 6 countries, implemented between 2009 and 2017 is 65%, varying between 50% and 74%. Similar trends are seen in the average percentage of women participants in proposals submitted for these same programs. Through the proposals, it was found that CARE aimed to work with 59% women over the past 10 years through its FNS programs, with some programs proposing women’s participation as low as 22%.

Key Actions that CARE can take to adopt this recommendation include:

- Addition of an explicit target for women to be reached at a sub-regional level - as a percentage of the 10m; establishing a minimum target for women to be reached in each future food and nutrition security and climate change resilience program in the sub-region.
- Establishing minimum targets for women’s participation in new FNS/CCR programs.

RECOMMENDATION 2: Increase the number of Food and Nutrition Security and Climate Resilience programs implemented through VSLAs: There is ample evidence from our own programs on the benefits of VSLAs as a low risk opportunity for very poor household to improve their wellbeing in addition to sustainable improvements in food and nutrition security and climate change resilience. However, out of the 62 FNS/CCR programs examined, only 38 used VSLAs in implementation. VSLAs tend to naturally attract more women and are therefore the most viable means to improve equity of opportunity for women across all stages of different value chains.

Key Actions that CARE can take to adopt this recommendation include:

21 Data gathered from PIIRS
22 Developing tools that help cooperative members create locally appropriate agribusiness plans that are useful and usable at the local level.
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✓ Implement all future food and nutrition security and climate resilience programs in the sub-region using VSLAs to attract more women.

RECOMMENDATION 3: Prioritize Resources to identify Scalable Models that Work: While there is evidence that each of the country offices in the study is thinking about ways to create and sustain VSLAs, CARE is still doing a lot of the heavy lifting in terms of provision of human and financial resources for the process. CARE does not have resources it will take get to 10 million; achieving scale requires transitioning from a project-driven approach to VSLA formation to a systemic one. CARE is already facing challenging handling the numbers;

✓ A lot of projects analyzed did not have staff fully responsible and dedicated to VSLAs; staff are involved in other interventions which at times compromises the quality of groups due to inadequate monitoring.

✓ Because different groups are formed by different organizations in the same area, there is a lack of consistency in the methodologies used which in turn leads to compromised group quality.

✓ Due to inadequate time to dedicate to individual group development, including monitoring, coaching and mentoring, some groups collapse due to lack of capacity to resolve their own problems or continue to require support long after they should be able to handle their own basic running. This means that programs are required to continue providing support to groups which is expensive.

Key Actions that CARE can take to adopt this recommendation include:

✓ CARE could initially prioritize 2-3 countries where government commitments and potential for large-scale impact are aligned and work with government agencies to test different delivery models.

RECOMMENDATION 4: Develop stronger partnerships with others: Linked to the recommendation above, CARE should make an effort to learn of what others in the sector are doing. The study documented at least 5 strong organizations in each country that are doing extensive work using VSLAs in addition to government effort at different levels to address food and nutrition security and climate change challenges.

Key Actions that CARE can take to adopt this recommendation include:

✓ CARE should document the work that others in the field are doing in order to best position ourselves as key advisors for others working in the sector.

✓ Work with partners to develop joint goals for VSLA work in the region. The work with VSLA promoters in Madagascar shows great promise on how such a network could produce taking a front seat leading that process. Similar initiatives should be encouraged in all countries across the region.
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RECOMMENDATION 5: Develop and popularize solutions that enable financial service providers to serve VSLAs sustainably:
Agriculture is an important sector in ensuring availability of nutritious food for the household. However, as communities look to diversify livelihoods, it is going to be increasingly important for people to have rolling access to resources to develop and grow small businesses that would provide them with an income and therefore access to food all year round—particularly during lean months. In country offices that have piloted programs promoting access to formal financing there is evidence that paired with appropriate financial education, it can channel more inclusive access to additional resources particularly to women that need it while improving women’s control over their money and other productive assets.

Key Actions that CARE can take to adopt this recommendation include:

✓ Share lessons and processes around successful linkage programs in Tanzania, Malawi and other country offices outside the Southern African sub-region such as Kenya, should be shared out and foster discussions to get other countries prepped for linkage to formal financial services.

RECOMMENDATION 6: Improve Reporting on VSLAs:
There is need to embed in a strong and vigorous M&E function with simplified tools, as well as a defined and resourced structure for continuous support supervision and program data validation. The ownership of this process has to expand beyond strict M&E staff to all field staff including any CBTs that are being deployed in program implementation.

Key Actions that CARE can take to adopt this recommendation include:

✓ Develop/integrate monitoring system that value, prioritize and tract the formation and presence of healthy sustainable VSLAs as a key feature in country offices’ ability to achieve scale and impact.

CONCLUSION

VSLAs have the potential of taking what we are doing and amplify it beyond where we could individually reach. To achieve this, CARE needs to figure out a way to form them better, less costly and more sustainably. While it is working to do that through influencing others, it is necessary to make sure that internal systems encourage learning from and influence each other within the organization.

25 years of VSLA implementation has led to a lot of innovations and modifications to the standard VSLA model. In responding to challenges, different country offices have developed innovative solutions to respond to VSLA challenges such as sustainability, capacity building on local partners, safety and security of cash boxes among others.

Many of these challenges are not necessarily specific to individual countries, however, there is little to no channels available for sharing lessons learned on innovations and modifications to VSLAs that have worked— or those that failed to work for one reason or another. What results from this is different programs within different (and in a few cases, the same) country offices investing resources into innovations that have been proven to NOT WORK in similar contextual settings.
Food and Nutrition Security and Climate Change Resilience Key Areas Summary

Across all six countries, access to VSLAs led to increased savings and credit access, improved microenterprise outcomes, and increased women’s empowerment.

1. VSLA Formation and Sustainability:

Most of the CO analyzed have been implementing programs using the VSLA model for varying numbers of years. However, a majority of the VSLAs are formed and financed by CARE programs. This often means that CARE staff directly or indirectly play a heavy role in the identification of VSLA members, supervising group organization, identifying community based trainers, assisting with group constitution creation and handling all training for the duration of the program. A study conducted by CARE in Tanzania reveals that it costs an average of 3 times for CARE to form, train and maintain VSLAs in comparison to when the same is done through a partner or the same being done under a franchisee.

2. Food and Nutrition Security:

Compared to non-participants, households particularly women that have access to credit and savings enjoy a higher food security than their counterparts. More women have access to resources and they are using them buy inputs, either through the group share out scheduled to coincide with agricultural seasons, or by getting a loans or credit from the VSLAs. There is progress in reduction in malnutrition rates of communities that have benefited from food security training and activities. This is particularly the case in VSLA households, where women report that their children are better nourished and where there seems to be fewer referral cases to health centers due to malnutrition. Programs in Madagascar reported a change in exclusive breastfeeding from 25% at baseline to 76% at program end. Similar programs show a decrease in stunting from 41% to 36% and underweight decreasing from 34% to 26%, all within a 5-year programming period.

In Madagascar:

CARE Madagascar has used VSLAs as a platform for providing a community-based approach for the

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23 In the photo: Grace Mushi from Juhudi VSLA Group from Kimashuku village, Tanzania: photo Credits: Karen Vandergaag.
rehabilitation of moderately malnourished children. It integrated nutrition programming through the Farmer Field School providing a useful point of integration to promote vegetable gardening. This was aimed to improve household access to nutritious foods as well as to provide an additional source of income generation.

- FFS participants report much higher yields of rice, cassava, and beans than those documented in the baseline survey, achieved through the use of improved techniques; most notably, FFS Farmers participating in Village Savings and Loan associations have greater access to materials, seeds, and tools.

- FFS groups sometimes evolve into farmers’ associations whose members work together to develop business plans and gain more value for their products in the market. FFS members are encouraged to participate in Village Savings and Loan Associations, to plant nutritious crops, and to use techniques that reduce shocks; in programming zones 99 communes in have established a food security monitoring systems.

**In Malawi:**

- In CARE Malawi’s programming, VSLAs are used as an entry point and a platform for training and other service delivery. They also provide financial leverage for effective implementation by supporting procurement of farm inputs and labor ahead of the season, as well as to supplement nutritional requirements by providing money to buy additional food items, particularly during lean months.

- CARE Malawi is one of 2 countries in the sub region that implemented that FFBS model piloted through the Pathways program. It uses VSLAs and other producer groups as a platform to deliver specific training in Gender and women empowerment, Nutrition, Climate Smart Agriculture and Marketing.\(^{24}\)

- Food security, as measured by number of meals per day, has significantly improved in villages participating in VSLAs. There is also evidence of improved income generating activities as “households held significantly larger savings in VSLAs, although there are weak indications that the total number of income generating activities has decreased”.

- In the Malawi Microfinance program, 62.7% indicated that VSLAs have helped them to be food secure because savings are used to buy food in crucial months; a further 25.4% felt that information and advice from VSLAs on food security helps them to prepare better for these difficult months.

**In Tanzania:**

- Savings groups- in this case Farmer Producer Groups that had evolved from VSLAs made it easier for government and private extension service providers to have access to groups. Bringing extension services closer to farmers- particularly women who could not walk long distances to seek assistance on the best way to cultivate their crops.

- 59% yield increase in cassava production; 73% yield increase in sesame production; Increase in net

\(^{24}\) More on the FFBS model is shared in the Innovations Piece accompanying this report.
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income of women from agricultural produce from USD165 to USD215 per annum. The sale of sesame-which is highly regarded as a women’s value chain allowed women to access resources to purchase foods that balance their meals to achieve the nutritional and dietary requirements.\(^{25}\)

**In Zambia:**

- VSLA members have engaged in businesses at household level using funds from VSLAs. Members reportedly used these extra savings to pay school fees for their children and siblings, bought food during food lean periods and bought agricultural inputs for improved food security.
- VSLAs have organized themselves to form cooperatives to raise money to access agricultural inputs from government that are being provided through a government subsidy program for agricultural inputs to farmer cooperatives.
- Number of households who reported that they had access to food increased by 11.5 percentage point from 69% in 2013 to 80.7% in 2015; the percentage of households that have 3 meals per day increased by 38.3 percentage point from 13% in 2013 to 51.3% in 2015.

**In Zimbabwe:**

- According to CARE Zimbabwe’s programming, VSLAs provide a solid foundation for food and nutrition security and climate change programming in a number of respects. An assessment done on the impact of VSLAs on the IGATE project\(^{26}\) showed that VSLA participants had an improved access to food in comparison to non-group members.
- In order to access changes in access to food, the evaluator assessed changes in Food Consumption Score (FCS), coping strategy index and average number of meals. The Food Consumption Score (FCS) is a composite score based on dietary diversity, food frequency, and the relative nutritional importance of different food groups. The FCS is calculated using the frequency of consumption of different food groups consumed by a household during the 7 days before the survey.
- Results showed that even with worsening food security situation, VSLA household had a higher food consumption score than non-VSLA households.\(^{27}\) VSLA households also consistently ate more meals in comparison to non-VSLA households including consistently higher consumption of pulses, vegetables, milk, oils ad fruits.\(^{28}\)

**3. Climate Change Resilience:**

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\(^{25}\) CARE Tanzania WERISE Program Report 2016

\(^{26}\) Improving Girls’ Access to Transforming Education (IGATE) in Zimbabwe is a project that seeks to increase girls’ learning outcomes, retention and completion through the provision of an integrated intervention formed by the following components: Village Savings and Loans (VSL)-involves training men and women on group savings and developing income generating activities so that they can raise funds for girls’ school fees and other school-related costs (such as uniforms and books), and to improve household living standards;


Just like changes seen in food security, VSLAs have been used across the sub-region as a platform to train climate smart agriculture practices and providing extension services in rural areas. This meant that more women were able to access information to strengthen their family and community’s ‘safety net’, reducing the vulnerability of communities. The benefits which VSLA women enjoy in terms of market gardening activities, seeds distributions, credits etc. impact the whole community.

As in increase in food and nutrition security, similar trends have been seen in the improvement of communities’ coping strategies in response to environmental and other crises. Most of the stated strategies demonstrated that the households were moving towards improving consumption, smoothing their financial capacity and food security of households.

As VSLA groups grow and mature, the assistance provided to vulnerable families is increased and the community becomes more resilient. In the recent years, a number of the countries involved in this study have been affected by natural disasters such as excessive flooding and/or inadequate rainfall and remain at a risk of this in the future. In addition to this, most of the communities where these programs are implemented are heavily dependent on rain-fed agriculture to earn a living. VSLAs are uniquely positioned to provide solutions in cases; having access to financial resources allows the freedom to purchase or get access to what they need and make decisions not limited to the resources available.

**In Madagascar:**

- Integration of Natural Resource Management with Farmer Field Schools has helped to reduce slash-and-burn farming by instead promoting composting to provide nutrients for hillside agriculture: 4,295 hectares have been reforested or protected.
- There is a special focus on building group capacity to identify market opportunities. Agribusinesses develop linkages between local agricultural service centers, service providers, and key players in the value chain.

**In Malawi:**

- VSLAs have been used as entry point and an information dissemination platform for disaster risk reduction messages including early warning messages for preparedness. It also helps communities to be economically empowered to cope and recover from disasters and other shocks. They are also used to promote low carbon technologies like fuel efficient stoves and solar products.
- Women are now more likely to use improved seeds, irrigation technologies, diversified crops, and manure or composting (66%) than they were at baseline (45%); more women (78%) are accessing agricultural inputs than they did at baseline from agro-dealers within 5km; government programs, and cooperatives or producer groups.²⁹
- VSLA members are more likely to receive warning about floods, have more sources of information and greater knowledge of sources and support to prepare for floods. They are also more likely to have

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²⁹ CARE Malawi WERISE Program Report
Village Climate Prediction Centers (VCPCs) and take action in response to warning.\textsuperscript{30} VSLAs has also been cited as a key intervention that improved the resilience of beneficiaries who also share that they are less affected by floods due to access to resources to rebuild after floods but also through a reduced vulnerability to future floods.\textsuperscript{31}

**In Tanzania:**
\begin{itemize}
  \item 281\% increase in women’s adoption of improved agricultural practices (from 13.7-52.3), similar trends are seen in women adopting improved storage practices, accessing improved agricultural inputs, accessing output markets to sell agricultural production and using adaptation strategies to reduce the impact of future shocks.\textsuperscript{32}
\end{itemize}

**In Zambia:**
\begin{itemize}
  \item Reduction of households working on piece work on farms belonging to other households by 7.3 percentage point compared to baseline and 13.1 percentage point compared to non-intervention group. This shows that households no longer need to work on other farms to earn an income because now they can access this from the VSLAs.
  \item The project also saw that the use of one owns savings increased by 42.4 percentage point compared to baseline;
  \item Less households in VSLAs were reporting the need to sell assets such as land and livestock to respond to crisis as compared to the baseline evaluations. Additionally, fewer people reported the need to approach money lenders.
\end{itemize}

4. **Women Empowerment:**

Across projects, efforts do show signs of raising women participant’s incomes at faster rates than women who are not actively engaged in VSLAs. For women who have never before worked for an income, earning money from their savings increases their autonomy, and enables them to make choices regarding their family spending and to face future crises. As they make and manage their money, women earn the respect from men, neighbors and communities. Even more uniquely, VSLAs are creating and/or fostering a strong social energy particularly among women who are getting a platform to be heard- this has led to increase in women’s confidence to speak in public and even run for local leadership positions. Additionally, this led to a change of attitudes towards women’s economic empowerment.

**In Madagascar:**
\begin{itemize}
  \item Most notable in the communities that CARE Mozambique works, is the emergence of a unique social energy that the VSLAs are either fostering or creating. Communities report an increased participation of women in economic activities, more visible solidarity, mutual assistance and positive social dynamism. \textquotedblleft Since the appearance of VSLAs, women are more attentive, confident,
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receptive to change as they meet regularly and often receive training. The VSLAs discourages shyness, particularly among women. The women become bolder and more energetic. Formerly, it was difficult to invite the women to march, but it has now become possible with the VSLAs).

VSLAs have been credited with the creation of a culture of transparency, discipline, good management, participation, responsibility and collaboration. They facilitate the participation of women and female leadership within community life.

In Malawi:

In VSLAs, it is common to find stories of women buying livestock, iron sheets for their houses, and many other valuable household resources. “...they keep their money at the VSLA which means the men cannot just get it from them. Instead, men have found a way of getting them involved so that they can release the money and that they may also enjoy the benefits with them.” Community Leader- Malawi

43% of women in the ANCP Malawi Microfinance project indicated that they made the decision to get loans from VSLAs themselves, while 18.4% made the decision jointly with their partners.

On the use of the finances from the loan, 41.1% of the women indicated that they made the decision on what to use the money for on their own. On the other hand, only 24.5 % made the decision jointly with their spouses.

In Tanzania:

Program reports are showing changes among chronically food insecure rural women having greater awareness of their rights and of the benefits of greater gender equity; men are showing more flexibility in allowing their wives to join VSLAs, engage in income-generating activities and speak at meetings with, virtually, no women considering her sex to be a barrier to group participation; and nearly, all women being the sole or joint decision-maker for healthcare and family planning decisions.

At the endline of the WAGE program in Tanzania, 84% of men as compared to 18.1% at baseline, thought that taking care of the household and meals preparation for the family were solely a woman’s role. 89% thought that women should have the same rights as men to study and work outside the home as compared to 39.1% at baseline. This attitude shift was credited to the gender training that are incorporated in VSLA training; currently, there are no similar trainings offered outside the VSLA system, making these VSLAs crucial in long-term attitudinal shifts and transformation of gender dynamics within communities CARE works with.
VSLA mobilization to solve access to productive resources challenge in Zanzibar, Tanzania

“I am proud that we stood up for our rights. It was very challenging, but we succeeded to protect our community,”
“We understand our rights now and we work together to defend them.”

In addition to social and economic benefits, one VSLA mobilized the greater community in an activism campaign to protect village resources from hotel investors. Investors bought land near their village and built a large gate around the hotel beachfront that prevented community members from accessing the coast. Many of the villagers depend on coastal resources for their livelihoods, and the hotel gate had made businesses such as fishing and seaweed cultivation impossible.

The VSLA organized meetings between the village leader and the investors, but the investors refused to attend the negotiations. The VSLA strategized with the community and decided to cultivate village land on the path that hotel guests used to access the hotel. When the hotel discovered that their guests had to carry their luggage on their backs through the VSLA farms in order to access the hotel, the hotel tried to reopen negotiations. They offered the community sewing machines to start clothing businesses that would not interfere with the hotel’s access routes. However, these businesses were not profitable enough to support the community so the VSLA members returned the machines and again advocated for their right to access the coast. Finally, the hotel investors compromised and opened a path through the gate that the community continued to use to support their economic activities.

In Zimbabwe:

VSLAs show a great contribution towards the empowerment of women in households. The intervention has improved women’s confidence, self-esteem, decision-making at household level, participation of women in social spheres and ability to freely engage in various household economic activities. Programs also reported reduced violence against women within households.

Additionally, the availability of food, acquisition of household assets, awareness campaigns and general improvement in household livelihoods as a result of the interventions enabled families to plan expenditures together. The availability of financial and material resources seems to be yielding results in improving family relations. The general observation by most women involved in focus group discussions held during program evaluations shows that most men are now co-operative when asked to assist. Inferiority and superiority complexes within homes are now a thing of the past because of the availability of family resources and economically when one looks down upon other members of the family.

5. Access to Formal and Informal Financing:

VSLA membership is a channel to significant improvements in financial inclusion particularly among female program participants- who largely still remain excluded in the formal financial sector.

Throughout the area of study, women are reporting increasing amounts of savings, access to credit and particularly increased control of these finances. Over the past five years, country offices have engaged some of the leading banks and mobile networks to develop new products that cater specifically to VSLAs. Groups are reporting doubling is their savings, credited to the increased feeling of security of their physical cash and building on the trust that exists among members. Programs that support linkage programs are reporting remarkable returns on assets, particularly among groups with a higher percentage of women members. A similar trend is also seen in active accounts - the higher the number of women in a group the more active accounts are - which among other factors makes for a strong business case for financial service service providers. On the side of VSLA members, women are reporting increased sense of security and control over their savings, allowing them to better plan their household expenditure.

There is also a strong correlation between a group’s access to bank accounts and business ownership among members, women are reporting that group membership provides a platform where members are constantly challenged to have more income generation that would allow them to buy more shares. As for CARE’s role in this, data shows that in comparison to others, CARE VSLAs linked to financial institutions were 17% less likely to have dormant bank accounts.

In Madagascar:
- The integration with Village Savings and Loan (VSL) activities have proven highly successful; access to credit services allows farmers to purchase inputs, implement improved techniques, and pay costs such as transportation.
- The RANO program reported an increase of savings from 40,939,500MGA (About 13,000USD) in 2011 when the VSLAs started to 242,880,336 MGA (around 77,000USD) in 2013. This was matched with an increased access to loans from 22,457,400MGA in 2011 to 115,026,940MGA in 2013.

As part of a partnership of the VSLAs promoted by CARE under the project FANAMBY with BFV-SG
and TELMA, CARE is currently developing a pilot project in the region of Vatomandry to link VSLAs with banking and mobile money services. To complement the pilot project, they will also develop a service with a phone company to allow VSLAs to use mobile money services that meet their members’ needs. This will be CARE Madagascar’s first experience in linking VSLAs with formal financial services. CARE Madagascar is working with other CARE CO that have had more experience in the area to help build capacity of their staff that will participate in the project.

**In Malawi:**

VSLAs enable households and especially farmers to smooth consumption over the agricultural season. This can either be done via savings or access to credit disbursed through the groups. In addition to this, CARE Malawi is testing more innovative ways to provide groups with additional safety to their savings and opportunities for additional credit through linkage to formal financial institutions.

**In Zambia:**

- Program in Zambia are reporting an increased access to loans through the informal VSLAs. A study done with the SCALE program showed that more people were using the cash they received from the government to save in groups which provided them access to loans which they were using to purchase additional food and other household goods and assisting others—including their relatives with loans.
- The SCALE program reports that 78.2% of the households reported that there had been an increase with regard to possibilities or opportunities of accessing loans over the past two year in 2015 compared to 21% of respondent in 2013; the percentage point increase is credited to the increased access to loans as a result of VSLAs.