



PENNIES TO POWER

Taking Village Savings and Loan Associations to Scale

VSLAs provide unparalleled access to savings and credit for low-income women, accelerating their economic success and ability to navigate life's inevitable shocks. But that is just the start. The social networks created by these groups empower women to join forces, raise their voices and achieve their goals. Women have used VSLAs as a means of building their businesses, improving agricultural productivity, sending their girls to school, combating gender-based violence, demanding their rights to own property, and breaking in to the political arena. There is no other platform like it. And, with a viral replication rate of up to 3-to-1, VSLAs also are one of the most cost-effective and sustainable poverty-fighting approaches.

As of December 2017, CARE has directly supported nearly 7 million members across 45 countries to join VSLAs, while influencing others to replicate the model, for a total reach exceeding 15 million members globally. We are proud of this outcome, but we are not satisfied. **We aim to raise and invest \$150 million over 12 years (2018 – 2030) to reach 50 million additional women and girls in 44 countries in sub-Saharan Africa and South Asia that have the highest rates of gender inequality and economic disparity.**

Background

A VSLA is a self-managed group of 20-30 members that meets two to four times a month, providing members with a safe place to save their money, access loans and get emergency insurance. VSLAs select their own members, elect their own management committees, set their own rates and fees, and are entirely independent, informal associations. CARE supports VSLAs by providing a series of training and coaching sessions over nine to 12 months to bolster their success and sustainability.

CARE's first savings group model was launched in 1991 in Niger. Dubbed *Mata Masu Dubara* (MMD) or "Women on the Move," the initial groups were based on a centuries-old approach to collective savings called a *tontine*. Over time, the MMD model evolved, and as it spread beyond Niger, the groups became known as Village Savings and Loan Associations (VSLAs).

For more than 25 years, VSLAs have served as a vehicle for women's economic empowerment, but the impact goes far deeper than that. These VSLAs have:

- Created pathways for nearly 1 million members in a dozen countries to open their **first bank account**.
- Served as a critical link in **agricultural supply chains**, connecting smallholder farmers with larger cooperatives.
- Enabled more than 300,000 **young people**, many of them adolescent girls or young women, to establish solid financial management skills and income early in life.
- Served as a **platform for social justice and political empowerment**.
- Informed national policies and billion-dollar programs. Today, more than 60 government initiatives across Sub-Saharan Africa promote VSLAs or groups like them, thanks to this work.

Results like this show us that VSLAs are critical to serving the ultimate goal of women's empowerment across every aspect of life. This unique power and potential is the reason for the *Pennies to Power* initiative.

Our Path to Scale

We are committed to impacting 50 million women, girls, their families and communities to improve their economic status and transform their lives. To get there, we will invest in four areas of change:

1. **Increase the rate of VSLA formation.** In 2017, CARE added 330,000 new VSLA members to our network. We are committed to increasing the rate of VSLA promotion by 25 percent within each of our programming areas. This commitment will enable us to **reach an additional 12.6 million women and girls through direct programming**.
2. **Empower public- and private-sector scaling partners to form new VSLAs.** CARE will work with existing and future government and private sector partners to help scale our work and by **linking the growth of VSLAs to the sustainability and supply chain investments of major corporations**.
3. **Digitize VSLAs to lower costs and extend reach.** CARE is pursuing a Digital Transformation Initiative, developing a first-of-its-kind solution that anyone can use to promote the formation of high-quality, sustainable VSLAs. The digital toolkit developed by CARE already is under development, starting with a mobile record-keeping solution launching in Tanzania in 2018.
4. **Build a strong VSLA network.** Today, nearly 500,000 women are connected not only through their individual groups, but also through VSLA-to-VSLA federations, as in Niger and Mali. CARE has helped bring representatives of women's groups together at community, district and national levels. At these meetings, women identify their most pressing issues and challenges, and develop plans to address them through **collective action**.

Impact

CARE's *Pennies to Power* initiative will deliver unprecedented gains in women's economic empowerment through the expansion of VSLA programming.

- **At least 50 million women and girls will** have increased access to and control over financial resources.
- **Mobilize up to \$15 billion each year** to invest in their livelihoods and families.
- **Start at least 15 million new enterprises** and strengthen tens of millions more.
- **25 million women will open their very first bank account** and unlock access to another tier of financial opportunity.
- **Increase their self-confidence, negotiating skills, their influence** in their households and communities and **their engagement in the political arena.**
- **250 million children and other family members** in VSLA member households will benefit indirectly, as their wives, sisters, mothers, aunts and daughters take on life-changing opportunities.

Conclusion

After almost three decades of implementation and innovation, we have achieved a great deal since the first VSLA was formed in 1991. We have developed tremendous evidence, broad-based internal commitment, a global platform on which to build, and clear-eyed perspectives on the greatest opportunities for scale. ***Now is the time to invest, to explore new routes, to pursue global expansion and to bring the power and potential of VSLA to tens of millions of women, girls, their families and communities.*** CARE has the expertise and the will to lead on this global social change, because we believe deeply that VSLAs can transform the world and help to achieve the Sustainable Development Goals.

We see the power of pennies every day, in families and communities transformed by VSLAs. **Seeing 50 million more women traveling a similar path to economic and social empowerment is our vision and our hope.**

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