



# Village Savings and Loan Associations

ANNUAL REPORT 2020



# Introduction

In 2018 we launched our Village Savings & Loan Associations (VSLA) [scaling strategy](#), with the target of reaching 50 million women and girls (62 million people) in countries with the highest rates of gender inequality and economic disparity, by 2030. Little did we know that we would be faced with a global pandemic that would have a [catastrophic impact](#) across multiple dimensions of women's lives, deepening gender inequalities.

Our [COVID-19 response](#) has needed to be fast and agile. With the guidance of inspirational VSLA members across the globe, the support of our donors and the ingenuity of our partners, we have continued to adapt and flex. VSLAs have become a force for good during this pandemic, supporting community responses, sharing important health messages and re-focusing finances to adapt to the crisis. Despite the challenges, we have doubled the pace of new VSLA group formations, adding almost one million *new* VSLA members in 2020.

Our focus on scaling the VSLA model is now more important than ever, working hand-in-hand with governments and the private sector to develop scalable models for different contexts and sectors. Putting women at the center of this process remains essential and we continue to take our lead from women across the globe as they define their needs, priorities and ideas.



Tim Mwaurea/CARE

## ROUTES

There are four ways that new VSLAs will be formed.



Integrate VSLAs as a **foundation of CARE's** global development programming



Engage **governments** as scaling partners; embedding VSLAs in policies, regulations and programs



Engage **corporations** as scaling partners; embedding VSLAs in **supply chains** and distribution networks



Adapt VSLAs for **humanitarian contexts** to promote adoption across agencies

## CATALYSTS

There are three areas of investment that will accelerate the pace of growth and deepen the impact of VSLAs



Pursue a **Digital Transformation Initiative** to lower costs and extend reach while ensuring fidelity and quality



Establish a **Center of Excellence** to explore integration and deepen evidence on VSLA as an empowerment platform



Support **Collective Action** to empower women and influence power holders

# Program Integration

Integrating VSLAs across CARE's programming is an essential part of our scaling strategy and CARE International's 2030 Vision. This means not only supporting VSLA formation as a standalone activity, but also integrating them across our thematic areas, such as education and food & nutrition security. This approach can have greater impact and address multiple barriers.

In Rwanda, we engaged VSLA members in Couples Dialogues and Community Activism. The combination resulted in a 55% decline in domestic violence and a 20% increase in incomes. In Ethiopia, VSLA members achieved an 80% increase in food security, an 84% increase in incomes and a twelve-fold increase in savings as a result of combining VSLAs with Cash Transfers and Food and Nutrition Packages.

CARE's Digital Sub-Wallets program in Uganda was designed to improve women in VSLA's access to formal finance by addressing household social norms. This was done through household dialogue, which helped to increase women's agency and shift social norms which were limiting their control over income and access to formal finance. By the end of the project, almost three-quarters of women had met their financial goals and 81% had seen a change in their husbands' behaviour. Over the coming year we will continue to integrate these types of models into new programs, ensuring the power of VSLAs can be fully leveraged.

“I learnt that a husband and wife should respect each other and that every voice matters in a household and across the nation”

—Herman Shumbusho

## VSLA 2020 Achievements



Total reach in FY20 is almost 1 million new VSLA members



Cumulatively reached 10 million members (80% women)



Launched VSLAs for the first time in: Burkina Faso, Georgia, Nigeria, Sri Lanka, USA



216 CARE projects across 45 countries included VSLAs



Shumbusho and Marie from Rwanda took part in Couples Dialogue.

## COVID-19 ADAPTATION

With support from the Arthur M Blank Family Foundation we have been able to rapidly re-direct funds to a COVID-19 mobile survey across Malawi, [Nigeria](#) and Tanzania. This is helping us to understand how women in VSLAs are coping, what they need and how their savings and loans have been affected by the pandemic. The preliminary results have enabled us to influence stakeholders to listen to the needs of women and engage them in the response.



“We have made a number of adaptations to our programming as a result of the mobile survey. We discovered that savings and loans within VSLAs were dropping, so we integrated cash transfers to the groups to increase their liquidity and to keep them going during this difficult period. We also discovered that many school girls became pregnant during the lockdown and were not returning to school. We have now sourced funds so that we can support these girls to continue their education.”

—Clement Bisai, CARE Malawi



Habeeb Sulaiman/CARE

Women from a VSLA in northern Nigeria are being consulted on their priorities and needs in response to COVID-19.

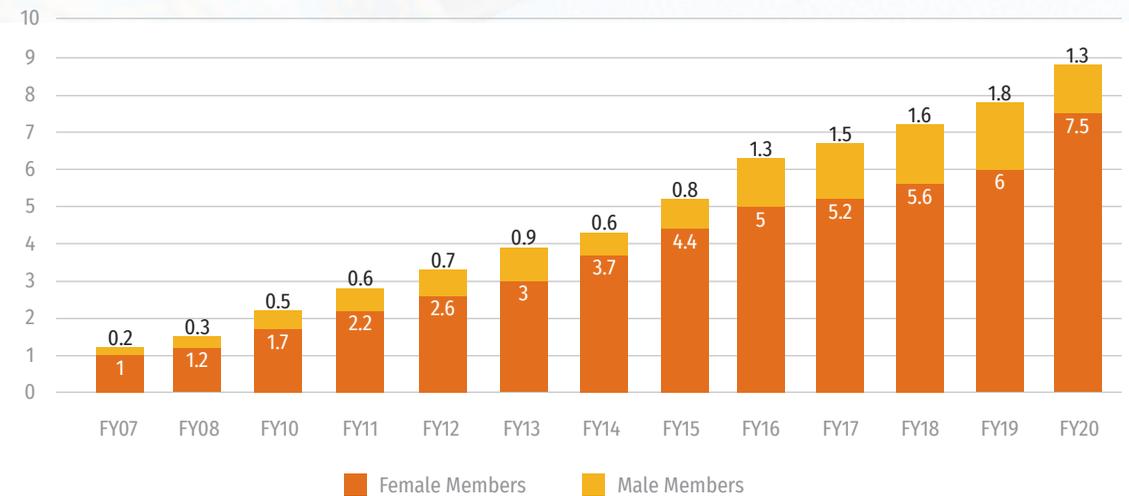
“I took out a loan from my VSLA to pay for my husband’s medical bills when he contracted coronavirus. When I had 1,000 Afghanis (13 USD) left, I decided to use the money to start a small food business so I could afford to feed my children.”

—Safora,  
VSLA member and micro business owner, Afghanistan



Normalia/CARE

### How has the number of VSLA members changed over time globally?



# Engaging the Public Sector

As we move towards our 2030 goal, CARE will switch from direct implementation to forming VSLAs through public and private sector partnerships. We aim to reach 25 million women and girls in this way. Our [State of Practice report](#) shows that twenty governments in sub-Saharan Africa have already embedded savings groups into their financial inclusion and social protection policies and programs. But we know integrating groups is not the end of the road. We aim to serve as a partner and a critical ally to governments as they make difficult investment decisions and build the capacity to deliver on their goals. In this way, we will help women progress towards empowerment, advancing financial inclusion, health service provision, education and economic and social engagement.

Building on 20 years of experience and influence, CARE is formally providing technical support to the Government of Uganda for the first time. Together, we are strengthening the legal and regulatory environment for savings groups, while also ensuring their social protection programs better integrate VSLAs and achieve women's economic empowerment outcomes. Through this partnership we aim to support impact at scale in Uganda, while creating a model that CARE and others can follow to integrate savings groups into government policies and programs in support of economic, financial, social and political change.



**“I’m very proud to work together in our VSLA group. Before, we each worked at home alone, but now we are a team. We are now more aware of our individual and collective abilities.”**

—Sékongo Dieneba,  
Shea Butter Producer, Côte d’Ivoire

Michael Tesgaye / CARE



Tim Mwaure / CARE



# Engaging the Private Sector

The Women for Change Program, led by CARE and funded by Mars, aims to increase the potential for women in cocoa growing communities. The program aims to improve gender equity in households and communities, while supporting increased savings, income growth and diversification, improved school enrollment rates and increased nutrition. The program also aims to shift social norms and reduce gender based violence by engaging men and encouraging joint saving and decision-making. The model is based on the concept that a healthy and financially stable community is also a productive community. Since 2016, over 24,000 VSLA groups have been established with more than \$2.9 million USD saved. Building on the results of this partnership, CARE aims to scale the model across the cocoa supply chain, as well as into other commodity chains like rice and tea.

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**“CARE has been a critical partner for our [Cocoa for Generations](#) strategy. Their strong expertise and collaborative way of working, has allowed us to increase women’s income opportunities, strengthen child protection and so much more. Encouraged by the results, we expanded our CARE partnership with an investment of [\\$10 million USD](#). We are excited to continue our journey, increase our reach, and help achieve greater economic empowerment for women.”**

—Kim Frankovich,  
Global Vice President Cocoa Sustainability, Mars Wrigley



# Adapting for Emergencies

In 2020, we conducted a major consultation on VSLAs in complex emergency settings with international leaders, peer agencies and CARE colleagues in 45 countries. We found that VSLAs are effective at empowering refugees and displaced people and, in particular, that VSLAs and cash transfer schemes can play highly complementary roles. Like never before, those roles were put to the test as groups around the world coped with the health, social and economic impacts of COVID-19.

CARE is now leading and piloting an adapted VSLA in Emergencies model in Yemen, Nigeria, Ethiopia and Jordan, with the intention of strengthening the quality and impact of emergency programming. This model aims to promote resilience and ensures that a short-term emergency response, such as cash transfer schemes, can develop into longer-term prosperity, by linking it to VSLAs. This new model aims to be a nexus between emergency and development programming that centers women's perspectives and control.

Azraq camp,  
Jordan

## THE BENEFITS OF VSLAs



### FINANCIAL INCLUSION

- Increased savings
- Increased access to affordable credit
- Financial security and resilience



### HEALTH, EDUCATION & SOCIAL

- Improved maternal / child health practices and health service access
- Increased contraceptive use
- Lower maternal / newborn / infant mortality rates
- Combating Gender Based Violence
- Providing social and support networks
- Keeping girls in school
- Delaying early marriage



### LIVELIHOOD / AGRICULTURE

- Increased crop diversification
- Increased access to tools and training
- Improved business performance
- Income generated from microfinance
- Increased income / productivity
- Income diversification and resilience
- Increased property ownership



### EMPOWERMENT

- Increased mobility
- Heightened decision making and control over family size, money, etc.
- Increased confidence, self-efficacy
- Increased collective action and political participation

Katherine Katzoff/CARE

## DIGITAL TRANSFORMATION

Digital tools are a core catalyst to take social innovations like VSLAs to scale. Technology can help us engage VSLA members more efficiently, deepen our impact and lower costs. The COVID-19 pandemic has changed the way many VSLAs meet, save and lend and there is an urgent need to augment traditional in-person meetings with digital engagement and opportunity.

CARE's [Chomoka](#) initiative offers savings groups, and women in particular, a low-risk entry point to the digital economy and can help them transition from informal to formal finance. The innovation is now live with over 10,000 users in Tanzania and expanding to Uganda, Kenya, Côte d'Ivoire, Ghana and Rwanda in 2021.



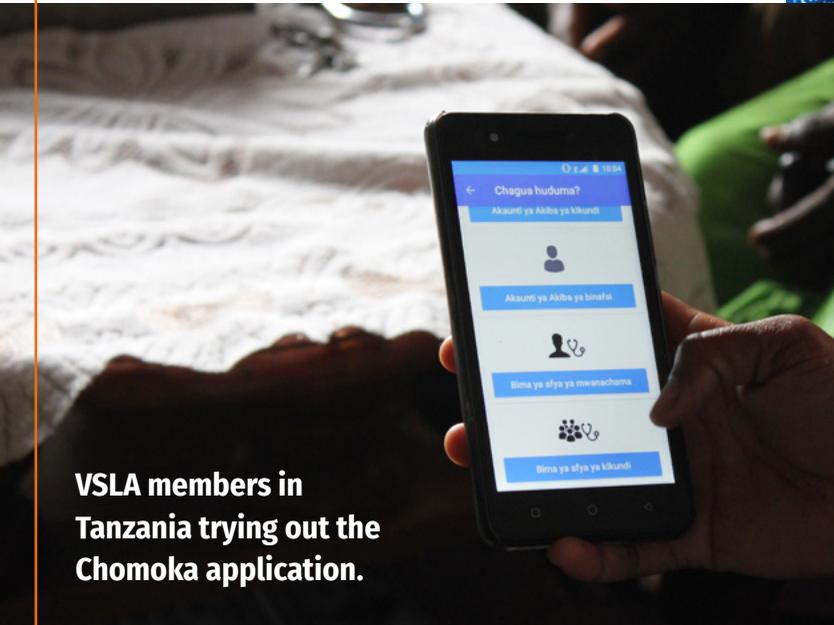
Mark Malhotra/CARE

## WOMEN'S COLLECTIVE ACTION

Collective action is a core catalyst for our scaling strategy at local, regional and global levels. It can empower group members and influence power-holders. In partnership with the Bill and Melinda Gates Foundation, we are investing in engaging women in VSLAs and listening to their priorities. The Women Respond program is asking nearly 6,000 women in VSLAs across six countries, how they are being affected by the COVID-19 crisis and how they are responding. By leveraging mobile tools, we are consolidating an unprecedented dataset and view. This is supporting CARE and our partners from local government to global dialogues to better understand and be guided by women's collective voices and action.



Mwaura/CARE



VSLA members in Tanzania trying out the Chomoka application.

# Priorities for 2021-2022

- Creating a system that actively **incorporates women's voices** when responding to their needs, including sharing learnings on the COVID-19 response.
- Accelerating **partnerships with governments and the private sector** to develop replicable models and enable an exponential increase in the pace of new group formation.
- Deeply researching **VSLA 'viral' replication** to better understand this phenomena, in partnership with the University of Georgia.
- Using **innovative approaches and technology** to meet the immediate needs of women in VSLAs.
- Refining our internal **monitoring and evaluation systems** to better track VSLA performance across financial, economic, social and political domains.
- Adapting our standard model to reach **populations in crisis**.

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Massresita Tadesse/CARE