



Village Savings and Loan Associations

ANNUAL REPORT

Foreword

A VSLA member from Mali displays the masks she made.



Since 1991, the Village Savings and Loan Association (VSLA) has served as CARE's marquee savings and lending program, helping unbanked women gain access to basic financial support and services. Thirty years after our first savings group of approximately 20 met, our VSLA program operates in 54 countries with 13.7 million members strong. Every day, we're growing closer to our 2030 goal of reaching 62 million people (50 million women).

What started as a small group of women in Niger saving and lending money to one another has led to transformative change for millions of women

and their families around the world. Annually, VSLA members save and deploy together over \$650 million. During the last year, 85% of VSLA members continued to still meet even through the barriers of the COVID-19 pandemic. These groups become pathways for financial access but also platforms for women's leadership in communities. VSLA members become agents of change – spreading the word about preventing the spread of COVID-19 or advocating to local officials for policy change. I am proud of the program's proven success and look forward to working alongside these women and our partners to continue scaling up this model.

With 800 million unbanked women who still don't have access to their own resources, limited voice within their families, and no standing in their communities, we know that there is still more work to do. Imagine the change in the world if all women and girls had fair and equitable access to resources, respect, political power, and savings.

As you read this year's annual report, I hope you will be inspired by the ways CARE is centering women and girls in financial decision-making and engaging VSLAs as powerful platforms for achieving resilience and equality and helping women achieve their full potential.

Michelle Nunn

Michelle Nunn
President and CEO

Introduction

Even as COVID-19 shifts from being a fresh emergency to a fact of life, extreme poverty and economic inequality are rising globally, worsened by the continued impact of the pandemic and new crises. Reversing these damaging trends is critical and possible, but only if resources, power, and support are put in the hands of those who have been hit hardest.

Our [VSLA in Emergencies](#) program, launched in 2021, is proving that when power is returned to even the most vulnerable and disenfranchised women, they prosper. And when women prosper, communities prosper. The findings amplify what we have always known, and what VSLA members around the world told us through our unprecedented [Women Respond](#) initiative. Since December 2020, we have asked over [17,000 women in 23 Countries](#) how they were responding to COVID-19. Women in VSLAs indicated greater resilience than non-members. Not only were they half as likely to report challenges accessing income, food, or healthcare, but thanks to the skills and networks of trust they

had built through the VSLAs, they were leading their communities through the crisis.¹

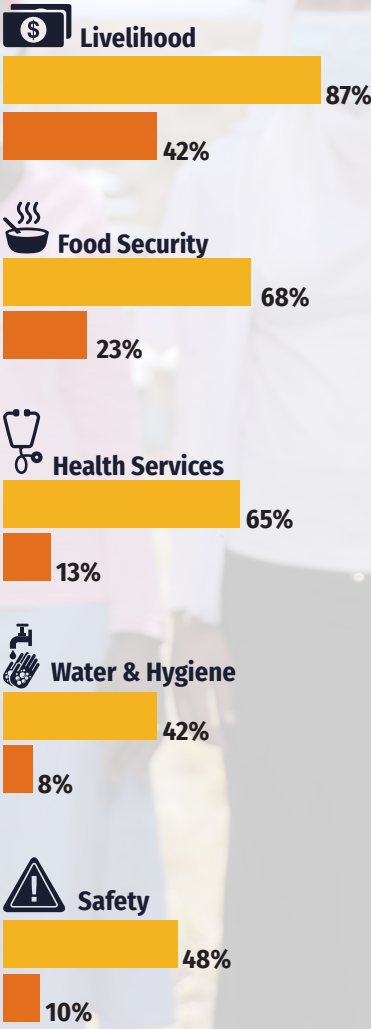
We firmly believe that VSLAs are some of the most effective vehicles for economic justice and long-term resilience because they put women in control of their own resources, incomes, and destinies. That is why at the 2021 Generation Equality Forum, [CARE pledged](#) to work with governments to strengthen leadership among women and girls in VSLAs as part of our [scaling strategy](#) and 2030 target of reaching 50 million women in countries where gender and economic disparities are highest.

The Women Respond data speaks loud and clear. Now, more than ever, is the time to bring the power and potential of VSLAs to women everywhere, so that together we can build a stronger, fairer post-COVID world.

¹ CARE global data was collected in various contexts, using different tools. Due to such differences, the global data does not provide pure comparative results. However, such comparisons provide rough insight to assess responses between different groups and locations.



Compared to **Non-members** VSLA members were less likely to report that COVID-19 was impacting their . . .



“The savings group is my wealth, my insurance and my life.”
—Rediate Shawil, 16 years, VSLA member, Ethiopia

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

Terhas Berne / CARE

Program Integration

While VSLAs are often the only practical alternative to banking in rural and marginalized communities, the real power of these groups is the confidence and capacity they build within members to uplift themselves and others. CARE's data from six countries in Africa, Asia and the Caribbean indicates that 64% to 80% of VSLA women members invest their savings in education and are 15% more likely to take up leadership positions. Their family incomes are up to six times higher and their children are up to 80% more food secure. When VSLA membership is complemented by training and tools that engage men and other community members – as in CARE/MARS [Women for Change](#) program – the results include improved school enrollment, increased nutrition, better maternal and child health, and reduced gender-based violence.

Recognizing the multiplying effect of these groups, CARE is intensifying integration of VSLAs across its thematic areas such as education, food and nutrition security, and climate justice to achieve impact at scale. In Myanmar, during a state of emergency, when NGO activities were heavily constrained, CARE successfully mounted a COVID-19 response that would have been impossible without its VSLA network. To ease the burden on local healthcare facilities, VSLA members underwent training as vaccinators and midwives through the CARE/GSK [Frontline Health Workers Initiative](#). They supported the government's containment efforts and even created an emergency fund to aid recovery.

VSLA 2021 Achievements



**Impacted
1.2M people in
2021 (totalling
13.7M since 2015)**



**Nearly 38,000
new VSLAs
formed in 2021**



**280 CARE
projects across
45 countries
included VSLAs**



Palash Roy/CARE

A Platform For Multi-Dimensional Programming

Unable to pay for her education, Aysha's parents married her off to an equally poor farmer in their village of Mazitari in northern Bangladesh. Though Aysha supplemented her husband's wages by working as a domestic helper and a seamstress, the couple struggled to feed their three children. In 2016, Aysha joined CARE's [SHOUHARDO III](#) program which aims to improve food security and resilience in Bangladesh's poorest communities. Aysha's drive, ambition, and desire to help others got her nominated to the Village Development Committee. As she visited homes teaching sanitary practices, she promoted her tailoring business. Her entrepreneurial spirit led her to join SHOUHARDO's training on maize farming and livestock rearing. But prosperity only became a reality in 2019 when SHOUHARDO III incorporated VSLAs into its programming. As a VSLA member, Aysha received business skills and entrepreneurship training. She could now take loans to expand her income-generating activities and improve her family's standard of living. Today, Aysha also manages three VSLAs, which she helped found. Two of her children are in school, while her eldest is in university.

Adapting for Emergencies

In 2021, following extensive consultation with international experts, peer agencies and CARE colleagues, we adapted and trialed our [VSLAs in Emergencies](#) approach in Yemen, Syria and Jordan. Unlike previous experiences in these contexts, our new and improved design proved that fully functional VSLAs can survive and succeed in crisis settings.

Yemen, the first to pilot the approach, demonstrated the capacity of VSLAs to catalyze cash assistance and other short-term emergency responses, into longer-term prosperity amid extreme poverty. Eager to save and share, the women of Taiz launched 22 groups on their own and created a Social Fund to assist non-members. Before the pilot, 81% of the women were excluded from household financial decisions. Ten months later, each had savings of about \$220, and about half (48%) were running their own businesses.

“There was an accident in the community. It was very serious and the VSLAs wanted to support even though it affected people not in the VSLA group. They wanted to feel like their association could provide something for the wider community not just themselves.”

— VSLAiE Program Team Member, Yemen

As the programs in Syria and Jordan form groups in 2022, CARE will continue to refine the cash-plus-VSLA model as a link between emergency and development programming. We are developing a toolkit so the model can be replicated elsewhere by CARE and others. To build a body of evidence on the approach’s adaptability, we are designing pilots to serve migrant populations in Colombia and Ecuador. We also intend to strengthen the model’s sustainability and impact by potentially sequencing it with longer-term livelihoods development and humanitarian programming. This would include layering it with CARE’s [Women Lead in Emergencies](#) program to ensure that women’s participation and leadership is elevated in times of crisis.



YEMEN PILOT: November 2020- October 2021, Completed.



Project groups saved, on average, 34% of their cash transfers



Average savings per VSLA member: \$220



48% of group members set up small business activities with their money.



16 project groups with 300 women



The percentage of VSLA group members with savings went from 3% to 100%



Loans were twice as likely to be used for business after skills training than before.



89% of people used money to help people beyond their group



Negative livelihood coping strategies dropped from 39% to 28%



22 self-created groups were created by others in the community with 609 members

Engaging the Public Sector

A key component of CARE’s VSLA strategy is shifting away from direct implementation and encouraging VSLA expansion through our partners. Following decades of advocacy and influencing, governments in Africa and Asia are including savings groups in their gender equality, financial inclusion, and social protection policies and programs. The real test however, is how these strategies will translate to economic justice and empowerment for women. This is why building the capacity of government partners, strengthening accountability, and supporting them as a trusted partner and ally is critical to our 2030 VSLA scaling goals.

With our support, the government of Vietnam is on track to forming 3000 VSLAs by 2030, with over 500 groups launched in 2021. And in Uganda, we are leveraging 20 years of in-country experience in a formal advisory role to the government. Together, we are improving the legal and regulatory frameworks around savings groups to strengthen their role as critical drivers of women’s economic empowerment. As we work hand-in-hand with the governments of Vietnam and Uganda to achieve impact at scale, our goal is to create a practical model for our other government partners.

At the [Generation Equality Forum](#), we pledged to partner with at least 10 African countries to form and embed VSLAs in their national policy frameworks. We have begun engaging the governments of Rwanda, Cote d’Ivoire, Nigeria, Malawi, Tanzania, Niger, Mali, and Kenya to formally commit to using VSLAs as entry points in their social protection and graduation policies and programs. In the coming year we will continue our comprehensive policy mapping and landscape analysis of these countries, to determine the best entry points for advocacy, accompaniment and technical support by CARE and key stakeholders.



VSLA members in Northern Bangladesh.

Palash Roy / CARE

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
- 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

Engaging the Private Sector

As the private sector evolves, so does CARE. Leading corporates are seeking deeper, more innovative modes of engagement and VSLA programming is well-positioned to serve this shifting modality. When designed with tactical market linkages and clear roles for corporate partners that leverage their influence and buying power, VSLA programming can drive greater sustainable impact for women and their families in supplier communities, build resilience within supply chains, and motivate long-term investment by corporate partners.

In line with this vision, we made a series of strategic pivots to a Bloomberg-funded VSLA program in Tanzania that aims to increase productivity and farmer incomes in the tea sector through collective investment. We realigned our private sector partner – a social enterprise selling Tanzanian tea – to a less philanthropic, more commercial-oriented role. And we redesigned CARE’s contributions around collective investment to better respond to supply chain realities. The result: a program strategy that will create more long-term opportunities for new and existing women farmers *and* tactically build up the nascent Tanzanian tea value chain.

In parallel, CARE’s long-time corporate partners continue to support our push for transformative change in the cocoa sector. In 2021, through an [additional US\\$10 million](#) investment from Mars Wrigley, we expanded our [Women for Change](#) program, surpassing 50,000 members in Cote d’Ivoire and Ghana. Since 2015, the program has successfully raised family incomes (with over \$5.2 million saved), improved women’s literacy, reduced domestic abuse, and strengthened supplier communities who are the first – and typically least resilient – link in the supply chain.

VSLA member, Rita Asamoah, and her husband on their cocoa farm in Ghana.



CARE, a recognized leader and innovator within savings-led financial inclusion programs, has been a critical partner for Mars in the development of our unique Women for Change model. Our program includes a number of key elements that go beyond the standard foundational savings and loans activity. Financial literacy, gender equality and entrepreneurship when combined together help to increase women’s income opportunities, strengthen child protection and build resilience amongst cocoa growing communities.

— Amber Johnson, Global VP Cocoa, Mars Wrigley

Driving Digital Inclusion

COVID-19 lockdowns drove people to digital marketplaces and mobile payments, opened new frontiers for employment and entrepreneurship, and exposed a deep digital divide. Two years into the pandemic, 2.9 billion people – mostly women – remain offline. With mobile and online transactions now exceeding \$2 billion per day, digital and financial exclusion means that ecommerce opportunities, government-to-person payments and mobile cash transfers are inaccessible to millions of women.

As part of our commitment to women’s economic justice, we have developed a comprehensive, multi-pronged solution stack to help close the gender digital divide. By engaging our vast VSLA network, we are testing a VSLA Digital CARE Package. Alongside

digital and financial literacy, women in VSLAs are receiving internet-enabled phones bundled with empowering content. Leveraging the data-collecting ability and popularity of our award-winning [Chomoka](#) platform (50,000+ users in 5 countries), and drawing and expanding on partnerships built through our successful [Digital Sub-Wallets](#) program, we will create better products to secure women’s access to formal banking services. Most importantly, we will continue to challenge norms and structures preventing women’s financial empowerment and access to technology. With Digital CARE Package pilots underway in Uganda and Rwanda, we aim to directly enable 500,000 VSLA members achieve full, equitable participation in the digital economy by 2025.

THE DIGITAL CARE PACKAGE



Our approach will achieve results where others have failed by addressing four barriers simultaneously:

1. Facilitating access to **internet-enabled phones** and affordable options for charging and internet usage
2. Pre-loading, generating (and incentivizing others to create) **relevant content and applications** that address women’s priorities as well as literacy and language requirements
3. Building **digital skills and confidence** to use mobile phones and navigate the internet effectively
4. Creating **an environment that celebrates women’s equitable participation** in the digital economy.

Learning to use the Chomoka app in Côte d’Ivoire.



Nadi Jessica Dago/CARE

Priorities for 2022-2023

- Integrating VSLAs as a platform for multi-dimensional programming to multiply CARE's impact while **building on models and best practices that** elevate women's voice and economic independence.
- **Accelerating partnerships with governments** to increase the formation and engagement of VSLAs through social protection, financial inclusion and gender equality policies and programs.
- Solidify the business case for agribusinesses to form and engage VSLAs in their supply chains, empowering them to meet their environmental, social and governance targets and ensure the farmers they work with **earn a living income**.
- Actively **incorporating and elevating women's voices** across the length and breadth of CARE's work by institutionalizing Women Respond.
- Expanding the reach of our **VSLA in Emergencies** model in collaboration with peer agencies and major humanitarian actors.
- Refining and scaling the **VSLA Digital CARE Package** to close the gender digital divide and support women and girls to fully benefit from the digital economy.
- Developing an online version of the VSLA manual to **train future trainers** as we continue to develop scalable models for various sectors and contexts.

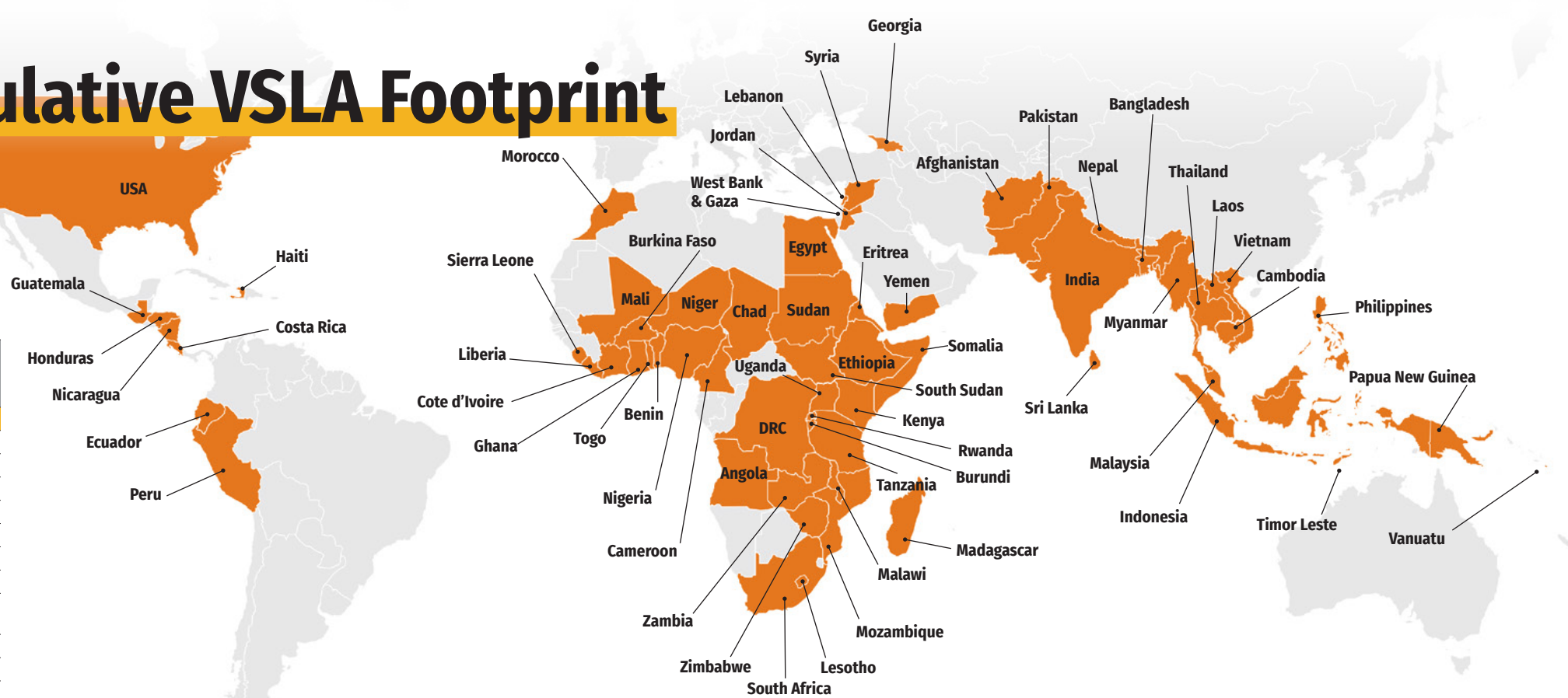
For more information please contact:

Vidhya Sriram, Director, Global VSLA Team
vsriram@care.org



CARE's Cumulative VSLA Footprint

Country	# of VSLAs	# of Members	# of Women Members
Africa			
Angola	634	9,115	7,110
Benin	2,603	57,731	47,252
Burkina Faso	158	4,076	3,128
Burundi	32,790	786,402	662,355
Cameroon	1,301	30,340	18,462
Chad	1,631	39,925	38,620
Côte d'Ivoire	11,677	294,764	234,885
Democratic Republic of Congo	7,177	170,034	141,012
Eritrea	245	4,000	3,120
Ethiopia	25,809	557,624	373,516
Ghana	5,388	133,771	104,425
Kenya	41,467	809,220	631,515
Lesotho	3,500	85,180	66,440
Liberia	229	5,663	4,423
Madagascar	5,885	101,720	74,612
Malawi	30,576	507,393	396,775
Mali	15,938	430,531	355,751
Mozambique	10,895	209,329	163,451
Niger	29,452	749,493	648,184
Nigeria	3,277	33,042	28,466
Rwanda	32,959	908,899	682,940
Sierra Leone	2,332	64,996	51,207
Somalia	3,952	63,666	55,915
South Africa	1,570	13,395	10,448
South Sudan	690	17,202	11,958
Sudan	2,182	55,961	45,523
Tanzania	30,402	718,726	553,905
Togo	339	6,988	5,376
Uganda	35,159	977,131	752,085
Zambia	2,398	45,468	32,885
Zimbabwe	28,846	199,539	158,189



Country	# of VSLAs	# of Members	# of Women Members
Asia and the Pacific			
Afghanistan	545	10,652	10,066
Bangladesh	14,839	401,072	361,869
Cambodia	300	4,763	3,851
India	21,400	281,127	227,354
Indonesia	11	220	172
Laos	216	4,620	4,620
Myanmar	232	5,680	5,121
Nepal	1,134	32,398	20,691
Pakistan	5	73	43
Papua New Guinea	37	819	417
Philippines	29	617	481
Sri Lanka	38	284	284
Thailand	16	97	97
Timor-Leste	146	4,446	2,578
Vanuatu	7	175	152
Vietnam	1,514	29,867	27,673

Country	# of VSLAs	# of Members	# of Women Members
Latin America and the Caribbean			
Costa Rica	1	23	18
Ecuador	28	854	743
Guatemala	14	342	342
Haiti	4,133	119,995	84,969
Honduras	252	6,185	2,011
Nicaragua	4	150	130
Peru	38	304	185
Middle East, North Africa and Europe			
Egypt	2,929	54,165	46,839
Georgia	9	117	117
Jordan	43	515	515
Morocco	167	3,387	3,160
Syria	29	519	251
West Bank and Gaza	-	300	230
Yemen	132	2,942	1,728

Country	# of VSLAs	# of Members	# of Women Members
North America			
United States of America	12	114	85

CARE's Cumulative VSLA IMPACT

62
COUNTRIES

9,058,146
MEMBERS REACHED

25%
YOUTH

419,271
VSLAs

7,170,725
WOMEN REACHED

13.7 Million
PEOPLE IMPACTED