



# **VSL Programme Guide**

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**for Disability Inclusive Village Saving and Loan groups**

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**Volume 1 – Version 1.0 – December 2018**

## ACRONYMS & ABBREVIATIONS

AKF	The Aga Khan Foundation
ASCA	Accumulating Saving and Credit Association
AMFIU	Association of Microfinance Institutions in Uganda
CARE	Cooperative for Assistance and Relief Everywhere
CBID	Community Based Inclusive Development
CBM	<i>Christoffel Blinden Mission</i> - Christian Blind Mission
CBT	Community Based Trainer
CBR	Community Based Rehabilitation
CRS	Catholic Relief Services
DID	Disability Inclusive Development
DU	District Unions (local administrative structures in Uganda)
ECDD	Ethiopian Centre for Disability and Development
FSD Africa	Financial Sector Deepening, Africa
FO	Field Officer
INGOs	International Non-Governmental Organisations
iSAVE	The Inclusive Empowerment Programme for Savings Groups developed by NUDIPU with the support of NAD and AMFIU
MFI	Microfinance institution
MIS	Management Information System
NAD	Norwegian Association of Disabled
NUDIPU	National Union of Disabled Peoples in Uganda
NUDOR	National Union of Disability Organizations in Rwanda (NUDOR)
PQGs	Program Quality Guidelines
PSNP	Productive Safety Net Programme
PWDs	People with Disabilities
ROSCA	Rotating Saving and Credit Association
SACCO	Savings and Credit Cooperative

SAVIX	Saving Groups Information Exchange
SG	Savings Group
SLWG	Savings-Led Working Group (SLWG)
WCM	We Can Manage – special name given to iSAVE savings groups
WVI	World Vision International
UKAID	United Kingdom Agency for International Development
UNCRPD	United Nations Convention on the Rights of Persons with Disabilities
USAID	United States Agency for International Development
VESA	Village Economic and Social Association
VSLA	Village Savings and Loan Association

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## CHAPTER 1 ABOUT THIS VSL PROGRAMME GUIDE

CBM's VSL programme guide is the first of a two-volume generic disability inclusive guidebook. The second volume is the VSL Training Manual. Based on the standard VSL Field Officer (FO)'s guide developed by VSL Associates, the two volumes are generic in the sense that they are not tailor-made to a specific CBM country operation. CBM has developed these programme and training materials to be made available to CBM Country programmes in Africa, Asia and Latin America, for use in implementing their own VSL programmes. The materials can be used to build the capacity of CBM programme staff, partners, their project staff and VSL groups on the implementation of disability inclusive savings and loan groups.

Prior to these two volumes, CBM Project partners have used either the standard VSL FO Guide or developed country specific and contextualized disability inclusive guides such as those by National Union of Disabled Peoples in Uganda (NUDIPU), the National Union of Disabilities Organization in Rwanda (NUDOR), and the Ethiopian Centre for Disability and Development (ECDD).

The primary purpose of the disability inclusive Village Savings and Loan Programme Guide is to introduce CBM's VSLA approach that is based primarily on the Village Savings and Loan model with its simplified VSLA member passbook-based record-keeping system.

It is hoped that the guide will increase awareness among the CBM family (International Office, Member Associations, Regional Offices, Country Offices and partners) that Savings Groups are strategic vehicles for socio-economic empowerment of a significantly large number of persons with disabilities, particularly among the poorest of the poor. The guide is also intended to serve as a useful introduction to the savings-led movement for CBM country operations that may be considering introducing the VSLA methodology among persons with disability.

This programme guide is organized in five Chapters:

1. About this VSL Programme Guide (Volume 1)
2. Savings Groups Worldwide
3. The CBM Disability Inclusive VSLA Approach
4. Overview of CBMs VSL Training Manual (Volume 2)
5. Annexes

## CHAPTER 2 SAVINGS GROUPS WORLDWIDE

Financial exclusion has led to the development of indigenous community-based solutions. Traditional savings groups have been in existence for decades and are wide spread in villages in Africa, Asia and Latin America where formal financial services are largely absent. Such informal entities, technically referred to as Rotating Savings and Credit Associations (ROSCAs) are known by different names in different regions of the world such as *tandas* (Latin America), *chamas* (Swahili-speaking East Africa), *ekub* (Ethiopia), *cundinas* (Mexico), *ayuuto* (Somalia), *stokvel* (South Africa), *hagbad* (Somaliland), *susu* (West Africa and the Caribbean), *tontines* (parts of West Africa), Merry-go-rounds (Kenya), *upatu* (Tanzania), *arisans* (Indonesia) and by many other terminologies.

CARE International's Village Savings and Loan Associations (VSLAs) are the oldest and most numerous brand of these community-owned, community-managed, bona fide service providers that have become generically known as Savings Groups (SGs) because of their savings-led characteristic. CARE VSLAs evolved out of an experiment in Niger (1991) that transformed a ROSCA (*tontine*) into an Accumulating Savings and Credit Association (ASCA)<sup>1</sup>. VSL Associates is the firm credited for developing the earliest comprehensive training manuals that were used to establish initial VSLAs outside Niger, thus spreading the model to the rest of CARE programs, and other development agencies with various adaptations across the world. VSLA manuals have gone through a number of revisions with a focus on a simplified methodology for the benefit of the VSL group members<sup>2</sup>.

### Estimated Global Outreach

SGs are a simple, transparent, cost-effective and sustainable approach of providing financial services to people who are too poor or isolated to be served by formal financial service providers. In just 25 years, approximately **750,000 Savings Groups** have been established comprising of over **15 million members in 73 countries**. Each savings group manages assets of about US\$1,200 on average, providing access to livelihood opportunities for income generating activities, consumption, investment, and emergency needs of low-income households. The vast majority of these households constitute the informal economy. This low cost concept has a very high success and sustainability rate and is being supported by many donors such as Bill and Melinda Gates Foundation, MasterCard Foundation, Barclays Bank UK, USAID, UKAID, FSD Africa, and others. CBM has secured funding from a

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<sup>1</sup> In an ASCA, funds are not immediately withdrawn by an individual (as in a ROSCA) but are left to accumulate and made available as loan funds.

<sup>2</sup> Moira Eknes serving at CARE Niger and representing CARE Norway is the celebrated innovator of VSLAs. Hugh Allen, convinced of the model's seminal impact made a career decision that saw him focus exclusively on the promotion of Savings Groups worldwide, later registering VSL Associates for this purpose (see [www.vsla.net](http://www.vsla.net)).

private foundation in Germany, the Scottish and German Governments to fund projects targeting over 45,000 persons with disabilities in East Africa.

To underscore just how significant the Savings Groups sector has become, the Bill & Melinda Gates Foundation supported the development of the Savings Groups Information Exchange (SAVIX) – an internet-based system that provides standardized reports on SGs worldwide. With results updated daily through the online SAVIX MIS ([www.mis.thesavix.org](http://www.mis.thesavix.org)), the SAVIX has received financial and operational data from more than **1,200 SG projects** globally. The current total of SG projects in the system represents just over **6 million members** in about **276,000 SGs in 44 countries**.

### **The SEEP Savings-Led Working Group**

Savings Groups have attracted the attention and commitment of a significant number of development and donor agencies. Notable among these has been the SEEP global network of over 100 organisations working in 160 countries. The SEEP Network established the Savings-Led Working Group (SLWG) in 2007, which apart from organizing biannual SG conferences, has built awareness of Savings Groups, establishing common definitions, and facilitated broad-based industry coordination and learning. The SLWG is the recognized home for collaborative learning and action among practitioners. The working group maintains the most exhaustive resource library on Savings Groups, develops demand-driven knowledge products, and organizes high-impact learning events.<sup>3</sup>

The SEEP SLWG learning events include the Global Savings Groups Conference Series. The latest one took place in May 2018<sup>4</sup> in Kigali, Rwanda.

### **SG Program Quality Guidelines**

A very useful product that resulted from one of the SLWG's initiatives is a set of SG Program Quality Guidelines. These minimum standards for quality programming were defined by a group of SG practitioners brought together by the SLWG. The working group described quality programs as:

Those programmes that prioritize SG members' welfare while meeting member interests, provide members with lasting and measurable benefits, promote group sustainability and minimize risk. Additionally, practitioners stress the importance of programs serving large numbers of disadvantaged people in diverse contexts<sup>5</sup>.

The development of the SG Program Quality Guidelines was in response to a situation where new and diverse organisations are entering into the field of SGs, attracted to

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<sup>3</sup> <https://seepnetwork.org/Savings-Led-WG>

<sup>4</sup> <https://www.mangotree.org/SG2018>

<sup>5</sup> <http://www.seeplearning.org/sg-guidelines.html>

potential benefits that are beyond savings and credit, such as improved resilience, mutual support, asset accumulation, and access to a variety of products and services offered through the groups. As the SG sector grows with unknown long-term impacts of innovations, approaches and technologies, it was important to provide minimum standards and guidelines that were expected to safeguard the well-being of members and the security of their assets. The PQGs are grouped under the following **eight overarching principles**<sup>6</sup>:

- Principle 1: Design the program with clear outreach and quality objectives that align all stakeholders with the desired outcomes.
- Principle 2: Know the groups you intend to serve, including the most vulnerable, and take appropriate actions to reach them.
- Principle 3: Select, train, manage, and monitor trainers in a manner that recognizes their essential contribution to the program.
- Principle 4: Promote a tested savings group model and instill in members an understanding and respect for that model's procedures.
- Principle 5: If choosing to combine savings group with other activities, do so in a safe and responsible manner that respects the autonomy of the group members to make their own decisions.
- Principle 6: Inform SG members about the risks and opportunities of entering into a relationship with a formal financial institution and empower them to make their own choices.
- Principle 7: Consistently monitor and evaluate program performance.
- Principle 8: Design the program with a clear exit strategy that leaves in place post-program structures for expansion of services and ongoing support.

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<sup>6</sup> <http://www.seeplearning.org/sg-guidelines/principles/> Comprehensive and useful details of the principles are available at this website



## CHAPTER 3 THE CBM DISABILITY INCLUSIVE VSLA APPROACH

### Overview

Access to livelihood opportunities is fundamental to ending the cycle of poverty and disability. Article 27 of the United Nations Convention on the Rights of Persons with Disabilities (CRPD) articulates a “right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to people with a disability.”

CBM addresses the inclusion of persons with disabilities in the formal economy through a variety of means but recognizes that for the majority of women and men with disability in the countries in which CBM works, the informal economy is their most widely available means of gaining a livelihood. Through the promotion of inclusive savings and loan groups in Community Based Rehabilitation (CBR), CBM aims to support women and men with disability gain a means of livelihood from which to develop sustainable incomes.

CBM has joined numerous International and local organizations that are supporting the establishment of Savings Groups to promote the financial inclusion of persons with disabilities locked out of the mainstream financial systems. Savings Groups are increasingly becoming an attractive alternative in the world of inclusive finance, creating a movement that has sometimes been referred to as the “Savings Revolution”<sup>7</sup>. This focus on savings and building assets is an important strategy as an entry-level component of an inclusive, vibrant financial system. Leading promoters and implementers of Savings Groups include international development agencies such as CARE, World Vision, PLAN International, Catholic Relief Services, Oxfam America, the Aga Khan Foundation (AKF) and others in collaboration with national and sub regional partners.

CBM Livelihood Community of Practice conducted a study of the savings group concept in a number of countries, including Uganda, where the National Union of Disabled Persons of Uganda (NUDIPU) initiated a SG programme in 2010, based on the Village Savings and Loan (VSL) model. The success of NUDIPU led to the development of a position paper to promote savings groups among CBM partners. A pilot VSL programme in partnership with the National Union of Disability Organizations in Rwanda (NUDOR) was initiated in 2015 out of the position paper.

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<sup>7</sup> <http://www.savings-revolution.org/>

## NUDIPU's Theory of Change through iSAVE

The success of NUDIPU's iSAVE inclusive programme for VSLAs in Uganda is due in part to a holistic vision of economic empowerment for persons with disability and a credible theory of change, which is worth studying (*See annex 1 in Chapter 5*).

Apart from access to economic and other resources, services and opportunities, the iSAVE programme envisions the breaking down of inclusion barriers as people become more independent, earn respect and actively contribute to the development of their communities. The programme is an integrated approach that provides opportunity for multi-stakeholder involvement around persons with disabilities, their families, caretakers and representative bodies; actors in the local government, micro finance, private sector and communities. At the core, iSAVE revolves around the mobilisation of VSLAs that are referred to as *We Can Manage* (WCM) groups, which are managed by persons with disabilities. WCM groups include other non-disabled members, family members or caretakers of persons with disabilities as well as other community members without disability. Capacity building of WCM groups includes entrepreneurship training and linkages to formal financial services.

## Rationale for establishing VSLAs for People with Disabilities

**Table 1: Why establish VSLAs for People with Disabilities?**

**The following are potential impacts for persons with disabilities participating in VSLAs:**

- Increase in number of economic activities,
- increase in assets mainly controlled by persons with disabilities
- Access to nutrition, medical services, education, other services
- Improved social status/social capital,
- Improved intra-family relationships,
- Enhanced community participation
- Increased stability of household enterprises,

**The primary purpose of promoting VSLAs among persons with disabilities is to enhance and take advantage of more opportunities, in order to improve their livelihood as well as counter obstacles that confront persons with disabilities such as:**

- The stigma and discrimination which adversely affect their development
- Limited access to employment, education, finance, health care, and other services
- Limited participation in the community due to accessibility barriers and negative attitudes against persons with disabilities

VSLAs provide simple savings and loan facilities to people with disabilities who do not have access to formal financial services. These services help to meet basic needs and help people avoid disposing off their assets during stressful times.

VSLAs increase the capacity of persons with disabilities to build socio-economic support networks. Introducing persons with disabilities to the VSLA methodology provides exposure and opportunities for:

- Interaction with the larger community, which in turn contributes to changing people's attitudes and gradual acceptance of persons with disabilities
- Enhanced solidarity to support one another by sharing information on the availability of services and resources.
- Mobilization of resources.
- Access to savings, loans, the social fund for basic needs, emergencies and potential investment in Income Generating Activities
- Solving problems through self-help, mutual help, and collective action
- Taking responsibility for their own development and be part of the decision making process
- Enhanced self-confidence and self-esteem
- Increased awareness and understanding of disability discrimination and their human rights.

### **What is a disability inclusive VSLA?**

A disability inclusive Village Savings and Loan Association (VSLA) is a group of 10 - 25 people that is led by persons with disabilities and which includes family members (usually caregivers) and others in the community without disabilities. These agree to save together regularly and take small loans from those savings. The activities of the VSLA run in 'cycles' of about one year, after which their money is shared out in proportion to what they have saved.

Thus a disability inclusive VSLA is a Savings Group like any other, which adheres to SG principles of transparency, democratic decision-making, and a membership and leadership that is committed to mutual accountability and principles of good governance.

### **Why VSLAs and not other SG models?**

The VSL methodology has traditionally been committed to simplicity and has been continuously improved to suit the group member's numeracy and literacy levels. VSLAs use members' passbooks as the primary record-keeping system for tracking individual group members' savings and loan transactions. A small notebook is used to record the loan fund cash and social fund balances at the end of a group meeting. Some SG models maintain a central ledger to keep members' records. Over the years, VSL Associates, who introduced the central ledger record-keeping system, have found that to successfully maintain credible centralized records requires a high

level of Field Officer proficiency, which cannot always be guaranteed. At any rate, relying on FO's ability to do the Record-Keeper's work goes against the goal of equipping SGs to become adept at performing their savings and loan activities without external supervision. The passbook system was introduced after various reviews of central ledgers in different SG projects. These surveys, which found extensive errors in ledgers maintained by Record-keepers, and in some cases Field Officers, concluded that few group members (including designated Record-keepers) can claim to fully understand and keep accurate ledgers.

### **CBM recommended strategies for introducing VSLAs**

The CBM livelihood community of practice recommends livelihood practitioners to consider introducing VSLAs as a programme component by applying the following strategies:

**A. Knowledge:** In the past the management and programme staff of the CBM partners has been encouraged to acquaint themselves with the VSLA concept through reading of literature, engaging with VSLA promoters, peer visits to groups or obtaining information and technical support, including training from CBM (Global or regional advisors, Country office, Programme staff trained in the VSL methodology).

With the development of the two-volume disability inclusive manuals: the VSL Programme Guide and the VSL Training Manual, it is recommended that CBM partners study the same and seek guidance from the CBM livelihood advisors, other implementing partners and mainstream organizations for technical support.

**B. Survey:** A survey should be undertaken to gauge the interest of persons with disabilities and care givers in joining VSLAs in a given area of coverage to determine the viability of the concept and set targets. The survey should also identify current SG promoters in the area or country that can be targeted through lobbying for inclusion or as technical partners. The results/outcome of the survey should form the basis for the strategy development.

**C. Mainstreaming:** The preferred option is to lobby existing SG providers to include persons with disabilities in their mainstream programmes as a right. Another option is to promote disability specific SGs within the existing programme if they operate in the same area of coverage as the implementing partner. They might also be open to expanding the geographic base of their operating area in cooperation with the CBM partner. The CBM partner would act as a referral organization and link persons with disabilities or existing empowerment groups with the SG provider and maintain a relationship to monitor group performance and capture statistics and evaluate outcomes. This would be the most cost

effective option and also works towards inclusion in mainstream community endeavours.

**D. Partnership:** Where SG providers do not exist within the project area of coverage it is recommended that the CBM partner links with organizations that have the relevant expertise in SG management to advise on programme planning, staff training, roll out, monitoring, evaluation and reporting, including data processing. CBM has successfully partnered with CARE in Rwanda who provided technical support for the roll out of a NUDOR's VSL pilot programme.

**E. Funding:** SGs are being promoted by many INGOs that have significant funding from numerous donors. CARE, PLAN, WVI, CRS are among the main SG implementing organizations that attract significant funding from donors such as Bill and Melinda Gates Foundation, MasterCard Foundation as well as corporate and government funding. The most cost effective approach is to lobby them for inclusion. Where this option is not available the CBM partner can seek funding from governments or local and international donors.

CBM is calling upon donors and implementers at the global and national level to promote disability inclusion in SG programmes. While many INGOs have developed inclusion policies and trained management staff, the programme staff usually lacks knowledge and practical approaches on how to identify and include people with disabilities in savings groups.

CBM is therefore encouraging SG providers to network with Disabled People Organizations in the respective countries and communities for mobilization and referral of persons with disabilities to join their existing SGs. Such partnerships will result in inclusion of currently marginalized people with disabilities and ensure equal rights and access to mainstream opportunities towards socio-economic empowerment which development organizations strive to achieve.

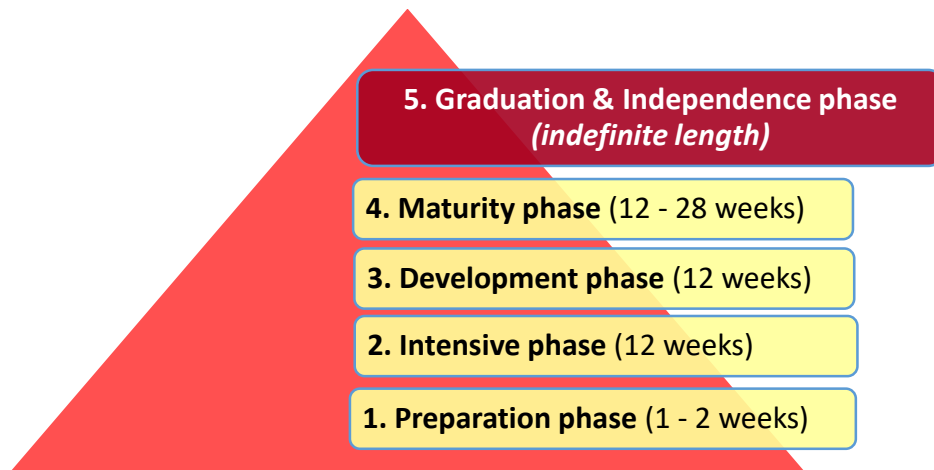
## CHAPTER 4 OVERVIEW OF THE VSL TRAINING MANUAL (VOLUME 2)

The VSLA Training Manual (Volume 2) has been designed as a Training of Trainers facilitator's toolkit or workbook for use in building the capacity of the Field Officer, who is central to the success of any VSLA project. The success and quality of foundational VSLAs as well as subsequent groups established by Community Based Trainers (CBTs) or spontaneously replicated, will depend on how well the FO has mastered the theory and practice of VSLA delivery, which includes training, supervising and supporting foundational groups as well as equipping CBTs to build quality portfolios of their own SGs. It is critical, therefore that all VSL project staff provide all the administrative and technical support the FO requires to enable her/him to perform this significant role. Given its comprehensive and detailed structure, it is advised that certain parts of the manual and especially handouts and tools be identified, possibly enlarged and where possible laminated for use as visual training aids both for equipping CBTs and groups themselves.

For a primary reference, the development of the VSLA Training Manual has used the standard VSL manuals and in particular the latest (*version 2.0 released by VSL Associates in February 2018*). The VSLA methodology's proven success is demonstrated by CARE International's reputable leadership in the SG sector. The latest version of the VSL Manual was chosen as a basic resource for the VSLA Training Manual primarily because of its enhanced simplicity with regard to record-keeping.

CBM's disability inclusive VSL Training Manual has adopted the four phases of the VSLA methodology that are clearly illustrated on the one-page VSL Training & Supervision Schedule (*See Annex 2 of this VSL Programme Guide*). The four phases are all within the first cycle of the VSL group. The first is the Preparation phase that takes 1 to 2 weeks, followed by the Intensive and Development phases of 12 weeks each. The Maturity phase can take between 12 to 28-week depending on whether the group has chosen a 9 or 12 month cycle. The CBM VSL Training Manual has added a fifth Graduation & Independent phase for mature and self-managed VSLAs that could benefit from growth-oriented capacity building input. For optimum impact, this phase, whose length is indefinite, should be controlled entirely by the VSL group in that any external service delivery should be demand-driven.

**Figure 1: Five Phases of CBM's Disability Inclusive VSLA Methodology**



### **PREPARATORY PHASE (1) : Meeting A & B**

The Preparatory Phase has two important meetings: Meeting A and Meeting B:

- The purpose of Meeting A is to introduce the VSL methodology to important and influential people in a community who will facilitate the formation of VSL groups led by persons with disabilities that also include others in their families and communities.
- The purpose of Meeting B is to talk to potential VSLA members and provide them with more information about VSLAs and prepare them to go through the required VSL training.

Table 2 on the next page lays out the order in the two preparatory meetings take place, expected participants and a summary of the content of the meetings.

**Table 2: Preparatory Meetings**

<b>Type of meeting</b>	<p align="center"><u>Meeting A</u></p> <p align="center"><i>FO introduces VSL methodology to members of the community</i></p>	<p align="center"><u>Meeting B</u></p> <p align="center"><i>First meeting of FO with potential VSL groups</i></p>
<b>Participants</b>	<p>This is a public meeting of 50 – 100 people presided over by:</p> <ul style="list-style-type: none"> <li>• Leaders of Disabled peoples and other social organisations</li> <li>• Members of local government councils</li> <li>• Leaders of other special groups</li> <li>• Other opinion and religious leaders; respected persons in the community</li> </ul>	<p>Attended only by</p> <ul style="list-style-type: none"> <li>• people with disabilities,</li> <li>• caregivers and</li> <li>• others in the community</li> </ul> <p>These must all be 10 to 25 people who have shown commitment and who want more information to participate in VSL Training</p>
<b>Content</b>	<ul style="list-style-type: none"> <li>• Overview of how the methodology works</li> <li>• How interested individuals can form new VSLAs</li> </ul>	<ul style="list-style-type: none"> <li>• Basic features of a VSLA</li> <li>• Step-by-step description of how a VSL works</li> <li>• Qualities of good group members</li> <li>• The 6 foundational training modules schedule</li> <li>• The 4 discussion sessions</li> <li>• Date and place for first Training</li> </ul>

**INTENSIVE PHASE (2): Foundational VSL Modules 1 – 5 & Supervision**

CBM’s disability inclusive VSL Training Manual has six Foundational VSL Modules listed below:

1. Foundational VSL Module 1 – Establishing Groups & Electing Leaders
2. Foundational VSL Module 2 – Development of VSLA Constitution
3. Foundational VSL Module 3 – First Savings Meeting
4. Foundational VSL Module 4 – First Loan Disbursement Meeting
5. Foundational VSL Module 5 – First Loan Repayment Meeting
6. Foundational VSL Module 6 - Share-out / Action-audit Meeting

With the exception of Module 6 (Share-out /Action-audit) all the Foundational VSL Modules are delivered during the Intensive phase. Module 6 is delivered at the end of the Maturity phase.



### **DEVELOPMENT PHASE (3): Supervision & Discussion Sessions**

The Development Phase largely involves FO support and supervision to coach VSL groups to effectively put into practice the various elements of Foundational VSL Modules. The VSL Training Manual has also incorporated aspects of the Village Economic and Social Associations (VESA) concept developed by USAID and CARE Ethiopia. VESAs were set up by CARE Ethiopia to target household members participating in the Productive Safety Net Program (PSNP). PSNP was a flagship programme of the Government of Ethiopia that started in 2005 to address chronic food insecurity in the country.

#### **What is a VESA?**

Like VSLAs, VESA's have internal savings and loan activities at the core of their functions. The VESA concept, however, has five additional interventions for supporting communities in chronic food insecure environments. The supplementary VESA activities are: Financial literacy, Livelihoods, Women's empowerment, Climate change adaptation, and Nutrition. The VESA manual<sup>8</sup> describes a VESA as follows:

*... an informal association of targeted PSNP clients established for the purpose of engaging in internal savings and lending, and accessing services delivered by the Livelihoods for Resilience Activity team. VESAs are based on principles of group transparency and accountability, and are established to create a strong savings culture in the community. The ingredients necessary for success include: strong implementing partners and community facilitators to lead the VESA, effective VESA leadership, member loyalty and dedication, strong aspirations to save and learn, and relevant and appropriate community facilitator-led discussions.*

According to CBM, though designed for chronic food insecure situations, certain aspects of VESA's integrated programming, such as financial literacy training, and basic training on income generating (livelihood) activities are complementary to the VSLA methodology and therefore should be experimented with as *Discussion sessions*, as long as requisite focus is given to the Foundational VSL modules that focus on the core savings and loan activities. It is crucial that the VSL groups are adequately trained and coached to effectively and ultimately manage their savings and loan activities without supervision. The following four discussion sessions have been included in the CBM disability inclusive VSL Training Manual as valuable reinforcements to the VSL methodology:

1. Discussion session 1 – Aspirations & Goal Setting
2. Discussion session 2 – Financial Literacy: Savings
3. Discussion session 3 – Financial Literacy : Debt & Equity financing
4. Discussion session 4 – Selection & Planning for Income Generation Activity

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<sup>8</sup> <https://careclimatechange.org/wp-content/uploads/2018/06/VESA-manual-.pdf>

The CBM VSL Training Manual has recommended the delivery of the first discussion session (Aspiration & Goal setting) after Foundational VSL Module 3 (First savings meeting), any time between week 2 and 8 of the schedule of operation. The two Financial Literacy discussion sessions (Savings) and (Debt & Equity financing) could be introduced between weeks 11 and 16. These discussions will be towards the end of the intensive phase and into the development phase. The fourth discussion session on Selection, Planning for Income Generation Activities (IGA) would follow next, to prepare members for possible investment in IGAs. All discussion sessions will take place after the main savings and loan meeting. Each discussion session is expected to stretch for more than one or two FO visits.

#### **MATURITY PHASE (4): Supervision & Foundational VSL Module 6**

The sixth and final Foundational VSL Module is the Share-out or Action-audit meeting, which takes place on the last day of the first cycle.

#### **GRADUATION & INDEPENDENT PHASE (5):**

##### **Graduation Discussion 1 – Preparing for VSLA Independence & Growth.**

The CBM VSL Training Manual has included a discussion session at the start of the second cycle, which is aimed at preparing the group for self-management status and continued growth. Besides the standard requirements of making necessary amendments to the VSLA Constitution and conducting new elections for management committee members, the primary objective for Graduation Discussion 1 is to assist VSL group members appreciate the issues involved in possible linkages with formal financial and other external services; and in particular, potential risks associated with such propositions. Discussions topics designed to address these issues are:

- Using your group's money to invest in a group business
- Lending to people outside the VSLA membership
- Borrowing from banks or MFIs
- Attractive deals suggested by external parties

**Administrative remarks for consideration:**

Following this discussion session, recommendation for group self-management status would normally be contingent upon the following:

- The group should have had a successful sharing out at the end of the first cycle
- The FO or his/her supervisor should have conducted the final SG Self-Management Assessment<sup>9</sup> before the close of the first cycle and the group cleared to be independent.

The management of SG project may consider an official graduation, including the presentation of a certificate of achievement to the VSL group. As part of expectations for a mature group in keeping with principles of sustainability, it is recommended that the organization and cost for an official graduation ceremony be left entirely in the hands of the VSL group.

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<sup>9</sup> A Self-Management Assessment Tool that can be adapted and adjusted as appropriate has been provided as Annex 7 of the VSL Training Manual (Volume 2).

The CBM VSL Training Manual includes a section in the Graduation & Independent Phase that outlines possible interventions for independent VSLAs. See Table 2 below:

**Table 2: Additional discussion sessions or training modules for Independent VSLAs**

**Other potential training modules out of the VESA manual and elsewhere could be considered for groups that continue to operate after graduation into self-management. The following are examples of possible modules that could be offered on a demand-driven basis.**

***Additional Financial Literacy Modules:***

1. Developing a budget (VESA discussion session 7)
2. Understanding financial services and products (VESA discussion session 10)

***A sample of other VESA concept modules***

1. VESA discussion session 15 nutrition-sensitive agriculture
2. VESA discussion session 18 overview of value chains
3. VESA discussion session 19 overview of off-farm livelihood activities
4. VESA discussion session 20 intro to business planning
5. VESA discussion session 21 business planning demonstration part 1 (value chain)
6. VESA discussion session 22 business planning demonstration part 2 (off-farm)
7. VESA discussion session 27 maternal nutrition
8. VESA discussion session 30 water, sanitation and hygiene

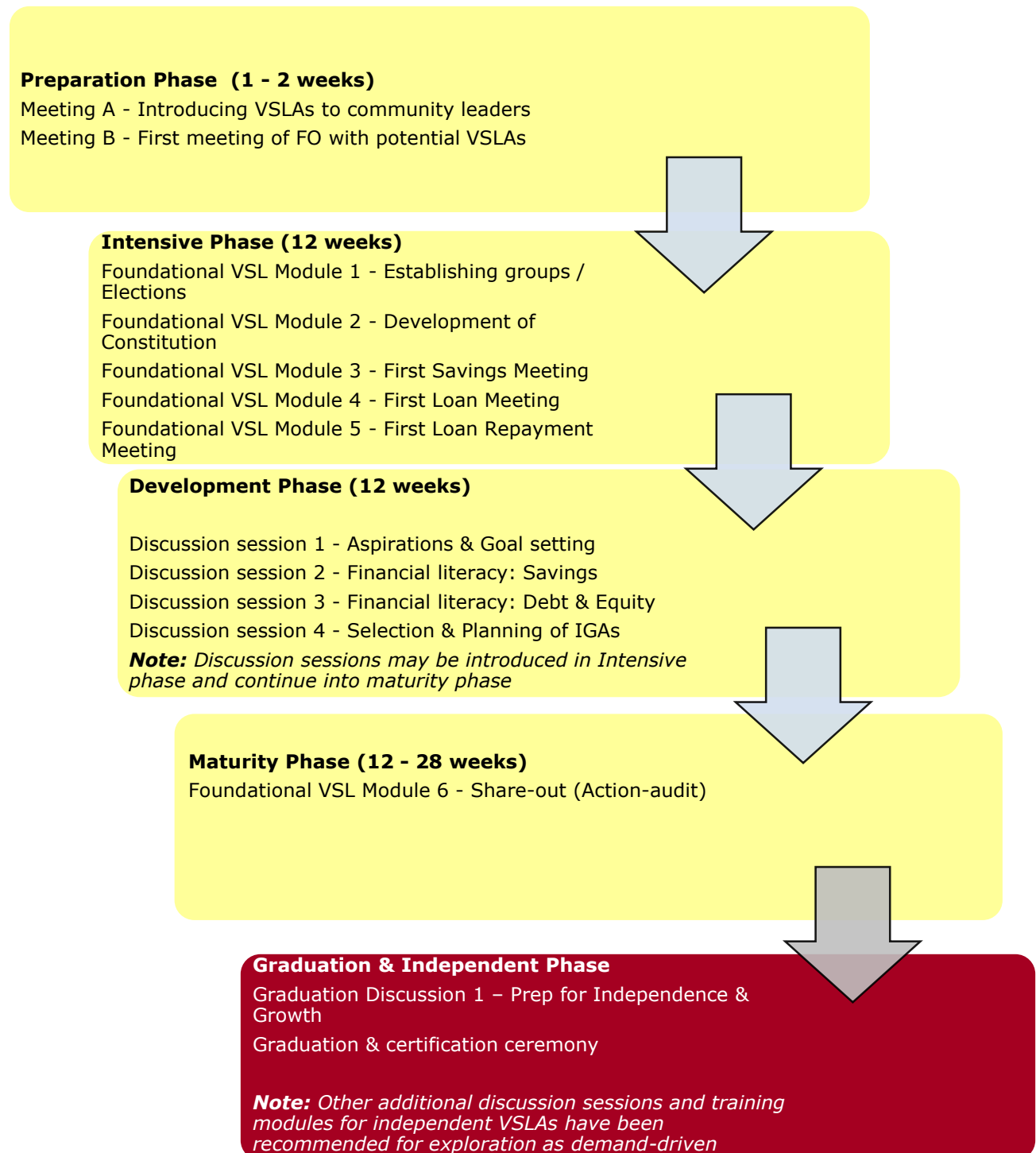
Implementing organisations considering additional modules to support the growth of independent VSLAs are advised to refer to the VESA Manual for more details so as to decide which components of the modules to adopt and offer. See link below:

<https://careclimatechange.org/wp-content/uploads/2018/06/VESA-manual-.pdf>

VSL Associates has recently produced a Training Guide for Selection, Planning and Management (SPM) of IGAs (version 1.02, March 2018) that could be a valuable resource for CBM country operations. The **nine sessions** in the guide are designed to last approximately **two hours** each. See link below for this and others by VSL Associates.

<http://vsla.net/programmetool/programmeguides;jsessionid=10t5ykjmjhh5l2wy40oib6he5>

**Figure 2: Summary of activities in the Five Phases the VSL methodology**



## Annex 1 – NUDIPU’s Theory of Change for iSAVE

### 1.2 Theory of Change of the iSAVE inclusive economic empowerment programme

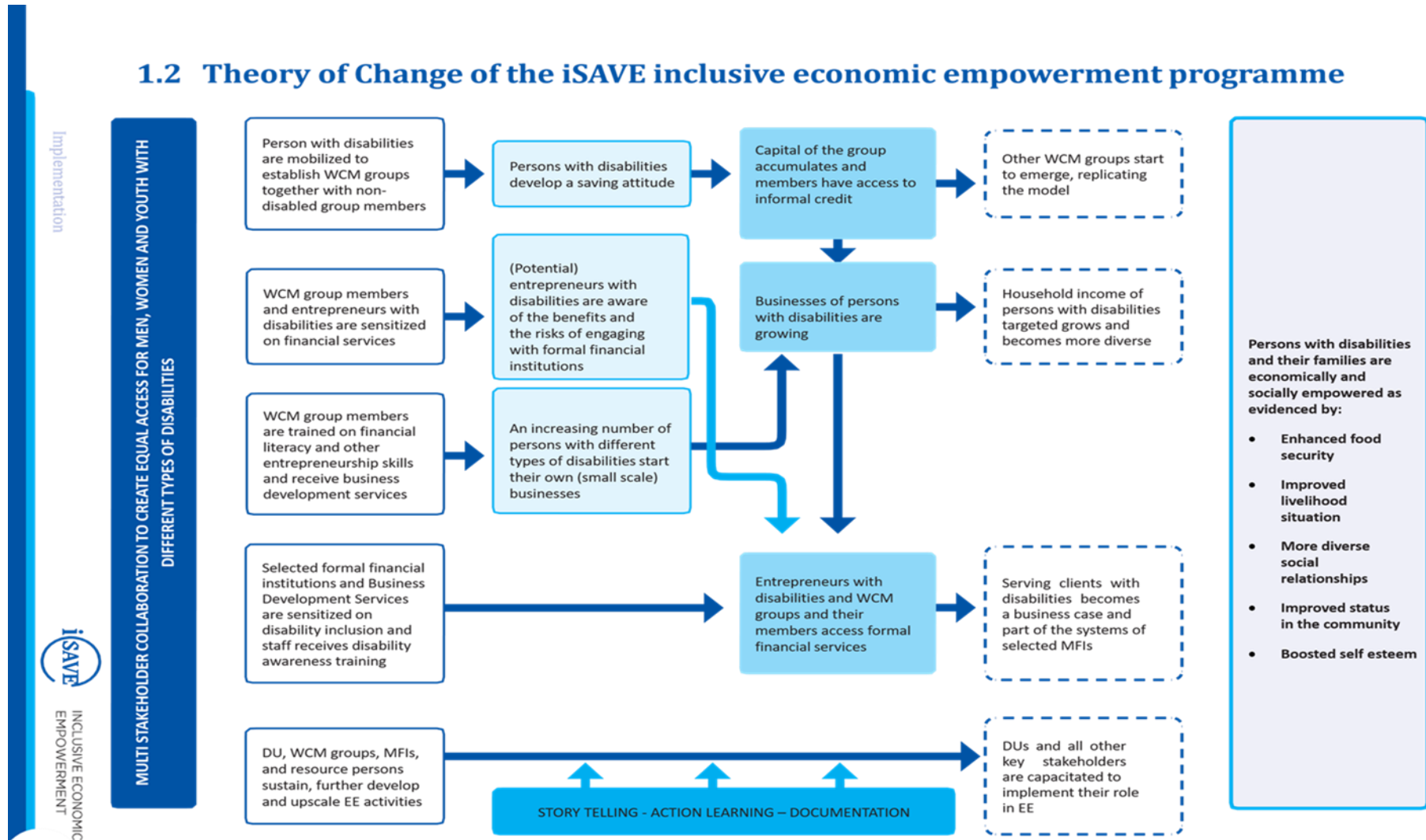


Figure 1: Theory of change of the iSAVE programme

## Annex 2 – VSLA Training & Supervision Schedule<sup>10</sup>

VSLAs are trained by FOs over a period of at least 36 months (but preferably for a full year – 12 months) according to the schedule below.

- Preparatory phase:** During this phase VSLA information is provided to the community, DPOs and their leaders and prospective VSLA members. Potential VSL groups organize training meetings with FO.
- Intensive phase:** 12 weeks. It starts off with 3 training meetings in the first week, and then continues with 8 visits over the next 8 weeks.
- Development phase:** 12 weeks. 3 visits. One every month.
- Maturity phase:** 12 – 28 weeks. 3 visits. One every two months and one final share-out meeting

### VSLA training and supervision schedule

VSLA Field Officer Training & Supervision Schedule																																																					
Preparatory		Intensive Phase												Development Phase												Maturity Phase																											
A	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
1-2 weeks		1 week	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
A	Introducing VSLA methodology to key community leaders												3	First savings meeting													Supervision meeting. No training module																										
B	First meeting with potential VSLAs												4	First loan disbursement meeting													Meetings without FO in attendance																										
1	Establishing groups and electing leaders												5	First loan repayment meeting: <i>At any time in meeting 5, 6, or 7</i>																																							
2	Development of VSLA constitution												6	Share-out / Action audit																																							

**Note:** The FO may adjust the frequency of visits, usually in cases where s/he thinks the VSLA needs extra assistance.

The mention of phases is intended to show how the FO's work changes over a cycle. In the intensive phase visits are very frequent and the FO takes on an active teaching role in all meetings, in order to guide the meeting procedures. After the VSLA is confident and needs few interventions, the FO adopts a passive role in which s/he observes but does not teach, getting involved only when procedures or record-keeping need correction. In the maturity phase the FO visits only once every two months, to confirm that, as the VSLA approaches the end of the annual cycle, it is working effectively and efficiently and that its records are accurate and up to date.

<sup>10</sup> The Schedule of Operation is an invaluable training tool that provides the FO and CBT a snapshot of all the activities of the VSLAs, including the two preparatory meetings (A & B), and the 6 Foundational Modules, all clearly shown in the 36-52 week cycle. Each of these activities can be pointed out to the Trainers, which makes this a great tool to take a FO or a CBT through a quick overview of the VSL activities in a whole year. For the 36-week cycle, the sixth module is delivered on the 36<sup>th</sup> week, just like it is delivered on the 52<sup>nd</sup> week, or whichever happens to be the final week.

### **Annex 3 – Meeting to orient local leaders and government officials**

The latest version of the VSL Field Officers Guide has reduced the preparatory meetings from 3 to 2 and omitted guidelines for orienting local leaders and government officials. The reason for this omission was that most SG programmes handle this step at a higher management level and would already have introduced the organization's programmes to key government officials and leaders. The CBM VSL Trainer's Manual has adopted the VSL Field Officer's Guide adjustment in the preparatory meetings phase but has made this material available for reference in this chapter.

The management of the VSL project should use these guidelines to introduce the project to local leaders and government officials before the two preparatory meetings A & B.

A project should inform Government administrators and line ministries at different levels about what it wants to do. Usually this will start at the District (or its equivalent), and continue downwards from there to the targeted local community. This may take more than one meeting.

Most important will be community level administrators and traditional leaders. In the case of CBM supported projects this should include Disabled People Organisations and Government agencies responsible for persons with disabilities e.g. local Council for Persons with Disabilities and elected or nominated representatives in local Councils. These are the people who can arrange a public meeting and who can contact influential community leaders.

#### **What is covered in this meeting?**

- The Supervisor introduces him/herself, the project and the Implementing Organisation and also introduces the FO
- **Project purpose and goals:** to build the capacity of persons with disabilities, their care givers and other community members to be able to mobilise savings, use these savings to start a loan fund and to create a social fund for relief of members experiencing emergencies
- **VSLAs will provide the following opportunities:**
- The opportunity to save and borrow flexibly as they need, and make attractive profits on their savings. Very poor people will find that VSLAs meet most of their needs for savings and credit, because there are no problems of high minimum deposit requirements, hidden charges, complicated procedures, or difficulty in accessing loans.
- VSLAs can assist members in case of death, disease or natural disaster; local moneylenders may not be willing to provide this service to the poorest. VSLAs help members build self-respect, self-reliance and self-confidence
- Disability inclusive VSLAs ensure that persons with disabilities are treated as equal community members and get equitable access to livelihood opportunities
- **History of the project and of similar projects worldwide:** There are over 15 million poor people successfully managing SGs in the world. More than 90% of these groups succeed and continue to operate beyond 5 years which is a very high sustainability rate.
- VSLAs are taught to manage their own activities over a cycle of nine months to one year. An FO will attend most of the Group's meetings to train and assist them. After the first cycle, the Group manages its own affairs.



- **The FO promises the following to the community:**
  - Reliability
  - Integrity
  - Establishment of a sustainable service that enjoys community support and has an important economic impact. Women in particular can expect to benefit.
- **What the Supervisor needs from Government and Community Leaders:**
  - Permission for the FO to work in the area
  - Mobilisation of the community to attend a public meeting, at which the VSL methodology will be explained and community groups invited to participate
  - Identification and mobilization of persons with disabilities and care givers of children with disabilities in the community so that they will attend the initial awareness meetings and subsequently join VSLA groups
- **Feedback:** the Supervisor should take questions and ask for feedback.

### **Arrangements for Preparatory (Meeting A):**

The FO makes sure that someone is made responsible for arranging a meeting with key community leaders and the public (See guidelines for Preparatory Meeting A). The public meeting should bring together 50 - 100 potential VSLA members with a strong focus on persons with disabilities as well as local leaders (such as Disabled People Organisations, religious leaders and prominent local business people) who can spread the word to other communities. The place and date of the public meeting should be agreed at this point ensuring that it is easily accessible to persons with mobility impairments, so that the FO can schedule an appearance.

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