

Valorizing VSLA Performance

- How *digital M&E can help performance and exchange: The SAVIX-tool* for improved VSLA work



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The Danish Forum for Microfinance is an umbrella organisation of Danish NGOs, private companies, and institutions working with microfinance and microenterprise development in developing countries. The Forum was founded in 2009 and has more than 24 member organisations. The objective of the Forum is to facilitate capacity building, networking and advocacy for the benefit of the members organisations.

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Executive Summary

The concept of savings groups (SG) - or Village & Savings and Loans Groups (VSLA) has a strong focus on access to finance for populations at the bottom of the pyramid, which is an absolute necessary condition for eradication of poverty. VSLAs are also to be valued for their contribution to several other sustainable development goals - addressing aspects of quality education (SDG 4), achieving gender equality (SDG 5), the making of human settlements that are inclusive, safe, resilient, and sustainable (SDG 11), and especially promoting sustainable, inclusive economic growth (SDG 8). DFM has been one of the first promoters of VSLA in Denmark as an approach to economic development back in 2010.

The rapid growth in the outreach of savings groups since the beginning in the mid-1990'es has attracted increasing levels of interest in their long-term performance.

At the same time as the VSLA-concept experienced global popularity Hugh Allen, VSLAssociates developed the Savings Group Information Exchange (SAVIX) as the first web-based system, designed to measure the performance of savings group projects, programmes, and networks. By using 12 selectable metrics, the SAVIX allows for summary information at the global, regional, sub-regional and national levels in which data today from over 600,000 groups in 75 countries can be aggregated and compared. All information on the SAVIX dashboard is in the public domain, freely accessible at <https://mis.thesavix.org/dashboard/admin> whereas the SAVIX MIS incorporating data from more than 1,500 institutions, covering more than 4,000 projected is private, and data/information is only accessible to the user institutions and selected visitors, authorised by an MIS Administrator.

Over the decades the SAVIX as a database for extensive information about hundreds of thousands of VSLAs around the world has accumulated an impressive amount of quantitative data. A team of researchers led by professor Roy Mersland and professor Bert D'Espallier at the University of Agder in Norway and KU Leuven in Belgium started in 2018 (with financial support from the FAHU Foundation) a project of analyzing SAVIX-data collected quarterly from 2010 to 2017 from over 250,000 savings groups from over 53 countries (L.Nakato).

With the increasing numbers of VSLA groups internationally and within the projects carried out by the organisations of Danish Forum for Microfinance came a mounting interest for knowing more about different aspects of their practice, as very little was known about the general state of the Danish VSLA-interventions and their performance. On this background, a group of Danish development organizations decided in 2018 to form a learning network and test the use of the SAVIX-tool for supporting and monitoring VSLA-groups - and the process has run until May 2021 to gain a satisfactory amount of data. Participants: Five Danish Civil Society organizations - The Baptist Union of Denmark, ADRA Denmark, CARE Denmark, DanChurchAid Denmark, Kirkernes Integrations Tjeneste (KIT) and Projekt Ulandshjælp til Selvhjælp (PULS). Six partner organizations in East Africa – Dutarabane in Burundi, the Association of Baptist Church Rwanda (AEBR) and Christian Mercy Ministries (CMM) in Rwanda, Faraja Young Women Development Organization (FAYOWODO) in Tanzania, ADRA, and DanChurchAid (DCA) in Uganda.

The SAVIX-research team at the University of Agder has treated the savings groups as **micro-economic entities**, focusing on their financial performance and working with a huge mass of quantitative SAVIX-standardised-data. In contrast, the DFM Network has chosen to work in-

depth with a qualitative approach with selected partners and a limited amount of projects and data. For DFM it is relevant to perceive the VSLAs as **micro-organizations**, reflecting the fact that several Danish civil CSOs are involved in projects where VSLA-practice is mixed with other components. The Danish CSOs often conduct projects in rural areas addressing farmers' groups and working parallelly with different themes i.e. promoting VSLA plus e.g. agriculture, food security, nutrition, reduction of gender-based violence, HIV, etc. In this way, the target beneficiaries are not addressed as purely "VSLAs" but more as "farmers groups" having a bouquet of activities, one of which being savings and credit. As the SAVIX-Management Information System offers the possibility of combining selected standard (financial) indicators, plus selected more socio-economic, socio-cultural user-defined indicators, the DFM-network opted for testing this kind of SAVIX-scheme.

Starting up the network, DFM opted for the partner organizations to play an important role in the network, and the first workshop was held in Kigali, Rwanda in May 2018. The experienced VSLA-consultant, Cesalie Nicimpaye from Burundi took an active part in setting up the network, facilitating the choice by the participants of the financial indicators and especially selecting the user-defined indicators to form the learning platform of the DFM-network and constituting the DFM-SAVIX-MIS. The DFM-indicators should critically measure the social efficiency of the groups – to what extent they integrate participants of different ages and from vulnerable social groups e.g. elderly people or persons living with a disability, and members coming from female-headed households or fighting to survive on the basis of less than ½ acre of land. The DFM indicators have also included five categories of income-generating activities, the level of food security in terms of a minimum of 2 meals per day, and the possible importance of financial education. Finally, a couple of indicators have addressed the socio-cultural efficiency of the groups regarding their capacity to facilitate women's participation in financial household decision-making and women taking on leadership roles in VSLA-management and in the local community.

The plan was that the network should test the common SAVIX-indicators in relation to ongoing projects starting at the end of 2018 and throughout 2019 until 2020. But only two partner organisations were already experienced users of SAVIX, Dutabarane in Burundi, AEBR in Rwanda, and even for the SAVIX-experienced organisations to deal with user-defined indicators was a new challenge. For this reason, all participating organisations needed time to build up SAVIX-management capacity through workshops and mentoring, which took place in 2018 and the first part of 2019. Throughout 2019-20 the DFM network discovered the benefit of webinars for discussing specific aspects of VSLA work, such as VSLA and COVID-19 challenges, VSLA and gender equality, and VSLA and Fintech, and six webinars have been arranged in 2020 and 2021 to facilitate experience sharing amongst the partners, particularly needed in the wake of COVID-19.

Financial efficiency:

The general level of the economy, climate changes, social and gender inequality, educational level, etc. in Burundi, Rwanda, Uganda, and Tanzania are not the same. The SAVIX dashboard presents a national profile of savings groups' financial performance but it doesn't reveal the local variations in each country, variations due to political, socio-economic factors, natural resources, and climate changes which may differ a lot in their different contexts.

Even within the small sample of project areas of the DFM network, they vary a lot in terms of landscapes (mountains, hills, flat savannah, dry bushland, lakes, etc.), and these local areas constitute the conditions of existence for the farmers' and savings groups. Besides, the driest

bushland or most deforested, hilly areas are the localities that suffer most from drought/flood (climate changes) and erosion. Countries like Burundi and Rwanda are still marked by previous civil conflicts and Uganda is today hosting 1.5 mill. refugees from South Sudan. It calls for attention when comparing and valuing income-generating activities, and VSLA-achievements for instance taking place in the very dry parts of Northern Uganda also marked by the pressure on land related to a large number of refugees from neighboring South Sudan. Conditions of access to land are also complex and especially of crucial importance in small countries like Burundi and Rwanda. Shortly: savings groups always function or perform in a local context and conditions vary. The macro-factors may have different local appearances and as stated by the SAVIX-research team the macro-factors count for 26% of the financial VSLA-performance, so they need to be taken into account. When doing comparisons between VSLA-performance at the national level and in different areas or districts, the variation in conditions has to be considered.

The SAVIX-researchers tend to conclude that VSLAs mainly function as “cash-management vehicles” - *to balance out irregular income and expenses in a context of uncertainty and limited access to financial services, i.e., necessity lending* - and not so much as profit-generating entities. The conclusion is based on analysing a huge mass of quantitative SAVIX-data, and it seems to fit, for instance, the situation of the groups of ADRA in the northern part of Uganda, who struggle to achieve profit and experience a modest return on savings and assets but play a very important role as a safety net. But the situation seems to be different for groups working in other areas of Uganda. Furthermore, looking at return on savings and assets as well as the utilization rate of the loan fund - several groups in Tanzania and Rwanda succeeds in achieving considerable profit.

Then, is financial education important for the economic efficiency of the groups? Yes, even the small data sample of the network seems to indicate that different kinds of training (entrepreneurship, accountability, record keeping, etc.) offered by the facilitating SCO influence positively their economic performance and efficiency. This finding is very much in line with the findings of the SAVIX research team on the importance of meso-factors in terms of surplus inputs of the individual development organizations, but the influence of a macro-factor as a relatively higher educational level as the one of Rwanda may also play a role.

Testing five categories of income-generating activities have been appreciated but also pointed to the fact that many participants may practice several income-generating activities at the same time. The category of agriculture and/or livestock has shown to be an indicator that does not capture the differences between farmers and pastoralists.

However, the indicators have provided the knowledge that in some local communities processing is a very important activity, and during the lockdown of the Covid-19-crisis, the importance of service jobs for many participants in Rwanda became clear. The indicator on access to less than ½ acre of land has initiated important discussions on how to capture the relevant information regarding relation to land (ownership/rent) and size of land – and that the use of indicators on kitchen gardens and backyard-gardens are especially relevant for refugees practicing VSLA. In general, all the project managers of the CSOs in Burundi, Rwanda, Uganda, and Tanzania conclude that it is good to know more about what kind of economic activities the group members invest their energy into, but it will be useful to identify indicators on income-generating activities matching the individual project. Projects working with agricultural development often work with food security and the network indicator of min. 2 meals per day is considered very relevant - also to be used in combination with other food security indicators.

Social efficiency:

The DFM-data show that the groups have demonstrated their capacity of building social capital as they have survived throughout the Covid-19-lock down of the communities during 2020-21; the groups may not have been able to practice any savings/credit activities, but they have remained as groups, and only a few have shared out and closed, especially in Uganda and Burundi.

The SAVIX-research from University of Agdar states that the meso-factors facing the individual development organization as very important for the (economical) success of the VSLAs and account for 53%, whereas the micro-level i.e. the group in itself only accounts for 21%. And, indeed, participation in savings groups in some cases is very much a matter of the development organization as participants are selected upfront based on specific parameters, but in this sample of groups participation of different age groups tends to be a matter of the group.

The main learning is that the groups are socially efficient in including members of different ages as well as people from socially vulnerable groups. In some cases, it has been a surprise to the project managers that the groups include about 30% of members under 25 years - or on the contrary many elderly persons. Regarding the inclusion of people from female-headed households the groups also perform well. The learning, as well the corresponding indicators are very appreciated by the facilitating CSOs and are leading to reflection, support, and new planning for the future.

Socio-cultural efficiency:

The VSLAs started in the 1990'ies as purely feminine forums especially to boost the empowerment of women. But the participation of men has been growing during the decades from 9% in 2010 to 27% in 2017 or more (L. Nakato). The balanced participation of women/men is very much an outcome of the individual CSO policy and some organisations explicitly target the reduction of gender-based violence and provide different kinds of training e.g. in conflict management at the household level. In this way, conditions for gender-culture of the savings groups are influenced by meso-factors, but they are also shaped locally by the culture of the individual communities and macro-factors such as national policy on gender and education. Most of the DFM network-projects have the participation of men of 35-40%, and all project managers agree to the importance of getting men to participate - their acceptance is considered fundamental for the function of the VSLA-practice - but with a general belief that if the participation of men goes beyond 40% it might lead to domination and is to be avoided.

An interesting but somehow unexpected finding from the SAVIX-research team is that the analysis (data from over 250,000 savings groups from over 53 countries) indicates that as the percentage of male members in the group increases, the profit-generating capacity of the group reduces. This tendency is not confirmed by the projects of the network but the agreed DFM indicators of 60% women participating in decision-making at the household level and 40% women having leadership roles inside the savings groups and/or in the local community seem to indicate a slower development than expected. However, statements from project managers for instance in Rwanda reveal that a considerable number of women benefit from training and actively use the groups as a platform for empowerment taking part in leadership not only inside the savings groups but also outside in the local context e.g. in the local council - results that may also benefit from the national gender policy.

Using the SAVIX means working with an online, internet-based database and it requires a certain amount of systematic data collection, monitoring, and capacity from the development organization - in order to succeed in obtaining data of good quality, feeding the SAVIX-database

and fully using the options of reports and analysis of the SAVIX. A clear learning is that the policy of the development organisations (Danish CSOs and partners) on selection and use of tools for monitoring as well as its implementation is very important. Furthermore, working with the SAVIX-tool and applying user-defined indicators is only profitable if they match the objectives of the project; they require an agreed precise definition and a thorough and ongoing reflection. In general, all the participating organizations are on their way to implementing digital recording of data in the field based on mobile phone technology in order to spare time and work.

Looking into VSLA-performance across four East-African countries the DFM network has brought reflections on the importance of the local context or localization of the groups when assessing different aspects of their performance. The use of SAVIX offers a unique possibility for combining financial and social-economic/cultural indicators – valuable not only for monitoring, for different kinds of reports, but for comparisons and analysis across projects, organisations, and countries. Working with the DFM-SAVIX-network has brought along new knowledge and reflection on how to assess achievements of farmers' groups, VSLAs and VSLA-federations – and also led to a new network within organisations and inputs to planning for the future. We may conclude that with the use of the SAVIX-tool for monitoring, comparison and analysis of development organisations working with VSLA-activities can make greater efforts to better understand and valorize the performance, dynamics, and survival rate, and development potential of groups practicing savings and credit.

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Acronyms

- ADRA:** Adventist Development and Relief Agency
- AEBR:** Association of Baptist Churches in Rwanda
- BUD:** Baptist Union of Denmark
- CMM:** Christian Mercy Ministries
- CSO:** Civil Society Organisation
- DCA:** DanChurchAid
- CKU:** Center for Church-Based Development Cooperation
- DFM:** Danish Forum for Microfinance
- FAYOWODO:** Faraya Young Women's Development Organisation
- FGM:** Female Genital Mutilation
- FKN:** Folkekirkens Nødhjælp (DCA)
- IAS:** International Aid Service
- KIT:** Kirkernes Integrations Tjeneste
- PULS:** Projekt Ulandshjælp til Selvhjælp
- RIPAT:** Rural Initiatives for Participatory Agricultural Transformation
- SACCO:** Savings and Credit Cooperatives Organisation
- SAVIX:** The Savings Groups Information Exchange
- (SAVIX) MIS:** (The Savings Groups) Management Information System
- SG:** Savings Group
- UEBB:** Union des Eglises Baptistes du Burundi Union
- VSLA:** Village Savings and Loan Associations

Introduction

Village Savings and Loan Associations have multiplied in Danish supported microfinance and civil society projects since 2010 where the VSLA system was introduced by Hugh Allen of VSLAssociates to Danish Civil Society Organisations (CSOs) and other private microfinance promoters in seminars presented by Danish Forum for Microfinance. Before, many CSO projects used revolving funds as a methodology for channeling loans to poor entrepreneurs without access to banking, but we learned that the methodology of VSLAs and other Savings and Loan Groups is far more efficient and empowering for the participants themselves. In Danish CSO projects for financial empowerment there has, in the 2010's been a strong trend towards promoting VSLAs run by the community groups themselves, where e.g., DanChurchAid, ADRA Denmark, Baptist Union of Denmark, Danish Mission Council Development Department/CKU have been among the main supporters.

This report presents the findings and evaluates the DFM-Network learning project from 2018 to 2021. During this period SAVIX, a tool for monitoring Village Savings and Loan Associations (VSLAs), were tested to improve the monitoring and evaluation of the VSLAs. This introduction sets the background and relevance of the project, including a brief introduction to the SAVIX monitoring and reporting tool.

The report is structured in three parts:

1. **The first part** introduces the increased relevance of good savings groups for financial inclusion - and the need for improved monitoring. SAVIX as one good system is introduced, and we get the main findings from Ph.D. Linda Nakato of Roy Mersland's team from University of Agder, Norway, collaborating with KU Leuven in Belgium and working across the SAVIX database of 600,000 groups in 75 countries.
2. **The second part** provides the qualitative findings from the DFM SAVIX learning network from 2018 through 2021 across the participating projects, and displays how the Danish and East African organisations by use of the SAVIX and the DFM Network indicators have reflected over the VSLA work and how they will improve their monitoring and evaluation, particularly in areas of gender equality and livelihood. And also, how some organisations opted to develop their own apps or other digital M&E systems.
3. **The third part** gives the more detailed stories with observations from the East African partners and their promoted VSLAs directly, and offers a chance to come close to the VSLAs in a critical time of COVID-19.

Background & Relevance of the project

Savings provides an important safety net, a source of investment capital, and a way to achieve important life goals. Additionally, recent research illustrates the importance of savings in transforming the lives of people at the bottom of the social pyramid having very few economic resources.

The concept of savings groups (SG) (or Village & Savings and Loans Groups (VSLA)) have been initiated by NGOs but have shown a considerable success as highly self-managed by the target population and having an impact of self-created groups.

The SGs can adapt to different contexts, but to a large extent they have developed and worked in rural settings. This is also the case for this network and the participating projects. The savings and loans groups may include people with low or no literacy, have proven to build social and financial resilience, to be organisationally sustainable, develop empowerment and self-esteem among the participants (especially women), develop the foundations for strong local governance and can be a platform for other education activities (red. Trickle Up).

The SGs have a strong focus on access to finance for populations having very modest financial resources, which is an absolute necessary condition for eradication of poverty (SDG 1). But SGs are also to be valued for their contribution in addressing aspects of quality education (SDG 4), achieving gender equality (SDG 5), the making of human settlements that are inclusive, safe, resilient and sustainable (SDG 11), and especially promoting sustainable, inclusive economic growth (SDG 8).

Many CSOs and NGOs around the world are setting up savings groups, to create access to financial services that would not otherwise be available. The Village Savings and Loan Association (VSLA) model is a recognized

methodology for setting up a sustainable savings system. It is a self-managed and self-capitalised microfinance methodology, which offers savings, credit and insurance services to its members in markets outside the reach of formal financial institutions. The methodology was developed by CARE International in 1991 and has since spread to more than 60 countries in Africa, Asia and Latin America (VSL Associates). By helping people living at the bottom of the pyramid getting access to small loans, the VSLA groups are considered one of the most important means to fighting poverty in developing countries, and the methodology is used widely by international NGOs.

With the increasing numbers of VSLA groups within the network of Danish Forum for Microfinance as well as worldwide, a need for performance evaluation is mounting. The rapid growth in the outreach of savings groups has attracted increasing levels of interest in their long-term performance.

By using of well-established monitoring and evaluation systems as tools for analysis, comparison and reflection, Danish civil society organisations working with partners on development of VSLA groups, can make greater efforts to better understand and assess the performance, dynamics, and survival rate, and development potential of independent groups.

A thorough understanding of the dynamics of performance indicators is fundamental for assessing the efficiency of working VSLA groups, and as a basis for action plans striving towards better performance of all actors involved.

Through a standardized management information system (MIS) and data collection such as the SAVIX (See description below), facilitating Danish Organisations may monitor, analyse and communicate the results of their projects with greater consistency and transparency.

Nevertheless, it remains a serious challenge for smaller organisations and their local partners to monitor the long-term performance of savings groups after the end of implementation in a given area and more so beyond the lifespan of a project.

Furthermore, very little is known about the general state of the Danish savings groups projects and their performance. The few studies on the long-term performance of savings groups are very narrow in scope – most often limited to end-of- project evaluations and specific projects and institutions. This makes inter-organisational learning extremely difficult and time consuming.

The SAVIX grants access for savings groups across the world, to collect reliable data on performance with only a small investment in training during implementation.

This innovative approach to data collection makes it possible for the savings groups to independently improve performance, in a way that hasn't been possible up until now.

Having clarified the background and relevance of monitoring to track the performance of savings groups, the following section will pass on the word to Hugh Allen, VSLAssociates, who has founded and developed the web-based SAVIX-tool right from the establishment of the first generation of savings groups in the 1990'ies until today. The SAVIX-tool was created to facilitate monitoring, analysis and assessment of the achievements of the savings groups. Hugh Allen will briefly give an overview of the SAVIX and the SAVIX MIS (Management Information System) and explain the technical opportunities which SAVIX offers.

PART 1 - Why SAVIX

What is SAVIX

By Hugh Allen, VSLAssociates

1. What is the difference between the SAVIX and the SAVIX MIS

The Savings Group Information Exchange (SAVIX) is a dashboard that is the public face of the SAVIX MIS. It can be found at www.thesavix.mis. Using 12 selectable metrics it allows for summary information at the global, regional, sub-regional and national levels in which data from over 600,000 groups in 75 countries can be aggregated and compared. Users of the SAVIX are the general public, the microfinance industry and donors. All information on the SAVIX is in the public domain, freely accessible.

The SAVIX MIS is a webserver-based system, designed to measure the performance of savings group projects, programmes and networks.

Users of the MIS are institutions that implement savings group projects. The information on the SAVIX MIS is private and only accessible to the user institutions and selected visitors, authorised by an MIS Administrator. It incorporates data from more than 1,500 institutions, covering more than 4,000 projected.

The following graphic displays this relationship.

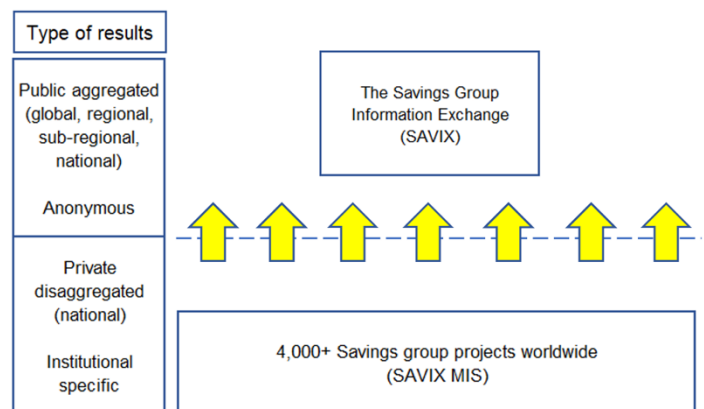


Figure 1: basic architecture of the SAVIX MIS

1.2 Origins of the SAVIX MIS

From the foregoing it is clear that the SAVIX MIS is the fundamental building block of the system. Its origins were in Niger, in 1994, when it became clear that although projects had a lot of data, they had very little, if any, information, often as basic as the total number of groups. The SAVIX then started out with funding from CARE, Plan, CRS, and Oxfam as an Excel spreadsheet that allowed single projects to post results, with results displayed as comparison of trainer portfolios and in a project-level summary of key indicators. Over the next 6 years this went through 4 generations and became the

industry standard, but it became clear that the scale and complexity of the evolving SG sector needed a solution that was more secure, real-time and capable of more sophisticated aggregations and comparisons of different projects. As a result, with funding from MasterCard and the Gates Foundation, the first online version of the SAVIX MIS was developed and achieved rapid market acceptance. Financed jointly by Software Group and VSL Associates, who are the co-owners of the system, it underwent a major upgrade in 2018, to allow it to operate more easily at scale and to support more complex analysis. The current

version continues to add new utilities, based on user feedback. In the absence of long-term donor support, the SAVIX MIS went commercial in 2017 and is now fully self-sustaining, based on fees from users. The fee structure is based on a sliding scale of charges, depending on the number of groups

1.3 Structure of the system and basic reports

The SAVIX MIS allows users to create an unlimited number of projects in a single MIS and also allows for the creation of networks in which projects in different MIS instances are aggregated and compared. Additionally, it allows for the inclusion of up to 20 user-defined data fields.

There are two main clusters of reports on the system: Project performance reports and Operational reports.

1. **The Project performance reports** cover an overall project summary, a Benchmark report that allows the project to be compared with the average project in any given country or sub-region and trends reports. The users of these reports are management staff, international offices, donors and the general public.
2. **Operational reports** are focused at the level of front-line staff, specifically Supervisors, Field Officers and Village Agents. This allows for performance comparison between each type of trainer and, critically, the comparative performance of the SGs themselves. The users of these reports are operational managers and the staff themselves.

What makes the SAVIX MIS distinct from a normal operational database is that, from the start, it aimed to improve operational performance (group quality and staff effectiveness). It also serves the purpose of

that have been created by a project or cluster of projects, with the unit cost per group decreasing with the scale of the programme. The table of fees can be found at <https://www.vsla.net/vsla-tools/the-savix-management-information-system/>

informing donors and managers about progress against log-frame commitments, but its origins lay in improvement of operational staff awareness, effectiveness and efficiency. This is the main reason that it remains specific to savings groups.

The relationship between these reports is illustrated below:

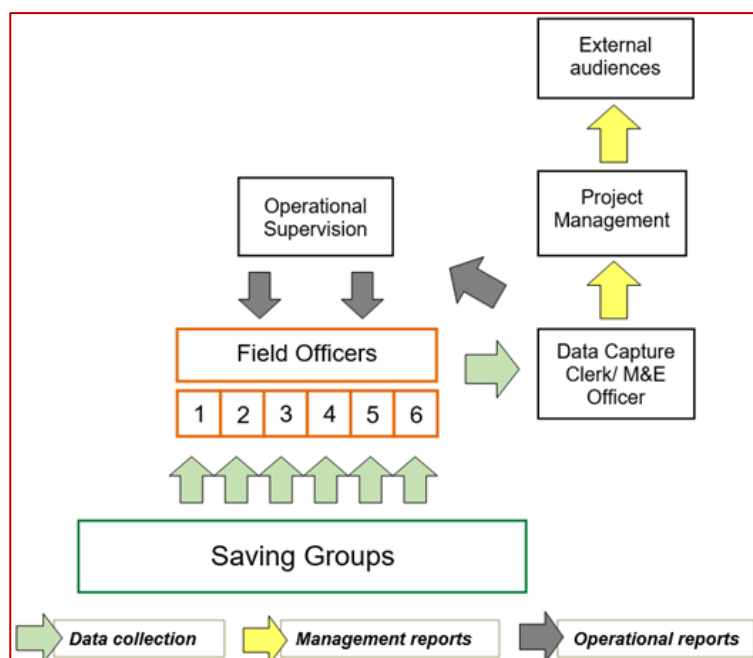


Figure 2: Typical manner in which an organisation uses the SAVIX MIS

Unlike most M&E systems, the operational reports are structured to be delivered to front-line staff as a feedback and planning tool that enables Field Officers and their supervisors to analyse the quality of their individual portfolios.

This distinguishes the SAVIX MIS from the global trend towards 'umbrella' M&E systems that integrate all sectoral activities into a single system that is usually managed by M&E specialists. The SAVIX MIS is intended

to be managed by savings group specialist staff whose understanding of the reports is directly linked to the operational context, personal targets and beneficiary interests.

2. Operational issues

The SAVIX MIS produces two clusters of reports: Management reports and Operational reports. Management reports serve senior management and an external audience, concerned about overall progress against project plan benchmarks, while Operational reports focus on field staff and their supervisors, in order to compare performance against personal benchmarks and to differentiate performance. It is natural that Management reports receive the lion's share of attention, since donor reporting is mandatory, but it is rare that this reporting and the analysis that accompanies it focuses on anything other than basic outcomes, such as numbers of groups, levels of female participation and, maybe, group savings. There tends to be a generally low level of donor and industry awareness of key emerging issues such as spontaneous replication¹, nor long-term survival and growth of SGs and the result is that this is often not prioritised by implementing agencies.

Most commonly, however, staff performance is rarely benchmarked and rarely are trainers evaluated for group quality, with the focus usually being only on productivity.

In these two cases maintaining the SAVIX MIS is reduced to a 'tick-the-box' activity and often not used to improve effectiveness (especially group quality), while efficiency tends to be defined mainly by the number of groups created and average profitability.

¹ Research carried out by VSL Associates through Datu Research in Uganda and by FSDK in Kenya indicates that, when good quality groups are created, within 2-3 years each of these 'foundation' groups facilitates the creation of an additional two groups without any external input. It further indicated that over 61% of such

Thus, we see the emergence of two basic classes of user: those who use it mainly as an external reporting tool linked to logical framework commitments and those who are sufficiently concerned about impact outcomes that they focus on operational excellence. This is not something that VSL Associates and Software Group can influence through the software, but donors and NGOs who are both supposed to care about member impact might do well to bear in mind.

3. Global influence of the SAVIX

While the SAVIX MIS was originally conceived as a means of informing savings group project management and operational staff, the public SAVIX has become the main source of industry awareness of savings group performance. The value of this lies mainly in the ability of projects to call on national data, averaged across all SAVIX MIS users in any given country, to compare their efficiency, in addition to being able to measure progress against goals and outputs. This is especially valuable to organisations that are starting out to implement savings group work in any given country, so that they are aware of prevailing performance achievements, against which they are then able to measure themselves.

From feedback, it seems that the SAVIX was the most influential factor in influencing the microfinance industry to understand savings groups. Data and documentation from the use of SAVIX revealed the ability of savings groups to address poverty reduction and to be credible and effective alternatives to formal financial services, with the

spontaneously replicated groups were formed by foundation group members and only 39% by village agents. Clearly this should have a major influence on project design, but usually it does not, because implementing agencies have few incentives to reduce the scale and increase the agility/mobility of their operations.

overwhelming advantages of international scale, access, flexibility and profitability. Belonging to a savings groups came no longer to be seen as a second-best financial service, but advantageous and attractive.

The table below displays the current summary metrics available on the SAVIX covering the entirety of its worldwide reach, in 77 countries.

Metrics	Results
Total number of groups	626,982
Total number of members	13,979,789
Percentage of female members	78%
Total savings	USD 331,811,171
Average savings per member	USD \$29
Average annualized savings per member	USD 86
Total value of loans outstanding	USD 215,728,713
Average outstanding loan size per member	USD 51
% of members with loans outstanding	39%
Fund utilization rate	1
Return on assets	11%
Return on savings	0

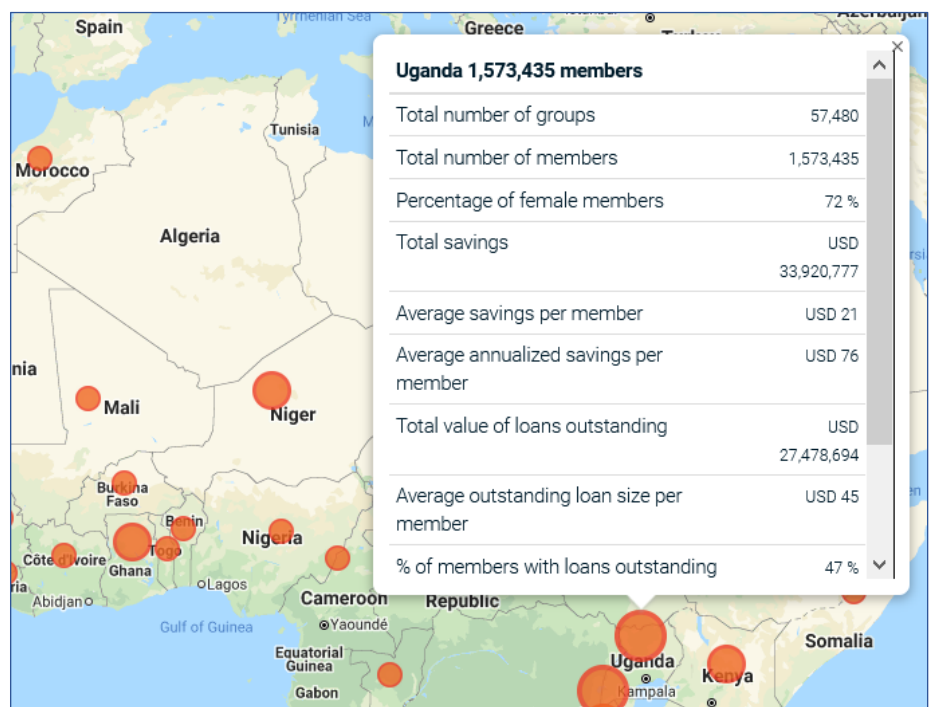
Figure 3: International scale and performance norms of SG programmes worldwide

In addition, the SAVIX MIS has helped to establish performance norms at national, sub-regional and international scale. The image on the following page shows these metrics when applied to a single country (Uganda) in which the total and average results of all SAVIX MIS users in the country are displayed, enabling new entries in the market to understand the standards of SG programme performance.

This has had the effect of allowing SG projects in any given country, to understand what has been achieved by the collective efforts of SG practitioner organisations, against which they can measure their own efforts. Since this is available in the public domain, organisations that do not use the SAVIX MIS are also able to access this information at no cost.

Future versions of the SAVIX will allow multiple selections to appear in national comparison tables, selectable by the user.

Figure 4: The SAVIX (thesavix.org) home page, displaying selected metrics from a single country (Uganda)



Findings on VSLA performance on the basis of SAVIX data and research at Agder University in Norway

By Linda Nakato, PhD International Business

What do we know about the performance of savings groups? Insights from research carried out on the SAVIX database.

Tens of millions of individuals participate in savings groups worldwide especially at the Bottom of the wealth Pyramid i.e., the largest and poorest socio-economic group, 2.7 billion people living below the poverty line of 2.50\$ a day². Savings groups are composed of 10-30 people that pool money in a common fund and borrow from the fund at an interest (often named service fee to differentiate from commercial banking practices). They are flexible and able to reach populations that are largely excluded from the traditional formal banking system. Given the informal nature of these groups, information about their performance is scarce. The Savings Groups Information Exchange (SAVIX) is the first database to provide extensive information about hundreds of thousands of these groups around the world. Thanks to the SAVIX, it is possible to obtain large sample evidence on different savings group characteristics and performance indicators. With financial support from the FAHU Foundation, a team of researchers at the University of Agder in Norway and KU Leuven in Belgium got access to SAVIX database containing data collected on a quarterly basis from 2010 to 2017. This chapter shows how the SAVIX

database has been used to quantitatively investigate different aspects regarding the operation and performance of savings groups.

Study 1: What drives profit generation in savings groups? Evidence from the SAVIX database

Profit generation in savings groups can be influenced by micro, meso, and macro factors. Micro factors are related to group-level characteristics. Macro factors reflect the macroeconomic environment where a group operates. Meso factors are related to the facilitation model of international development agencies working with savings groups. These agencies often referred to as facilitating agencies can either be from the global North, for example, Strømme foundation from Norway, Danish Church Aid from Denmark or from the global South, for example, SaveAct from South Africa.

In an attempt to check all kinds of profit influencers simultaneously the researchers applied a Bayesian Modeling Averaging (BMA) model. Rather than being based on a single statistical model, BMA estimates thousands of different models with different combinations of the explanatory variables, and then it summarizes all the results to obtain the probability of each variable being related to profit generation. So in total, in the BMA algorithm, 8,000 potential combinations of micro, meso, and macro drivers were estimated to calculate the probability of each variable influencing profit generation. The researchers also controlled for various other factors like experience of the group, observation time in the cycle and heterogeneity of countries and back donors.

² Human Development Report: Sustaining Human Progress, New York: United Nations

Development Programme, p. 19, [ISBN 978-92-1-126368-8](#), retrieved May 3, 2017).

Working with the MBA-model has implied the use of a long list of potential micro, meso and macro explanatory variables:

- At the **micro** level the variables included were members' attendance, the dropout rate, the number of loans outstanding per member, the percentage of female members in a group, the group size, the number of accumulated loans per member, the amount in the welfare fund per member (in US dollars), the fund utilization rate, and the location of groups (urban, peri-urban or rural).
- Regarding **meso** factors, the variables included were the facilitating agency working with a group, the provision of plus social services, the group status (active, graduated, supervised), and the type of group formation (formation by a field officer, a village agent, a group-paid agent, a project-paid agent, an unpaid agent, an apprentice, or spontaneous formation).
- The **macro** variables in the study were macroeconomic uncertainty in a country, the inflation rate, the age-dependency ratio, the level of inequality, the development of the financial sector, the literacy rate, GDP per capita, the population density, the percentage of rural population, the poverty headcount ratio, and GDP growth (annual percentage).

The results indicate that profit generation in savings groups is mainly related to the macroeconomic environment and the facilitating agency having mobilized the group. Internal micro level characteristics of a group turned out to be of less importance. Taken together, the micro variables account for 21% of variance of group profits. By contrast, the meso factors explain 53% of the profit while the macroeconomic environment is related to 26% of variation in profits.

In macroeconomic terms, groups located in countries with a more dispersed and rural population show higher profits, thus suggesting that the focus of NGOs on bottom-of-the-pyramid groups in rural communities has been successful in the creation of wealth for low-income individuals. Moreover, groups that graduated from the supervision of a facilitating agency also show higher returns compared to groups that are still supervised. This indicates that the savings group model of financial intermediation in rural communities has growth potential over time, even after development actors stop working with a group. Finally, and the most important take-away from this study, is that the facilitating agency plays a major role when it comes to a group's profit opportunities. Clearly, facilitating agencies like Aga Khan, Plan, Care, World Vision etc. must be mobilizing and training groups very differently resulting in large differences in groups performances. Since the researchers controlled for additional activities, vulnerability of societies etcetera, the profit differences observed should definitely be food for thought for agencies involved in facilitating savings groups.

Study 2: Do savings-groups act as profit-generating entities or cash-management vehicles? Unpacking the financial performance of savings groups worldwide.

Development agencies are increasingly stimulating savings through member-based savings groups. However, few studies have tried to conceptualize and report on group-level financial performance. Consequently, development agencies still face difficulties to track performance of their groups and to assess the financial efficiency and development potential of savings groups. In this study, the researchers treat savings groups as micro-economic entities and produce global comparative statistics on three different financial performance

dimensions of groups, notably the savings-capacity, profit-generating capacity and borrowing conditions. The researchers report both within and across-cycle statistics, which assures robustness of results.

The SAVIX database collects variables related to group-composition (such as number of active members, number of female members and number of male members), group-dynamics (such as member drop-out rate, meeting attendance rate) and financial performance of the groups. Regarding the latter, the database keeps track of all group assets (outstanding loans to group-members, cash in the box, cash in the social fund, cash in bank accounts and group property) and group liabilities (outstanding savings, external debt) allowing us to construct new performance-variables which have previously not been studied for savings groups.

The main results can be summarized as follows. The researchers find strong growth in savings when moving from one cycle to another. Although weekly savings amounts are small (55 dollar-cents per member per week in the median group), we observe a steady increase in savings capacity across consecutive cycles. Within each cycle however, members struggle to maintain the same savings-discipline throughout the cycle, and this seems to be related to borrowing patterns.

When studying savings groups, many are surprised when hearing about the large share of group capital kept in the lock box instead of being lent out. There are of course reasons for this like the need to save-up before starting to lend out, and the need to repay loans before sharing out at the end of the cycle. Nevertheless, it is surprising that there seems to be no improvement over time. There is no larger focus on profit-

generation via borrowing as groups move through consecutive cycles. Fund utilization is remarkably stable across cycles, thus curtailing overall profit-generation. There is however some evidence of a "learning effect". The researchers find "unproductive periods" in the beginning and the end of a cycle become shorter throughout consecutive cycles. This is consistent with the notion of social capital and trust built up as groups mature, thus enabling a lower risk premium. Return on savings (or generated profits as a percentage of invested savings) are substantial on average, in the magnitude of 30% and 20% for the median group. These returns steadily decline across consecutive cycles, which is consistent with the observation that SGs are less occupied with profit-generation over time.

Turning to the lending-side, the researchers observe that loans are small on average (in the magnitude of 20 dollars for the median group) and decline over time. Finally, focusing on the borrowing costs, we observe that on average 58% annual interest rate is charged which corresponds to around 1% a week. As groups mature however, they opt for lower interest rates which again confirms lower emphasis on profit-generation. Groups seem to favor easy access to affordable small-scale loans over maximizing profit-generation.

Overall, the statistics suggest that savings groups are predominantly used as cash-management vehicles to balance out irregular income and expenses in a context of uncertainty and limited access to financial services, i.e., necessity lending. By stimulating the poor to save regularly and address cash-flow issues and income volatility, savings groups offer an important safety-net to their members. This is illustrated by the combination of increased savings and decreasing loans per capita across cycles.

Study 3: Financial Education at the Bottom of the Pyramid: Is there an Effect on the Performance of Informal Grassroots Financial Associations?

In this study, the researchers exploit the uniqueness of savings groups to address the question of whether financial education affects the financial behavior of the group members. Informal savings groups offer a unique setting and delivery channel for financial education especially for people at the bottom of the wealth pyramid:

They are mutual associations that are highly driven by peer pressure. Given the presence of peer monitoring among group members especially during group meetings, members have an opportunity to regularly remind each other about their financial education lessons, thereby motivating and strengthening each other to make better financial decisions.

Additionally, a savings group setting provides a conducive environment for social learning to take place. In particular, group members may be motivated to change their financial behavior when they observe other group members who have done so.

Moreover, savings groups provide “teachable moments”; that is to say, members have the opportunity to immediately put into practice the acquired knowledge during their regular group activities of saving and borrowing.

In the SAVIX, there is data on other add-on activities the groups have been offered (normally by the facilitating agency) in addition to the core savings and loan functions. From this data, one can extract information on groups that have received financial education as a “plus” activity. To ensure that we are running our analysis on comparable groups, the researchers use matching to select comparable groups from

the sample of savings groups that do not offer financial education. After matching, we conduct our analysis on a sample of 2,364 savings groups from 9 African countries.

For group performance measures the researchers use indicators for the savings per member, the fund utilization rate and return on savings. Savings per member, captures the savings capacity of the group members. The fund utilization rate, i.e., the share of available funds that are lent out to the members, captures the efficiency with which member savings are converted into loans while the return on savings measures group profitability, i.e., the wealth created for group members from the available savings.

Thus, the researchers compare savings groups that are similar on all other measures except some have been trained in financial education and some have not. The findings are that having accessed financial education improves financial behaviour at both the individual and group levels. Specifically, financial education is consistently associated with higher savings per member, a higher fund utilization rate, and a higher return on savings, and the effect is substantial in economic terms. Thus, the findings suggest that, indeed, savings groups provide a viable channel through which financial education can be offered. At the individual level, we see the benefits of financial education as savings per member and return on savings increase in savings groups with financial education. At the group level, we see groups having received financial education becoming more active and efficient in terms of increased lending/borrowing activity, as captured by the fund utilization rate.

Study 4: Should informal financial groups at the bottom of the pyramid be linked to banks? A comparative analysis of linked and unlinked groups?

Savings groups continue to serve as a vital source of financial services at the bottom of the pyramid. However, they are usually limited in their capacity to fulfill the financial needs of their clientele, for several reasons. First, savings groups experience seasonal fluctuations in the amount of money available in the loan fund. This is because of the cycle system practiced by savings groups. At the beginning of the savings cycle, deposits are few and small, and there is insufficient money in the loan fund to service the loan needs of the members. On the other hand, at the end of the savings cycle, there is a surplus of money in the loan fund as loans are repaid, and the excess funds in the pot of money available for lending pose a security risk for the group. Second, savings groups are normally unable to progressively cover bigger loans. As a savings group matures, there may be a demand for larger and more long-term loans by the members. Third, savings groups are normally composed of people who are engaged in similar economic activities that can be affected by systemic shocks, e.g., droughts, such that if there is a shock, it will compromise the very existence of the group, as almost all the members will be unable to conduct their regular savings and borrowings.

Due to these limitations, there has been a growing push to link savings groups to formal financial institutions mainly to balance savings groups' liquidity shortages and excesses as well as boost the pot of money available for lending. Thus, the researchers investigate the effect that linkage with formal financial institutions (in the form of a savings account or a loan) have on the performance of savings groups.

The SAVIX contains information on whether a group has access to a savings account or a loan. The researchers then compare groups that are linked with a bank with groups that are not linked. The research design assures that the groups are similar on all other measures except the linkage variable. The two groups are then compared on the following performance metrics: the savings per member, fund utilization rate and return on savings.

The researchers find that linkage through savings significantly enhances the performance of groups, as evidenced by the increase in savings per member and the return on savings. This suggests that members gain confidence in the safety that an account with a formal financial institution provides. However, the fund utilization rate, i.e., the share of the available funds that is lent out to the members, decreases for savings groups that are linked through savings, probably due to the fact that the group's funds are now "locked up" in a savings account in a formal financial institution.

On the other hand, credit linkage significantly reduces the savings per member and the return on savings, which suggests that the infusion of external capital into the group is detrimental to the performance of these groups and thus curtails the wealth creation of individual members. We complement the empirical study with a qualitative field study to better understand the statistical results obtained. The results hence highlight that caution should be exercised when recommending linkages for savings groups and that such linkages should be demand-driven to avoid affecting the core group functions.

Study 5: Including men in a female financial model: an analysis of informal grassroots financial associations.

For decades, women have been the focus of several development interventions since they were largely marginalized and victimized in the society. In areas such as reproductive health, gender equality, gender-based violence, intimate partner violence and even mainstream microfinance, emphasis was put on women. Increasingly, however, we are observing a shift towards engaging men in such gender development interventions. There are increasing global efforts in this regard from major development actors. This is also observed in the savings groups sector. While such savings groups were originally tailored for women, we now observe an upsurge of male members. Although women still make up around 80 percent of savings groups' membership, available data shows that male membership is increasing over time. In the data sample used for this study, for example, the share of male members increased from about 9 percent in 2010 to over 27 percent in 2017.

The move towards male engagement in these different efforts stems from the realization that it may be difficult to achieve gender equality change from development efforts if the focus is entirely on women and men are excluded. Since marginalization of women is deeply rooted in discriminative gender norms inherent in several societies and men are normally the custodians of such norms, it is important that their role is recognized if a change is to happen.

The savings group model requires efficient handling of savings and borrowing activities to create wealth for the group members and for sustainability of the groups.

In this study, the researchers investigate the influence of increasing male membership on

the profit generation capacity of savings groups.

We measure the profit generating capacity using the return on savings which is computed using different performance metrics that are contained in the SAVIX database. The group profit generating capacity is the best way to measure whether the group is operating efficiently. Moreover, sustainable groups which generate reasonable profits for group members are more likely to survive and continue operation into subsequent cycles which ensures continuity of the savings group methodology but also strengthens financial inclusion efforts.

From the SAVIX database, one extract information on the number of members in a group, number of men and number of women. Using such information, one can tell which groups are all-female or all-male and those that are mixed. Further, one can track when a group moves from say all-female to mixed i.e., when men join the group.

Using such information as contained in the SAVIX, the researchers were able to investigate the effect of including men as group members on the profit generating capacity of the groups. Using a sample of data covering 81,853 savings groups from 30 countries, the results indicate that as the percentage of male members in the group increases, the profit generating capacity of the group reduces. In addition to the above analysis, the researchers investigate whether the relation between gender composition and group profit generating capacity is influenced by the level of gender

equality in the country in which the group is located.³

Countries with low levels of gender equality are usually characterized by discriminatory gender norms that could curtail the ability of men and women to interact and collaborate in groups. For example, in certain societies, it is even prohibited for women to interact with men especially in public spaces. Indeed, one can tell which groups are all-female or all-male and those that are mixed i.e., when men join the group. Using such information as contained in the SAVIX, the researchers were able to investigate the effect of including men as group members on the profit generating of the groups.

The results show that gender inequality (measured by the global gender gap index) in the countries where these groups are located worsens, the negative relation between gender composition and SG's profit-generating capacity. In other words, group profit generating capacity suffers more as the percentage of men increases in countries with high gender inequality.



Photo: ADRA Uganda

³ Global Gender Gap Report 2021, World Economic Forum

<https://www.weforum.org/reports/ab6795a1-960c-42b2-b3d5-587eccda6023>

PART 2

The DFM SAVIX-network – thematic findings from SAVIX across projects, organisations in East Africa

How are the VSLAs working? And what is in focus of the promoting organisations?

Development agencies are increasingly stimulating their target groups to form VSLA-groups and practice member-based savings and loans, since this is an efficient to combat poverty, and furthermore strengthen civil society⁴.

But in addition to this it may be relevant to underline that there seems to be a change of interest and focus of the development organisations during the past 10-15 years. The financial performance of VSLA-groups was very much in focus during the first decades after the launch of the VSLA-concept in Niger by CARE (mid 1990'ies) in order to document the fact that people with very few financial resources actually were able not only to save and take loans but also to accumulate a considerable profit. A surprise twenty years ago but not today.

For some years now Civil Society Organisations (CSO) in general have worked with the VSLA-concept in the way that establishment of VSLA-groups is integrated as one component together with another project- or programme-components. This is

also the case for the participating Danish CSOs of the DFM-network. They often work with VSLAs as a component of a project where the overall purpose for instance is to promote gender equality or information about HIV/AIDS. Hence the Danish CSOs with open eyes sometimes opt to focus less on efficiency in terms of VSLA financial performance as long the organisational empowerment qualities are gained.

In this way the VSLA-group is valued not only as a micro-economic entity but also as a "micro-organisation" or as a "micro-community" - as the VSLA-group is organized and led by democratic principles including rights, duties, ethics for members and leaders and it has its own practices and economy. The VSLA-groups are perceived as having a good development potential and being able to function as a tool or a basis for development interventions focusing on livelihood, food security, gender equality etc.

This tendency may also explain why the socio-economic performance of the VSLA-groups and off spin in terms of positive development impact on other project components may sometimes be taken for granted and thus not closely monitored and valued. Since VSLA groups in general have

⁴ Pors, Kristine Kaaber (ed.): Savings and Loan Associations – combining short-term benefits with long-term change, DFM 2011

shown a lot of positive outcome and considerable harvest of positive impact on empowerment of women and local community development has taken place, the result has been a widespread and strong belief in VSLA-groups as drivers for socio-economic development (especially in rural contexts) – and maybe to an extent where promoting organisations miss a chance to learn and to improve their interventions for the benefit of the people, they are helping. Have we in the NGO sector become too uncritical of our VSLA components, thereby missing the chance to make more out of them, for the benefit of the groups we address?

Why using SAVIX as a tool for monitoring - The DFM Network Project

Monitoring can be done in many ways and will always involve some kind of dialogue, asking questions and gathering information, but working with SAVIX is working with a web-based database, which is different from many CSO's bilateral monitoring.

The SAVIX was first of all developed to offer a tool for valuing the financial performance of VSLAs but has been further developed to be adapted and used for different scopes of interest being for instance development of: Livelihood, entrepreneurship, agriculture, gender equality, food security etc.

As SAVIX stands for: "savings groups information exchange" the activity of comparison and exchange is an integrated part of the SAVIX. And as mentioned by the previous articles, SAVIX has been the first database to provide extensive information about thousands of VSLA-groups around the world.

The DFM SAVIX Network consists of Danish Organisations facilitating VSLAs and interested in improving the development

achievements of their projects and also experience the basic idea of SAVIX as the "Savings Groups Information Exchange", hence to compare and improve performance across programmes and partners. As a learning group, the network has been testing SAVIX from 2018 to 2021.

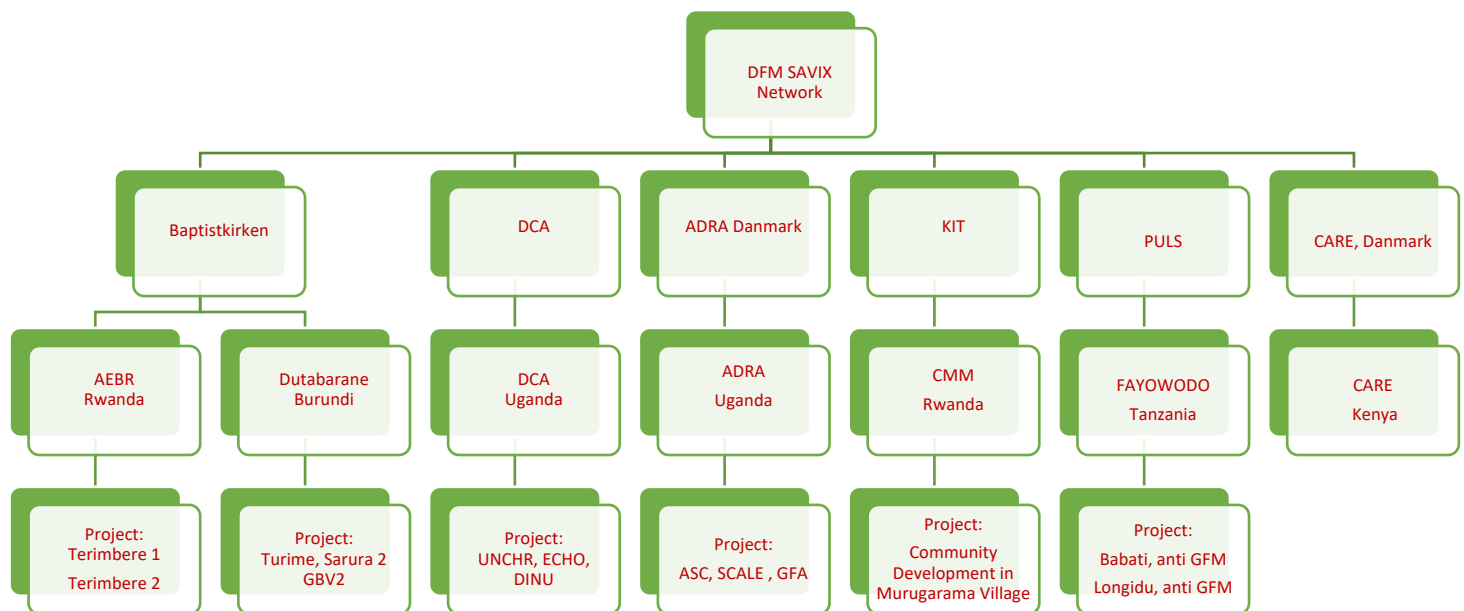
The aim set for the learning project

By utilizing the SAVIX to collect, compare and analyse data, the DFM Network-project aims at empowering savings groups and to improve their development potential significantly, and in collaboration with Danish facilitating organisations construct a credible performance database of savings groups, that further spur investment in the sector. This project contributes uniquely to the Danish microfinance sector, by creating a Danish community of learning, where facilitating organisations will learn from each other and improve operations practices.

Besides testing knowledge coming from the use of standard, financial SAVIX-indicators, the DFM-network wanted to test a number of user-defined indicators to capture more socio-economic data and information about the savings groups.

How to document and support VSLA-Performance - the DFM SAVIX Network

A network within SAVIX allows selected projects in different MIS instances to be linked for aggregation and comparison. The DFM Network Project targeted a minimum of eight organisations that have signed a participation agreement, contributing to the learning with projects. However, since some organisations and partners opted out, and one new organisation with partners joined, the learning project ended up with five Danish organisations and six East African partners, shown in the chart below:



The Danish organisations - Baptist Union Denmark (BUD), DanChurchAid (DCA), CARE Denmark, ADRA Denmark, Kirkernes Integrations Tjeneste (KIT), Projekt Ulandshjælp til Selvhjælp (PULS)

■ **Baptist Union Denmark (BUD)**

BUD has for many years a policy of interventions focusing on help-to-self-help (especially in rural areas) and started work with the VSLA-concept in 2007 in Burundi, later in Rwanda and DR Congo. From that time BUD has integrated VSLA and financial empowerment as an important component of all projects. Back in 2007 establishing of VSLAs was related to HIV-prevention but later other strategic priorities have been: food security, reduction of gender-based violence, children's education and newer topics are women's rights, greening and coping with climate changes. BUD plans to continue working with VSLAs and assist in building up VSLA-Federations. <https://baptistkirken.dk/>

■ **DanChurchAid (DCA)**

DCA was established in 1922 and was initially founded by the Christian (Evangelical) churches in Europe to support refugees; since 1960 the organisation has focused on humanitarian aid and from the 1970'ies integrated development interventions. DCA works on the basis of

Christian values, has regional offices in 25 countries and as part of the ACT Alliance (Action of Churches Together) DCA is active in more than 120 countries. DCA provides emergency relief in disaster-stricken areas and long-term development assistance in poor regions and VSLA has been an integrated part of policy and programmes since 2010. <https://www.danchurchaid.org/>

■ **CARE Denmark**

CARE Denmark was created in 1987 as a national member of CARE (Cooperative for Assistance and Relief Everywhere (1993), formerly Cooperative for American Remittances to Europe), which today is one of the largest and oldest international humanitarian organisations delivering emergency relief-projects and long-term international development projects fighting global poverty. CARE was founded in 1945 in Canada as a non-governmental, non-sectorial organisation and turned international in the mid-1970s. Today CARE international is a confederation of 14 national members.

In the early 1990s CARE adopted a focus on security and household livelihood including a multidimensional view of poverty. As a result of this, by 2000, CARE had adopted a rights-based approach to development.

It was also in the early 1990s that CARE developed the Village Savings and Loans

Associations (VSLA) as model for cooperative microfinance. It began (1991) as a pilot project run by CARE's Country Office in Niger and was called Mata Masu Dubara. During the past three decades CARE has created over 40,000 Village Savings and Loans Associations (more than 1 million members total) across Africa, Asia, and Latin America. The VSLA-model has been widely replicated by other large organisations incl. Oxfam, Plan International and Catholic Relief Services, Aga Khan development Network as well as smaller NGOs. <https://www.care-international.org/>

■ **ADRA Denmark**

ADRA (Adventist Development and Relief Service) got its name in 1984 and ADRA Denmark was established as an independent organisation in 1987. The history of ADRA has its roots in the humanitarian activities of the Adventist Church after the end of 1 World War and the Seventh Day Adventist World Service was created in 1956.

Sine 1987 ADRA DK has worked with relief and development assistance. The strategic focus is on building resilience among people affected by conflict and poverty through four areas of intervention: Improved livelihoods; Promoting equal rights and opportunities for women and girls; Strengthen civil society to promote participatory and sustainable change; Relieve human suffering during time of crisis and conflict.

ADRA has worked with the establishment of VSLAs for more than 10 years and always as a component integrated with other project or programme components – in Uganda, Tanzania, Ethiopia and Sudan.

In the future ADRA will strengthen their support for humanitarian-development nexus and will also strengthen the use of the VSLA-concept in humanitarian contexts.

<https://www.adra.dk/>

■ **Kirkernes Integrations Tjeneste (KIT)**

The organisation of KIT was created in 2003 based on an initiative from the free churches in Denmark in order to help and work with refugees and immigrants from various countries. K.I.T. is a network of churches investing in cross-culture networking. KIT has established a network for au pair-workers and an association for youngsters from immigrant-families and fighting human trafficking especially regarding Nigeria. VSLA has been a tool to fight poverty in rural Northern Rwanda where many people left during the civil war of the 1990's and 2000's and still the communities here are fragile and lack structures for communication and work.

<https://www.kit-danmark.dk/dk/>

■ **Projekt Ulandshjælp til Selvhjælp (PULS)**

PULS is a Christian NGO working in Tanzania and investing in development of agriculture, the use of solar energy and in the creation of schools and teaching materials - education for vulnerable women and children (HIV) in Arusha and a technical high school. The organisation also works to transform circumcision of women, fight child marriages, and to establish and train VSLA-groups.

Since 2006 PULS has worked with FAYOWODO in Tanzania on projects against circumcision of women /female genital mutilation (FGM) and child marriages. Both practices have been banned in Tanzania for many years but are still carried out in certain areas of the country. P.U.L.S are financing salaries for teachers and teaching material. <https://ulandshjaelp.dk/om-puls/>

The Partner-organisations in East Africa

■ **Dutabarane in Burundi**

The organisation was created as a network of Churches in 2007 from the initiative of BUD, World Relief Burundi and the Conseil National des Églises du Burundi.

Dutabarane started as an HIV/AIDS programme but soon integrated gender-based violence (GBV) as an important theme. As a way to fight poverty Dutabarane got involved in the establishment of Village Savings and Loans Associations, which is now a cross cutting activity of the interventions with the aim of increasing the level of financial inclusion of the participants and the promotion of income-generating activities

Since 2015, Dutabarane has also embraced the areas of food security, community health and child protection. Today, the organisation is initiating a participatory integrated local development approach (PILDA) to help local collectivities to take charge of themselves.

<https://www.dutabarane.org.bi/>

■ **Association of Baptist Church Rwanda (AEBR)**

The Baptist Union in Denmark has since 2007 worked with AEBR, the Association of Baptist Church in Rwanda. The organisation was established in 1965 and officially registered in 1967, with its head office located in Kigali. AEBR is present in six departments where they work with the following strategic priorities: Community Development, Women and Family, Youth,

Evangelism, Finance, Education, and Health departments.

AEBR has a great experience working with different partners, including Baptist Union of Denmark (BUD), Canadian Baptist Ministries (CBM), various Baptist organisations in Denmark, World Relief and HOPE International.

From 2007 BUD is supporting AEBR's development work targeting especially inclusion and education of girls and women, schooling as well as building VSLA-groups. The Baptist Union of Denmark is also supporting food security interventions (Terimbere) based on the RIPAT⁵ approach. together with VSLA components as an important part.

<https://baptistkirken.dk/mission/projekter/rwanda/>

■ **Christian Mercy Ministries in Rwanda (CMM)**

CMM is a nonprofit development organisation based on Christian (Evangelic) values and is located in the Gatsibo District in the eastern province of Rwanda. It was established in 1999 by Jackiline Hansen in order to assist orphans and vulnerable children mostly Genocide survivors and people suffering from HIV/AIDS. By 2005 a group of Christians joined with an aim of fostering education and community development at large.

https://cmercyministries.org/?page_id=258

⁵ RIPAT - Rural Initiatives for Participatory Agricultural Transformation is an approach to rural development introduced by the NGO, Recoda in Tanzania. It is characterized by the following: 1) Help to self-help – avoiding donor syndrome and ensuring that farmers take full charge of their own development. 2) The use of a group demonstration field, where RIPAT takes the best from bottom-up and top-down extension

approaches. 3) Giving farmers a choice regarding agricultural technologies and a voice regarding how they want to organize their group. 4) Formalized cooperation with local government authorities and extension services for continuation and up-scaling.

<http://ripat.or.tz/index.php>

■ **FAYOWODO in Tanzania**

Faraja Young Women Development Organisation (FAYOWODO) located in Arusha was established in 2006 and officially registered in 2012. Since 2006 FAYOWODO and PULS have worked together on projects addressing the building up of VSLA-groups and the circumcision of women/female genital mutilation (FGM) and child marriages. Both practices have been banned in Tanzania for many years but are still carried out in certain regions. FAYOWODO has from the beginning worked with Tanzanian government through the Arusha City Council and the Social Welfare Office in identifying victims of human trafficking, young single mothers and girls at risk of child marriages who need assistance.
www.thefarajacenter.org

■ **ADRA in Uganda**

Adventist Development and Relief Assistance (ADRA) Uganda was established in 1986 and is working in the areas of relief assistance, livelihood, health, education - having interventions in 13 districts of Uganda.

ADRA-Uganda has been working with VSLA-groups in development and emergency projects as a complementary activity to empower communities to access affordable loans to boost their household income as well as improve on their savings culture.

■ **DCA in Uganda**

DCA Uganda has conducted relief and long-term development assistance since 1979 targeting poor and vulnerable people including refugees, with a focus on women who are affected by negative socio-cultural practices including sexual and gender-based violence and lack of access and control over productive resources like land. Youth is another important target group. DCA has four thematic priorities: Active Citizenship, Right to Food, Humanitarian Action, and Safer Communities. All work is done with a Gender Equality and Human Rights

commitment. DCA Uganda also addresses other sub-thematic areas like agricultural development, deforestation/planting trees and reduced consumption of firewood. DCA operations in Uganda are supported by DANIDA, UNHCR, the European Commission (EuropeAid and ECHO), ACT Alliance, the Open Society Initiative for Eastern Africa, the Permanent Mission of Denmark to the UN
<https://www.danchurchaid.org/where-we-work/uganda>

DFM SAVIX-network:

Indicators for financial performance combined with user defined indicators for strategic areas

The SAVIX tool invites the user to select a number of standard indicators to value the financial performance of the VSLA-groups - and as an option to select up to 20 extra specific user-defined indicators, related to the purpose of the VSLA component in connexion to other aspects of the selected programme work. The learning strategy for the project was to look into to what extent it could add value to report on a number of these (socio-economic) user-defined indicators.

The MIS is where the data of individual projects/network are stored and when data is provided it turns into a database. (See Hugh Allen's intro). It is of fundamental importance that the user thoroughly pitches the indicators to work with, manage to provide the relevant information in the field on a regular basis and finally maintain the database. The SAVIX-MIS can easily provide excellent reports on VSLA-performance and savings groups information exchange - but only if the data are inside the database.

For a SAVIX-database to function properly for "information exchange" across VSLA-groups, across projects or across countries, it requires a certain discipline and regularity regarding the provision of information/

data. As it takes time to go into the field and collect data, one of the important learnings from the partner organisations is the importance of establishing a match between project indicators and the thematic selection of user-defined SAVIX-indicators.

VSLAssociates recommends to users of SAVIX to monitor and gather data from VSLA-groups monthly and send data into the SAVIX MIS quarterly. For the DFM network, it was agreed that the organisations provided data 2 to 3 times per year. There have, however, been some variations in delivering data over time, and viewed as a total collected data of the DFM Network (from 889 VSLAs, about 22.225 members) must be interpreted as a test collection revealing some tendencies and the interpretation cannot be taken very far.

The testing of socio-economic, user defined indicators within the DFM-network has led the East African partners to see the opportunities of developing such thematic indicators for themselves to strengthen their strategic focus.

The next chapter will provide the tendencies DFM sees across the participating organisations, but first we will sketch the flow of the learning process and the important actors on the scene.

2018: Launch, training conferences, baseline and thematic indicators

Denmark: DFM launched the network project in March 2018 in Denmark by introducing the SAVIX to professionals from DFM member organisations in collaboration with FAHU, Hugh Allen, VSLAssociates, and Baptist Union of Denmark (BUD), partners with Dutabarane and UEBB of Burundi and AEBR of Rwanda. The BUD has been one of the Danish pioneers in monitoring VSLA with SAVIX. The organisations starting up were DCA, ADRA-Denmark, CARE, CKU, BUD, PULS, and Churches Integration

Ministry (KIT). It was agreed, first to build up the capacity of the partners. In April 2018, the DFM coordinator, the DFM Board and the FAHU Foundation chairman went to visit VSLAssociates (Germany) to get trained on how to supervise work with SAVIX.

East Africa: In May 2018, training was arranged in Kigali, Rwanda, in connection to the biannual SEEP conference on Savings Groups, where most of the partners participated to get inspiration also strategically for their work. Not least the work with federations of VSLAs and inclusion of vulnerable groups were inspiring to the partner participants.

During the intensive SAVIX training in Kigali, Rwanda, the professionals from the partner organisations discussed the selection of thematic aspects to be dealt with by the DFM SAVIX-network and thus the set-up of the DFM-MIS to be used. It was discussed that the network needed some (the standard) financial indicators as they are key to follow the development of financial management in the VSLA groups. It was agreed to add an indicator on financial education/training to track if this improves the VSLA-performance.

An experienced VSLA-consultant, Cesalie Nicimpaye from Burundi elaborated the final selection of financial (standard) indicators and facilitated the selection of more specific thematic SAVIX indicators to be tested by the Network (see the following section).



Standard SAVIX Indicators/ Data Fields	DFM-Network thematic Indicators
MEMBER OUTREACH	MEMBER LOCATION
Total number of VSLA members	(70 %) No. mbrs. In Rural areas
Female VSLA members	(10 %) No. mbrs. In urban areas
MEMBERSHIP PROFILE	(20 %) No. mbrs. In peri-urban areas
(> 85 %) Attendance rate	AGE
(> 0 %) Membership growth rate	(20 %) Female mbrs. Above 45
(3 %) Dropout rate	(30 %) Female mbr.s under 25
SAVINGS GROUPS FINANCIAL INDICATORS	(20 %) Male mbrs. Above 45
(60 \$) Average annualized savings per member	(20 %) Male mbr. Under 35 (25)
(30 %) Return on savings	GENDER IN LEADERSHIP & DECISION-MAKING
(20 %) Return on assets	(40 %) No. female mbrs. In community leadership roles
SAVINGS GROUPS OPERATING EFFICIENCY	(60 %) No. female mbrs. Influenced HH-decision
(65 %) Members with loans outstanding	EDUCATION
(50 %) Loan fund utilization rate	(5 %) No. of mrs. w. financial literacy training
SOCIAL FUNDS	VULNERABILITY
Social fund benefits given to outsiders	(5 %) No. female-headed household members
IMPLEMENTING ORGANISATION EFFICIENCY	(5 %) No. mbrs. Living with a disability
(40) No. supervised VSLA-groups per Field Officer	(65 %) No. mbrs. Eating a minimum of 2 meals/day
(600) No. of supervised VSLA-members per Field Officer	(5 %) No. mbrs. With less than ½ acre of land
(25 \$) Cost per member assisted	INCOME GENERATION ACTIVITIES
(40) No. supervised VSLA-groups per Field Officer	(65 %) No. mbrs. In agriculture &/or livestock business
(600) No. of supervised VSLA-members per Field Officer	(10 %) No. mbrs. In processing business
(25 \$) Cost per member assisted	(10 %) No. mbrs. In small-scale trading
	(5 %) No. mbrs. Making goods for sale
	(10 %) No. mbrs. In service business

The indicators were selected due to the themes identified as important by the participating organisations - age, gender equality, and livelihood stood out. They will be thoroughly explained in the following chapter.

Baseline 2018:

A baseline report regarding the existing capacity within VSLA and SAVIX of the participating partner organisations in Burundi, Rwanda, Uganda, Tanzania, Kenya, Sudan, and South Sudan was elaborated by Cesalie Nicimpaye. Where all the participating partners were selected due to their experience with VSLA, the experience with SAVIX was different from partner to partner. Due to the long-term work of Baptist Union Denmark (BUD) and Dutabarane in Burundi, this organisation was the most experienced within VSLA and SAVIX and only to other organisations, whereas BUD's partner AEBR in Rwanda and CARE Kenya were familiar with monitoring VSLAs using the SAVIX too. Most others were newcomers. The baseline report thus recommended capacity building in VSLA and SAVIX and training sessions were offered by DFM in collaboration with Cesalie Nicimpaye again in September 2018, and the project manager of Dutabarane, Ezechiel Habonimara did train the Rwandese organisations AEBR and CMM in Kigali, and DCA partners (Uganda plus South Sudan) in Uganda.

Denmark:

In November 2018 representatives from the seven Danish organisations – BUD, DCA, CARE, ADRA, KIT, IAS, PULS met to discuss the first test of data coming in from the 11 participating partner organisations (13 out of 19 projects) as well the interpretation of the data, and looking to the potential of the data, some Danish professionals expressed the wish for more training for the Danes themselves.

2019: Introduction of SAVIX fee, extensive training, and change in participants

In January 2019, a fee for using the SAVIX system was introduced by VSLAssociates,

and that created some delay and confusion between the organisations in DK and their partner organisations as where to locate the responsibility for payment.

Where some organisations quickly took it in as a monitoring cost, other partners found it difficult to fund such a cost within a short time, despite their initial commitment to the learning network.

In March 2019 Hugh Allen offered brief training sessions in the use of SAVIX in Denmark for the Danish partners and DFM funded some extra training for Ezechiel Habonimara to become the East African champion to train the others, which he then did in the rest of 2019 to various partners.

ADRA-Uganda also joined the Network in 2019, but unfortunately, during 2019, other partner organisations experienced difficulties – either with loss of capacity and staff, end of funding and projects, or institutional management. So due to partner change, personnel change or completion of funding, 4 CSOs (UEBB and ADRA in Burundi, ADRA Sudan, and DCA South Sudan) could not continue their testing of the SAVIX-tool. At the same time, CARE Denmark opted to prioritize digital empowerment of VSLAs including development of their own monitoring app and thus ending the use of SAVIX as their monitoring tool. Hence, CARE Kenya dropped out of the network. After the first test period, IAS' partner FPFK, a large Pentecostal Church in Nakuru, Kenya with a few VSLAs, decided that using SAVIX was too costly in terms of capacity and staff for smaller projects, and also dropped out of the DFM SAVIX-Network.

Thus, at the end of 2019, 5 Danish organisations – BUD, ADRA, DCA, KIT, and PULS were still participating in the SAVIX-network, but the number of partner organisations was now 6 - Dutabarane in Burundi, AEBR, and CMM in Rwanda, FAYOWODO in Tanzania and ADRA and DCA

in Uganda. Since this left the DFM Network with newcomers again, it was decided to extend the Network project for another 1,5 years. The remaining organisations have continued participation during 2019 and throughout the Corona-year 2020 until the end of the Network project in August 2021.

2020: COVID-19, and webinars as a tool for the learning network:

When COVID-19 hit the world in spring 2020, DFM realised that the only possible way to follow up on the learning were online consultations. Whereas WhatsApp already from 2018 was an important tool to keep motivation in DFM learning network, virtual meetings (Zoom) were held, with contributions from the partners and from external experts. Themes were:

- How to deal with COVID-19 (inspired by the SEEP network guidelines)
- VSLA and gender equality (with external experts from Nordic Consulting Group and DCA)
- Intensive interviews with East African partners were held on zoom, making us realise that despite COVID-19

VSLAs were still there a resource to their communities (see also next chapter).

- DFM held a webinar with FAHU, CARE and DCA elaborating on SAVIX as well as other forms of digitized monitoring such as Ensibuuko, Chomoka and other tools.
- Evaluation of the learning network activities was held on zoom with single partners

Dutabarane in Burundi, AEBR and CMM in Rwanda, ADRA in Uganda, and FAYOWODO in Tanzania have all done regular monitoring of their ongoing projects 2018-2019, but during 2020-2021 the Corona lockdown of transport and meetings in Burundi, Rwanda and Uganda have affected the VSLA-practices in terms of savings and loans and also created interruptions of monitoring and data collection.

In Tanzania the approach of the government to the Covid-19 pandemic in 2020 was marked by ignorance, which meant that the VSLA-groups could continue meetings, although their trade activities were affected.



Managing the VSLAs Through the Pandemic

Ngoley savings group in Babati

Photo:
FAYOWODO

Watch the organisational level! The importance of the micro, meso and macro-economic levels

The SAVIX research-team in Norway and Belgium perceives and treats the VSLA-group as a “micro-economic entity” focusing on the financial performance - related to the practices of saving, borrowing and profit-generating hence paying most attention to the financial indicators (L. Nakato).

The SAVIX-researchers also concludes that the meso factors, the facilitating organisations as the enabling environment around the VSLA groups, provides 53 pct. of the contribution to the financial success of the VSLAs. The factors of the macroeconomic level or context are responsible for 26 % and the micro-variables concerning the more social and cultural aspects of the groups only provide for 21 % of the profit-generating of the groups⁶.

The role of the facilitating agency (Meso level)

The meso factors embrace for instance: the specific target groups i.e., the participating member groups, their location in rural, urban or peri-urban context and the percentage of women/men, refugees, single women, groups with a handicap etc.) and the provision of services (different kinds of training or material provision of money, tools, seed or other inputs for cultivation).

Among the meso-factors are also the staff training, monitoring and working with the SAVIX-groups. Other meso-factors will determine whether the development organisation facilitates only the come into being of VSLA-groups or supports further development into VSLA-federations, SACCOs, or various kinds of linking to MFIs.

The DFM SAVIX-network has selected a range of indicators representing the micro-level (the group) and the meso-level (the facilitating agency). The combination of 11 financial indicators plus 19 user defined socio-cultural indicators have been used to test the potential of the SAVIX-tool to monitor and value the performance of the VSLA-Group – not only its financial efficiency but also its capacity in the field of social, socio-economic efficiency, and cultural, gender-equalitarian efficiency.

VSLA-groups as micro-economic entities or as micro-organisations

The SAVIX-research team has a focus on the **financial** success of the VSLAs and thus underlines their character of “micro-economic entities”.

As the savings group is organized and led by democratic principles including rights, duties, ethics for members and leaders and it has its own practices and economy, the VSLA is not only “a micro-economic entity” but also as a “micro-organisation” or a “micro-community”.

And as mentioned above the Danish CSOs often work with VSLAs as a component of a project where the overall purpose for instance is to promote gender equality or information about HIV/AIDS. Hence the Danish development organisations with open eyes sometimes opt to focus less on efficiency in terms of VSLA financial performance as long the organisational empowerment qualities are gained.

So what about the success of the VSLAs as micro-organisational entities?

And is it true that savings groups predominantly function as cash-management vehicles to balance out irregular income and expenses in a context

⁶ Using a huge amount of data and applying a Bayesian Modeling Average (BMA) model for combining a micro, meso and macro variables

and wanting to value the financial performance and profits of the VSLA-group they

of uncertainty and limited access to financial services, i.e., necessity lending?

In the following chapter, we will report exchange and findings especially from Dutabarane in Burundi, AEBR in Rwanda, and ADRA in Uganda, having worked with the SAVIX for monitoring about 825 VSLAs and more than 21.000 members in the network period from 2018 to 2021 - Dutabarane (379 gr.) and AEBR (342) each involving around 9.000 VSLA-members trough 3 projects and ADRA (144 gr.) and around 3.600 VSLA-members.

But relevant comments and experiences from the smaller development organisations, CMM (5 gr.) in Rwanda and FAYOWOD (19 gr.) in Tanzania having worked respectively with between 200 and 500 VSLA-members are also integrated.



**Lomeribachoko Farmer group being taken through VSLA Methodology.
(Record keeping and meeting procedures) in Lodonga sub-county Yumbe District.**

Photo: DCA, Uganda.

Meso-level

(facilitating CSO)

Member location

Rural areas (70 %)
Urban areas (10 %)
Peri-urban areas (20 %)

Member outreach/Participation

Female VSLA members (65 %)
(Male VSLA members 35 %)

Social inclusion/efficiency

Members from female-headed households (5 %)
Persons living with a disability (5 %)
Less than ½ acre of land (5 %)

Member location

Rural areas (70 %)
Urban areas (10 %)
Peri-urban areas (20 %)

Surplus input

Members received financial literacy training (5 %)

CSO Operational efficiency

No. of supervised groups per Field Officer (40)
No. of supervised members per Field Officer (600)
Costs per member assisted (25 \$)

Macro-level

National level of poverty,
climate changes, development,
inflation, inequality, education
etc.

Micro-level (group)

Membership profile

Attendance rate (>85 %)
Membership growth rate (>0 %)
Dropout rate (3 %)

Social inclusion/efficiency

Age groups:

women u. 25(30%), men u. 35(20 %)
women above 45(20 %), men above 45 (20 %)

Financial efficiency

Annual savings per member (60 \$)
Return on savings (30 %)
Return on assets (20 %)

Financial operating efficiency

Fund utilization rate (50 %)
Number of outstanding loans (65 %)

Socio-economic efficiency

Income generating activities
Less than ½ acre of land (5 %)

Food security

Minimum 2 meals per day (65 %)

Cultural, gender-equalitarian efficiency

Women - participating in financial decision-making at household level
Women - leadership roles in VSLA & community (40 %)

VSLA

Findings from SAVIX across Burundi, Rwanda, and Uganda

The general level of economy, climate changes, social and gender inequality, educational level etc. in Burundi, Rwanda, Uganda and Tanzania are not the same. The SAVIX dashboard presents a national profile of savings groups' financial performance but it doesn't reveal the local variations in each country, variations due to political, socio-economic factors, natural resources and climate changes which may differ a lot in their local expressions

Even within the small sample of project-areas of the DFM-network they vary a lot in terms of landscapes (mountains, hills, flat savannah, dry bushland, lakes etc.), that constitute the rural areas and conditions of existence for the farmers' and savings groups. Besides, the driest bushland or most deforested, hilly areas are the localities that suffer most from draught/flood (climate changes) and erosion. Countries like Burundi and Rwanda are still marked by previous civil conflicts and Uganda is today hosting 1.5 mill. refugees from South Sudan. It calls for attention when comparing and valuing income generating activities and VSLA-achievements for instance taking place in the very dry parts of Northern Uganda also marked the pressure on land related to the large number of refugees from the neighbouring South Sudan. Conditions of access to land are also complex and especially of crucial importance in small countries like Burundi and Rwanda. Shortly: savings groups always function or perform in a local context and conditions vary. The macro-factors may have different local appearances and as stated by the SAVIX-research team the macro-factors count for 26% of the financial VSLA-performance, so they need to be taken into account. When doing comparisons between VSLA-performance at national level and at in areas or districts the variation in conditions has to be considered.

1.Member location (Meso-level)

- Rural areas (70 %)
- Urban areas (10 %)
- Peri-urban areas (20 %)

The participating organisations – Dutabarane in Burundi, AEBR and CMM in Rwanda, ADRA in and DCA in Uganda and FAYOWODO in Tanzania and their projects have all addressed VSLA-participants in primary rural settings. Dutabarane is working in the province of Kayanza, northern Burundi, the Bubanza and Bujumbura provinces in western Burundi and in and Muramvya provinces in central Burundi.

The data from Sarura-2 and GBV-2 project declare that around 75% of the participants are located in rural areas and 6-% in peri-urban area, but the data from the Turime project show around 19% of the members living in peri-urban area.

AEBR has their intervention in four sectors of Nyamagabe District and CMM has their focus on the local community of Murugarama in Gatsibo District. For CMM more than 90% of the members live in rural areas. Regarding the Terimbere 1. And the Terimbere 2. projects of AEBR the data show around 95% living in rural areas, but 11-17 % of the members of the Terimbere 2. declared living in peri-urban areas.

ADRA as well as DCA are working in rural areas situated in the northern part of Uganda. Regarding ADRA the VSLA-members of the SCALE-project in Uganda are all living in rural areas; for the ASC-project the data show 6-7 % of the members located in peri-urban context. The members of the GFA-project are all living in the Rwamvanja Refugee Settlement situated in southwest Uganda.

FAYOWODO has their project areas in the Longido and Babati regions, bort rural areas

located respectively in the northern and central parts of Tanzania.

2.Member outreach – Participation & Gender (Meso-level)

In all the projects the VSLA-groups target mainly female participants, in order to assure that the VSLA-groups remains true to its original idea and constitutes a forum for empowerment of women; in the projects implemented in Burundi, Rwanda and Uganda 25% to 35-40 % men are included.

According to Linda Nakato the general picture of VSLA-groups still shows a higher participation of women, consisting of 80% of the members and a smaller, but growing participation of men from 9 % in 2010 to over 27% in 2017. The SAVIX-research at Agder University also says that the higher participation of men, the lower becomes the profit-generating of the groups, and we will return to this theme below.

2.1 Men should participate in the VSLA-groups, but how many?

- **Female VSLA members (65 %) - (Male VSLA members 35 %)**

It is revealed that in all cases the participation of women and men results from the organisational policy and is thus a parameter not belonging to the individual group (micro-level) but to the policy of the facilitating agency (meso-level).

In all the projects the VSLA-groups target mainly female participants in order to assure that the VSLA-groups remains true to its original idea and constitutes a forum for empowerment of women, but men are included. Women have to constitute the majority but men have to be integrated as their acceptance is believed to be of crucial importance for the performance of their wives/mothers/daughters/sisters. Whether

the men as VSLA-members are actively practicing savings/loans or just follow what the women do, this data doesn't show. Observations from BUD note, that male participants often take larger risks, while women value resilience and share-out the most, watching the household costs and well-being of children.

The DFM performance indicator recommends a percentage of 65% women and thus a max. of 35 % men in the groups. In nearly all projects of the participating organisations in **this** network male VSLA-members constitute between 25% and 40% of the groups.

For Dutabarane and AEBR the participation of women/men is clearly defined in the organisational policy and says that 60% of the group-members must be women and maximum 40% men. In Rwanda, the Terimbere projects during 2018-2021 (Terimbere 1, Terimbere 2.) of AEBR had between 58% and 62% women in the VSLA-groups.

In Dutabarane, Burundi the SARURA-2 project and Gender-Based Violence Project (GBV-2) responded positively to their policy with 63-65 % being women during 2019-2020, but the Turime project seemed to have been somehow special as the data declared only 47 % (2019) female members.

The project manager of Dutabarane explains that the approach of other organisations may be different: in another NGO (CARE international) the groups are only women and when we went there, we found that the money they save was very, very low.

“But when we put men and women together, we have found that they support each other”.

If men constitute more than 40% in the group, women will not be able to have their rights i.e., the man will want to take all the decisions. ***"Because when we put many men in VSLA groups the men will dominate the women."***

Regarding the projects of ADRA in Uganda, only the GFA-project (refugee-settlement) had a smaller percentage of women i.e., about 58% - in the SCALE-and ASC-projects, 74-75% of the members are women.

The project of CMM in Rwanda had a higher percentage of women, around 75% but actually the coordinators wanted more men to join the VSLA-groups. In theory they would like all the husbands to come and join the groups, because: ***"they (men and women) will be supporting each other"***. But some men are not interested. However, *"the focus is on women, because women often take the responsibility of the whole family."*

The highest percentage of female participants is found in the two FGM-projects of FAYOWODO in Tanzania having between 94% and 100 % women, which is also an outcome of the project-policy.

In AEBR and Dutabarane, the organisations prioritize to include about 35% men in the VSLAs and hence involve them and getting their acceptance, even though this according to the SAVIX-research mentioned by Nakato might lessen the profit generation. It could be considered if both involvement and profit generation could be achieved by separate male groups, but the choice can best be made at local level.

2.2 Participation & Social efficiency

How efficient is the VSLA as democratic micro-organisation, when it comes to social inclusion?

The development organisation and/or the individual project/programme may target specific age groups or specific vulnerable groups and, in this way, social inclusion to some extent determined at the meso-level.

In the case of the projects and organisations of the DFM-network some of the organisations say that the members of their VSLA-groups are recruited from vulnerable groups, reason why they don't specifically monitor the groups regarding inclusion of for instance members from female-headed households or persons living with a disability. So, you may say that a general participation of persons coming from vulnerable groups is decided at the meso-level, but otherwise the groups have their own practice at micro-level. Project reviews from BUD points to that e.g., widows and elderly women as well as People Living with HIV and Aids describe their VSLA membership as a tremendous asset to their lives, valuing the social aspects even more than the financial.

Inclusion of (5%) persons living with a disability:

Are persons living with a handicap also part of the VSLAs?

The answer is yes. Regarding the two projects of AEBR in Rwanda, the percentage of this kind of social inclusion varied from 3% to 6%. In Burundi the groups included 1- 4% persons living with a disability.

In ADRA-Uganda between 3% and 6% of the members were living with a disability. The MEAL manager of ADRA in Uganda values the information as very relevant, only would she like to have this information separately for women and men. The percentage was around 3% in the GFA project and in the SCALE project but almost 6% in the ASC-project.

Inclusion of (5%) members from female-headed households

Whether or not the groups include members from female-headed households in terms of single mothers, widows have been valued differently by the project managers and some of them think that it is really important for this kind of social group to participate in VSLA-activities, e.g., in Uganda.

In the projects of ADRA-Uganda the inclusion of members from female headed households varied from 6% up to 18% and the manager underlines the importance of this indicator:

“Because when you are a female-headed household you are making decisions on your own. If you are a single Mum, you are in this category”.

The percentage of members coming from female-headed households varies a lot from one project to the another. In the projects of Dutabarane in Burundi the percentage varied from 5% to 12%, in the projects of AEBR in Rwanda the data showed from 5% up to 16%.

The overall learning from this indicator says that it is highly appreciated by some organisations. The indicator refers to a kind of social inclusion that may be a matter of the individual groups, but it may also be a matter of the meso-level. Participation of people from female-headed households may sometimes be determined by the scope of projects and if that is the case the indicator will not be so relevant, as the staff will already have this information.

Participation & Age groups (Micro-level)

DFM has introduced 4 indicators on age to diversify the information about who actually participate in the VSLA-groups: women below 25 years (30%) & men below 35 years

(20%) plus women and men above 45 years (20%)

Knowing more about if the groups include young people allows the development organisation to address their inventions. Whereas the percentage of women/men is somehow controlled by the individual organisation, the participation of young people, grownups and elderly people has shown in the project period to be a matter of the groups.

Are young people part of the VSLA-groups?

Inclusion of Young women under 25 years

According to the DFM-data in general, it is only in two projects, that between 1/4 and 1/3 of the total members have been young women below 25 years old, namely in the projects of ADRA Uganda - 32% in the ASC-project and 26% in the SCALE-project by May 2021. The MEAL manager of ADRA-Uganda values the information about age to be very relevant, as they want to know what age groups are present in the groups.

In some cases, as in two projects of Dutarabane, Burundi it was new to the project manager that actually 17-20% of the members were young women and 16-17 % young men. In Dutabarane the knowledge about what age groups of women and men are active in the VSLA-groups is valued as an important indicator despite that, it has not been part of their project indicators to target specific age groups or pay special attention to for instance inclusion of young people. In his opinion it can often be a problem for very young people to participate in VLSA-activities either because they are studying or because it is a challenge to earn money and be able to save.

In other cases, as the projects of AEBR, Rwanda it was a surprise that only 9-10% members were young women and 8 %

young men. In the Terimbere-1 project the percentage of women under 25 years was 10-11% in 2018-19. However, the percentage rose only from 8% to 9% (2020-21) in the Terimbere-2 project

The project manager of AEBR in Rwanda concludes that indicator "*age*" has worked well, as they realized that they only had a few in the youth category. As a result, in the next project phase, they will try to mobilize and encourage women and men between 18 and 25/35, as they want to empower them economically. Thus, in future projects, they want to work with that indicator.

Young men

Regarding young men under 35 years, the highest percentage in the projects are 16-17% of the VSLA-members in the projects of Dutarabane, Burundi. The projects of ADRA-Uganda included between 11% and 13% young men. In the case of AEBR, Rwanda the participation of men u. 35 years was 7-8% during 2018-2021.

What about women and men above 45 years, are they part of the groups?

The answer is yes. Members above 45 years do participate – and more women than men. The projects of ADRA-Uganda had the highest percentage – from 15% up to 32% women above 45 years in the ASC and SCALE projects, but only 11-14% in the GFA-project.

When women above 45 years constitute almost 1/3 of the members (SCALE by May 2021) you may say that they dominate quantitatively. The data may reflect a situation where the VSLA groups in this context play an important social role as safety net during the Covid-19 crisis, where the return on savings and assets during 2020-2021 only have between 4 % and 10%.

In Burundi the projects of Dutarabane included between 6% and 17% women above 45 years, the men above 45 constituted from 3% to 9% in the Sarura-2 and GBV2-projects but up 18% in the Turime project. The projects of AEBR in Rwanda integrated 10% to 21% women above 45 in the groups and 7% to 13% men above 45.

The Savings Groups (Micro-level)

3. The membership profile

- Attendance rate (>85 %)
- Membership growth rate (>0 %)
- Dropout rate (3 %)

The projects of Dutarabane show an attendance rate between 83% and 96% in the Sarura-2 and GBV-2 projects and around 47% in the Turime project. The growth rate has been high in the GBV-2 project, 5-8% with a very low dropout of 0-1%. In the Sarura-2 project the growth has varied from 2% to 4% and also a very low dropout of 0% to 3%.

The projects of AEBR in Rwanda had a very high attendance rate of 97-99%; the growth rate has varied between 2-3% and 4% and the dropout rate around 1 %.

The data of CMM in Rwanda also shows a high attendance rate of 85-94%; the growth has varied between 3-4% and the dropout rate around 1%.

The projects of ADRA Uganda – ASC attendance rate of 64%-69 %, SCALE 33% to 58%, GFA-project around 34%. The growth rate of ASC varies between -0,9% to 1% and the dropout rate of ASC has been rather high, from 7% to 5%; the SCALE-project showed around 1% regarding growth and also around 6% dropout.

The project of FAYOWODO in Tanzania had an attendance rate of 76-84% in the Babati region, with a negative growth and a dropout rate between 1% to 5%. In the Longido region the attendance rate has varied between 54% to 67%, also with a negative growth rate and a dropout rate of 1-2%.

4. Savings Groups' financial efficiency

- *Are the members saving 60 \$ dollars per year? And how much profit does the group obtain - on their savings and assets?*

DFM had selected 3 indicators as key information regarding the financial performance of the VSLA-groups:

- (60 \$) average annualized savings per member;
- (30 %) return on savings
- (20 %) return on assets

The first question, who manage a practice of savings of 60 \$ per year?

It has to be mentioned that at country level the average amount of savings as well as the average return on savings and assets is far from being the same in East-Africa.

In Burundi, at the beginning of 2019 the national average savings was 47 \$ and in the beginning of 2020 and of 2021 only 39 \$. In Rwanda the average was 19 \$ in Dec. 2018 but 75 \$ in May 2021. In Uganda the average level did not vary so much; it was 68 \$ in October 2019, 68 \$ both in Dec. 2021 and by May 2021.

It has also to be considered that the Covid-19-crisis during 2020 has influenced negatively on the financial activities of the VSLA-groups – resulting in a decline of savings as well as of return on savings and assets.

Besides there is a firm yes to the DFM-level of 60 \$ from the ASC-project (78-125\$) in Uganda of ADRA-Uganda.

Regarding CMM, Rwanda the members practiced savings of 56 \$ in 2019 to March 2020, 46 \$ in Nov. 2020, and Jan.-May 2021 the members had annual savings of 40\$. In the Terimbere-1 Project of AEBR in Rwanda the annual savings were as high as 44 \$ in Nov. 2018. In the Terimbere-2 project

savings declined during the Covid-19 of 2020 to around 26 \$ and went up again by Dec. 2020 to 57 \$ and further to 79 \$ by May 2021.

The projects of Dutarabane have shown a level of 35-44 \$ during 2019-20 and thus in line with the national average.

In FAYOWODO Tanzania the annual savings for 2019 have been very high – 94-119 \$ in the Babati region; The savings have varied between 50-91 \$ in the Longido region.

Regarding the next question – who manage to have 30% return on savings?

Also, on this parameter the average at country level has differed. In Burundi from 27% in the beginning of 2019 to around 23% in 2020-21. In Rwanda the average return on savings was 20% in Dec. 2018 and 16.6% in May 2021. In Uganda the return has been around 18% throughout 2020-2021.

Here there is a clear yes from all projects of Dutarabane having between 27% and 43.4% return on savings during 2019-2021 and thus very much beyond the average of Burundi.

Also, a yes to 30% return on savings from the two projects of AEBR (27%-40%) and the project of CMM in Rwanda (38% in Jan. 2020, 128% in May 2021). Also, a yes from the GFA-project (27%-42%) of ADRA in Uganda, however, The GFA-groups work in a refugee-camp with special inputs. In northern Uganda the return on savings in the ASC-project were very modest – 3-2% in 2019-21, in the SCALE-project 5-10% in 2020-21.

FAYOWODO in the Babati and Longido region had a very small return on savings by Feb. 2020 – 4% and -7%. The return on savings around went up to 16% by Dec. 2020 in Babati and the same by May in Longido region.

The third question – who manage to have 20% return on their assets?

The return on assets has reached higher than the DFM-level of 20% in all the projects of Dutarabane in 2019 – about 27% and was close to 30% in 2020 in both Sarura-2 and GBV-2.

In Rwanda, the Terimbere-1 project of AEBR experienced a return on assets that changed from about 19% in Mar. 2018 to 22% in Dec. 2018. In the Terimbere-2 project, the members had a high return on assets, almost 26-27% from 2019 to Jul. 2020 but influenced by the Covid-19-crisis the return on assets declined to 20-22% in 2020-21.

In CMM, Rwanda the members experienced a return on assets of 12% in Sept. 2019, 20% by Mar. 2020, but changed into almost 55% by Nov. 2020 and May 2021.

In the ASC-project of ADRA Uganda the return on assets was very modest in 2019 (2.5%) and declined during the Covid-crisis in 2020 to -0.1%, but was again 2.5% by Dec. 2020 and 1.7% in May 2021. In the SCALE-project the return was around 4% in May 2020 and 6%-8% in 2021. The GFA-project differs and had 19%-27% return on assets in 2020, but here the conditions are somehow special as the members live in a refugee settlement, and they sometimes receive money from the settlement.

In FAYOWODO, Tanzania the return on assets in the Babati region has been around 13% in 2021. In the Longido region the return on assets was only 4% in Dec. 2020 but was growing to 14% in May 2021.

According to Linda Nakato and the research based on SAVIX data from 30 countries there is a trend showing that a higher percentage of men in the groups is associated with a lower profit generating capacity of the groups - especially in countries with high gender inequality. Nakato refers to a general

composition of VSLA-groups of 90% women and around 10% men in 2010 changing into 70% women and a growing participation of men to more than 27% in 2017. Unfortunately, the actual SAVIX-research does not give an explanation on the reasons behind this tendency of lower profit.

As mentioned above several projects of the participating organisations in the DFM-network include between 25% and 40% men in the VSLA-groups. The trend of low profit regarding return on savings and assets is not revealed by this small sample of projects when compared to the SAVIX-average of return on savings and assets at country levels. However, it would be interesting to know if (testimonial) VSLAs including only 10% men would show another pattern of profit-generating.

5. Savings groups operating efficiency

DFM indicators has worked with 3 indicators on Operating Efficiency:

- (50 %) Loan fund utilization rate
- (65%) Members with loans outstanding
- (5%) Financial literacy training

Impact of the Covid-19 crisis of 2020

Compared to the DFM-level of 50% utilization of the loan fund and 65 % members with loans outstanding the projects in general have a higher utilization rate – from 57% up to 94% - but the Corona-crisis had a serious impact in 2020-21 on the use of the loan fund and on the number of members taking loans.

It is especially reflected in Burundi, in the Sarura-2 and the GBV-2 projects of Dutarabane from Dec. 2019 and also during 2020-21.

The Terimbere-2 project of AEBR in Rwanda suffered very much between Dec. 2019 to September 2020. Also, Corona-crisis seems reflected in CMM, Rwanda in a utilization rate reduced from 93% in March to 42% in Nov. 2020.

In FAYOWODO, Tanzania by Dec. 2020 where the utilization of loan fund was around 44%.

In ADRA Uganda especially the ASC-project was marked by the impact of Covid-19 in the second part of 2020 but also in 2021. The rate of utilization of the loan fund was 48% by May 2021.

Is Financial training important?

The SAVIX-research-team at Agder University underlines the importance of financial training given to VSLA-members as the research has revealed the positive benefits on return on savings but also in a more efficient practice of saving and taking loans, which is reflected in the use of the fund utilization rate and the number of members with outstanding loans.

The pattern seems to be reflected in the projects where 45% of the members or more have benefitted from financial education, not only the return on savings and assets is good, but also the loan fund utilization rate is 50 % or more and 65% of the members or more have outstanding loans. So, despite the small sample of projects and data we may conclude that yes, financial education is important and financial training is to be recommended and mainstreamed in all projects working with VSLA.

5.1 Operating efficiency of Dutarabane, Burundi

In Burundi the national loan fund utilization rate was 66 % with 57 % members having outstanding loans by Mar./Nov. 2019.

In the **Turime project (Jul. 2017- Dec. 2019)** the utilization rate was around 53% until Dec. 2019 and during the same period 62-64% of the members had loans outstanding – so a lower score on utilization rate of loan fund than the national level but

a higher score on members having outstanding loans.

In **The SARURA-2 project (Sep.2017-Jun.2021)** there was a high rate of 78-83 % utilization of the loan fund in 2018 and the period until July 2019; but regarding the number of members having outstanding loans in the same period it varied from 48% in Dec. 2018 to a peak of 56.7% in Oct. 2019.

The rate of utilizing the loan fund was dropping from 67%, Jul. 2019 to 58%, Dec.2019 and further down to 36% by Apr. 2020. The number of members having outstanding loans was 50-55% from Oct. 2019 until Apr. 2020;

The Covid-19 crisis hid the project and from May 2020 to May 2021 the utilization rate dropped from 23% to 8%. And then the number of members having outstanding loans also dropped to 34% in May 2020 and only 10% by May 2021.

The **GBV-2 project (Feb.2018-Feb.2019 – extended to Feb.2020)** had a high utilization rate between 77% and 89% during Mar.-May. 2019 and the number of members with loans outstanding was 31%-34% in the same period.

Then the Covid-19 also influenced this project and the utilization rate dropped to 52% by Oct. 2019, to 28% in Apr. 2020 and further down to 13% by Dec. 2020. The percentage of members having outstanding loans also declined from 48% in Oct. 2019, to 33% in Apr. 2020 and only 18% by Dec. 2020.

Financial training

Turime-Project: 22-11% in 2018-19
SARURA-2-Project: 5-6% in 2018-20
GBV-2: 13-7% in 2019-20

Regarding the impact from the financial education in the projects of Dutarabane, Burundi there seems to have been more training in the Turime project (22 %) and this project also had the best operating

efficiency in 2019. So, we may say that the research findings on the relation between surplus input from the development organisation in terms of financial training and the outcome in terms of higher financial performance and operating financial efficiency of the groups is reflected.

But it is not possible to take this conclusion very far, as in the Sarura-2 project only 5-6% members got financial training and the utilization rate was actually above the national level of 66% during Jan.-Jul. 2019. Only the number of members with outstanding loans was 47-54% in the same period and thus lower than the national level of 57% 2019, which was only reached in Oct. 2019.

In the GBV-2 project 7 % to 13% of the members had financial training during 2019; the utilization rate was very high, 77-71% between Mar. and Aug. 2019, but the number of members with loans outstanding remained modest, 45-48% with a peak of 54% in Jul./Aug. 2019.

The project manager of Dutabarane explains that financial education is valued as very important, but not all projects allocate funding for this, so not all VSLA-members receive training. They have realized when they organize training in financial literacy, the beneficiaries are happy to improve their know-how in how to manage money and credit. It is the opinion of the manager that in general members, who receive training are better off compared to the ones that didn't get training.

Sometimes training is not implemented due to lack of staff and e.g. only 5 or 10 members are trained hoping that they can help the others, but the problem is that *"they are not skilled enough"*. Previously, Dutabarane had another project where they trained a VSLA-group in financial literacy for 2-3 weeks. The staff observed the positive

consequences of the training. This has become evident in terms of impact on how the group members invested in different ways. So, the best model would be if all group members receive training is the conclusion of Dutabarane.

5.2 Operating efficiency of AEBR, Rwanda

At country level the utilization rate in Rwanda by Dec. 2018 was 65.5% with 60% members having outstanding loans.

During 2018 the **Terimbere-1 project (Jan. 2016-Dec. 2018)** had a loan fund utilization rate of 55.6% in Mar. 2018 with 65% members having outstanding loans; By Dec. 2018 the rates had gone up to 86.4% utilization of loan fund and 78.3 % members with outstanding loan – so very much ahead of the national level.

The **Terimbere-2 project (Feb. 2019-Dec. 2020 – extended to Jun.2021)** had 32% utilization and 40% members with outstanding loans by Dec. 2019. Funds were deposited in metal boxes waiting share out date. Then loan fund for the next cycle was kept in boxes and not used due to the Covid-19 crisis. During the first 6 months of 2020 the utilization rate dropped from 32% to 17% and from 40% to 21% members having outstanding loans. The situation changed radically by Sep. 2020 where the utilization went up to 72% and 77.5 members had loans outstanding. This level continued until May 2021 with 72.5% utilization and 68% members with outstanding loans.

The projects of AEBR, Rwanda show a quite high loan fund utilization rate of 86% (2018) and 69-73% (Dec.2021-Apr.2021) which is above the DFM-indicator of 50%. The number of members with outstanding loans was around 80% in 2018, around 68% by Dec. 2020 and by May 2021.

According to SAVIX at the country level in Rwanda by May 2021, 58.7% utilization rate and 42.6% members with outstanding loans

– the level of AEBR was much higher than average.

Financial training

Terimbere-1-Project: 63-88 % in 2018-19
Terimbere-2-Project: 73-76% in 2020-21

Regarding the eventual positive impact of operating efficiency financial literacy training, the status of the Terimbere-1 project by Jan. 2019 was that 88% had received financial training. The status for the Terimbere 2 by May 2021 was that 76% of the members had received this training.

The project manager of AEBR explains that all members receive basic knowledge in financial education, which she considers as highly helpful for VSLA groups management. The data seems to reveal positive results in terms of higher operating efficiency of the Savings Groups and are thus in line with SAVIX-research.

5.3 Operating efficiency of CMM, Rwanda

For CMM in Rwanda the data shows a very high utilization rate of 96% by Sep.2019 with 66% members having outstanding loans. The utilization dropped a little to 93% by Mar.2020 but the number of members having outstanding loans rose to 86%. The impact of Covid-19 was seen in a reduced utilization rate of loan fund, 42% by Nov.2020 and May 2021, but still 96% of the members had outstanding loans.

5.4 Operating efficiency of FAYOWODO, Tanzania

In Tanzania at country level the utilization rate of loan fund was 62% with 44.6% members having loans outstanding in Feb.2020/May 2021.

For FAYOWODO in Tanzania the VSLA-groups in the Babati region had a high utilization rate of loan fund in Feb. 2020 of 95% with 77% members having outstanding loans. The situation was nearly the same for

the groups in the Longido region with 75% utilization of loan fund and 70% members with outstanding loans. Then followed the influence of Covid-19 and the utilization rate was reduced to 44% by Dec. 2020 in both Babati and Longido region. The number of members with outstanding loans remained the same in Babati but dropped from 70% to 64% in Longido. By 2021 the utilization rate in Babati was high again, 79% but only 56% members had outstanding loans. In Longido by May 2021 the utilization level was at 61% with 54% members having outstanding loans.

5.5 Operating efficiency of ADRA, Uganda

In Uganda the loan fund utilization rate was 67.6% with 51.6 % members having loans outstanding in Oct. 2019 and also by May 2021.

The **SCALE project (Jan. 2013-Oct. 2021)** has been going on for many years but joined the network in 2019 and data-collection was delayed by the Corona-crisis. By May 2020 the SCALE-project showed a utilization rate of 69% with 59% members having outstanding loans and thus was in line with the national level. During the following year of 2020-21 the utilization rate rose to 82% and with 68% members having outstanding loans – very much higher than the Ugandan level which had remained the same.

The data shows that 44-40% of the members in the SCALE project received financial training, which is likely to be behind the high level of financial operating efficiency.

The **ASC-project (Sep. 2018-Sep.2019 – extended to Dec. 2021)** also showed a high utilization rate of 83%-85% between Oct. 2019 and Jul. 2020 with 54-43.5 % members having loans outstanding. By Dec. 2020 the project seemed also being influenced by Covid-19 as the utilization dropped to 60% and further down to 48% by May 2021. The number of members having

outstanding loans dropped from 48% to 47% in the same period.

The **GFA project (Oct. 2018-Oct. 2022)** takes place in a refugee camp and the members sometimes benefit from different kinds of surplus distribution (food, money etc.). The project has only delivered data two times during 2020 – and the loan fund utilization rate was extremely high 94-91% in between Jul. and Dec. 2020 together with a high percentage of 76% members with outstanding loans.

Financial training

ASC-Project: 44-40% in 2020-21

SCALE-project: 39-47 % in 2020-21

GFA-Project: 44-50% in 2020

The data shows 39-47% of the members in the ASC-project and 44-50% members in the GFA-project having received financial training. In general, around 45% of all the VSLA-members of the 3 projects have received financial education, which seems having influenced positively on the financial operating efficiency of the groups. The MEAL manager explains:

"We normally train them in report writing, recording, group dynamics. We normally also take them through how to market themselves. There are many modules, we take them through. "

In ADRA Uganda, she says, they want all VSLA-members to get financial literacy training, and they also take them through the VSLA methodology. Besides they give additional training, when they form SACCOs (establishing SACCOs is an objective of the SCALE-project).

6. Socio-economic efficiency

Income generating activities

The VSLA-group has its own economy based on individual activities for income generating

– but what kind of business activities do they invest into – in order to save, loan and generate profit?

- (65 %) Less than ½ acre of land
- (65 %) Agriculture &/or livestock business
- (10 %) Processing
- (10 %) Small-scale trading
- (5 %) Making goods for sale
- (10 %) Service business

Local landscapes and resources – basis for income generating activities

The project areas differ a lot across Burundi, Rwanda, Tanzania and Uganda and they constitute the basis for income generating activities for all the VSLA-members.

Where does income come from?

In all projects it seems that most of the members have activities of agriculture &/or livestock business, but processing is also very important. Small-scale trading is an expected important activity as well as service business activities covering all kinds of small restaurant/cafe-business as well as activities of hairdressing, sewing and transport. The making of goods for sale shows the lowest level of activity, which may also partly reflect difficulties of interpretation and using the indicator.

The indicator on agriculture and/or livestock is very general and includes all kinds of agriculture/farming activities and thus mixing agriculture, horticulture, gardening and agroforestry as well as all kinds of breeding. The learning has revealed that in this way, the indicator will not show if VSLA-members for instance are pastoralists and are specialized in breeding of cattle.

Based on interviews with the partner organisations, the indicator in service business activities has shown to be unclear, with questions raised of what is included in this category. This may explain the small

percentages in some projects. It has also to be taken into account that the use of indicators on income-generating activities may reflect the fact that the VSLA members, in general, have several generating activities going on at the same time, and the data may not show this complexity.

Burundi – Dutabarane

The **TURIME Project (July 2017 –May 2019, extension to Dec. 2019)** was implemented in Muruta commune located in Kayanza province in the northern part of Burundi. It is a rural area with hill slopes up to 2.300 m characterized by dispersed families. Muruta commune is located in the cold region of Mugamba that borders the Kibira forest having an av. temp. of 13 degrees. Agriculture and livestock farming is the main activity, and the focus has been improvement of living housing conditions and food security.

Income profile of the Turime project

Nearly all members, 95,8-100 % declared being involved in agriculture and/or livestock business. 26,7% members in Oct. 2018 and 19% in May 2019 had processing business activities.

Regarding service business the percentage was approx. 23% in 2018 and approx. 15% in 2019. Only 9-10% members declared to practice small-scale trading.

The **SARURA-2 project (September 2017 – Dec. 2020)** has been implemented in 2 municipalities - Mpanda and Rugazi - located in the province of Bubanza in the western part of Burundi. It is a rural area – with 2 different landscapes – hilly slopes (up to 1800 m) characterized by dispersed families and plain savanna dominated by small villages. Agriculture and farming are the

main activity and the focus has been on improvement of living conditions and food security.

Income profile of the SARURA-2 project

Between 87% and 91% of the members declared to be involved in agriculture and/or livestock activities. More people have practiced small-scale trading – approx. 23% in Nov. 2019 and 19% in Nov. 2020. Dealing with service business were relevant for 7% of the members during 2019-21.

Quite a few members seemed to do processing, about 14% in 2019-20 and 15% by May 2021. Very few were making goods for sale, around 2.3.%.

The Gender Based Violence (GBV)-Project (Feb. 2018 – Feb. 2018)

has its focus on equality between women and men, reduction of household conflicts and violence. The project was implemented in collaboration with the Church and offered assistance to victims of GBV in 6 municipalities located in 2 provinces – Bujumbura in the Mirwa region and Muramvya. The project area covers 3 different natural landscapes. In general, the families are situated in a dispersed pattern either in mountains with rather steep slopes (up 2.200 m) or in more gently curved hills.

Income profile of the GBV-2 project

For this project the data shows that only between 44% and 54% of the members had agriculture and/or livestock business activities.

Small scale trading seems to be the second most important activity with 16% in Mar. 2019 and approx. 13% by Feb. 2020; but also, processing has shown to be important – 7% members did processing in Jul. 2019, and the percentage rose to 15% in Nov. 2019 and 16% by Feb. 2021. Only very few were making goods for sale – approx. 4 %



and regarding service business, only around 2% had this kind of activity.

Rwanda - AEBR

Project **Terimbere 1. (jan. 2016-dec. 2018)** and **Project Terimbere 2 (feb. 2019-jun/dec. 2021)** are about VSLA group formation and food security activities using the RIPAT approach, which means that VSLA is just one component of the project. The VSLA component is mainly implemented to help people to access financial services easily.

The projects are implemented in the Nyamagabe District in its four sectors: Musange, Musebeya, Kaduha, and Buruhukiro and the VSLA-groups operate in rural areas. The landscape of Nyagamaabe District comprises both hills with forests and some areas where the soil is acid, poor and agricultural production is low. In general, the district is characterized by produce as honey, coffee and treated wood but also pork breeding wheat-production. According to the project manager this profile is also reflected in the VSLA-groups as some members are active in wood business and coffee planting as well raising pigs.

Income profile of the Terimbere-1 project

Between 68% and 71% of the members declared to be in agriculture and/or livestock business. Members doing (also) processing activities went up from 45 % in Nov. 2018 to 62% in Jan. 2019 – so according to the data, this activity is almost as important as agriculture and/or livestock business. A lot of people have (also) declared making goods for sale – 58% by Nov. 2018 and 44 % by Jan. 2019. Besides 36% of the members did (also) small-scale trading in Nov. 2018 and 41% in Jan. 2019. Members having service business activities constituted 14% in Nov. 2018 and 9% in Jan. 2019.

Income profile of the Terimbere-2 project

The activities of the members have suffered from the Corona lockdown. During 2020 only 9-14% members declared to have agriculture and/or livestock business activities. Members doing processing were 13% in Dec. 2019, rose to 20% in Dec. 2020 but 32% by May 2021. Not so many was involved in making goods for sale - the data shows 10% in Dec. 2019, 7% in Dec. 2020 and it dropped to only 4% by May 2021. Regarding small scale trading it the percentage was also lower in this project - 12% in dec. 2020 and 11% by May 2021.

For service business activities data shows 7% in dec. 2019 and 4% in May 2021.

The project manager comments that during the corona-crisis of 2020 they realized that many members had a relation to service business activities as these stopped during the lockdown – leading to a need to review and diversify their indicators on income-generating activities among members.

Rwanda – Christian Mercy Ministries

The Murugarama integrated development project is addressing the local community of Murugarama in the Gatsibo District, in the Eastern province of Rwanda. A part of Gatsibo District is located in the Akagehera National Park at the eastern border between Rwanda and Tanzania. Parts of the landscape are rather hilly but flat savannah land are also to be found. Agriculture as well as livestock and milk production are dominating activities in Gatsibo. VSLA is an important project-component, but the project is also dealing with agriculture and environmental protection including planting of trees, health care and children's education as well as advocacy. According to the project coordinators the DFM-indicators on income are valued as important to know what activities the members are involved in. Many of the VSLA members in the CMM-groups

depend on subsistence farming and the most important crops are maize, beans, soya beans and bananas. The members do small scale trading with different produce and they do processing like for instance of banana-beer.

Tanzania – FAYWODO

The project of FAYOWODO is fighting Female Genital Mutilation (FGM) (1.01.2019-31.12.2021). The project is dealing with transformation of cultural and physical practices regarding female circumcision, which has been a traditional rite of passage; at the same time a practice and a source of income for the women in charge of carrying out the practice (called Ngaribas in the local context). The idea of the project is that VSLA-activities can provide both alternative leadership roles and alternative means of income and start-up capital for small businesses -especially for the Ngaribas.

The project is implemented in two different regions - Longido and Babati. Longido is the name of a District as well as of the district-town located at the foot of Mount Longido in the Arusha region in the northern part of Tanzania (close to Kenya), and most of the inhabitants are Maasai, known as nomadic pastoralists with breeding of cattle and goats. The region includes mining activities, being famous for "Longido Ruby" since the 1940'ies. Babati is located in the Manyara region, including Lake Babati as well as the regional capital of Babati. The region is dominated by farming, some fishing and also mining activities for precious stones (fx. Tanzanite gems, rubies etc.).

"The question is how do we measure their outputs as a result of what they do - if it is farming, if it is business. The whole issue of measuring the output can be secondary to the income level."

The staff of FAYOWODO would like some other indicators on income generating activities that more precisely reflect the activities of the VSLA members.

They see 'Minimum income' as the most important for showing that the groups are doing well, but it is a challenge that they are dealing with people in very different socio-economic contexts.



Figure 5: Hydadonga chairlady – she formerly farmed only 1,5 acres but she has increased her farming acreage to 3 acres due to access to VSLA loans.

Photo: FAYOWODO

Uganda - ADRA

The Action for Social Change (ASC) programme (1.01.2018-31.12.2021) is financed by ADRA-Denmark and the programme is focusing on livelihood, advocacy and civil society strengthening through capacity building of community-based groups. It is implemented in the North-eastern part of Uganda, the region of Karamoja (7 districts). The region is normally characterized by a dry climate and quite a lot of pastoralism and cattle breeding but in 2020 the region received so heavy rain and floods that people as well as animals and land were washed away. Outbreaks of cholera came out as a result before the Corona-lock down in March 2020.

Income profile of the ASC-project

Agriculture and/or livestock business was clearly the most important activity for almost 80% members in Oct. 2019, for 73% in Dec. 2020, and 71% of the members by May 2021 had this kind of business activity.

Quite a lot of people (also) did processing business: 29% in Dec. 2020 and 34% by May 2021. Small scale trading was relevant for 36% in Dec. 2020 and the same in May 2021.

Only 7% members were making goods for sale - in Dec. 2020 as well as in May 2021. Probably due to Corona lockdown in Uganda service business was only relevant for 0.6% and 0.5% members in 2020 and 2021.

ADRA-Uganda has partnered with the Swedish Mission Council and ADRA Sweden to implement the **Social Change and Livelihood Enhancement (SCALE) Project (24.01.2013-29.10.2021> 31.12.21)**. The project is implemented in three districts of Pader, Agago, and Kitgum districts – and focusing on improving sustainable livelihoods to the vulnerable communities that were affected by civil war (1986-2007) (Agago district had the highest

percentage of child pregnancies in Uganda in 2019). The project area is close to the border between Uganda and South Sudan where the landscape is rather flat with bushland, grassland and some woodland - agriculture is dominating.

Income profile of the SCALE-project

In this project 65% members in May 2020, 84% in Dec. 2020, and 79% in May 2021 were engaged in agriculture and/or livestock business activities. During 2020-21 20-23% members have declared doing small-scale trading - possibly influenced by the Covid-19 lockdown in Uganda; 9.6% of the members were making goods for sale in May 2020 and it went up to 12% in May 2021. Only 2.4% in May 2020 but approx. 10% did processing business in May 2021. Very few members were active service business during 2020-21 – 0.4% in May 2020 and 0.8% in May 2021 and the situation may very much be caused by the Covid-19 lockdown.

The General food/cash Assistance (GFA) Project (23.10.2018-27.10.2022)

is addressing people living in the refugee campus of Rwamwanja Settlement and is funded by the World Food Programme. to improve access to food to refugees and ensure that crisis-affected people have access to adequate and nutritious diet in times of need. The Rwamwanja Settlement is located in Kamwenge district in the South-western part of Uganda and the land of the settlement is used to grow crops like maize, means and Irish potatoes plus some vegetables (in backyard gardens).

Income profile of the GFA-project

Between 67% and 70% of the members declared to be active in agriculture and/or livestock business. Approx. 20% during 2020 were active in small-scale trading and 9% were making goods for sale in 2020. Only 3% had service business activities and very few 0.7-0.9 % have declared doing processing for business.

Uganda - DCA

The Development Initiative for Northern Uganda (DINU) (Jan. 2020-Dec. 2022) is a Ugandan Government programme supported by the European Union (EU). DINU is a complex multi-sectoral programme led by the office of the Prime Minister (OPM). DanChurchAid (DCA), in collaboration with Lutheran World Federation (lead responder), Mukwano and Uganda Protestant Medical Bureau (UPMB) jointly responded to a call by Uganda Government under Development Initiative for Northern Uganda (DINU) supported by European Union (EU).

This project is being implemented by a Consortium of 4 partners namely; Lutheran World Federation (LWF – the lead), DCA, Uganda Protestant Medical Bureau (UPMB) and Mukwano Uganda Industries (a private sector company)

DINU/LEWA is a multi-sectorial programme that aspires to improve Livelihoods in the West Nile and Northern region through integrated complementary interventions of increased production, marketing, nutrition and family planning programmes. VSLA is one component of the programme (and DCA intends to establish, register and support 504 VSLA groups).

The DINU-LEWA project (Jan.2020– Dec. 2022) is located in the 9 districts of West Nile and Acholi sub region. However, DCA (together with Uganda Protestant Medical Bureau and Mukwano) covers four districts of Yumbe: Koboko, Maracha, Arua/Terego and Madi Okollo. (The districts of Obongi, Moyo, Adjumani and Lamwo are covered by Lutheran World Federation LWF).

Agriculture is the main economic activity in all 9 the districts though most of the farming is on a subsistence scale – including crops like cassava, sorghum, millet, groundnuts, beans, pumpkins but also sweet potatoes, maize and some tobacco (declining during the past years). Other economic activities in

the districts are livestock and fishing. In the DINU project there is a strong focus on development of the production of oilseed (sunflower, sesame and soybeans).

Comments on the DFM-indicators on income generating activities

Regarding the DFM-indicators on income generating activities they have not been tested for the DINU-programme; the project manager of DCA-Uganda says that they like the idea of working with indicators on the income generating activities but would prefer to develop indicators matching the project objectives and activities.





The MEAL manager of ADRA-Uganda values it as important to know what different income-generating activities the members are involved in and useful since they capture the progress and performances of the activities. This supports the communities to be involved in more than one livelihood initiatives to boost their income. She welcomes the SAVIX indicators on income generating activities as they contribute to diversify the knowledge about what sources the VSLA-members use to fight poverty and gain economic empowerment.



The FAYOWODO project manager and field officer have done a few tests on using the DFM-indicators on income generating activities. They express that they find this kind of indicators relevant, but they prefer developing indicator-categories matching the economy of the local communities of the project areas.

Regarding CMM in Rwanda a few tests have been done with the use of the DFM-indicators on income generating activities. The coordinator expresses that they appreciate the user defined indicators, because they allow them to know the participants of the project; they will select a few in relation to future projects.

The project manager of AEBR in Rwanda expresses they have realized that they need to diversify income-generating activities among members.



The Coordinator of Dutabarane comments on the DFM-indicators on income-generating activities by saying that are very important, because they show what activities the VSLA-members are busy in and what the investments go to.

Multi-tasking - a common aspect

One general and important learning about introducing indicators on income-generating

activities is that they are somehow difficult to use in relation to people, who do not have or consider themselves to have 1 profession but practice a multi-tasking household economy. Especially people living in rural areas, are in general engaged in several generating activities at the same time - they may do some farming but also some processing, some selling and even also have service business activities now and then. So, it depends on the staff of the organisations to underline if the answer should regard the main or most important income-generating activity of VSLA-group members or if it is okay that a member responds with 2-3 income-generating activities. We do not know what the situation regarding the data collection for the 8 projects has been. But obviously some members having declared agriculture and/or livestock business activities are also active in either processing and/or small-scale activities.

Another aspect of the data collected is that they do not cover income-generating activities from all the members of each project. So, the information available has a considerable margin of uncertainty and can just be understood as presenting a trend.

Cultivating a minimum of land

■ Less than ½ acre of land

In general, cultivation of a plot (smaller/bigger) of land is a very basic and common practice for many VSLA members living in rural or peri-urban regions. And the possibility of growing some crops or vegetables either for having produce to sell and/or to consume is known as an important tool when fighting poverty and food security. This is the reason why this indicator, "No. of members with less than ½ acre of land" has been introduced - to inform about vulnerability and access to a minimum of resources in terms of access to land in the actual context.

Dutarabane, Burundi

In the Turime project only 6% by Mar.2019 declared to have less than ½ acre of land. In the GBV-2 project 29% members in Nov. 2018 had less than ½ acre of land and only 14% in Aug. 2019 but 31% in Feb. 2020. In the SARURA-2 project 65% members in Nov.2018, 43% in Nov.2019 and 39% in Jan.2021 had less than ½ acre.

AEBR, Rwanda

The data of the Terimbere-1 project show 30-34% (2018) had less than ½ acre of land. In the Terimbere-2 project around 28% members (Dec.2019-Jul.2020) had less than ½ acre of land but between Dec.2020-May 2021 it was 51-56% members having less than ½ acre of land.



ADRA, Uganda

In the ASC-project only 7% during 2020 declared having less than ½ acre of land but 10% by May 2021. In the SCALE project the percentage was even lower, around 6% during 2020 and 4% by May 2021.

When data reveal changes into more people having less than ½ acre of land, the reason could be that more people have not been able to renew renting of land or have experienced a loss of access to/hire of land.

So, an aspect of a more exact definition of this indicator could be the existence of contracts. In regions where renting or hiring land is widely spread it may include low

sustainability as the owner can choose to take back the land - unless long term contracts have been put into place and are officially respected, which may not be the case in many African areas.

Working with an indicator of members with less than ½ acre has brought along the relevance of developing more indicators on for instance access to kitchen gardens, backyard gardens and include the relation to land (ownership/rent).

In total it has been an important learning that the indicator is somehow not precise enough as the meaning of "with" has not been clearly explained or defined. So VSLA-members not owning any land, but only hiring (½ acre or a number of acres) could answer yes, when asked if they are "with less than ½ acre of land. It may indicate a relation of ownership as well as a relation of rent - and hiring or renting land is for many VSLA-members more common than owning land

8. Food security

■ **Minimum 2 meals per day (65 %)**

Do the activities of the group members assure 2 meals per day for 65% members or more? Working with this indicator the data has revealed that it has not been the case for a number of VSLA-members in both Burundi, Rwanda and Uganda, where in some cases only 30-40% manage to have 2 meals per day.

Dutabarane in Burundi

The data shows that only 33% of the VSLA-members participating in the GBV-2 project in Mar. 2019 had a min. of 2 meals a day and the percentage was 18% by Aug.2019; a positive development took place – and from Nov. 2019 to Feb. 2020 the percentage was 43%. In the Turime project 67% had min. 2 meals per day in Oct. 2019 and 65% by Mar. 2019. For the SARURA-2 project 68-69%

members had 2 meals per day in Nov. 2019 and Apr. 2020, but then the percentage dropped to 65% in Nov. 2020 – probably reflecting the Covid-19 crisis. By Jan. 2021 again 69% members had 2 meals per day.

AEBR in Rwanda

According to the data 52-62% members in the Terimbere-1 project in Nov.-Dec. 2018. In the Terimbere-2 project the data shows that only around 20% members had a min. of 2 meals per day between Dec.2019 and Jul. 2020 – reflecting the Covid-19 crisis in Rwanda? Later in 2020, by Dec. the percentage was 29% and 33% by May 2021.

ADRA in Uganda

For the projects in northern Uganda most problems seem to have been for the members in the ASC-project, where 42% members had min. 2 meals per day in Jul. 2020 and the percentage dropped to 35% by Dec. 2020 but going up again to 39% in May 2021. For the SCALE-project the situation has been different – by Dec. 2020 72% members had min. of 2 meals per day and 75% by May 2021. Also, in the refugee-camp-project (GFA) 74% of the members had 2 meals per day in Jul. 2020 and 80% in Dec. 2020.

9. Gender equality and efficiency

■ **Participation of women/men (65%/35 %) & Gender**

The VSLA was initially launched as a forum and platform reserved for women, but today most VSLA-groups have a participation of men – in the projects of this network 25%, 40% and even up to 50%. What are the consequences – mostly negative? Or mostly positive? Do groups with a relatively high participation of men (35 %) develop a higher degree of gender equality? It is difficult to say as the organisations don't carry out experiments in the same context, where some groups have participation of 40% men

and other groups only for instance 15% men. The results coming from the SAVIX-research say that the higher the percentage of male participation the lower is the profit-generating of the VSLAs. An interesting but somehow frustrating result, as the participation of men is growing. But it is not revealed in the small data-sample of this network. Both the Turime-project of Dutarabane in Burundi, the two Terimbere-project of AEBR in Rwanda including 40-50% participation of men has shown a good financial performance and operating efficiency.

As mentioned earlier the participation of women/men in the VSLA-groups is a meso-factor governed by the individual development organisation. The general opinion of the project managers of the DFM-network is that the participation of men is obvious and a kind of basic condition for making the groups work in their context.

In all the projects/programmes, the development organisations take on some effort to inform and communicate to men and women about the importance of equal participation and decision-making. The organisations stimulate women through training and supervision to be active VSLA-members, to take leadership roles in the group and to be active not only in savings but also in taking loans. As such the gender-balanced participation of women and men, women as leader and the extent to which women take part in financial decisions in the household are not only the matter of the VSLA-group itself (micro-factors) but at least partly a result of the facilitating agency (meso-factor).

■ **Women, savings groups and community leadership roles (40 %)**

The VSLA-group according to the cultural idea of favouring empowerment of women – do 40% of the women actually have

leadership roles inside the VSLA-group as President, Secretary, Treasurer – and/or outside in the local community?

According to the data the answer to this question is mixed, but working with this DFM-indicator has also revealed a lack of precise definition i.e. to whether to measure the number of women having both leadership in the VSLA-groups and in the local community or only in the VSLA or only outside the group. As stated by project manager of AEBR – for the future they will prefer working with 2 separate indicators. Dutarabane in Burundi, CMM, Rwanda, and ADRA, Uganda have declared that very few women have leadership roles in the wider, local community so the data reflect mostly leadership-activities inside the VSLA-groups.

In the case of the Terimbere-2 project of AEBR, Rwanda around 21% women in Dec. 2020-May 2021 had VSLA-leadership roles and around 17% women had leadership roles in the local community.

Besides the data from two projects of ADRA in Uganda have shown a relatively high percentage i.e., 25% of the women having leadership roles in the ASC-project, 32% in the SCALE project by May 2021 – and only 11-14% in the GFA-project 2020. In the GBV-2 project of Dutarabane, Burundi the data shows around 13% in 2019-20 and around 20% in the SARURA-2 project 2020-21.

This is of course somewhat disappointing to the organisations wishing by VSLA to promote women leadership, yet the importance of having the indicator and the need of more investigation has become even more clear.

However, qualitative studies point to a correlation between involvement of men in VSLAs and gender equality gains at household level. A study focusing on general

involvement of men has shown that men and women experience enhanced equity and equality in decision-making and access to resources.⁷

■ **Women and financial decision-making of the household (60 %)**

What about participation of women in the financial decision-making of the family/household – does 60% of the female VSLA-members manage to have influence?

The answer is that according to the data the highest percentage has been around 50%-52% found in the Sarura-2 project of Dutabarane in Burundi and in the two projects of AEBR in Rwanda also showing a variation between 53% in 2018, 46% 2020 and 52% by May 2021.

In other projects gender equality regarding this parameter seems to develop more slowly. The data of the GBV-2 project in Burundi shows only a max. of 21 % of the women taking part in financial decision-making at household-level in 2020, which indicates a situation far from gender equality. This can also partly be due to the target women of this particular project dealing with violence-ridden families being particularly vulnerable. Yet, again, the importance to follow up here is clear.

7. Surplus input (meso-level)

The meso factors include all the inputs provided by the development organisations to the VSLA-groups but especially different kinds of training.

Financial literacy training

The policy of and investments into financial training of VSLA-member of Dutabarane, AEBR and ADRA-Uganda as development organisations vary, but they all agree to the

importance of financial training given to VSLA-members for the outcome regarding the financial performance. We have already touched upon the importance of financial training for the operating efficiency of the groups.

The level of this kind of training given to the VSLA-members was 63% to 76% in AEBR, Rwanda, it was 39% to 50% for ADRA in Uganda and 5% up to 22% for Dutabarane in Burundi.

The amount and quality of financial training seems to be very important for the capacity in savings-practice and return on savings for the members as well as at group level more intense lending/borrowing activities and thus a higher financial efficiency.

We may conclude that funding of different projects plays a crucial role as not all projects allow to allocate funding for necessary staff and capacity to execute financial training for a large part of the VSLA-members.

Conflict-management

All organisations are aware of the fact that VSLA-members experience situations and moments of jealousy and conflict between women and several organisations also give training in conflict management to their members.

The responsible staff of CMM mention that while the organisation is open to a participation of more than the actual 25% of men; they are training women on their rights and explain that especially the moments of sharing out are critical, as the men/husbands may try to get hold of or monopolize the money. According to their observation what happens is, when men do not support the VSLA-activity of the women

⁷ Nordic Consulting Group and DMCDD: Learning review on Gender Equality 2019; see DFM

website: DFM SAVIX learning community – Dansk Forum for Mikrofinans.

(wife), they are more likely to intrude and try to take her savings and thus create conflicts. The reason why CMM prioritizes training of both women and men in "household management without conflicts". However, their focus remains on women as *"women often take the responsibility of the whole family"*.

Training in income-generating activities and entrepreneurship

The project manager of AEBR in Rwanda mentions a wish to prioritize training in income-generating activities in order to boost the creation of business-activities by the VSLA-members.

Training in agricultural development, marketing etc.

Several organisations are working with project components regarding the development of agricultural activities, food security and livelihoods in general. These components may be tested and implemented for only a part of the groups taking part in a certain project as the case is in Dutabarane, Burundi and AEBR, Rwanda plus in FAYOWODO, Tanzania.

In ADRA-Uganda where focus is very much on improvement of livelihoods and food security, and they have a range of training-modules for instance including record-keeping, group dynamics, and marketing and value-addition.

In DCA-Uganda a project like the ongoing DINU project has strong focus on agricultural activities for all groups. The core component of the programme is production of oilseed (soybeans, sesame, sunflower) and different kinds of training are involved.

8. Operational efficiency (meso level)

- No. of supervised groups per Field Officer (40)
- No. of supervised members per Field Officer (600)

■ Costs per member assisted (25 \$)

The setup which has been recommended in relation to the proper use of SAVIX MIS as a tool of management involves three categories of staff: A number of village agents for (monthly) data collection at VSLA-meetings, a number of Field Officers / Trainers for gathering all data and (quarterly) feeding data into the SAVIX-MIS. The third category is a number of supervisors to assist in terms of quality data, producing and analysing the information drawn from reports and data, build up capacity of trainers and Village Agents - everything in order to order to assist and help the VSLA-groups in their performance.

Across the 6 participating organisations – Dutabarane in Burundi, AEBR and CMM in Rwanda, FAYOWODO in Tanzania, ADRA and DCA in Uganda – the management and set up of staff regarding projects, programmes and VSLA-components differ in terms both of policy and size. Nearly all the coordinators express wishes for more staff both for training of VSLA-members, supervision and monitoring. Not all organisations work with Village Agents - some prioritize to work only with Field Officers /Trainers and in some cases the coordinator has also to work as supervisor. The resources for taking care of supervising, training, supporting the VSLA-group and thus the capacity of staff depends on funds available and policy. The DFM-level: a number of 40 VSLA-groups each of 15 members (600) per Field Officer has not been the case, in general less. The situation has been complex to assess as field officers, supervisors in most of the cases are working parallelly on different programmes. The same goes for the indicator on costs per VSLA-member as it is equally difficult to identify and separately calculate the investments of training, monitoring and supporting at VSLA-member-level.

9. VSLAs – and further development

As mentioned by Linda Nakato the SAVIX-research show that VSLAs in general are predominantly cash-management entities and play an important role as social and economic safety-net. The performance of savings groups as safety-net is especially relevant and valuable in contexts marked by conflict and refugees as well as hard conditions for generating income. On top of this the Covid-19 crisis during 2020-21 has imposed further existential challenges for the savings groups to function as safety-net. However, the degree of profit generating and economical success has shown variations across local communities and countries and all organisations of the DFM-network has more or less developed a policy for further development of graduated VSLA-groups varies.

In AEBR, Rwanda they have already established 13 VSLA-federations and in Dutabarane, Burundi they have also established a number of VSLA-Federations. In the future the same may be the case of the smaller organisations of CMM in Rwanda and FAYOWODO in Tanzania.

In ADRA-Uganda the VSLA-groups are encouraged to form SACCOS, whereas DCA-Uganda in their DINU-programme is working to link the groups to MFIs through MOUs with actors like West Nile Bank, Equity and Eco Plus Bank.

Global digitalisation and VSLA-management

VSLA-management – Pen & Paper, Computer & Excel, Mobile phone, Internet & Blockchain

The development of algorithmic, artificial intelligence, and digital communication

technology – the “4th industrial industrialisation” – is taking place all over the world but at a different speed and in different ways according to the context. It affects the financial world, the banking systems as well as the management of money in general. New kinds of money are developed – from “local money” only to be used in certain contexts to cryptocurrency and blockchain-concepts. The first blockchain-concept was launched in 2008 by Satoshi Nakamoto and then implemented as a core-element of the digital currency of bitcoin. Globally not only the financial actors as banking companies and MFIs but also a multitude of enterprises and organisations take part in digital development and compete in offering a variety of digital products and services. The ongoing digital development affects not only the private sector but also the public sector as well as civil society; the importance and need of digital education for citizens is growing in all parts of the world. A part of this is conscience about the relations between digital development, energy and sustainability. Behind blockchain technology and cryptocurrencies are computers being extremely energy demanding. The annual energy demand for bitcoin-production is equivalent to the annual energy consumption of Sweden or Malaysia⁸. The situation may change in the future but for the moment a large part of the energy is not based on renewable energy but on fossil energy for instance coalmining in China. The costs of the involved energy production and the quantity and “cryptodamage” regarding environment, health and climate is of crucial importance and call for ongoing development and reflection.

It was the NGOs – more precisely CARE (1991) – who developed the VSLA-concept which now for 30 years has experienced a

⁸ Nic Carter, Harvard Business Review, How Much Energy Does Bitcoin Actually Consume?, May 2021

tremendous success on the African and Indian continent.

From the 1990'es and up to now a lot of NGOs and CBOs have worked to create VSLA-groups in different countries. They have not only established VSLA-groups but also developed different policies regarding mature VSLA-groups –as linking VSLAs to financial service providers, to MIFs, establishing Federations of VSLA-groups (VSLAF) or stimulating development into SACCOs.

Several tools have been developed in order to help the groups in their function and to support trainers and project staff in assisting the groups. It started with pens and notebooks, developed into excel-files and went further to a variety of digital tools and services. The SAVIX management Information System was one of the first on the international, digital internet-based scene in 2008 but other systems for data collection based on mobile technology have come into being like for instance the Magpi-tool launched in 2003, today also a cloud-based system.

SAVIX as well as Magpi are used by international development organisations like World Vision, Plan International, Oxfam, CARE, WHO etc.

Valorize performance of the VSLA-group as a “micro-organisation” - or as a “group” with a range of activities

Reduction of poverty remains an important overall objective for development organisations in general. The concept of VSLA says that the savings group is a “micro-organisation” functioning based on democratic principles and favouring empowerment of women.

The VSLA is also valued as “micro-economic entity” and as underlined by the SAVIX-research-group the VSLAs in general

practice more “cash-management” than they develop “profit generating” and further “investment and business enterprises”. The VSLAs tend to prioritize savings to loans and thus to function first of all as socio-economic safety-nets in the local context, secondly focus on financing the education of children and only thirdly engage into various kinds of income generating activities and business development. And when the focus is on the financial activities as is the case of the ongoing SAVIX-research the groups (micro-factors) are only responsible of 21% of their profit-generating success, whereas the meso-factors (the facilitating agency) are playing an important role as the enabling environment around the activities of the VSLAs count for 53%.



However, the perspective upon groups participating in development projects may shift according to strategic priorities including VSLA-policy. There is a strong belief in VSLA-groups as drivers of development and the CSOs also address and encourage the groups in working with other thematic practices than savings and loans. Funding and policy of the facilitating agencies result in different services (training etc.) for VSLA-groups and thereby shape the conditions for groups and stimulate them in different ways to function and perform.

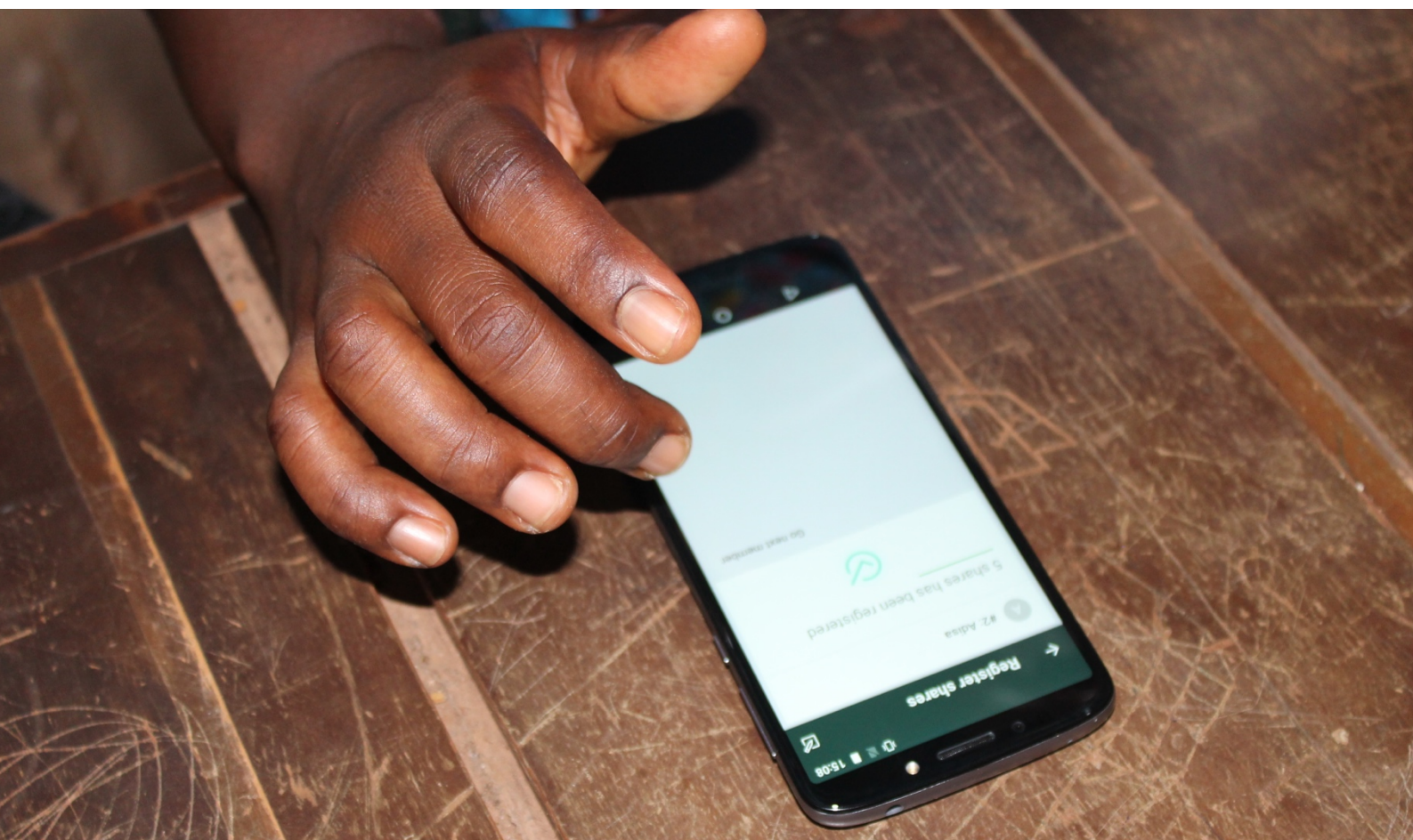
VSLA-components + thematic components

Sometimes the focus of development organisations is not on "savings-groups" but instead on "farmers' groups" or just on "groups" with a range of different activities including VSLA-practice.

In one context or project/programme the focus may be on "VSLA-groups" i.e., VSLA is key activity, but the group have other activities.

In another context the focus may be on "community-based groups" – i.e., VSLA is one activity among others and given more or less attention, and hence perform differently. Often, the important issue for the promoting organisations and their donors is that the groups are in place as "micro-organisations" to build capacity of their members.

The VSLA-practice of saving/taking loans/accumulating profit may be seen as "a part of the activities" or as "the core-activity" of the groups, but in both cases development organisations continue to invest in empowerment through training and mentoring and thus boosting the groups to drive and control their own performance and development. Working with VSLAs is still very popular but policies and strategic priorities are shifting. The choice of focus by the NGOs and CSOs may be on development of agricultural activities, on entrepreneurship and small-scale enterprises, on food security, on livelihood and adaption to climate changes, on gender equality and empowerment of women, on children and nutrition etc.



In some cases, the VSLA-activities are not prioritized as much as other selected interventions. Following this logic, the VSLA-practice and the groups may be valued, trained and monitored in different ways, including different choices of tools for management and monitoring.

The SAVIX tool is developed especially for monitoring and assessing the performance of VSLAs, and thus the focus is on the financial indicators. SAVIX offers the user 29 standard indicators but also up to 20 special user defined indicators, which allow working with more socio-economic or cultural indicators. With the proper data in the database, SAVIX offers a variety of reports on performance of groups, projects and staff allowing sophisticated analysis and comparisons – for the benefit of doing even better as facilitating agency.

Among the organisations participating in the DFM-network – Dutabarane in Burundi, AEBR and CMM in Rwanda, FAYOWODO in Tanzania and ADRA in Uganda - only Dutabarane and AEBR have used SAVIX for several years and only the standard (financial) indicators. All 5 organisations have projects or programmes with specific components for which they train and monitor differently using for instance more qualitative methods (Interviews, testimonies) and thus are combining the use of SAVIX with other tools for monitoring and management.

After the DFM-network experience 2018-21 with testing of 17 (additional) user defined indicators the participating organisations conclude that it is wisely to develop and work with user defined indicators responding to the objectives of the actual programmes or projects. And the participating organisations in Burundi, Rwanda, Uganda, and Tanzania

wish to develop the use of SAVIX and continue learning from each other.

Digital mobile recording & linking VSLAs to financial service providers – DCA Uganda

Digital technology development is going on globally at the macro-economic level and influence all levels - nationally the public and private sector, at meso-level the civil society and its organisations and at micro-level - the individual “community-based groups” and “VSLA-groups”. In the private sector the multitude of digital tool for managing communication, data as well as money is growing, but also social enterprises and civil society organisations participate actively in digital development in relation to VSLA-practices, linking to other actors and to the formal banking system. Different development organisations show different pathways through choices of partnerships and projects.

In the case of DCA Uganda they tested the use of SAVIX in 2018 for two projects; but since DCA at general level offers the possibility for partners to use the tools of the Magpi system⁹ and as the country offices have to find additional funding, if they want to use other tools, they have worked with a relatively simple tool for monitoring and collecting data for the VSLA-activities. Thus, the Kobo-Collect¹⁰ is used in relation to the ongoing multi-sectoral programme of DINU having a strong focus on agricultural development.

DCA Uganda uses the KOBO collect-tool for monitoring in projects where they are in consortiums and not the lead partner. In other projects they use Magpi as a tool for monitoring.

⁹ www.magpi.com

¹⁰ www.kobotoolbox.org

The KOBO Collect is free (unpaid) and open source, but not everything is captured within KOBO. DCA thinks that SAVIX is a very good tool for monitoring the performance of the VSLA-groups and for the organisational internal monitoring and sustainability of the project; but in preparing the VSLA-groups for linking for either bigger or formal loans and economic responsibilities SAVIX needs to integrate with the formal financial institutions in order to work better as one system.

Patrick Eriga from DCA-Uganda says that: *"...digitalisation of VSLA group is a good initiative that is currently being adopted by most of the development partners, it is a move towards embracing and moving ahead from the conventional form of service delivery to the digital arena. Digitalisation is one of the drives apparently to enhancing financial inclusion to the rural poor it also plays a key role by helping the VSLA saving scheme to move a step ahead to embrace and adapt to changing context of the virtual or mobile wallet form of saving for them to access credits and saved while having a clean and a consistent record. The limiting factor towards scaling the prototype of digitalisation is financial constraints and the fact that digitalisation only benefits mature VSLA groups i.e., those groups that so far have saved or shared out for more than one cycle meaning premature groups that are still in their first may not benefit from digitalisation."*

In linking the VSLA groups to digital financial services, half of the VSLA groups of the DINU project will participate in a test of digital recording integrated with mobile money. DCA-Uganda has an ongoing partnership of collaboration with Ensibuuko Technologies¹¹ and started to pilot the process in June 2021. Ensibuuko has developed the app MOBIS for

savings groups, enabling access to savings and credit facilities among the rural and unbanked population¹².

While DCA believes that they can help the VSLA-groups even better, introducing them to digital financial services, it is stated that SAVIX remains a very good initiative for managing VSLA groups and any project designed to promote financial inclusion. SAVIX provides more comprehensive information and records about a particular VSLA-group right from the time of formation to the current status of the saving groups, which could be used to support the groups during linkages opportunities.

SAVIX has UDFs (user-defined fields) which can be used to track the performance of silent indicators, but if DCA should use SAVIX, they would like to develop a selection of used defined indicators matching the indicators of the actual programme. SAVIX is a good tool to assess the performance of VSLAs over time right from the time of formation to maturity and even beyond the project lifespan. In short, in the future they would like to use SAVIX - user-defined indicators and standard indicators - to track records of groups being digitized and linked to the financial institution for access to credits and savings.

Block-chain-technology, digital empowerment of VSLA- groups – CARE Denmark & CARE Niger

Changes at the macro-economic level in terms of digitalisation growing in all corners of society create new challenges at the meso-level i.e., the development organisations, the NGOs and the private actors working with VSLA-groups. Digital

¹¹ www.ensibuuko.com

¹² www.ensibuuko.com/products/savings-groups

communication technology is developing rapidly in terms of collecting, combining information and using data, conditions that calls for new policies for handling data as well as money – and for digital training and empowerment of the VSLA-groups

CARE Denmark participated in the DFM-SAVIX-Network in 2018 and CARE Kenya and Tanzania were trained with the other East African partners. Later in 2019, however, CARE Denmark decided to prioritize active investing into digital development on the basis of block-chain technology and digital empowerment of the VSLAs. CARE DK in partnership with CARE Niger are developing an app and several modules for training, information exchange particularly suited to the needs of the groups in the context of Niger.

Morten Fauerby Thomsen from CARE DK explains:

“CARE Denmark did not feel the need as an organisation to have close monitoring of VSLA-groups and their performance by getting data through SAVIX and focus on comparisons across groups, projects and organisations. It is more important to us in CARE Denmark to find a way to give the VSLA groups themselves better access to their own data, aiming to give them a digital identity and credit history. The application is being developed by CARE Denmark with support from a team of developers (in India) and will enable VSLA members to also use it offline on smartphones or the simpler feature phones. The application will allow group members to use their own credit history and decide to engage with external MFIs or other service providers. Both CARE Niger and the Village Savings and Loans Federation in Niger have contributed a lot to the development of the application and ensured input and continuous feedback from VSLA members”.

The indicators are not yet fixed, but will be as simple as possible, probably like the key SAVIX data. The app is meant to have different modules, one is the financial data, and others would be information and training modules, e.g., about financial management, climate change or other issues. An information module was tested during COVID 19, which has been encouraging, and CARE-Denmark wishes to build on that experience. CARE USA has furthermore been instrumental in starting up Chomoka (*note), which now has its own life as a social enterprise, and here VSLA work is one element.

Where SAVIX can provide the data at group level for the promoting organisations' need, CARE Denmark's tool aims to train and empower the VSLA-groups in the use of digital tools, provide data for the groups themselves and furthermore for the individual group members. However, the first phase of digital education or VSLA-groups address especially the leaders i.e., the president, the Secretary and the Treasurer.

It has been considered also to promote Chomoka in Niger, but the bottleneck is that although Chomoka works well in e.g., East Africa with better internet access, there are challenges in Niger that necessitated other functionalities.

In terms of creating sustainability for the application, the idea is to let the banks or Microfinance institutions pay. When a finance institution is interested to get VSLA members on board, a transaction fee would be applied. VSLA members would therefore not have to pay to use the core functions of the application.

There seems to be a drive for larger Danish development organisations and members of alliances to build their own M&E gear as part of their individual partnerships rather than investing in larger communities of VSLA promoters. This is actually bad news for the larger comparison of and knowledge about

VSLA performance and the SAVIX database, but the good news are that VSLAs will still be provided through CARE's alliance and furthermore form part of new social enterprises such as Chomoka.

The digital future and the SAVIX - reflections by Hugh Allen

In this chapter Hugh Allen touches upon what is in the pipeline regarding concrete, digital expansion of the SAVIX-system adapted to VSLA-development from individual groups into federations.

Future directions - Development of an API to link third party mobile applications to the SAVIX

Several organisations have developed mobile' phone record-keeping software for savings groups. CARE's Chomoka (now an independent company and social enterprise) and Jamii.one are examples. They make use of similar data to the SAVIX MIS but also are designed to link SGs to external service providers. This poses a dilemma for a number of programmes, mainly in Africa, which use the SAVIX MIS, but may want to make use of these applications, requiring double entry of data. This is burdensome and may lead to the abandonment of either one or the other of the systems.

To facilitate the ability of SG programmes to make use of the SAVIX MIS, and also mobile-based record-keeping systems, Software Group will, in the next several months, develop an API (Application Programming Interface) on the SAVIX MIS. An API is a software intermediary that allows two applications to talk to each other and will allow third-party record-keeping systems to automatically post their data to the SAVIX MIS, without the need for separate data

entry. VSL Associates and Software Group will finance the development of the API, but institutions that want to link their applications to the SAVIX will pay the (relatively minor) costs of creating the linkage.

Development of new SAVIX MIS Mobile application

The SAVIX MIS started out as a management tool and chose as its focus the performance of savings groups, both collectively and individually. It has evolved into a multi-level tool that allows for group, trainer and project-level aggregations and comparisons. In the past 3 years we have deployed a mobile 'phone data collection application in which NGO Field Officers entered consolidated group data for later synchronisation with the SAVIX MIS. As such, it does not gather and analyse individual level results.

While we believe that the MIS itself should never be built to record individual transactions¹³, we have noted over the years that the biggest vulnerability of savings groups is accurate record-keeping. While this affects the quality of SAVIX data, more importantly this is a sector-wide issue that needs a simple, universal technical solution whose primary goal is to improve the safety, reliability and transparency of individual and group transactions. Along with other actors, such as CARE with its Chomoka mobile 'phone software and Jamii.one, also with a similar 'phone-based software, we believe that digitisation of record-keeping is of fundamental importance to the long-term survival and growth of the SG sector.

Unlike others that are looking at digitisation, we are not prioritising full vertical integration into the SAVIX MIS. We plan that our digital solution will offer the user three choices:

¹³ Individual-level data gathering will hugely increase SAVIX hosting and storage costs.

- 'Fire-and-forget.' This will be the first choice in a downloadable software that can be accessed through Google Play Store. It will offer a comprehensive record-keeping solution that allows for the creation of individual records and will be fully available to anyone – not just groups created by a project. It will permit choices in terms of interest calculation, types of savings (shares or cash) and loan terms and will automatically calculate share-out based on a common share value. Crucially, it will be free for the first two years of use and will not be linked to the SAVIX.
- Linkage to the SAVIX MIS. The second choice on the software will be used by groups that are part of an NGO programme. It will do exactly the same as the 'Fire-and-forget' model but will allow its results to be posted automatically (periodically) through the internet to a designated project already created on the SAVIX MIS. It will be activated by a product key, issued by an implementing agency and will cost approximately \$10 as a one-time fee. It will allow for the consolidation of individual-level data into a standard SAVIX MIS dataset, but will not include User-defined fields, since these are rarely of interest to groups and are usually linked to donor and implementing agency interests. The advantage to the implementing agency is that the data will be generated without the need to travel to the group
- Trainer data transfer. The third choice on the same app will not be used by a group, but by a trainer in an implementing agency and this will be associated with the second choice above. The trainer will travel personally to the group and enter a code into the group's 'phone. This will allow the trainer to transfer the regular data from the group's 'phone in consolidated form

to the trainer's 'phone. The trainer will then be able to open up the UDF fields (SDFs and UCFs).

We believe that the 'Fire-and-forget' app will be very popular because it will satisfy a strongly felt need by many groups, without hassles related to payment or satisfying a broader range of potentially complex utilities that don't relate to this fundamental need. Apart from initial download there will also no internet dependency, nor obligation regularly to synchronise. Once the app is widely accepted, it will increase the potential that it can be supported by a partner agency and will be able to be linked, at its discretion, to the SAVIX MIS.

The linkage to the SAVIX option has the advantage to the implementing agency that it will be able to capture group regular data automatically and will be able to track graduated groups long-term, without the need for field visits

The data transfer model will have the advantage that it will be able to capture regular data automatically but will also be able to capture user-defined fields. This is most likely to be used during the training and supervision phases of a project and will require trainer attendance at regular intervals, which we think is essential for group health and adherence to standard procedure.

We believe these integrated products meet the most urgent needs of groups and implementing agencies. Other options, such as linkage to financial institutions will not be included, because they are either not proven to be in demand or are already catered for by the institutions themselves, which can more easily engineer these country-by-country.

Development of a SAVIX MIS for Federations

While the SG sector has been working for many years to improve the working

relationships between financial institutions and SGs, the results have been

disappointing. The reasons for this are that while financial institutions are willing to have groups open savings accounts, they rarely provide credit and, if so, it is complicated to set up and rigid. The reason for this disappointing outcome is simple: both SGs and MFIs are profit maximising and are therefore engaged in a tug of war to maximise returns to their investors, which usually ends up with SGs receiving low returns on savings, while their capital is diminished through interest payments. It is our view that many SG practitioner organisations make the fundamental mistake of a) achieving success in setting up savings groups that are self-managing and self-capitalising but then b) seek relationships with the same external commercial entities who turned out to be unable to achieve market growth in remote rural areas.

Rather than invest time and effort in developing relationships in which SGs are at a disadvantage and which have often been problematic, VSL Associates promotes, where possible, the creation of federations of SGs that can intermediate excess capital among their member VSLAs; thereby retaining profits that accrue to their members and adding to rural capital formation. Federations also operate at a scale that enables them more effectively (and when appropriate) to engage with the formal sector.¹⁴

Several years ago, Plan International in Tanzania created federations of SGs, which pooled excess savings into a fund that could then be lent to individual SGs that had a short-term (6 month) need for capital to

increase their loan capital. This has been successful and has also been implemented in Nigeria at very large scale through Oxfam UK. It appears to be a viable alternative to linkage to external financial institutions in that capital is retained in rural areas and profits accrue to the member VSLAs rather than commercial shareholders.

Both Plan and Oxfam UK made use of the SAVIX MIS to track what was happening with their Federations, but it took some sleight of hand in which members were no longer individuals, but groups. Inclusion of these MIS instances in the main SAVIX database is also illegitimate, because the system only recognises individuals as members. Figure 5 on the following page shows a report from Plan Tanzania's federation MIS, edited to display VSLF results

We intend, in the coming year, to build a 'federation-only' model in which the outputs are recorded in a separate database and with screens customised to federation membership.¹⁵

We see an MIS based largely on the same principles and data that is used by a group to be maintained as a separate database, reporting solely on Federation results. This is, we believe, necessary to demonstrate to practitioner organisations more broadly the potential of this alternative approach to bank linkage. In essence it follows the basic structure of credit unions, with primary societies and apexes. If the results from Tanzania and Nigeria are anything to go by, it is a model well worth pursuing as SG programmes mature and the 'What next?' question arises.

¹⁴ It should be noted that the average VSLA, worldwide, only allocates 56% of its capital to loans, with the excess liquidity remaining as cash or as investment in group-based enterprise. Relationships based primarily on savings have

proven easier to create and contribute to improved security.

¹⁵ For example, we would eliminate gender, because although the representatives will have gender, this will not reflect the gender distribution of the constituent groups.

	Total	%	Average
Program scale and VSLF/IMA membership profile			
Current VSLFs/IMAs	221		
Current VSLAs	1,481		
Attendance rate		97.60%	
Dropout rate		3.60%	
Membership growth rate		2.70%	
Project and average VSLF/IMA balance sheets			
Assets	\$ 600,619		\$ 2,452
Loan fund cash in box	131,011	21.8%	535
Bank balance	67,129	11.2%	274
Value of loans outstanding	350,429	58.3%	1,430
Property now	8,178	1.4%	33
Social fund balance	43,873	7.3%	179
Liabilities	\$ 44		\$ 0
External debts	44	100.0%	0
Equity	\$ 600,575		\$ 2,451
Value of savings this cycle	450,877	74.3%	1,840
Social fund balance	43,873	7.2%	179
Property at start of cycle	6,056	1.0%	25
Net profit	99,770	16.4%	407
Financial performance			
Financial benefits to VSLAs	\$ 120,357		\$ 491
Net profit	99,770		407
Dividends paid to VSLAs	20,587		84
Service utilization per VSLA			
Average annualized savings (per VSLA)			\$ 547
Avg. outstanding loan size (per VSLA)			\$ 436
Key ratios (weighted)			
Return on savings		22.1%	
Return on assets		16.6%	
Return on average assets		31.8%	
Loan fund utilization rate		64.4%	
Loans outstanding as % of total assets		58.3%	
% of VSLA with loans outstanding		55.3%	
Operational efficiency			
% of VSLF/IMAs formed by Village Agents		57.0%	
Cost per VSLF/IMA			\$ 287

Figure 6: Plan Tanzania's VSLF programme performance

PART 3

SAVIX inside organisations & across projects

Dutabarane in Burundi

By Ezechiel Habonimana,
Project Manager & MIS Adviser



Performance of VSLA groups in 2018-2021

Dutabarane has a very solid experience with VSLA and has established more than thousands of VSLA-groups during the period of 2018-21 where 7 projects have been implemented. Out of these 4 projects have been funded by Danish partners.

The overall strategic focus has been on helping the VSLA-members in order to develop their income generating activities – especially helping women.

Following the policy of Dutabarane and their Danish partner organisation, the Baptist Union of Denmark the VSLA-groups have also participated in other project activities.

Dutabarane is striving to assure locally based food security by improvement of agriculture and is very much engaged in empowerment of women, reduction of gender-based violence and child protection.

Dutabarane has participated in the DFM-SAVIX-network with 3 projects carried out in different areas covering almost 300 VSLAs – the TURMIE project (July 2017-May 2019) with 24 VSLA groups, the SARURA 2 project (Sept. 2017-Aug. 2020 prolonged to Jun. 2021) has comprised 203 VSLA groups, and The Gender Based Violence 2-Project/GBV-2 (Feb. 2018-Feb.2020) has established 152 VSLAs (in 2021).

Project location & activities

The TURIME Project was implemented in Muruta commune located in Kayanza province in the northern part of Burundi. It is a rural area with hill slopes up to 2.300 m characterized by dispersed families. Muruta commune is located in the cold region of Mugamba that borders the Kibira forest having an av. temp. of 13 degrees. Agriculture and livestock farming is the main activity and the focus has been improvement of living housing conditions and food security by organizing farmers into VSLA-groups as

well as working with the RIPAT¹⁶ approach. As part of the project is also the involvement of local authorities and building up capacity of the extension services to afford a better local service.



Figure 6: Mugamba landscape, Muruta Commune in kayanza Province (Turime Projet)

The SARURA-2 project has been implemented in 2 municipalities - Mpanda and Rugazi - located in the province of Bubanza in the western part of Burundi. It is a rural area – with 2 different landscapes – hilly slopes (up to 1800 m) characterized by dispersed families and plain savanna dominated by small villages. Agriculture and farming are the main activity and the focus has been improvement of living conditions and food security by organizing people into VSLA-groups as well as working with the RIPAT-concept. As part of the project is also the involvement of local authorities and building up capacity of the extension services to assure a better local service.



Figure 7: Mirwa landscape Rugazi commune (Sarura-2 project)

The Gender Based Violence (GBV)-Project has its focus on equality between women and men, reduction of household conflicts and violence. The project is implemented in collaboration with the Church and offers assistance to victims of GBV in 6 municipalities located in 2 provinces – Bujumbura in the Mirwa region and Muramvya. The project area covers 3 different natural landscapes. In general, the families are situated in a dispersed pattern either in mountains with rather steep slopes (up 2.200 m) or in more gently curved hills.



Figure 8: Central plateaus landscapes of Muramvya (Former Kingdom capital of Burundi) (Project GBV-3)

Burundi has also suffered from the Corona-crisis of 2020; according to the Project Coordinator of Dutabarane the consequences of the Covid-19 has not been a great amount of sickness and death among VSLA-members but a considerable negative impact on their activities – and thus on the living conditions. During 2020 the borders outside Burundi as well as inside between urban and rural areas have been closed between for several months meaning hard times for trade, mobility and exchange. As a lot of the VSLA-groups are engaged in different kinds of commercial activities they have not worked well and local populations have experienced a high increase in prices on food and other products. The Corona-

¹⁶ <https://recoda.or.tz/ripat-overview/#what-ripat>

crisis has thus caused more severe challenges in 2020(-2021) among a number of VSLA-member lacking income generating activities, money and to some extent also food. The situation may be reflected in the SARURA-2 project where the number of members having 2 meals per day 68 % by Nov. 2019 but dropped to 65 % by Nov. 2020, and the dropout rate changed from 0.6 % to 2.6 % between Nov. 2019 and Nov. 2020.

Experience with the DFM SAVIX-Network indicators 2018-21

Dutarabane has used the standard SAVIX-indicators concerning the financial aspects for five years, but the DFM-SAVIX network provided a new situation and opportunity to experiment and test the DFM thematic indicators of SAVIX.

Regarding SAVIX and staff, Dutabarane normally works with a couple of supervisors, a few field officers and a number of (unpaid) village agents. In theory each Village Agent follows 8 groups but some Village Agents take care of more than 8 groups. In Dutarabane, data for the SAVIX in general has been collected quarterly but only for supervised groups. When the groups graduate data-collection stops and this also goes for the 2 projects participating in the DFM SAVIX-network. Besides there have also been some moments of lacking data collection due to the Corona-crisis in 2020 and changes of staff.

The average annualized savings per member in 2018-19 was 32-36 \$ in the Turime project, 30-44 \$ (2019-20) in the GBV-2 project, 40-37 \$ in the SARURA 2 Project (2019-21).

The Turime project had a rather low loan fund utilization rate in May 2019, only 31% but a good return on savings (26.7%) as well as on assets (21%). In both the SARURA-2 and the GBV-2 projects the loan fund utilization rate was high i.e. 71% and 74% by Aug.2019. By Nov. 2019 it went down but

remained fairly good - 57% in the SARURA-2 project and 50% in the GBV-2 project. In both projects there has been a good return on savings and assets especially in the Gender Based Violence project. In the GBV2-project the return on savings went from 23% in Nov. 2018 to 40 % by Feb. 2020, whereas the SARURA-2 project had 21% return on savings by Nov. 2018 and 27.3 % by Nov. 2019. The return on assets in the GBV-2 project was 20% by Mar. 2019 and 28.4% by Feb. 2020. In the SARURA 2 project the return on assets was 16% by Nov. 2018, 21% by Nov. 2019, and 30% by the end of November 2020.

LOCATION

DFM has introduced 3 indicators on location – rural, urban and peri-urban areas. In the Turime Project (2018-19) as much as 19% of the members were located in peri-urban areas. In the SARURU-2 project about 84 % of a total of about 5.000 VSLA-members were living in a rural area in 2019 and 63% in 2020. No one was located in urban areas, but about 8 % declared living in a peri-urban area in 2019 and also 8% in 2020. In the GBV-2 project the percentage of members in peri-urban areas is almost the same, it varies from 8% to 5.9%. According to the project manager of Dutarabane, he thinks that especially in projects dealing with agriculture the location-indicators are not so important as the organisation knows the context of the VSLA-groups. It is explained that since the big majority of VSLA-members live in rural areas, this indicator is not relevant.

MEMBER OUTREACH AND PROFILE

In Dutabarane the SARURA-2 project and Gender-Based Violence Project (GBV-2) responded to this with 63-65 % members being women during 2019-2020, but the Turime project seemed to have been somehow special as the data declared only 47% (2019) female members.

The projects show a high attendance rate between 83% and 96% in the Sarura-2 and GBV-2 projects but only around 47% in the Turime project. The growth rate has been high in the GBV-2 project, 5-8% with a very low dropout of 0-1%. In the Sarura-2 project the growth has varied from 2% to 4% and also a very low dropout of 0% to 3%.

VULNERABILITY - social inclusion

DFM has introduced 4 indicators dealing with vulnerability and two of them have to do with social inclusion: No. of mbrs. coming from female headed households (5%) and no. of mbrs. Living with a disability (5%).

About 5-6% of the members in the GBV-2 project, about 9% of the members in the Turime project and the SARURA-2 project come from female-headed households.

Very few members, i.e., about 1% in GBV-2 and 2% in Turime and in the SARURA-2 were living with a disability. Working with the indicator on inclusion of members living with a disability - the project manager comments that in general this indicator is not so relevant only if the organisation conducts a project especially targeting persons living with a disability.

AGE

DFM has introduced 4 (6) indicators on age – women below 25, women above 45 and thus indirectly also women between 26-45; for the men - men below 35, men above 45 and men between 36-45.

The information about what age groups of women and men are active in the VSLA-groups is new in Dutabarane and by the project manager valued as an important indicator despite that it has not been part of their project indicator and for the moment no projects have young people as special target. It can be a problem for very young people to participate in VLSA-activities either because they are studying or because it is a challenge to earn money and be able to save, says the coordinator, but the data from 3 projects reveal that 17-20% of the VSLA

members have been women under 25 years and 14-17% men under 25 years; put together the young members under 25 years constituted more than one third of the total VSLA members.

The **Turime project** seems to have been special in the way that the data reveal a high percentage of men, about 53% in May 2019 and only 47% women. Out of the whole group 17% women and 14% men were under 25 years. The women above 45 years constituted 17% and the men above 45 years 18%. This means the three age groups - under 25 years, between 25 and 45 years and above 45 years were almost equally represented among women and men.

In the **SARURA-2 project** about 63% of the members are women throughout 2018-2020 and about 37% men. The data say that 18-17% of all members are women under 25 years and also around 17% are men under 25 years. Female members above 45 years constituted 15-14%, but men above 45 years only around 9%. So, the majority of the members are grownups between 26 and 45 years.

In the **GBV-2 project** the percentage of women has been slightly higher – 64-66%. The number of young women under 25 years went up from 11 % in Mar. 2019 to 20% by Feb. 2020; regarding men under 25 years the percentage also rose from 9% in Mar.2019 to 16% in Feb.2020. Among the members 6% in 2019 and 10% in 2020 were women above 45 years in the GBV-2 project, but around 14% in the Sarurua-2 project. The percentage for men above 45 years was 3% in 2019 and 7% in 2020 in GBV-2 and about 9% in the Sarura-2 project.

EDUCATION

As a DFM-SAVIX-indicator education means training in financial literacy. In Dutabarane they value this training as very important but not all VSLA-members receive training: In 2019 the percentage was around 10% in the Turime project, around 5% in the

SARURA-2 project and around 13% in the GBV-2 project. According to the project manager, they have realized that when they organize training in financial literacy, the beneficiaries are happy as they experience improvement in their knowhow regarding how to manage money and credit. In general, the members have challenges organizing their small activities and it is his impression that the ones having received financial training are better off compared to the ones that didn't get any. Previously Dutabarane had a project where they trained a VSLA-group in financial literacy for 2-3 weeks and - says the project manager - the staff clearly observed the positive consequences of the training in terms of impact on how the group members invested in different ways. Sometimes training is connected to availability of staff:

"...because of few staff it was not possible to train all members."

Perhaps only 5 or 10 members are trained hoping that they can help the others, but the problem is, that *"they are not skilled enough"*. So, the best model would be if all group members receive training - is the conclusion of the project manager.

INCOME GENERATING ACTIVITIES

DFM has introduced 5 indicators on income generating activities (Agriculture &/or livestock, Processing, Small-scale trading, Goods for sale, Service).

Dutabarane values this indicator as very important because it shows what activities the VSLA-members are busy in and what the investments go to.

In the **Turime project** in 2019 nearly all members (96%) declared having agriculture and/or livestock activities; 19% of the members had processing activities and 15% service business activities; small scale trading only showed participation from 10%

members. In the GBV-2 project about 54% had activities in agriculture/livestock business, 16% in processing and 13% in small scale trading by Feb. 2020. In the SARURA-2 project 91% had agriculture/livestock business activities, 14% had processing and 21% small scale trading.



Few members practice making goods for sale in both projects, around 2% in the SARURA-2 project and 4% in the GBV-2 project. Regarding service business only 3-2% had this kind of activity in the GBV-2 project but double as many, around 7% in the SARURA-2 project.

GENDER AND PARTICIPATION

In Dutabarane one of the strategic priorities is the empowerment of women and the organisation is implementing projects combining the reduction of gender-based violence, conflict management, family planning, protection of children, entrepreneurship and VSLA-groups. As a general principle the organisation promotes participation of men in the VSLA-groups but to a maximum of 40% men, which is also reflected in the SARURA-2 and the GBV-2 projects where 63 % of the members are women; the Turime project was different as only 47% (2019) members were women. The project manager explains that the approach of other organisations may be different: in another NGO (CARE international) the groups are only women and when they went there, they found that the money they save was very, very low.

"But when we put men and women together, we have found that they support each other".

If men become more than 40% in the group, women will not be able to have their rights i.e., the man will want to take all the decisions.

"Because when we put many men in VSLA groups the men will dominate the women."

In all the projects it is very important that women increase their income: *"when the women are poor it is also a kind of violence."*

The VSLAs help women to earn money – "when they earn money, they are able to say what they want and buy things."

GENDER IN LEADERSHIP & DECISION-MAKING

DFM has introduced 2 indicators on gender (No. female members having leadership roles in the local community (40%) and No. female members taking part in the financial decision-making at household level (60%).

In Dutabarane they advise group members to put many women in the VSLA-management committee because they believe it helps women to manage their money. In relation to this the DFM-SAVIX-indicator on female members having leadership roles is used to reflect leadership in VSLA-management.

The data from the projects shows a rather slow development regarding women having leadership roles. In the GBV-2 project during 2019-20 between 15% and 13% of the women declared to have leadership roles, whereas the percentage was between 21% and 20% in the SARURA-2 project (2019-21).

The highest percentage of women taking part in financial decision making at household level, 52-54% is found in the Sarura-2 project. In other projects gender equality regarding this parameter seems to develop more slowly. The data of the GBV-2 project in Burundi shows only a max. of 21% of the women taking part in financial decision-making at household-level in 2020, which indicates a situation far from the DFM-indicator-level of 60%.



VULNERABILITY - food security

DFM has introduced 4 indicators dealing with vulnerability and two of them have to do with food security: No. mbrs. Eating a minimum of 2 meals/day (65%) and No. mbrs. With less than ½ acre of land' (5%).

Discussing if land for cultivation would be an important indicator. The project manager explains that the issue of land is very complex: *"The problem here in our country is about land."*

In Burundi land for cultivation is small and scarce compared to the demand of the population.

Another condition forming (and limiting) women's access to land is that women are not entitled to inherit land (but only animals).

The number of members having less than ½ acre of land was limited to around 6% in the Turime project (2018-19). Differently, the percentage did not decline in the GBV-2 project but slightly rose from 15% in Mar. 2019 to 31% by Nov. 2019. The tendency was opposite in the SARURA-2 project where the percentage was 43% having less than ½ acre of land by Nov. 2019 and dropped to 39% by Nov. 2020.

When it comes to this indicator: Members with less than ½ acre of land - it is valued as relevant for projects dealing with agriculture - which in many cases is the main household activity. Land is often a big challenge in Burundi as land for cultivation is a scarce resource.



Pigs solidarity chain implemented with a number of VSLAs: Contract approved by stakeholders (village leaders, Extension officer) saying that the beneficiary member remain in debit until he finish to distribute to others group members the 5 piglets and then the pig become its own property (100%).

However, the DFM-indicator is somehow not precise as it does not say anything about whether it is about owning or hiring land.

It is normal that VSLA-members ask in their context for hiring land, but some do not have access to cultivate any land at all – not even a plot for kitchen gardening. In one project there has been a handing out of seed and some participants sold the seed because of lack of cultivating options.

Regarding food security in the Turime project almost 65% members had a min. of 2 meals per day by May 2019. In the GBV-2-project the data shows a very different picture as the percentage rose from only 33% by Mar. 2019 to 43% by Nov. 202. In the SARURA-2 project the situation was different as 68% by Nov. 2019 had a min. of 2 meals per day but dropped to 65% in Nov. 2020 - maybe influenced by the corona-crisis. The project manager assesses the question of "eating a minimum 2 meals/day" as "a good indicator". One of the strategic priorities of Dutabarane is the improvement of food security and the indicator has revealed that many group members manage to have a minimum of 2 meals per day.

User defined SAVIX-indicators - the most interesting/important experience

While working for the first time with user defined SAVIX-indicators in the DFM-network the relevance of match between project indicators and SAVIX user defined indicators has turned out to be very important. The standard SAVIX-indicators can be used as a way of mainstreaming a financial component into a project. The situation changes when they are combined with a number of user defined indicators, which have to be of relevance to VSLA-members as well as to the staff responsible for the data collection.

The project manager of Dutabarane points out that the big difference between working only with standard SAVIX-indicators and also working with SAVIX-user defined indicators is that it has led to new data and the possibility of introducing new perspectives such as:

- Age: Know what age groups do participate in the VSLAs
- Vulnerability: Know if the VSLA-groups include people with handicap - or widows, or orphans
- Access to means of production: e.g., land for cultivation
- Engagement and investment: What kind of income generating activities do the VSLA-members strive to perform – agriculture, transformation of agricultural produce, service-business etc.
- Education: Importance of different kinds of training – for instance in financial matters - or in nutrition, parental matters, wife-husband-matters, entrepreneurship, Making Cents, etc.

In Dutabarane the experiences have led to a new awareness regarding indicators and data and are valued as interesting and important for the following reasons. It allows the organisation behind the projects to:

- have good knowledge about the nature of challenges and know the real needs of the different local communities
- prepare specific and concrete actions and quickly respond to the needs of the local community
- the knowledge can be used for better planning and orientation of future interventions

Management and contribution of the SAVIX-tool

The project manager of Dutabarane underlines that as the SAVIX tool is electronic it allows to provide and keep data and exchange inside in an organisation between groups of staff as well as outside between partners:

"First of all, when you are using the SAVIX, all data are accessible everywhere you work because the data are kept online. Second, it is also good to share information with partners".

Furthermore, SAVIX can keep and protect your data from previous years/projects. It is easy to share information with the project management team. It is possible to see how the trainers are doing as well as to compare trainer performance – how is it going with their groups and if the trainers are reaching the target. So, it is a tool, which can help to manage the staff.

The SAVIX-tool and user-friendliness

In the case of Dutabarane the importance of staff capacity at project management level has been clearly expressed through the fact that the first project managers performed so well in learning and teaching the use of SAVIX, so other staff and field officers could benefit, carry on and continue to practice SAVIX on their own.

The present project manager of Dutabarane says that participation in the DFM-SAVIX Network *"has helped me be very skilled using SAVIX MIS. Helped me to get to know other project staff and when we went together to the international conference in Kigali. I saw how other projects are working with VSLA."*

"And it has also helped me to track the indicators (in the for instance) when you ask some question about indicators using MIS - I realized it was possible to track these indicators by using MIS - while last time that was not possible, but I see that it is possible with MIS. So, in addition I can say that DFM has helped us to increase our skills in project management and monitoring with SAVIX MIS and to exchange our knowledge with others".

The project manager is aware about the importance of qualified staff and – according to his experiences – he thinks that the village agents would work better if they in some way received a small income. It could also be relevant to continue working with and monitoring the self-managed VSLAs and take them to a higher level after 1-2 years. In e.g., the SARURA-2-project there is only 1 supervisor to cover about 200 VLSA-groups. If Dutabarane had e.g., 3 staff it would be possible to continuously update data both for the self-managed and the supervised groups.

When the SAVIX tool was transformed from a free to a paid service in 2019 it was somehow a new challenge – instead of being a free tool the SAVIX shifted into a rather costly tool which has to be calculated for each project. According to the project manager of Dutabarane it is part of the reason why the organisation and their partners in 2019 did not start thinking about expanding the number of MIS in relation to upcoming projects.

It has also been a challenge to work with the SAVIX in relation to a project having a special component for agriculture¹⁷ that only targets a specific number of the VSLA-groups being part of the project. Ideally there should be a separate MIS for groups working with VSLA and this agriculture component but it has not been the case, so the present MIS for the SARURA-2 project and the SAVIX indicators (standard indicators and DFM user defined indicators) have not captured the results in this field. In Dutabarane they have used testimonies or narratives from the group members in order to respond to the project indicators, while asking them how they experience the changes after 1-2 years being part of the VSLA-groups:

"The group members will tell how the feel, how they get money, if they have renewed their house, bought a cow, goat or pigs. They tell how they feel after we have helped them to increase their well-being by introducing VSLA in their community."



As the most interesting aspect of SAVIX as a tool for monitoring the performance of the

VSLA-groups (and the trainers) during the DFM SAVIX-Network (2018-21) – the project manager of Dutabarane underlines that SAVIX allows precise reporting on periods and VSLA-groups. The SAVIX is useful for evaluating their own projects compared to other projects in other regions and countries. In this way, it also helps the organisation to evaluate their own results and efficiency.

SAVIX-indicators in the future

In general, the SAVIX is perceived as a good tool for monitoring the performance of the VSLA-groups and the trainers as well as the performance of a whole project. It would be even better if the SAVIX could also generate reports on individual performance on savings, loans, income generating activities and impact from projects.

Dutabarane finds the SAVIX-tool useful and will continue to use it in the future. They will use the standard indicators but also different user defined indicators; they will identify and work with specific user defined indicators for food security-projects and gender-projects. The "meeting" between the DFM user defined indicators have brought along a reflection on what indicators are relevant or not so relevant, and they have also questioned how alternative user defined indicators could be relevant tracking data and results in projects with a specific focus on agriculture or gender. This has led to a new dialogue between Dutabarane and the SAVIX-group (still led by Hugh Allen) in order to establish a specific MIS for gender projects and another specific MIS for food security projects.

¹⁷RIPAT - <http://ripat.or.tz>

Regarding projects on **food security** some SAVIX-user defined indicators could be:

- Outcome of the Super Farmers on the working power of the RIPAT-groups
- Percentage of households not being part of the project having adopted the RIPAT-approach
- Percentage of households having established a kitchen garden on their land
- Percentage of households having access to a kind of organic manure and pesticides after receiving project-training
- Percentage of households that management their farm with a vision of integration and diversification of their agricultural (GIFS)
- Percentage of households declaring that the RIPAT-approach has allowed an improvement of their farming practice.
- Percentage of households declaring that the RIPAT-approach has allowed an improvement of nutrition for their children
- Percentage of households declaring that VSLA has allowed an improvement of the socio-economic situation of the household.

However, the big challenge we face is that in a project we may work with VSLA plus another component (e.g., RIPAT) with separate activities addressing only a number out of the total groups participating in the project. So, it becomes difficult to apply the same user defined indicators.



User defined Indicators in gender projects could be:

- Percentage of GBV survivors who integrated into VSLA
- Percentage of GBV survivors who got health service assistance
- Percentage of GBV survivors who declare and sharing their case and receiving support from staff/or volunteers
- Percentage of GBV survivors re-established in socio-professional life
- Percentage of GBV survivors who report having the ability to sustain herself and the family economically
- Percentage of GBV survivors who received gender education and IGA's start-up

Digitalisation, VSLAs and the SAVIX

The Village Agents working for Dutabarane still collect data in the field and write it down in paper books; the data are then united by the trainers and handed over to the supervisor/s, who fill them into the SAVIX. The organisation would like to experience the use of digital methods and smartphones, because then the Field Officer could put the data into the SAVIX directly from the field.

But Dutabarane depends on projects that can provide the necessary financing of smart phones and tablets. Besides, access to the internet does not cover all areas so in some regions it will be difficult for the moment.

The role of Dutabarane as promoting NGO

The organisation does for the moment no supervision of VSLA-groups having graduated but would like to help VSLAs in the long run for instance in building VSLA-federations and this might be a part of future projects.

Dutabarane consider the VSLA approach as a cross cutting theme in its interventions, and plans to strengthen the organisational level of VSLA's through creation of federations. Through strengthened VSLF, the sustainability of the achievements will be possible by establishing different commissions that will deal with various issues according to the needs of the community but also by themes (Food security, gender, community health, child protection, etc.)

Concretely, Dutabarane plans in its future projects to implement the following actions:

- Provide a revolving fund to develop and promote IGAs in the VSLFs;
- Recruit a permanent staff to follow up the updating of Data in VSLAs and VSLF and the sustainability of the achievements of the projects in collaboration with the volunteers;

- Establishment of an extended structure of federations to monitor the reporting of graduate VSLAs and federations even after the closure of projects;
- Promote the digital reporting system (SAVIX MIS) by using smartphones and tablets for more staff and efficient volunteers.
- Provide a form of motivation for the volunteers (Super Famers or Village Agents) to maintain the reporting system of the VSLAs and Federations after the projects;
- Train and promote a group of female leaders in federations to deal with gender issues in VSLAs and in the community;
- Train and promote a group of leaders in federations to deal with issues related to Food Security in VSLAs and in the community;
- Train and promote groups of leaders in federations to deal with issues related to other specific project themes.

AEBR in Rwanda

By Jacqueline Iradukunda, Project Manager



AEBR - Performance of VSLA groups 2018-2021

AEBR has participated in the DFM-Network project as well as worked with VSLAs and use the SAVIX tool in the following projects:

- **Terimbere 1:** 01.01.2016 - 30.12.2018
- **Terimbere 2:** 01.02.2019 - 2020 (extended with 6 months – to December 2021 due to COVID-19).

As the DFM-Network project started in 2018, the first data for the network filled in by November 2018 from AEBR reflected the final situation for the Terimbere 1 project. However, AEBR has collected data for DFM in 2018-2019 (Terimbere 1) and during 2019-2020-2021 (Terimbere 2); the plan was to provide data for the DFM-network twice a year, but as the Covid-19 crisis and the general lock down in Rwanda in 2020 created difficult conditions for the VSLA-groups to function. Also, a payment error occurred and the SAVIX-MIS did not allow data entry especially between April and July

2020. The standard data for SAVIX is normally collected quarterly. Since 2019 AEBR has only collected data from Terimbere 1 upon request due to many tasks assigned to Field staff in the Terimbere 2-project.

In Terimbere 1, AEBR has worked with 209 VSLA groups and end status was in January 2019; with 133 VSLA groups in Terimbere 2, the data reflect status by the end of 2020 and by May 2021. Terimbere 2 had a target of 140 VSLA groups (^[1] See key indicator 1.1 in the performance plan structure.) The project manager explains that 140 VSLA groups were established in 2020, but due to COVID-19, some members experienced difficulties in saving, so they stopped, which has left the project with 133 VSLA groups. As mentioned above the COVID-19 has impacted timely data collecting due to lockdown; some groups were recommended to share out before planned time and this affected the entering of data as cycles changed in the system. In all three years, the VSLA-groups were operating well. Throughout the period and for both Terimbere 1 & 2, we see a very high attendance rate, close to 100%, and a low drop-out rate, highest 1.4% by November 2018. However, the attendance rate declined, and 7 groups stopped in 2020 due to the consequences of COVID 19. Concerning performance, groups performed well in 2019, but in 2020, some shared out before time due to extreme poverty caused by the pandemic COVID 19. The groups generated fewer financial statements, and reports were not collected timely, causing a poor project performance report compared to the previous year, 2019. This is especially evident by the return on savings (decreasing to 28% by dec. 2020) and return on assets, reaching its lowest by Dec. 2020 (20%), which significantly reduced when comparing the two years of implementation.



Figure 9: Photo of Kaduha Sector Center

Project location & activities:

Project Terimbere phase 1. and phase 2. is about VSLA group formation and food security activities using the RIPAT approach, which means that VSLA is just one component of the project. The VSLA component is mainly implemented to help people to access financial services easily.

The projects are implemented in the Nyamagabe District in its four sectors: Musange, Musebeya, Kaduha, and Buruhukiro and the VSLA-groups operate in rural areas. The landscape of Nyamagabe District comprises both hills with forests and areas where the soil is acid, poor and agricultural production is low. In general, the district is characterized by produce as honey, coffee and treated wood but also pork breeding wheat-production¹⁸. According to the project manager this profile is also reflected in the VSLA-groups as some members are active in wood business and coffee planting as well raising pigs.

Experience with the DFM SAVIX-Network indicators 2018-21

AEBR has worked with the SAVIX tool for monitoring since 2013. Thus, working with SAVIX before launching the DFM SAVIX network project, they were already familiar with SAVIX when they agreed to participate in the project. However, during the network project, they have become familiar with user-created thematic data fields and generally, how to create other indicators in the SAVIX. The following will review and evaluate AEBR's experience with the DFM user-defined indicators.

LOCATION & MEMBERSHIP

DFM has introduced 3 indicators on location – rural, urban and peri-urban areas.

The status of December 2019 shows that in Terimbere 2, 55% out of a total of 2,486 VSLA members live in rural areas. However, out of the respondents in the location category, 94% live in rural areas. The status of May 2021 shows 96% located in rural

¹⁸ Nyamagabe Development Strategy 2018-2024, Southern Province Nyamagabe District

areas. The remaining live either in urban and peri-urban areas or have not stated their location. Nevertheless, the project manager does not find location to be a relevant indicator, as all projects are located in rural settings.

The Terimbere 1 and Terimbere 2-projects had a very high attendance rate of 97-99%; the growth rate has varied between 2-3% and 4% and the dropout rate around 1 %.

VULNERABILITY - social inclusion

The project manager says that the indicator "No. female-headed household members' (5%)" is not found relevant, because VSLA-participation is decided before starting a project. The data reveals that the group of female-headed household members constituted 5% in December 2019 but 12% in May 2021. She explains that they are working with the local government to select the participants - widows, orphans, etc. In general, they know that the women they are working with are vulnerable. For this reason, the same comment regards the indicator "No. of members living with a disability (5%)" which is also not found relevant. Nevertheless, the data shows that the groups have an inclusion of 3-4% of VSLA-members living with a disability.

AGE

DFM has introduced 4 indicators on age: 1) women below 25, 2) women above 45, 3) men below 25, 4) men above 45. Hence, indirectly also women & men between 26-45.

In Terimbere 1, 58% of the participant were women throughout 2018-2019. In Terimbere 2, the number of women increased from 56% in December 2019 to 62% in May 2021. The data furthermore shows that during the period, 7-9% of the women are under 25 years old and 10-21% are above 45 years old. Regarding men in the groups: 40-44% in general. During 2018-21 men below 25 years have

constituted 8% of the members and 7-13% were men are above 45 years old.

The project manager comments that the indicator 'age' has worked well for AERB, as they realized that they only had a few in the youth category. As a result, in the next project phase, they will try to mobilize and encourage women and men between 18 and 35, as they want to empower them economically. Thus, in future projects, they will have that indicator.

INCOME GENERATING ACTIVITIES

DFM has introduced the following 5 indicators on income generating activities: Number of members in: Agriculture &/or livestock, Processing, Small-scale trading, Goods for sale, Service business. Regarding this indicator, AEBR already has a project indicator: 'Number of small businesses created'. However, they are thinking of creating an indicator on *income-generating activities* related to VSLA federations in the SAVIX MIS.

Nevertheless, AEBR states: **"...it is helpful, if we have a number of people who open up a small business then it is a good indicator, which is showing us that the livelihood of people is being changed, they are able to earn money and to improve their lifestyle. So, it is a good indicator."**

During data-collection they ask how many businesses lasted or have lasted 6 months or more. If the business lasts more than 6 months, they assume that it is successful, and it will continue. However, for the next project, they will have an indicator on income-generating, but it might be more specific on small business regarding livestock, agriculture and service. The project manager explains that during COVID-19 they realized that many members somehow had a relation to service-activities as these stopped during the lockdown.

However, the data from December 2019 shows that 7% of the members had service business activities out of 2486 members (or 14% out of the 1269 respondents?). The situation in May 2021 was 4% out of 3176 members in service (or 7% out of the 1964 respondents?) Hence, it is not necessarily due to the indicator that they have realized that they need to diversify income-generating activities among members. It has to be taken into account that the use of indicators on income-generating activities may reflect the fact that the VSLA members, in general, have several generating activities going on at the same time, and the data may not show this complexity.

NO. MBRS. WITH LESS THAN ½ ACRE OF LAND



Figure 10: A member has started a small shop

Concerning this indicator, there are some uncertainties as to what is meant as the project manager explains; they ask this question, and the farmer says he rents the land, and often it is just small land for surviving. Land ownership is a problem for people in Rwanda. Only a few people own land, most of them hire, and others do not have the hiring capacity. The indicator can be relevant, but AEBR will have to prioritize regarding indicators. In this way, this indicator on land has been ambiguous, and

there is a risk that we have not learned what we want about the project. Nevertheless, the data (Terimbere 2 Project) show that the number of members with less than ½ acre increased during the Corona-year of 2020 from 28 % in December 2019 to 56% in May 2021¹⁹.

GENDER IN LEADERSHIP & DECISION-MAKING

DFM has introduced 2 indicators in the category: 1) *No. female members having leadership roles in VSLA and in the local community* (40%) and 2) *No. female members taking part in the financial decision-making at household level* (60%).

In evaluating these indicators, the Project Manager found that because of democratic principles in VSLA, the women knew their rights and she thinks they are good indicators but at the same time expresses concern regarding the number of indicators.

Furthermore, by contributing to the household, the women were valued by their husbands, consulted in household decision-making. This is also confirmed in the data of the Terimbere 2-project as it shows an increase from 34% in December 2019 to 52% in May 2021.

AEBR also found that VSLA groups with women in leadership positions were doing well compared to other groups having men in leadership positions. Regarding the data of the Terimbere 2-project responding to the indicator "*no. female mbrs. in Savings Groups & comm. Leadership roles*" it has been divided into two i.e., by Dec. 2020 21% women had VSLA-leadership roles and 16.9% women had community leadership roles. The project manager states that in the Terimbere-2 project 4 out of 5 leaders in savings groups are women, which means

¹⁹ The project Manager has reported that there has been a problem with an error of converting hectares into acres in the previous data collection

that 80% of leaders inside VSLAs are women. The number of women having VSLA-leadership or leadership roles in the local community is around 38%.

EDUCATION

Under this theme, DFM has introduced one indicator: *no. of mrs. w. financial literacy training*. The status as of May 2021 is that 76% of the members have received this training. The project manager of AEBR does not find the indicator necessary, because all members have received basic knowledge in financial education, which is highly helpful for VSLA groups management. However, training in income-generating activities is of relevance.

NO. MBRS. EATING A MINIMUM OF 2 MEALS/DAY

This is a relevant indicator to AEBR, as they are conducting a food security project, where they are teaching and directing members hoping to see a change in 6 months. They are collecting the data semi-annually on how members had food in the last 7 days. Data on this indicator shows that only 20% of the VSLA members had 2 meals/day in December 2019. In May 2021, the number was 33%. However, it is still low. (The project manager comments that the data does not reveal that a number of the VLSA-members of the project benefit from a component on agricultural development and the percentage here of members having a minimum 2 meal per day may differ a lot). Moreover, after collecting data on No.



meals/day, it was discovered how big a problem food insecurity is.

User defined SAVIX-indicators - the most interesting/important experience

The indicators on age made it possible to know the number of youth and adults among the beneficiaries, helping by revealing the small number of young adults in the savings groups. Moreover, by observing that groups, where the majority are over 45 years of age, have a smaller share value, and some bad financial performances, enabling them to be advised accordingly.

Another SAVIX indicator that has been useful to get data on is 'Value of Outstanding loans'. Knowing this has helped encourage members to start running small businesses avoiding participation without using the loan fund.

Women leaders

Through data collection on women's participation – influence on household decision-making & women in leadership roles - the project noticed an increased number of women taking part in financial decision-making at household level and in leadership roles (incl. some women having managed to take part in the local councils). This result is due to contributing to household income, made possible through savings groups loans. Once the women start small businesses and become successful, they believe in themselves, become respected in the communities, and occupy roles in the savings groups and communities. Indicators on women in leadership in savings groups and leadership in the local community will be collected at baseline in future projects to prove the intervention.

Management and contribution of the SAVIX-tool

In terms of project management and following up on strategic priorities, using SAVIX and indicators is helping to show how

far AEBR is reaching project goals and the work performance of project staff. Furthermore, it helps to check project performance, including helping to advise group performance related to profit or loss. The high attendance rate shown by the SAVIX-data helped the project to know members' satisfaction with the content of the project.

The SAVIX-tool and user-friendliness

The project manager thinks using SAVIX is easy, though experiencing network interruptions during data entry. Furthermore, it is easier to show project results, but for Terimbere 2, they combine VSLA with RIPAT, and as not all members are in RIPAT groups, they also have to check other field reports for having the 'real' final report. AERB emphasizes, as one of the most fundamental aspects of using SAVIX, is the provision of financial performance for savings groups. Moreover, SAVIX helps compare trainers' performance. However, SAVIX could be even more helpful regarding reports, proposals, etc. if they create other user-defined indicators.

SAVIX-indicators in the future

While AEBR learned something new about age during the networks project, other findings are linked to the influence of COVID-19. With some relevant indicators, other indicators show being irrelevant and or unclear, with a need to be project and context-specific, ensuring that we learn & measure what we want about the projects. Nevertheless, a main takeaway from the network project and working with the DFM-user-defined indicators, AERB are now familiar with user-created fields and know how to create other indicators in the SAVIX. Moreover, even though many indicators can be found relevant, there is a need to prioritize indicators, only collecting data proving the needed information. On that note, AEBR says that SAVIX could be even more helpful regarding reports, proposals,

etc. if they create other user-defined indicators.

The future indicators AEBR consider to work with are as follows:

- Age
- Income-generating, but it might be more specified on business, including livestock and agriculture for business, and service.
- No. mbrs. Eating a minimum of 2 meals/day
- Women's participation – influence household decision-making & women in VSLA-leadership and in community leadership roles. This indicator will be collected at baseline in future projects to prove the intervention.

Digitalisation, VSLAs and the SAVIX

AEBR thinks it would be helpful if the field officers could fill data into the SAVIX using an app, as they are doing double work now - data is written down on paper first and then uploaded on the computer.

The role of AEBR as promoting NGO

AEBR promotes the VSLA's to organise themselves in federations. Initially, they had a target of forming 3 "forums" or federations. However, as they realized that this created problems after analysing the field, they decided to adjust the number of federations. They have been able to create 13 federations with between 5 and 15 VSLAs in each. Most of VSL-Federation members are in agriculture activities where they sell half of the harvest for survival. Others are trading small livestock. VSL-federations provide individual loans for each to develop themselves. However, the plan for the future is that each federation will be linked to microfinance institutions to increase their loan fund cash inbox. Furthermore, start a mutual income-generating activity and later, start rural microfinance.

CMM in Rwanda

*By Chantal Umulisa Bateta, Project Administrator
& Oliver Umwali, Project Coordinator*

Project location & activities

Christian Mercy Ministries (CMM) has helped and provided training for 5 VSLA-groups with about 160 members participating in an integrated development project for the local community of Murugarama in the Gatsibo District, in the Eastern province of Rwanda. The project started by October 2018 and goes on to September 2021. A part of Gatsibo District is located in the Akagehera National Park at the eastern border between Rwanda and Tanzania. Parts of the landscape are rather hilly but flat savannah land are also to be found.



Agriculture as well as livestock and milk production are dominating activities in Gatsibo. VSLA is an important component but the project is also dealing with agriculture and environmental protection including planting of trees, health care and children's education as well as advocacy. According to the project coordinators many of the VSLA members depend on subsistence farming and the most important crops are maize, beans, soya beans and bananas, and small-scale trading. The project is organized

together with the Danish partner organisation, KIT and has funding from CKU.

Experience with the DFM SAVIX-Network indicators 2018-21

CMM has some years of experience in working with VSLA-groups and during a previous project about 13 VSLA groups have been established, but the use of SAVIX as a tool for monitoring in the ongoing project for 5 VSLA groups is completely new. CMM has been part of the DFM Network from its start in 2018 and after capacity building in the first part of 2019, they started active use of SAVIX.

The responsible team working in CMM plus a volunteer are taking care of implementing all the project activities and sometimes they have assistance from other volunteers, so the coordinators explain that they are very busy and they would like a person responsible especially for the VSLAs as it takes time to travel and move around in the field of Murugarama community – the 5 groups live far from roads and it takes a lot of time to reach them. As SAVIX is a completely new tool a number of sessions of capacity building were needed in 2018 and the first part of 2019. By September the first data were filled into the DFM-network regarding the standard indicators and again during March 2020. Also, in March 2020 they tested the DFM-user defined indicators. The coordinators explain that they planned to collect data two times a year, but then the Covid-19 hid Rwanda in March the government immediately implemented a total lock down, which meant closure of markets and restrictions on movement. As such Corona has blocked a number of economic and social activities during 2020 and it is only from March 2021 that people could travel again. The coordinators hope for an extension of the project as alle the activities have been delayed because of Corona.

LOCATION

The Murugarama Project had 4 large VSLA groups with a total of 125 members in September 2019 – 71% women and 28% men, but in March 2020 another group joined so the total turned into 159 members and 75 % women plus 25% men.

DFM has introduced 3 indicators on location – rural, urban and peri-urban area – but they are not so relevant for CMM as they know where the 5 VSLA-groups are located. All the members are located in the same local community of Murugarama but the households are scattered.

Performance of the VSLA groups in 2018-2021

The data shows a high attendance rate of 85-94%; the growth has varied between 3-4% and the dropout rate around 1%.

The annual savings were 56\$ by Sept. 2019 and thus close to the DFM-level of 60\$. The groups had a return on savings of 15% in Sep. 2019 and a return on assets of 12.2%. By March 2020 the return on savings was 29.6% and the return on assets 20%.

The data reveals a very high utilization rate of 96% by Sep.2019 with 66% members having outstanding loans. The utilization dropped a little to 93% by Mar.2020 but the number of members having outstanding loans rose to 86%. The impact of Covid-19 was seen in a reduced rate of utilization of loan fund, 42% by May 2021, but 96% of the members were active and had outstanding loans.

AGE

DFM has introduced 4 indicators on age – women below 25, women above 45 and thus also women between 26-45; for the men – men below 35, men above 45 and men between 36-45.

For the future they think it is good to know something about the age of the beneficiaries, but for the moment it is not perceived as so important. The project has a

focus on children but not yet on youngsters though they have some in the VSLA-groups. Maybe for a future project phase they will target young people (18-27) – both girls and boys – and discuss with them what activities they can manage and want to do.

And yes, there are households where children are taking care of everything – and it is relevant to have information on that, while dealing with help for children.

INCOME GENERATING ACTIVITIES

DFM has introduced 5 indicators on income generating activities (Agriculture &/or livestock business, Processing, Small-scale trading, Goods for sale, Service).

The indicators are valued as important to know what activities the members are involved in. According to the project coordinators many of the VSLA members depend on subsistence farming and the most important crops are maize, beans, soya beans and bananas. The members do small scale trading with different produce and they do processing like for instance banana-beer.



GENDER & PARTICIPATION

The project of CMM in Rwanda has a high percentage of women, around 75% but actually the coordinators wanted more men to join the VSLA-groups. In theory they would like all the husbands to come and join the groups, because:

In theory they would like all the husbands to come and join the groups, because "they will be supporting each other". But some men are not interested. However, *"the focus is on women, because women often take the responsibility of the whole family."*

The VSLAs have also contributed to minimizing violence and conflict in the households.

There has been one case in the Murugarama Project where a woman dropped out because of conflict with her husband. When asked about at what moment conflicts may turn up, the coordinators explain that especially around the time for sharing out there can be conflicts: "If the husband is not supporting the savings, he wants the savings that the woman has saved for almost a year".

TRAINING – CONFLICT MANAGEMENT

About 25% of the members in the groups are men, and when they do training on how they can manage their families without conflict, they also call the men to be there.

The team explains that when men join the groups, it becomes easier for the staff to contribute with conflict management:

"Husbands may be jealous and we the staff, we go and talk open up for discussions and finding solutions. We have developed a kind of conflict management."

They do not have a specific tool, but they tell the women about their rights and let them know where they can report, when it is not working for them. In Rwanda they have an institution called a "one-stop-center" in every sector of a district.



These centers were initialized by the First Lady in 1999 because there was so much violence. The centers have women working there so other women can come and feel freer to tell what they are feeling and what they are going through. The centers have helped in minimizing violence and the local government is also concerned about it.

EDUCATION

The DFM-SAVIX-indicator education means training in financial literacy. The coordinators explain that they do different kinds of training but not especially on financial literacy. They have been much more oriented on for instance telling women about their rights in case of conflict and violence in the household and this is perceived as very important.

VULNERABILITY

DFM has introduced 4 indicators dealing with vulnerability:

No. mbrs. Eating a minimum of 2 meals/day,
No. mbrs. Living with a disability, No. mbrs.
With less than ½ acre of land', No. mbrs.
With female headed households.

The indicator of eating a minimum of 2 meals/day is valued as relevant. The question of good nutrition has been a problem during the Corona-crisis.

"Some people don't have enough food. According to the information we have from different people, some cannot even get one meal per day. Some, they are suffering."

However, they will know the real number of people in trouble, when they go there. They will tell the government, but it is not easy. Regarding the indicator of the number of members living with a disability, the coordinators do not value this indicator as so relevant, as they do not specifically target people with disability.

When it comes to the indicator regarding members with less than ½ acre of land, they

think this is a useful indicator, because they are involved in training people to improve their productivity within agriculture – *"so it is good to know how much land they own."* In the Eastern province people don't grow permanent crops such as coffee, but perhaps bananas. Otherwise, maize, beans and soya beans. But mostly maize and beans.

The indicator of female headed households: *"Yes, there are this kind of households and we think it is important to know about them."*

SOCIAL FUND TO OUTSIDERS

In general, social funds are used to support somebody from the groups having difficulties, for example who have lost their house because of heavy rain. Only sometimes a part of the social funds are given to outsiders for instance to refugees coming from Congo (2019).

The most interesting/important aspects – contribution of the SAVIX tool

The team of CMM have experienced that:

"To know the performance of groups is very important. Before (using SAVIX) it was not easy for us to know their performance in reality. We just guessed on what we were seeing."

Making the performance report is the most useful thing.

Also, when the groups share out, the fact that the staff have collected the data plays an important role:

"If we collect data, everybody knows "I have these shares". It makes the work easy during the sharing time."

Before using SAVIX as tool for monitoring they used a manual in local language and different forms, which has shown not so efficient as SAVIX especially when the overview for group is needed for sharing out.

VSLA during Corona-crisis

During the year 2020 many VSLA members' business have stopped, and those who kept working were forced to use cashless mode of payments in all transactions. These include mobile money, visa or credit cards and mobile banking. This however was not easy for most people in Murugarama village since many have no mobile phones.

Socially, there has been an increase in home conflicts and divorce rate has risen due to economic issues like reduced or temporally cancellation of wages which were intended to provide for the whole family. Some men who used to earn a living for the family were forced to stay at home. Others who used to spend most of the time in the bars, were also forced to stay at home and this resulted into home conflicts since they were now noticing the "mistakes" being done at home.

Early marriages and unplanned pregnancies especially for girls underage that are under 18 years, because of improvised long vacations given to school going students. It is not surprising to see that such acts are done by married men, who used to spend most of their entire time outside, and now are at home. This resulted in family conflicts.

The SAVIX-tool and user-friendliness

The CMM team expresses that it is not easy to learn and set up the MIS. Collecting the data is not so difficult, but they are sitting together when they enter the data into the SAVIX.

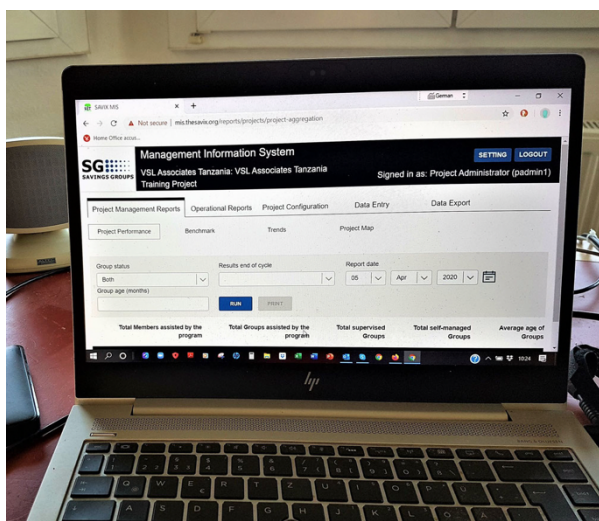


Figure 7: Photo: Hugh Allen, VSLAssosicate

And they would like more training on the whole SAVIX-system - "because it is not easy". Another important aspect of the SAVIX is that it is an electronic tool:

"We keep information for a long period – it is not like our books. Books can disappear, but for MIS we can use that information for many years."

SAVIX-indicators in the future

As the project is ongoing during 2021 the team have not yet evaluated the exact outcome of the use of SAVIX, but they feel comfortable about the tool. They want to use the standard SAVIX indicators in the future. And as they appreciate the indicators on age, gender, land and income generating activities, because they allow them to know the participants of the project, they also think that a number of user defined indicators will be included in future projects. They will reflect on what indicators are needed to collect data as a kind of baseline and what indicators are relevant for regular monitoring.

The role of CMM as promoting NGO

The CCM organisation does for the moment no supervision of VSLA-groups after the end of the last project, where 13 VSLA-groups were established, but they know that 11 of them are still working. About 60 of those members have formed a cooperative, where each member has bought a share. They are practicing processing and sale of maize - they're working and they like it, say the coordinators, but it has been interrupted by Corona and hopefully it will start again. For the next project in 2022 CMM hopes to be able to start another 20 VSLA groups.

FAYOWODO in Tanzania

By Bonface Mose, Project Manager & Sambeke Kiruswa, Field Officer



Project location & activities

Faraja Young Women Development Organisation (FAYOWODO) has participated in the DFM-Network project with the anti-FGM project. FGM (Female Genital Mutilation) is another word for female circumcision which has been a traditional rite of passage and at the same time a practice and a source of income for the women in charge of carrying out the practice. These women are in general mature women (55-60 years, up to 70 years old), they are locally known as “Ngaribas” and they are persons of influence in their communities. The idea of the project is that VSLA-activities can provide both alternative leadership roles and alternative means of income and start-up capital for small businesses -especially for the (54) Ngaribas participating in the project. In this way the Ngaribas and the VSLA-groups can function as agents of goodwill to spread the message of the anti-FGM.

The anti-FGM project has been implemented in the following two regions in Tanzania where they have worked with VSLAs and use the SAVIX tool:

Babati: Nov. 2018 - Nov. 2021

Longido: Nov. 2018 - Nov. 2021

There are 8 groups formed in Babati, 7 of these have 15 members with 1 group of 27 members. In Longido, 11 VSLA groups were with 30 members each. 99% of these members are female ranging from 25 to over 60 years of age. Only two groups have a mix of male and female of which one is made up only youth both male and female.

- **Longido** is the name of a District as well as of the district-town located at the foot of Mount Longido in the Arusha region in the northern part of Tanzania (close to Kenya), and most of the inhabitants are Maasai. Maasai are known as nomadic pastoralists, where men are economically responsible for cattle-breeding, while women formally are responsible for activities regarding household and children but also carry out a lot of concrete work with cattle, goats and chicken. The region includes mining activities, being famous for “Longido Ruby” since the 1940’ies.
- **Babati** is a district located in the Manyara region and inhabited by more than two communities and therefore a relatively socially mixed-up society. The region is known for its farming activities due to their vastness of land. They cultivate sunflower, cereals and vegetables. There is also a small-scale fishing activity at the Lake Manyara.



The chairlady of Hydadonga VSLA, a reformed FGM practitioner (N'gariba) in her farm where she is actively engaged taking advantage of loans from her group.

She has expanded her farming activities. She formerly farmed only 1.5 acres but she has increased her farming acreage to 3, thanks to the affordable and easily accessed funds from her VSLA group.

Many women like her have expanded their small businesses using funds from their groups.

Performance of the VSLA groups in 2018-2021

Commenced in January 2019, the Anti-FGM project (1.01.2019-31.12.2021) is now in its final year (3rd year). The number of VSLA groups mobilized at the beginning of the project was 15 in total. This figure remained constant during the first year until the end of the 1st cycle, culminating in varying dates depending on when they commenced. The 8 VSLA groups in Longido had 30 members for each and 15 members for each of the 7 groups formed in Babati. This made the total number of women in VSLA groups 345. Membership was 100% female. In FAYOWODO two Field Officers are working with the groups and the use of SAVIX, they don't use Village Agents.

In general, the groups have performed pretty well both in attendance and shareholding. The coordinator states:

"Before the project these women, they had nothing. But they have come together and within 3 years now they

have 30.000 \$. For me, this is a very big story about financial access. They could not go to the bank and borrow money, because they don't have collateral to present, but now ... They have been given an opportunity to empower themselves."

The total funds revolved in 2019 was approximately between USD 25,000 to USD 30,000. There were no dropouts reported in the same reporting period either. Towards the end of the 1st cycle and the initial period of the 2nd cycle more groups were formed, and this was attributed to the performance of the initial groups. By the end of the year 2020, the total number of formed groups stood at 20. Few groups have so far been registered by the local government and currently, there is an ongoing exercise of mass registration of all the groups. 80% of the groups are in their 2nd cycle with only a few deciding to continue but keen on ending the cycle before the start of the new cycle.

Experience with the DFM SAVIX-Network indicators 2018-21

FAYOWODO started working with the SAVIX during 2019 and started data collection by December 2019, but especially regarding the standard and financial indicators and the performance of the groups in 2020 and 2021. Regarding the user defined indicators, they have only been tested to a certain extent as they find a lack of match between the DFM-indicators, the project objectives and the project-context. FAYOWODO would prefer other user indicators on for instance: Participation of members from vulnerable groups, Food security, less than ½ acre of land, Gender & Leadership, and have the following comments:

- **Members from female-headed households:** This indicator concerns widows and single mothers and as such it is relevant.

- **No. of members with a min. of 2 meals per day:** This indicator is not that relevant in our context as many households prioritize one meal together and individually the members will eat snacks or smaller things during the day, so with this indicator you risk having not the proper information.

- **No. of members with less than ½ acre of land:** This indicator doesn't say anything about rent or ownership and furthermore land may belong to a family and is not an individual matter, so it doesn't fit with our context.

In our project, 95% are female members, and culture and traditions dictate the social affairs of the community. Under the prevailing cultures and values, women are not privileged with entitlements of properties in their marital homes. The holders of titles to the family properties, namely: houses, land, livestock, and other assets are entitled to men. This means that a woman cannot single-handedly make any decision touching

on such property unless given express authority by the husband. Based on this, we consider it irrelevant as far as the project is concerned. The only exception is if the said property or land was solely acquired by the subject/member. In many cases, women are reluctant to go down this path since it is considered untraditional by the majority of the community members. Suggestion - Restate indicator to read: Number of members with titles to any form of property, namely: Land, house, livestock. (Alternative indicators on rent/ownership of land for cattle breeding/cultivation by head of household may be relevant in the future).

- **Gender equality (Leadership roles / Financial decision-making):** These indicators are relevant but we may develop some more specific indicators on gender as we target a specific group of women with leadership roles in the local community (N'garibas) and some of them have turned into leaders of the VSLA-groups.



User-defined SAVIX indicators - the most interesting/important experience

The most fundamental and significant aspect of using SAVIX as a tool for monitoring the performance of VSLAs has been the effectiveness in managing the groups' data and having to use the findings for decision making on how best we can support the groups. Using SAVIX has facilitated and enhanced our capability to streamline the groups' activities and synchronize the indicators of both the project (higher objectives in the logical framework and VSLAs (which is a primary intervening component of the project)). The benefits of using SAVIX as a monitoring tool include quick computation of groups' transactions at any given time. It has brought clarity by which we can understand and relate the activities of the groups with the social outcomes. The outcomes can then be easily quantified and reported on effectively and reliably. The ability of SAVIX to accommodate numerous indicators in an integrated manner has made it possible to assess the performance of individual indicators and link their outcomes effectively.

Management and contribution of the SAVIX-tool

In terms of management and following up on strategic priorities, SAVIX has contributed/will potentially contribute to our work with VSLAs as follows:

- In managing the groups' information from a central point.
- Will contribute to identifying and assessing the important indicators to keep. Hence, improving the quality of data collected and subsequent reporting.
- SAVIX, being a web-based system, means that information sharing across geographical locations with homogeneous projects will be in real time. This will improve the decision-making process.

- SAVIX will also contribute critically to the evaluation process. Therefore, making it easy to identify and quantify the social impacts and outcomes of the project.

The SAVIX-tool and user-friendliness

Future projects are likely to adopt an integrated approach. For example, gender-based violence may be in one way or another affected by the economic status of both the perpetrators and the victims. If the victims are empowered both economically and socially, the probability of joining in the fight against GBV may be high. The integrated approach of project intervention may require to be reflected in the selection of indicators. The indicators under the gender category such as '*number of women leaderships in group and community*' and '*number of women participants involved in household decision making*' will play a fundamental role in measuring performance.

Reasons: this will help identify, assess and strengthen the roles played by women in the community in combating the vices of which the majority of victims are women and children due to their perceived lack of economic and social empowerment. For example, tracking the number of female members in a given group may determine the quality of decisions made, especially if those decisions are going to affect them (women).

SAVIX-indicators in the future

SAVIX plays an important role in the analysis and presentation of information regarding group performance. The fact that it has the capability of comparing groups in various parameters, including by supervision – self-managed or managed by project, by location, or otherwise, provides an opportunity to view a project logically and assess the amount of input required to achieve the goal.

For the future FAYOWODO is considering creating the following indicators:

- Minimum monthly income
- Instead of an indicator on 'No. of members from female headed households' they find it more relevant with indicators on No. of VSLA members with for instance 1-3 persons/3-5/above 5 etc. under their care.
- They would also like other indicators on income generating activities that more precisely reflect the activities of the VSLA members.

However, even though FAYOWODO sees 'Minimum income' as the most important for showing that the groups are doing well, it is a challenge that they are dealing with people from different backgrounds.

"The question is how do we measure their outputs as a result of what they do - if it is farming, if it is business. The whole issue of measuring the output can be secondary to the income level."

Furthermore, questions are raised concerning indicators that are static and what we are actually trying to measure.

Digitalisation, VSLAs and the SAVIX

Digitalisation and SAVIX have one thing in common, they both thrive on data availability and the outcomes of such data as well. SAVIX will play a major role in managing data in the following ways: data collection, data storage, data retrieval, analysis, and presentation. Combining both SAVIX and digitalisation lies in their ability and easiness of integration and automation since it is web-based. This will make the monitoring and evaluation process effective and time-saving. The challenges associated with SAVIX include the limitation of internet connectivity to access the resources. The literacy level of many users may also present a challenge during implementation.

The role of FAYOWODO as promoting NGO

FAYOWODO as a promoting organisation, we have included group registration as one of the outcomes whose performance we are constantly tracking throughout the implementation period.

Sayuni Chairlady,
Indomonok group and
elected (2020) woman
representative for
Longido district council.

Sayuni had never
thought she would
become a leader
representing women in
the entire district.

Photo: FAYOWODO,
2020



The local governing councils have full knowledge of all the VSLA groups we are working with, and they are under the supervision of the community development officer with whom we share our progress reports quarterly.

The future perspectives of the project include initiating the process of forming an association of VSLAs to enhance their sustainability and growth. Linking the VSLAs with the microfinance Institutions is a long-term goal. Furthermore, their profiles and portfolio must grow to a reasonable level to attract the attention of the MFIs. We believe, having a VSLAs association will boost this objective to greater heights. FAYOWODO has not yet formed federations, as they are still registering the group's first before initiating the process. However, the plan is one VSLA federation for Babati and one for Longido.

- **The ASC programme** has involved 55 VSLA-groups and data were introduced into the SAVIX standard by 1. October 2019.
- **The SCALE project** comprises 45 VSLA-groups and data were in the SAVIX from 1. December 2019.
- **The GFA-project** (44 VSLA-groups) introduced data into the SAVIX by 1. May 2020.

ADRA-Uganda partnered with Swedish Mission Council and ADRA Sweden to implement 'Social Change and Livelihood Enhancement' (SCALE) Project. It is implemented in three districts of Pader, Agago, and Kitgum districts - focusing on improving sustainable livelihoods to the vulnerable communities that were affected by civil war (1986-2007). The programme is still going on up to the end of 2021.

It is implemented in an area close to the border between Uganda and South Sudan (Kitgum, Pader Agago districts) (Agago district had the highest percentage of child pregnancies in Uganda in 2019). The area is rather flat with bushland, grassland and some woodland - agriculture is dominating. The project is financed by the Swedish Cooperation, started by 24.01.2013 and is going on until 29.10.2021, but may be extended.

The General food/cash Assistance Project started in 2018 in Rwamwanja Settlement (for refugees) to improve access to food to refugees and ensure that crisis-affected people have access to adequate and nutritious diet in times of need. The project is being implemented in South-west Uganda in Kamwenge district and funded by World Food Programme The GFA-project started by 23.10.2018 and is going on to 27.10.2022.

Experience with the DFM SAVIX-Network indicators 2018-21

The use of the SAVIX as a tool for monitoring is new in ADRA Uganda but the MEAL Manager has capacity in this field (from previous working experiences).

The MEAL manager explains that regarding monitoring and the collection of data for SAVIX ADRA-Uganda does not work with Villages Agents, but has a staff comprising a total 5 field officers. The ASC-project has 3 Field Officers working in different districts, the SCALE-project has one and also the GFA-project has one field officer responsible for SAVIX-monitoring and livelihood. They are all trained to collect quality data on a quarterly basis to support in tracking VSLA-progress. The field team conducts reflection meetings with the VSLA members after data collection to discuss what is working well and put action points on what is not working well. The field team supports the VSLA-members during their meetings to guide on record keeping as well as balancing their books. Each of the staff doing M-E-activities in the three projects have been responsible for filling the data into the SAVIX.

Due to the corona-crisis the government in Uganda implemented a severe lock down from March 2020 in the whole country - of meetings, transport, markets etc. which made it very difficult for local people to execute their normal activities. The VSLA-groups were not allowed to get together so some of them organized to save in shifts: "Like 5 people come, bring the money they save and they go back home". In general, the groups have not worked very well during 2020. Many VSLA-members have not been able to develop their income generating activities and thus not earning any money they have not been able to save and take loans. As a consequence, in the SCALE-project only 37 groups have been active and respectively 38 groups in the ASC-project. In the GFA-project the members experienced a

cut of food rations and didn't receive any additional money. They had to buy and store food and it was very difficult for them to continue saving, so only about 12 groups have been active. Since the start of 2021 things were slowly getting back to normal. The corona-crisis has influenced the data collection which the team has not been able to carry out between June and December 2020.

LOCATION

DFM has introduced 3 indicators on location – 1) rural area (70 %), 2) urban area (10 %) and 3) peri-urban area (20 %).

Both in the ASC-project and the SCALE-project 81-85% of the members are living in rural areas. The indicators are not relevant for the GFA-project as the VSLA-members are living in a refugee-campus area.

According to the coordinator, it is an advantage that the SAVIX-system captures both time and location so when they go to the field for monitoring at their VSLA-meetings: *"We know where these people sit. So, there is no need for guiding"*, says the MEAL Manager. Besides, the indicators on location are in general valued as not so important, since the majority of the members live in rural areas, a few in peri-urban contexts, and nobody in urban areas.

AGE

DFM has introduced 4 indicators on age – women below 25 (30 %), women above 45

(20 %), and thus also women between 26-45; for the participation of male members – men below 35 (20 %), men above 45 years (20 %), and men between 36-45.

The large majority (76% and 74%) of the members in the ASC and SCALE projects are women but only 59% in the GFA project. In the ASC-project women under 25 years are the biggest group (32 %) and next are women above 45 (29 %). In the SCALE project, it is nearly the same as 30% of the members are women under 25 and 32 % above 45. In the GFA-project it is different, the majority of the members are between 26 and 45 years.

ADRA-Uganda perceives the indicator on age as very relevant as they want to know what age groups are present in the groups. The indicator on youth could eventually be: from 18-25.

EDUCATION

The DFM-SAVIX-indicator education means: No. of members trained in financial literacy (5 %). The coordinator of ADRA-Uganda explains that all VSLA-members receive financial literacy training and they also take them through the VSLA methodology. The data say that out of the total groups of VSLA-members 40% (ASC), 47% (SCALE) and 50% (GFA) have experienced financial literacy training, which is below half of the members, but it may be due to the fact that groups receive training at different



moments. VSLA-groups are encouraged to form SACCOs especially concerning the SCALE and ASC-programmes having experienced VSLA-groups. ADRA has trained VSLA-group members on how to be self-reliant and have knowledge on report writing, recording, group dynamics as well as value addition for their products.

"We normally train them in report writing, recording, and group dynamics. We normally also take them through how to market themselves. There are many modules, we take them through."

INCOME GENERATING ACTIVITIES

DFM has introduced 5 indicators on income generating activities (Agriculture &/or livestock business (65%), Processing (10%), Small-scale trading (10%), Making goods for sale (5%), Service business (10%).

It is valued as important to know what different income generating activities the members are involved in, but it is revealed that the indicator "service business" has not been easy to work with and the percentage is very low for this indicator 0.5% (ASC), 3% (SCALE) and 3% (GFA). Most of the members practice agriculture &/or livestock business – 71% (ASC), 84-79% (SCALE), 70% (GFA). Quite a lot of people in the ASC-project do small-scale trading (36%) and processing business (34%). Members in the SCALE-project do small scale trading (21-23%), making goods for sale (12%) and processing (10%). In the GFA-project members have been active in small scale trading (20%) and making goods for sale (9%), almost no one did processing business (0.9%).

It is discussed whether kitchen-gardening could be a relevant indicator. The MEAL Manager agrees:

"Yes, it can because the majority of the ladies normally sell greens on the highways – to get weekly savings."

The indicators on income generating activities are also useful since they capture the progress and performances of the activities. This supports the communities to be involved in more than one livelihood initiatives to boost their income. The MEAL Manager welcomes the SAVIX indicators on income generating activities as they contribute to diversify the knowledge about what sources the VSLA-members use to fight poverty and gain economic empowerment:

"When a member is economically empowered, it means that the member has a source of income and has a saving culture. So, I totally agree with the indicators."



GENDER IN LEADERSHIP & DECISION-MAKING

DFM has introduced 2 indicators on gender (No. female members having leadership roles in the local community (40 %) and No. female members taking part in the financial decision-making at household level (60 %)) These indicators are valued as necessary and important, though the data show a low percentage compared to the level of the two DFM-indicators. About 25 % of the women in ASC, 26% in SCALE-project are noticed as having leadership roles but only 14% in the GFA project. Regarding having influence on household-decisions 37% of the women declare having it in ASC and SCALE and 31% in GFA.

The indicator helps to measure empowerment - which is part of all the

projects. Majority of women are in leadership positions as treasurer, secretary, chair, and key keeper. Women have also gained confidence to stand for local leadership positions in the ASC-programme more than 5 women from the supported VSLA-groups are in local community leadership like district councillors, Local counsel one, Local counsel two.

The indicator on "leadership roles" has in ADRA-Uganda been used to indicate leadership activities in the community as well as VSLA-management roles as Chair, Treasurer, Secretary as they are leadership positions and very few women have leadership roles for instance in the local council.

The MEAL Manager of ADRA explains how it is clearly observed that VSLA-roles help the women in gaining confidence and interacting at village level:

"You can see that women are taking leadership positions. You know, in those communities – women are not supposed to talk, women are not supposed to lead members culturally, but now they are coming up, they are taking those small roles. ... Now they can stand, they have confidence and talk in the middle of their community. They can express themselves, which was not there before and which is a pathway to empowerment."

The Manager expresses that she finds it relevant to discuss how they could elaborate some more indicators on gender and empowerment of women, for instance on "active participation at group level" or "active participation at community level". As ADRA-Uganda promotes advocacy, it is important to know if women are able to take on initiatives: *"...can this group member put up their hand and raise an issue that is affecting their community. Can they participate in their community?"*

VULNERABILITY

DFM has introduced 3 indicators dealing with vulnerability:

No. of members from female headed households (5 %), No. mbrs. Living with a disability (5 %), and No. mbrs. With less than ½ acre of land' (5 %) and No. mbrs. Eating a minimum of 2 meals/day (65 %).

The indicators on vulnerability are all assessed to be relevant by the MEAL Manager, but especially the indicator on members coming female-headed households is underlined as very important: *"Because when you are a female-headed household you are making decisions on your own. If you are a single Mum, you are in this category."* In the ASC-project it is relevant for 18% of the VSLA-members, in the SCALE-project the percentage is 14%, and in the GFA-project for refugees 9%.



The indicator on “living with a disability” is also valued as relevant, but the MEAL Manager says that she would like to have this information separately for women and men. The percentage is rather small in all the projects – 3% in ASC, 4% in SCALE, and 4% in the GFA-project.

Regarding the indicator of “eating a minimum 2 meals/day” is considered as “a good indicator”. The data have revealed that 40% members of the ASC-project are having a minimum of 2 meals and 75% in the SCALE-project. In the GFA-project the percentage is as high as 80% of the VSLA-members, but it has to be taken into consideration that the Rwamwanja Settlement gives monthly food rations to members.

When it comes to the indicator, number of members with less than ½ acre of land’ – the data indicate that in the ASC and the SCALE-projects most of the VSLA-members have access to land. In the ASC-project, only 7% had less than ½ acre by December 2020, but 10% by May 2021. In the SCALE-project, also 7% had less than ½ acre by December 2020 and here the percentage has dropped to 4% by May 2021.

In the GFA-project, this indicator is not so relevant because the majority does not have access to land. The data say that 65% of the VSLA-members had less than ½ acre in December 2020 and 67% in May 2021. The members may not “have land”, but the MEAL Manager explains that many in the Rwamwanja Settlement have a backyard garden; so ADRA-Uganda encourages the VSLA-members to do backyard gardening of vegetables – and according to the MEAL Manager they are doing all right and are enjoying it.

Management and contribution of the SAVIX-tool

SAVIX is perceived as a good tool for monitoring the performance of the VSLA-groups and is also used when the staff discuss and evaluate their work. The project coordinator ADRA-Uganda explains that they use data from the SAVIX for planning purposes, especially decision-making and proposal-writing. The SAVIX is a good tool and helps in tracking information on different project indicators.

The SAVIX-tool and user-friendliness

In the case of ADRA-Uganda, the MEAL Manager has experience with the use of SAVIX for monitoring from previous jobs in another organisation (Catholic Relief Service). At the time when she entered the job, the staff used Excel as a tool for monitoring and tracking the VSLA-activities. She finds the system as well as the SAVIX-data very user friendly and has trained other staff-members in ADRA-Uganda.

SAVIX-indicators in the future

According to the MEAL Manager, ADRA-Uganda would like to work with the standard SAVIX-indicators in the future as well as with the user-defined indicators introduced by the DFM-Network. As mentioned above they would like:

- modification on LOCATION (no urban area)
- minor modification of the AGE-indicators (18-25 years)
- INCOME-generating activities: introduce kitchen-gardening
- GENDER: introduce active participation at community level (and household level)
- VULNERABILITY: introduce backyard gardens (+ownership to land) / Disability – women & men

Digitalisation, VSLAs and the SAVIX

In ADRA-Uganda, they have tried to use (a previous version of) the SAVIX-app (March-May 2020). They look forward to use the new version of the SAVIX-app (2021).

The role of ADRA-Uganda as promoting NGO

The organisation does for the moment no supervision of VSLA-groups after the end of a project - only if information and data are demanded for a special occasion.

ADRA-Uganda encourages all the groups to form cooperatives – especially in the SCALE (and ASC) project.

They are trying to train and equip them with knowledge, and the MEAL Manager thinks that the majority of the groups are interested. So, the groups are in process - especially the SCALE project as this project has been going on for a long time (2013), and they have a lot of money in their groups, so the staff are trying very hard to make them form cooperatives i.e., SACCOs. Some groups are in the registration process, and the process will go on for a while, but they are willing.



DCA in Uganda

By Patrick Eriga, Project Manager

DCA, Denmark

DanChurchAid supports the poorest of the world in their struggle for a dignified life. The focus of their work is to 1) saving lives, 2) building resilient communities, and 3) fighting extreme inequality. Working towards these three international goals, VSLA projects are a part of DCA's long-term development work as a component of building resilient communities.

As a priority from HQ, DCA works with VSLA groups across their country programmes promoting gender equality and economic empowerment. The VSLA methodology was introduced in Uganda by CARE International in 1998, but real scaling up started in 2009. As far back as 2011, DCA Uganda had a successful partnership with Caritas Soroti (SOCADIDO) which involved integrating VSLAs into livelihood projects. Since then, DCA has continued to integrate VSLAs into their work in both humanitarian and development settings.

However, VSLA's are just one component of DCA projects. In other words, VSLA works as a complementary activity. VSLA has always worked as a complementary activity, often building on existing initiatives such as farmer groups, youth groups, marketing associations, etc. This way, they have higher chances of sustainability than if formed as stand-alone intervention. They have for example seen farmer groups that have included VSLA as an intervention access credit from the VSLAs to expand their farms and to do collective marketing.

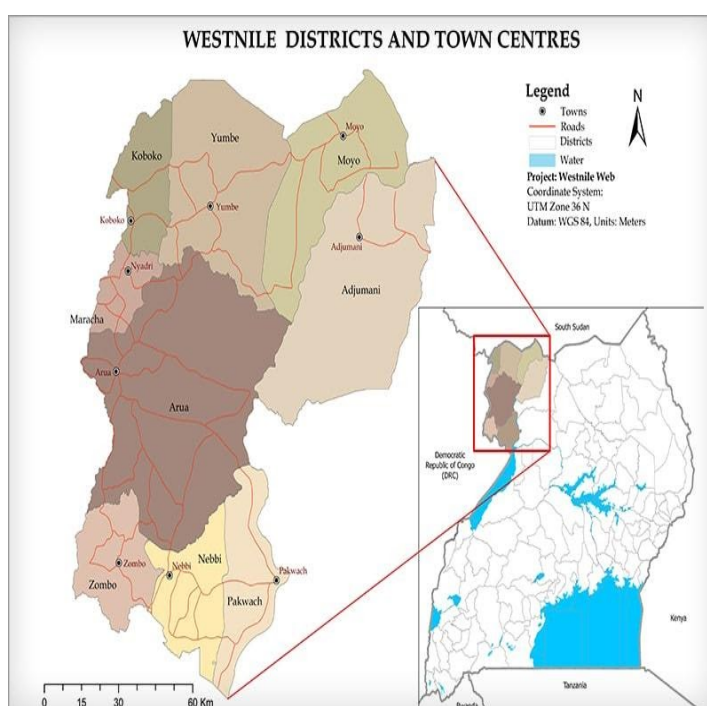
With DCA decentralized, it was DCA's colleagues in Uganda and South Sudan²⁰

that expressed a wish to participate in the DFM SAVIX network project to test the SAVIX tool. So are they to decide if they wish to work with SAVIX in the future.

DCA, Uganda

DCA Uganda has been supporting poor communities in Uganda with relief and long-term development assistance since 1979, working in areas with increasing levels of inequality and exclusion based on income, geography, gender, age and displacement as a result of conflict and other disasters and harsh climatic conditions.

The Country Office is located in Kampala. Additionally, DCA has 3 major field offices located in Yumbe, Arua and Lamwo plus 4 satellite offices located in Lamwo, Kiryandongo, Madi-Okollo and Koboko districts.



DCA operations in Uganda are supported by DANIDA, UNHCR, the European Commission

²⁰ Left the project in 2019.

(EuropeAid and ECHO), ACT Alliance, the Open Society Initiative for Eastern Africa, the Permanent Mission of Denmark to the UN and the Danish population.

DCA strategic priorities

DCA's Uganda programme targets the poor and vulnerable people of Uganda including refugees, with a focus on women who are affected by negative socio-cultural practices including sexual and gender-based violence and lack of access and control over productive resources like land. Youth is another important target group generally marred by poverty, inadequate education and skills, inadequate work/employment opportunities, exploitation, disease, civil unrest and gender discrimination, which is exacerbated by the national youth unemployment rate in Uganda estimated at 80%.

Performance of VSLA groups 2018-2021

DCA has participated in the DFM-Network project as well as worked with VSLAs and use the SAVIX tool in the following projects:

- **DINU project** (European Union through the MoFED): January 2020 – December 2022. (Livelihood Enhancement in Acholi and West Nile).
This project is being implemented by a Consortium of 4 partners namely; Lutheran World Federation (LWF – the lead), DCA, Uganda Protestant Medical Bureau (UPMB) and Mukwano Uganda Industries (a private sector company). This project is being implemented in 9 districts. However, DCA covers four districts of Yumbe, Koboko, Maracha, Arua/Terego and Madi Okollo. DCA intends to establish, register and support 504 VSLA groups.
- **ECHO 2 Project:** May 2017 – December 2018 (Multi sectoral Assistance to South

Sudanese and Host communities in West Nile (Bidibidi, Palorinya and Rhino Camps).

This project was implemented by a consortium of 5 international organisations comprising Mercy Corps (the lead partner), DCA, Save the Children, CARE and Oxfam. DCA implemented the project in Bidibidi settlement (Zone 1, 2 and 5). DCA established and supported 55 VSLA groups and the group savings information was captured in the SAVIX platform.

- **UNHCR project:** January 2018 – December 2019 (Emergency Livelihoods Response for Self-Reliance to Conflict affected South Sudanese Refugees and Host Communities in Bidibidi, Imvepi and Rhino Camp Settlements in Yumbe and Arua Districts). This project targeted and supported over 500 VSLA groups across the 3 settlements in a period of two consecutive years. The intervention targeted both Refugees and the neighboring host communities in the ratio of 70% refugees and 30% host communities.



Figure 11: Embasi farmer saving groups being trained on Action audit in VSLA methodology

As the DFM-Network project started in 2018, the first data the network got in Q4 2018

from DCA Uganda is the final situation for the ECHO2 project and the UNCHR project. Hereafter DCA Uganda has participated in the DFM SAVIX Network with the DINU project.

DINU

Development Initiative for Northern Uganda (DINU) is a Ugandan Government programme supported by the European Union (EU). DINU is a complex multi-sectoral programme led by the office of the Prime Minister (OPM).

DanChurchAid (DCA), in collaboration with Lutheran World Federation (lead responder), Mukwano and Uganda Protestant Medical Bureau (UPMB) jointly responded to a call by Uganda Government under Development Initiative for Northern Uganda (DINU) supported by European Union (EU). DINU/LEWA aspires to improve Livelihoods in the West Nile and Northern region through integrated complementary interventions of increased production, marketing, nutrition and family planning programmes.

Project Overall Goal: To contribute to stability in Northern Uganda, eradicate poverty and undernutrition and strengthen the foundation for sustainable and inclusive socio-economic development.

Project Specific Objective: To improve livelihoods through increased production of diverse food, enhance market opportunities and better maternal and child nutrition.

Areas of implementation: DINU-LEWA project is being implemented in the 9 districts of West Nile and Acholi sub region. For West Nile regions DCA, Uganda Protestant Medical Bureau and Mukwano work in districts of Yumbe, Koboko, Maracha, Arua and Madi Okollo. While Obongi, Moyo, Adjumani and Lamwo being implemented by Lutheran World Federation LWF.

Agriculture is the main economic activity in the districts, though most of the farming is on a subsistence scale - Cassava, sweet potatoes, tobacco, maize, etc. Other economic activities in the districts are livestock and fishing.

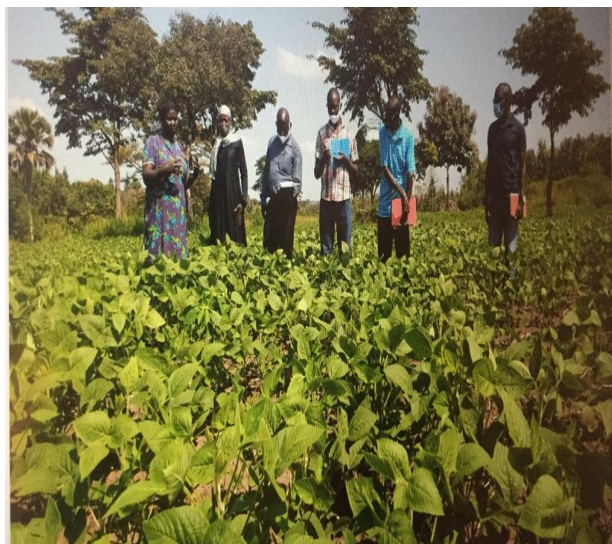


Figure 12: Monitoring of Poroporo VSLA group Farmer fields in Yumbe district

The DINU project started in January 2020, and the VSLA groups were supposed to be established in Q1 2020. However, the VSLA groups were established in Q4 2020. Therefore, data collection for establishing the SAVIX just started in January 2021. DCA Uganda explains that for 2020, they were supposed to have 255 groups which were supposed reflected on the SAVIX platform. Furthermore, they plan to establish 249 more groups in 2021, so in total 504 groups. It should be noted that the VSLA groups do not stand alone but are a component when they form producer groups, and some, about 120 groups already existed as groups when they started the project. However, there is currently only data on 24 groups registered in SAVIX. The reason being that the SAVIX license has expired, needing to pay to gain access again. This reason also applies to why there is no data on the other DCA project in SAVIX. The issue of license was shared with the field office manager, who was supposed

to share the information with the country office who should communicate it to HQ in Copenhagen. Even though it can be discussed what has gone wrong, the introduction of payment for SAVIX has caused problems. Consequently, DCA Uganda cannot contribute with any comparable data on performance to the networks project.

Experience with the DFM SAVIX-Network indicators 2018-21

Generally, DCA Uganda has not been pleased with the DFM user-defined indicators and wishes to change the DFM indicators to other user-defined indicators. The following will review and evaluate DCA Uganda's experience with the DFM user-defined indicators.

Location is not a relevant indicator, as all projects are located in rural settings. Regarding *income-generating activities*, they want to maintain that one. However, they have developed their own indicators to capture this. The same applies to the indicator *Financial Education*, they could maintain it as they are already doing financial training in the groups. The indicator of *Mbrs. with less than ½ an acre of land*, is not found relevant as they have information about land. Furthermore, the indicator is trying to measure vulnerability, but they have another tool for assessing vulnerable households. Regarding *No. Mbrs eating a minimum of 2 meals/day* this indicator may not apply for SAVIX as they through assessment, get that information. Concerning *Number of members Living with a disability*, the indicator could be maintained to track diversity. Lastly, DCA Uganda expressed that the indicator *No. female-headed household members*, does not make sense as they already have that information.

SAVIX indicators in the future

As the DFM SAVIX Network user-defined fields do not fit well with the DINU project indicators, next are the defined fields or indicators DCA has created for the DINU project.

User-defined data (UDF) DCA DINU	
Data item	
Local Government	
	Registered with the district
Youth	
	Youth 18-30 all
	Youth 18-30 female
IGAs	
	No. Mbrs running IGAs
Training	
	No. Mbrs trnd in bus. Skills
	No. Mbrs trnd in fin. Lit
	No. Mbrs with business plans and records
	No. Mbrs trained on best Agronomic practices
	No. Mbrs accessing family planning methods
Gender	
	Value of female savings
	Value of female loans outstanding.
	No. female mbrs in comm leadership roles
Financial Institutions	
	VSLA supp. To open a FI A/C
	Cumulative value of FI loans
	Cumulative Value of FI loans
	Current value of FI loans
	Does VSLA use digital fin service

SAVIX as a Tool for Monitoring

Currently, DCA monitors the VSLA groups monthly using paper and KOBO Collect²¹, which is free for everyone to use and open source, but not everything is captured within KOBO. DCA Uganda uses KOBO in projects where they are in consortiums and not the lead partner. In other projects they use Magpi²² as a tool for monitoring.

²¹ www.kobotoolbox.org

²² www.magpi.com

DCA thinks that SAVIX is a very good tool for monitoring the performance of the VSLA-groups and for the organisational internal monitoring and sustainability of the project but in preparing the VSLA-groups for linking for either bigger or formal loans and economic responsibilities SAVIX needs to integrate with the formal financial institutions for it to work better as one system. In short, SAVIX provides more comprehensive information and records about a particular VSLA-group right from the time of formation to the current status of the saving groups, which may be used to support the groups during linkages opportunities. However, DCA is currently only using KOBO Collect as payment for SAVIX still needs to be handled.



DCA furthermore states that: *"the SAVIX could help our work with reports/recommendations etc. even better, if we strengthen the VSLA structure i.e., CBFs (community-based facilitators) or VSLA trainers, and build their capacity on data collection to ensure quality data. That means that SAVIX implementing partners should*

have allocated for incentives of these community structures."

SAVIX app

DCA Uganda has tried the SAVIX app, but as most of the areas where they work have network challenges, they were not able to use it in the field. Data is, therefore, as just mentioned collected in hard copies monthly, which will be uploaded online using computers. If the SAVIX app can work offline, they will consider using it. However, they are not experiencing any problems collecting the data in the field, as long as the data collectors are trained well. In the digitalisation of the VSLAs, they will not use the SAVIX app, as digitalisation will link to financial service providers.

Digitalisation, VSLAs & the SAVIX

DCA says that:

"...digitalisation of VSLA group is a good initiative that is currently being adopted by most of the development partners, it is a move towards embracing and moving ahead from the conventional form of service delivery to the digital arena. Digitalisation is one of the drives apparently to enhancing financial inclusion to the rural poor it also plays a key role by helping the VSLA saving scheme to move a step ahead to embrace and adapt to changing context of the virtual or mobile wallet form of saving for them to access credits and saved while having a clean and a consistent record. The limiting factor towards scaling the prototype of digitalisation is financial constraints and the fact that digitalisation only benefits mature VSLA groups i.e., those groups that so far have saved or shared out for more than one cycle meaning premature groups that are still in their first may not benefit from digitalisation."

While DCA believes that they can help the VSLA-groups even better, introducing them to digital financial services, SAVIX is a very good initiative for managing VSLA groups and any project designed to promote financial inclusion. In this way, DCA will continue monitoring the groups, using the financial technologies alongside SAVIX. SAVIX has UDFs (user-defined fields) which can be used to track the performance of silent indicators. Unlike digitalisation, SAVIX is used to monitor and assess the performance of VSLA over time right from the time of formation to maturity and even beyond the project lifespan. In short, SAVIX user-defined fields and the standard indicators will be used to track records of

groups being digitized and linked to the financial institution for access to credits and savings.

In linking the VSLA groups to digital financial services, half of the VSLA groups of the DINU project will participate in a test of digital recording integrated with mobile money. DCA will start this pilot process in June 2021 in collaboration with Ensibuuko Technologies. Ensibuuko has developed the app MOBIS for savings groups, enabling access to savings and credit facilities among the rural and unbanked population.



Annex 1: Definitions of SAVIX standard indicator

Name	Text formulae	Explanations	Norms
Programme scale and Membership profile			
Current Members	Total of Members on both supervised and self-managed Groups	Progress against targets	
% of female Members	Number of female Members / Total number of Members	Programme specific progress against targets	70%+ is 'natural' level but may decline over many years to 50-60% as men become more engaged
Attendance rate	No of Members attending this meeting / No. registered Members now	Indicates level of Member commitment. Below 80% indicates diminishing commitment, except for Groups with high % of employees	80%+
Dropout rate	Dropouts this cycle / ((Members at start of cycle + No. registered Members now)/2)	Dropout rates that exceed 10% in second cycle indicate internal problems.	<5%
Membership growth rate	(No. registered Members now - Members at start of cycle) / Members at start of cycle	Growth rate should be either positive or plateau. Indicates attractiveness of Group to Members and aspirant Members	remaining constant or positive
Assets, liabilities, equity			
Total assets	Loan fund cash in box + Bank balance + Value of loans outstanding + Property now + Social fund balance	Total assets is all of the financial and physical property of the Group that it has at its disposal, regardless of any debts	
Liabilities	All debts	Loans from institutions, companies and individuals. This is and aggregate of all such liabilities.	
Equity	Value of savings this cycle + Social fund balance + Property at start of cycle + Net profit	This is the net worth of the Groups. assets - Liabilities = Equity	
Financial performance			
Net profit	Loan fund Cash in Box + Bank Balance + Property Now + Value of loans outstanding - Value of savings this cycle - Property at Start of Cycle - External Debts	Normally, net profit is derived from a profit and loss account, but SGs do not keep formal accounts. We therefore <i>impute</i> net profit as a sum that enables the balance-sheet to balance. This may not be correct but for most SGs it is reliable.	
Dividends paid	Cumulative sum of dividends paid to Members before the distribution	Dividends paid represent a partial shareout before the end of the cycle and is included in the Project Performance report to add to net profit, thus indicating a benefit to Members.	SGs that share out at the end of a cycle do not pay dividends. This should not be confused with the share-out
Average annualized savings per Member	((Savings Amount- Savings reinvested at start of cycle)*(365/No Of Days This Cycle)+Savings reinvested at start of cycle)/Registered Members	A useful measure that enables a project to indicate what the average Member will have saved by the end of a 12 month period, if savings continue at the same rate for the remainder of the year	
Average outstanding loan size per Member	Value of loans outstanding / Number of loans outstanding	This indicates what the balance remaining to be reimbursed of the average loan is at this time. It includes all loans, both new and old. A rising average loan size, accompanied by a high return on assets indicates the increasing utility of debt finance to Members	
Return on savings	(Loan fund Cash in Box + Bank Balance + Property Now + Value of loans outstanding - Value of savings this cycle - Property at start of cycle - External Debts) / Value of Savings this Cycle	This is a measure of financial efficiency for the individual Member and is correlated to Members satisfaction. It is not necessarily a measure of financial efficiency of the Group	10-40%
Return on assets	(Loan fund Cash in Box + Bank Balance + Property Now + Value of loans outstanding - Value of savings this cycle - Property at start of cycle - External Debts) / (Loan Fund Cash in Box + Bank Balance + Loans Outstanding + Property Now + Social Fund Balance)	This is a simple measure of financial efficiency of the group, when all of its assets at any one time are taken into account.	10-35%
Return on average assets	Net profit / ((Total assets at start of cycle + Total assets at the present time)/2)	Return on assets measures profits against the value of accumulated assets, but return on <u>average assets</u> compares profits with the average value of assets a group has been working with. If it starts off with zero assets and, at a later point in the cycle, ends up with \$1,000 the average assets are assumed to be \$1,000/2. It is a standard measure used to assess the efficiency of a financial institution	25-75%
(Weighted) Loan fund utilization rate	(Value of Loans Outstanding + Property Now) / (Loan Fund Cash in Box + Bank Balance + Loans Outstanding + Property Now)	This is a measure of the proportion of all available loan funds that are being used, both as loans and as property investments	Highly variable value neutral
Loans outstanding as % of total assets	Value of Loans Outstanding / (Value of Loans Outstanding + Loan Fund Cash in Box + Bank Balance + Property Now + Social Fund Balance)	This is an important indicator that shows the degree to which a Group chooses to invest its assets in loans.	Highly variable value neutral
% of Members with loans outstanding	Number of loans outstanding / No of registered Members now	This is an implicit measure of equity, indicating the extent to which Members have equal access to loans. A highly concentrated (small) % of loans, accompanied by a high rate of Loans outstanding as a % of total assets	Highly variable value neutral
Write-off rate	Write-offs this Cycle / (Loan Fund Cash in Box + Bank Balance + Value of Loans Outstanding + Property Now)	This is a cumulative figure that measures the amount of money that cannot be recovered from borrowers. It is usually computed at the distribution after all efforts to recover the loan from the Member (including cancellation of shares) have been exhausted, but may also be linked to a borrower's illness or death.	Usually less than 5%
Operational efficiency			
% of Groups formed by Village Agents	Number of Groups formed by Village Agents / Total number of Groups	Increasingly, programmes are depending on VAs to carry the major burden of growth in large projects lasting more than 2-3 years.	50%+
Cost per Member	((Total Project Cost / Total amount of days in the project between start date and end date) * Total amount of days in the project between start date and now) / Total amount of Members	This is a figure that must first of all be computed on an agreed-upon basis across all projects in an MIS. Programmes must decide what their direct and indirect cost line items will be. A decline, over time, is considered positive and normal. It is not a publicly available figure, because different organisations use different criteria for estimating cost	The average cost per Member for international organisations is about \$23, while for local organisations this figure is usually about \$10-12