VSLAs in Emergencies

Research Project Stages: 1 and 2

Why a VSLA in Emergencies Research Project?

Purpose

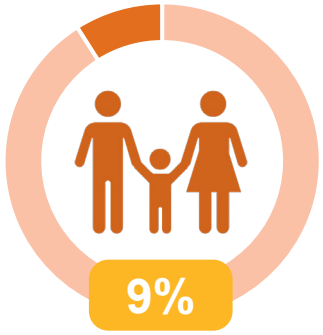
To understand how the standard savings and loan methodology can be adapted in crisis settings, and how VSLAs can serve as both an entry point into communities as well as a platform through which to deliver humanitarian planning and response.

End Goal

To Strengthen the quality and impact of emergency programming by developing a **VSLA in Emergencies (VSLAiE) model that can be adapted and scaled**

Extending the Reach of VSLAs in HUM Programs

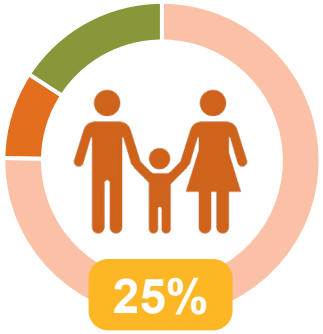
In FY2019, 9% of CARE Humanitarian Programs included VSLAs



representing **1MM** potential VSLA participants

Integrating VSLA into more humanitarian programming holds significant potential for scale.

If we can reach **25%** of Humanitarian Program participants with VSLA…



We could expand potential membership to **MILLIONS** women.

VSLAiE Research – Stage One

14

KIIs in 7 country offices with VSLAiE experience

More than

125

CARE technical experts engaged in consultations across 45 country offices

12+

Peer NGOs involved in an industry-wide learning event in collaboration with the SEEP Network

3

Regional workshops documenting and validating CARE's learning

Key Challenges

VSLAiE Implementation

- Constant movement
- Remote monitoring
- Difficulty to self-select
- Refugees' inability to save
- Saving cycle length

CVA/VSLAiE Integration

- Short term vs. long term
- Refugees' perception of CVA
- Sequencing of project's activities (VSLA/CVA)
- Lack of coordination among CVA/VSLA staff members

Four Key Takeaways

1: Preserve the flexible nature of VSLAs

- Allow the VSLA methodology to work

2: Ensure robust in-country VSLA capacity

- Knowledgeable and experienced VSLA leaders need to support adaptation

3: Harmonize humanitarian donor requirements with the VSLA methodology

- Translate the VSLA methodology for humanitarian proposal and reporting requirements

4: Link VSLAs to CVA at the programmatic and beneficiary level

- Create systematic linkages between VSLAs and Cash and Voucher Assistance

VSLA in Emergencies Approach

Before Implementation

1

Preparedness

Effective implementation of VSLA in complex emergency settings depends significantly on the organization's preparedness plan and its clear vision of where and why CVA interventions integrated with VSLA and vice versa fit into its mission/mandate, goals, and structure

CO's Capacity:

- Train staff on
  - CVA and VSLA methodology
  - How and when to integrate CVA and VSLA
  - Adapted targeting mechanisms/ strategies
- Establish a repertoire of ready to use programmatic Tools and disseminate well among staff
- Establish local partnerships with CBOs, local organization, community leaders. etc

During Implementation

2

Linking VSLA and CVA

Linking CVA with VSLA is primarily done internally among different project team members, and the process should not be apparent to CVA beneficiaries.

A. New VSLAs created through CVA interventions:

- There must be strong coordination and collaboration among both CVA and VSLA team members since VSLA participation is optional.

Defining the following activities post and during implementation is a must:

- Activity sequencing
- Detailed targeting strategy

B. CVA interventions implemented alongside Existing VSLAs

- Existing Savings Groups can be leveraged to support the design and implementation of cash transfer programming.
- Key activities include:
  - CVA assessment
  - Market assessment
  - Program design

3

Flexible VSLA Cycle

Shorten the cycle (9 months is recommended but can be shorter or longer depending on country context). Either way the following activities must be included for groups to be successful.

Flexible VSLA Cycle: 9 to 12 months but must include the following:

- Adapted Training
- Strong Community engagement and dialogue
- Adoption of an accepted Sharia Compliant method for lending (for group and individual lending)
- Delayed Graduation and continued Field monitoring (after share-out):
  - VSLA field officers to continue monitor and support groups during the second cycle

During Second Cycle

4

Building Economic Resilience: Livelihood Programing integration

(recommended for mature groups that have completed at least one savings cycle)

Financial resilience:

- Livelihood integration can be considered once the groups complete their first saving cycle. The following activities must be completed:
  - Business entrepreneurship Training
  - Financial Education
  - Financial Startup grants for group/individual IGAs - recommended only to mature groups with at least 1 to2 cycles experience

OTHER CROSSCUTTING

- **Digital adaptations** (Remote monitoring and digitalization of the money box and record keeping)
- **Social Action and Analysis**

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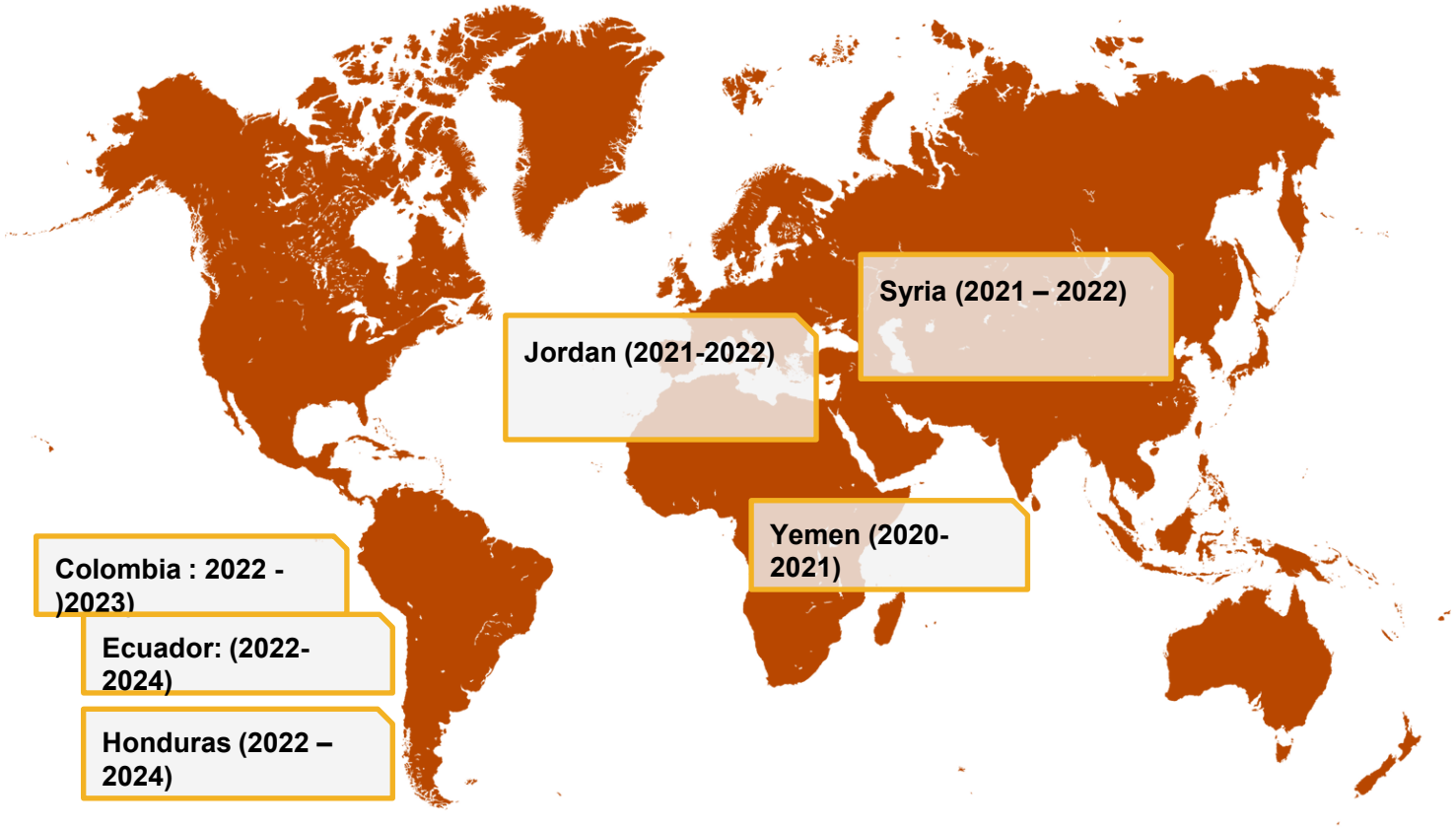
VSLAiE Pilot Locations

With financial support from: Tiffany &CO, Sall Family Foundation, BHA, IDEAL, and Private donor



PEER Learning Group (PLG)

Savings Groups in Emergencies

An orientation
for Savings Group and humanitarian specialists

Establishing Functional VSLAs

Yemen (2020-2021)

- 300 women engaged in 16 VSLAiE (CVA +VSLA). 609 people engaged in community replicated VSLAs
- Average saving per VSLAiE member $220, this amounts to 34% of their cash transfers
- % of people with savings went from 3% to 100%
- 48% of people set up small business activities with their money
- 89% of people reported using money from the social fund to help others in the community
- The percentage of people using negative coping strategies dropped from 39% to 28%

Syria (2021- Ongoing)

- 44 groups established in the first 5 months. 824 members (54% women and 46% men)
- Average saving per VSLA member after only 5 months is $19 USD with some of the more mature groups averaging $46
- 5 groups have entered the lending phase, 19 members have taken loans averaging $65 USD
- There have been 14 distributions from the social fund

Jordan (2021- Ongoing)

- 8 groups have been established with 155 members (96% women and 4% men)

VSLAIE Research State Two – Learning Consolidation

Learning consolidation of recently completed VSLAiE pilots (Yemen, Syria and Jordan) – final report to be published in April 2023

- Sustainability study in Yemen
- Endline study in Syria and Jordan

Context of the pilots

- **Yemen**
  - 16 groups with 300 people participants (100% women)
- **Syria:**
  - MDF: 44 groups with 802 participants (66.3% women)
  - BHA: 57 groups with 1035 group members (74.7% women)
- **Jordan**
  - 36 groups with 716 members (90% women)

Findings Yemen: Sustainability study

- All 16 groups were still active.
- Improvements in Food Consumption Score past the end of the project. **8% rise in** 'acceptable' levels of food security and **a 10% drop in 'poor' food security.**
- Average savings per member have fallen from **$220 to $194** each since the end of the project.

- 79% of loans appear to be consumption smoothing and a lot of these for medical bills.
- 15% for business investment.
- 12% of people had been able to improve their housing.

Findings: Syria

- Members have saved on average $56 per person.
- 265 loans have been distributed with 167 repaid
- 81% said that they had been able to increase how much they consume and purchase, both in terms of food and non-food items.
- 70% said that they had been able to diversify their consumption of food, household goods etc.
- When asked to identify which aspects of the VSLA people found beneficial 46% stated that the ability to smooth over fluctuations in income was very valuable, in particular dealing with winter, paying off debts, and paying rent
- However, the economic situation is seen as a limiter for some members being able to increase their shares by much and currency issues have required adaptation.

Findings: Jordan

- Members have saved on average $54 per person.
- The number of people reporting that they could meet their basic needs increased by 7% between baseline and endline
- The number of people saying they could not meet any of their basic needs fell by 10% between baseline and endline.
- People overwhelming described their experience of being in the VSLA as being positive ‘67% said very positive and 25% quite positive.
- 94% said they would be likely to recommend VSLA membership to another person. Of those 73% said they were very likely to do so.

Going Forward – Path to scale

1. Continuing the research agenda with further study in new contexts

2. Get others to use the model (Peer NGOs, WFP, FAO, UNHCR, USAID Implementation partners)
   - *Toolkit, knowledge sharing workshops (June 2023)*

3. Inclusion of VSLAiE in longer term humanitarian projects to better understand the progression from emergency cash programming, to Livelihood Provision and Livelihood Protection

Thank You!

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