

## WKKF-sponsored VSLAs in Southern Mibalè: End of Cycle Three

*November 1, 2023*

In October 2023, the Village Savings and Loan Associations that were established for former CLM members with support from the W.K. Kellogg Foundation completed their third cycle and paid out members' earnings for the year. Normally each cycle would last 52 weeks, but for these VSLAs the first cycle only was shortened to 29 weeks in order to time the end of the cycle -- and the end of all future cycles -- to correspond with the beginning of the school year.

### *Participation:*

Total membership among the 29 of the original 32 VSLAs for which we have data remained steady since the end of the last cycle, and membership among former members of the CLM program increased by almost 20%:

	1st Year (29 weeks)	2nd Year	3rd Year
<b>VSLA Members</b>	824	1040	1039
<b>Average Members per VSLA</b>	28	35	35
<b>CLM Members in VSLAs</b>	682	677	806
<b>Average CLM Members in VSLAs</b>	23	23	27
<b>Percentage CLM in VSLAs</b>	82%	66%	77%

This is encouraging. One issue that has been challenging for the CLM program in some areas has been to maintain the VSLAs' orientation towards serving CLM families. It is not unusual for the structures to thrive even as former program members drop out and are replaced by better-off community members. As an example, we point to data from four VSLAs that were established in Laskawobas to serve a cohort of 150 CLM families:

First Cycle				Second Cycle			
VSLA Members	Percentage CLM Members	Total Pay-out at cycle's end (HTG)	Average pay-out per member (HTG)	VSLA Members	Percentage CLM Members	Total Pay-out at cycle's end (HTG)	Average pay-out per member (HTG)
185	81%	2,021,179	10,925	220	45%	5,132,500	23,330

If one considers only the economic performance of these four VSLAs, there is reason to be impressed. And the fact that the total number of participants has grown by nearly 20% might also seem positive. But the associations were established by the CLM team to provide long-term structures that support members' livelihoods and help them manage their finances after they have left the program, and in this case 50 of the 150 members dropped out of their VSLA when the second cycle began.

One can see that in the case of the WKKF-supported VSLAs, the trend ran initially in the same direction. The percentage of CLM members involved dropped by nearly 20% between the first and second cycles. But the CLM team's VSLA specialist and the cohort of community VSLA agents that he created to support the VSLAs identified the problem and made it a focus of their work. They made it a point of emphasis in their conversations with the elected leaders of the Associations, and they sought out and encouraged members who had left the VSLAs to return, eventually bringing in some who had not even joined the VSLA program when it began.

One final note concerning the overall participation in the Associations: Of the 32 VSLAs that were initially part of this group, three disbanded after the first or second cycle. That is nearly 10%.

The community agents that were recruited and trained as part of the effort to strengthen the Associations long-term are paid by the Associations themselves. They therefore have a strong interest in maintaining and even increasing the number of Associations they serve. They used their training and the access to VSLA materials that their ongoing connection with the CLM team's VSLA specialist to expand their work, helping to found 25 new VSLAs so far.

*Financial Indicators:*

(All figures in HTG)

	1st Year (29 weeks)	2nd Year	3rd Year
<b>Total Savings</b>	7,687,900	15,933,050	18,511,300
<b>Savings per Member</b>	9,329	15,320	17,816
<b>Loans Disbursed</b>	n/a	34,131,495	40,950,195
<b>Loans per member</b>	n/a	32,819	39,413
<b>Total Pay-out</b>	10,894,958	17,987,646	21,700,900
<b>Pay-out per member</b>	13,222	17,296	20,886

The financial indicators for these VSLAs are uniformly positive. Even as the percentage of members drawn from the CLM program itself grew, the level of savings measured both in total savings and savings per member grew. So did the amount of loans taken, at least from the second to the third cycle. We do not have data concerning loans for the VSLAs' first cycle. And the end-of-cycle pay-out increased as well. The pay-out per member rose by about 20%, and the percentage return rose from roughly 13% in the second cycle to about 17% in the third one.

*Conclusion:*

So, more people and, in particular, more CLM members participated in the VSLAs' third cycle. They saved more money, made greater use of the credit available to them as members, and got a better return on the money they put into their associations. And the movement that is rooted in this project is much larger than what our data reflects. The community agents who were recruited and trained to follow-up with the original VSLAs have established 25 additional associations.

We believe that one key to their success has been the approach developed and implemented by the CLM team's VSLA specialist, Martinière Jasmin. He wanted to make sure that the VSLAs continued to receive outside, competent support even after the CLM team moved to other areas. With each new cohort of CLM members, he has additional VSLAs that he must support, so his continuing to work with the associations directly was impractical. Nor did Fonkoze have the resources to add additional staff. The only sensible, long-term solution seemed to be to find a way to help the VSLAs and their members pay for the kind of ongoing support they need.

That is what Jasmin has managed to do. He recruited and then trained a cohort of community VSLA agents. They are local residents with a level of education that enables them to help individual VSLA committees manage their VSLAs competently. These agents receive training from the CLM staff, both initially and in occasional refresher sessions. They are also encouraged to maintain close contact with Fonkoze's specialist, who continues to visit VSLAs occasionally.

These agents are engaged and rewarded by the VSLAs they serve. In some cases, an end-of-cycle fee is paid to the agent by the VSLA as a whole. It is deducted from the solidarity fund. In others, individual VSLA members pay the agent a small fee out of their end-of-cycle pay-out.

The VSLAs in this cohort are now served by six agents. Between the VSLAs that started as part of the cohort, some of these agents now work with as many as nine separate VSLAs. They tend to receive 6,000 to 7,000 gourds from the WKKF-funded VSLAs when those VSLAs reach the end of their cycle. They can earn more from the additional VSLAs that they have helped to establish, for which they negotiate a rate and can make 500 gourds per VSLA member.