

# VSLAS IN COCOA

*The Business/Income Case: 2019, November – December*



FOR MORE INFORMATION  
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# ACRONYMS USED

1. ASCA = Accumulating Savings and Credit Association
2. CCPC = Community Child Protection Committee
3. CFREC = Cellule Féminine de Renforcement Économique [a VSLA+ model developed and implemented by ICI; is a savings group – primarily for women; ICI provides a grant as necessary to support with loans)
4. CLP = Cocoa Livelihoods Association
5. FSP = Financial Services Provider
6. GALS = Gender Action Learning System
7. GAP = Good Agriculture Practice
8. GDP = Gross Domestic Product
9. ICI= International Cocoa Initiative
10. IFC = International Finance Corporation
11. KIT = Royal Tropical Institute
12. M&E = Monitoring & Evaluation
13. NGO = Nongovernmental Organization
14. ROI = Return on Investment (for every dollar spent, what is the financial gain created)
15. ROSCA = Rotating Savings and Credit Association
16. SACCO = Savings and Credit Cooperative
17. SAVIX = Savings Group Information Exchange: online management information system (MIS) for savings group information – most widely used MIS for savings groups
18. SEEP = “The Small Enterprise, Education and Promotion Network” or The SEEP Network
19. SG = Savings Group
20. SILC = Savings and Internal Lending Communities
21. VSLA = Village Savings & Loan Association
22. WEAI = Women’s Empowerment in Agriculture Index
23. WCF = World Cocoa Foundation

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# VSLAS IN COCOA

THE BUSINESS/INCOME CASE– 2019: NOVEMBER - DECEMBER

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## REPORT OVERVIEW AND EXECUTIVE SUMMARY

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Village Savings and Loan Associations (VSLA) are a key component of many cocoa and chocolate companies' sustainability initiatives. The VSLAs support the companies' women's empowerment objectives and are known to have many benefits. Given how much investment the cocoa industry is making in VSLAs, the World Cocoa Foundation is seeking to gather more information specifically on the financial/ business / income case for VSLAs.

The purpose of this report is to outline the VSLA financial potential for cocoa and chocolate companies and to provide insight for VSLA programming. This report is not intended to focus on detailing researched evidence of other benefits of VSLAs such as those related to women's empowerment. It is not intended to identify all the best practices and pitfalls related to VSLA implementation. Further this report is not intended to focus on alignment and learnings from CocoaAction measurement related to VSLAs and women's empowerment. Rather, the specific areas of focus for this report are intended to be:

- a. What does existing research show regarding how much VSLAs contribute to closing the income gap?
- b. What is the marginal contribution of VSLAs on income generating activities...and what other income generating activities should be implemented in conjunction with the VSLA?
- c. What does research and/or data show regarding the real or perceived Return on Investment of the VSLAs? Does research exist to compare VSLAs with other savings and/or income generating approaches regarding effectiveness, efficiency, impact and value for investment?
- d. Do impacts change based on household size, level of female participation, specifics of the VSLA, etc.?

In order to conduct this report, input and data was sought from chocolate and cocoa companies and their VSLA implementing partners and third party research was conducted. These materials were analyzed and synthesized. A draft was shared and reviewed with cocoa and chocolate company community development experts and their implementing partners, and their feedback was incorporated into this final report.

There are many benefits to VSLAs including but not limited to the way they are a low cost, safe and accessible way for women and men in rural areas to save and access loans. VSLAs promote women's empowerment; they support investments in farming and other income generating activities; they help members to smooth their access to cash; they promote financial literacy and social networks. In terms of their benefits in closing the income gap, there is not a lot of evidence to strongly support this.

Although research does not necessarily support VSLAs having significant impact on closing the income gap, VSLAs do produce financial benefits. Financial benefits relate to how much better off the participants are 'financially' because of their involvement in the VSLA. There are various ways one could define the financial benefits for the VSLA. For purposes of this report - due to the ease of its data collection and its attribution to the VSLA participation - we defined the financial benefit of the VSLA as the 'profit to the group': essentially the payout to the group as compared to how much they initially paid for their shares. This can also be looked at as the average payout to the individuals within the group.

In order to calculate a return on investment, we considered the financial benefit for the participants over three years as well as the financial benefits for a replicated VSLA for two years related to the cost that the donor/implementer spends to set up and oversee the VSLA for its first cycle. While many assumptions were made related to these benefits and costs, based on data from six different cocoa/VSLA programs, we estimate

the ROI of the VSLA to be approximately 52%.<sup>1</sup> That suggests that for every \$1 spent in setting up the VSLA, one could expect \$0.52 generated in profits to the participants. There is still work to be done to be sure that the data being used is consistent across each program. For example to ensure the ‘payout’ being used for a cycle is in fact the payout from a full cycle; and to ensure the interpretation of all data shared by implementers is accurate.

There is limited data to be able to calculate an equivalent ROI on other savings and loans alternatives, such as credits from the cooperative or linking VSLAs to formal financial institutions. There are some studies which suggest to date that there is little if any additional value to participants for their access to formal financial institutions. We do have data for a slightly different newer model – one where there is an external grant; however, it is too early to determine whether the returns are higher or not.

The very nature of a VSLA promotes women’s empowerment – given the majority of its members are women; it promotes access to finance, financial literacy and social networks. However, in their most basic form, VSLAs are not gender transformative. More work needs to be done beyond only implementing a VSLA in order to promote changes in norms and attitudes among men and women to enhance sustainable women’s empowerment and thus to further enhance the benefits of the VSLA.

It is important for those involved in implementing and learning about best practices and effective strategies for VSLAs to consider what the ultimate objectives of the VSLAs are. Based on this, then a limited number of ‘top line’ measures may be considered to measure across the VSLAs to see if they are achieving their intended outcome. Further it is important to consider what sort of segmentation may be considered to dig into how different groups of people are affected by the VSLAs and/or how different approaches may be working.

Once the top-level questions and measurement questions are agreed upon, a measurement approach can be developed to support this. While the specifics of the approach will vary depending on these questions, there are some standard recommendations to support effective collection and use of VSLA data. First some definitions should be clarified; and then there should be a streamlined approach to consistently and comprehensively collect the necessary data. And finally there should be an efficient means of reviewing the data to check its quality and validity. The SAVIX system and the accompanying training may help if used to its fullest to support the measurement, operational management of and learning from VSLAs in West Africa. In parallel there could be deep dive evaluations to understand better the impact of the VSLAs on the additional income generating activities.

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## OVERVIEW OF THE WORK CARRIED OUT

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There were two key sources of information used to develop this report: 1) external literature review and 2) direct feedback and data from those involved in implementing VSLAs in cocoa growing communities in Ghana and Cote d’Ivoire. The external literature review focused on studies and toolkits related to savings groups, their impact, and gender-related initiatives, in order to provide background and context for the key questions of this report. Some studies were meta-studies whereas others were individual case studies. Appendix 2 contains more details regarding the studies that were used for this report. Direct feedback was sought from approximately 12 cocoa/chocolate companies and 10 implementing partners. Appendix 4 contains a list of organizations contacted. Six implementers shared feedback, insights, and in many cases relevant data; and several of the cocoa/chocolate companies added information too. Based on the information and data reviewed, we developed a simple ‘model’ to estimate the ROI and we synthesized the various findings in a draft report, which was shared with participants of the WCF Learning Meeting<sup>2</sup>. Participants at this meeting shared

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<sup>1</sup> Data provided on six different cocoa projects; however, there is still additional analysis being done to ensure that the data used for each project are consistent; thus the ROI calculated may change when the data is clarified later on.

<sup>2</sup> WCF Community Development Acceleration Learning Meeting. 12 December, 2019. Abidjan, Cote d’Ivoire.

additional feedback and questions and those topics in scope of this report were incorporated into this final report.

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## SAVINGS GROUP OVERVIEW/BACKGROUND

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There are a variety of types of community based savings and loans associations. The two main categories are rotating savings and credit associations (ROSCAs) and Accumulating Savings and Credits Associations (ASCAs). Both are typically made up of about 15-30 participants, majority women, and are time bound. The participants contribute on a periodic basis (monthly for ROSCAs) to the savings of the group. In the case of the ROSCA, each month a member of the group (on a pre determined rotating basis) receives the monthly sum of the savings. In Africa, ROSCAs are referred to by a variety of names such as: “*tontines, susus, merry-go-rounds, xitiques*, etc”<sup>3</sup>. ROSCA members contribute a fixed amount at agreed-upon intervals. The amount collected each interval is paid to one member in turn, until every member has received the “pot.”

In the case of ASCAs, loans from their pool of savings are made out to members as they need them and the members pay back the loan with interest. In an ASCA, money that is not out as a loan will be stored in a lockbox. At the end of a predetermined term, the overall fund (which is made up of the savings and the interest payments) is paid out to the group members based on their percent of contribution to the savings pool. At that point members can decide whether to start a new cycle or whether to disband. Figure 1 outlines this structure/process<sup>4</sup>.

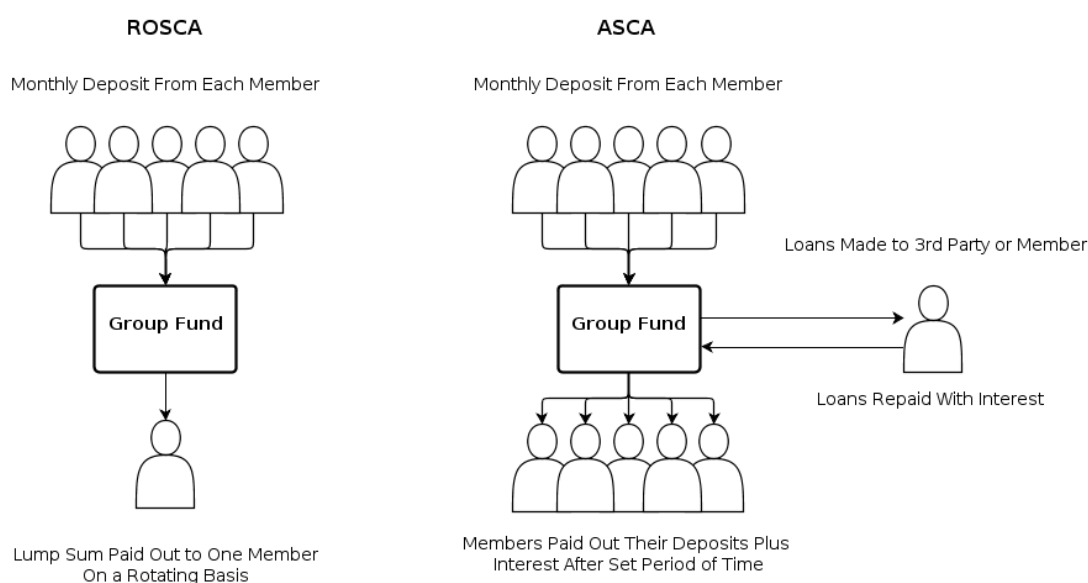


Figure 1: ROSCA vs ASCA process

Community Savings and Loans Associations are different than ‘Self Help Groups’ (SHGs) which are most typically seen in India and are ‘frequently cited as the largest community based microfinance movement in the world.’<sup>5</sup> A study that compared SHGs with Community Savings and Loans Associations found that while these types of groups are both small and self managed and make loans to themselves, there are

<sup>3</sup> Allen, Hugh and Panetta, David. (Seep network 2010). “Savings Groups: What are they?”

<https://seepnetwork.org/Resource-Post/Savings-Groups-What-Are-They>

<sup>4</sup> Source: <http://investeddevelopment.com/2012/04/the-benefits-of-informal-savings-groups/>

<sup>5</sup> [https://www.akdn.org/sites/akdn/files/Publications/2011\\_akf\\_beyond\\_financial\\_services.pdf](https://www.akdn.org/sites/akdn/files/Publications/2011_akf_beyond_financial_services.pdf)



significant differences. Self help groups “typically have a long-term relationship with their creator”; savings groups distribute all the savings; SHGs also promote more linkages with financial institutions; seem to be more credit-led; and tend to be more complex.<sup>6</sup>

Within the group of ASCAs there are a variety of forms that are implemented depending on the implementing organization. For example, there are “Village Savings and Loan Associations (VSLAs) promoted by CARE, Savings and Internal Lending Communities (SILCs) promoted by Catholic Relief Services, Savings for Change (SfC) groups promoted by Oxfam and Freedom from Hunger”, etc.<sup>7</sup>

In addition to ROSCAs and ASCAs, other options for savings and loans in rural communities include, for example, “Savings and Credit Cooperatives (SACCOs) which are larger groups and serve as a cooperative bank.”<sup>8</sup> Within the cocoa sector, there was research by the IFC on cocoa farmers in Cote d’Ivoire in 2013 and 2015. This research showed that these farmers were ‘less poor than the national rural population’ and that they also were ‘more likely to have an account at a formal financial institution than the general population’. 14 percent of the farmers had an account with a microfinance institution (MFI) (including financial cooperatives) and 6 percent of the farmers had a bank account. Of those farmers who had an account with an MFI, most had accounts with “Uncacoopec, a network of financial cooperatives currently under government administration and experiencing substantial financial distress, and which has had issues with the quality of its services.”<sup>9</sup>

This document focuses on VSLAs, a form of ASCA, typically with 15-30 members. Group members meet regularly and make a minimum contribution at each meeting (purchase one share), but they can choose to contribute more (purchase more shares) up to a maximum of five shares. Further at each meeting, participants can choose to take a loan which must be paid back within a short period of time at a predetermined interest rate. A member cannot take out a loan that is more than three times the value of his/her shares. The savings and loan repayments are kept in a ‘group lockbox’ that has three keys held by different members. All transactions take place during the group meetings and are recorded in individual passbooks which are stored in the lockbox. The VSLA often has an additional ‘social fund’ which serves as an insurance fund that can be accessed as an interest-free loan in a time of emergency. VSLA funds are all from contributions of the participants – there is no outside funding. A cycle lasts for nine to twelve months. At the end of the cycle, the whole savings fund is distributed to members based on the number of shares they have purchased. Then the group may choose to start a new cycle.<sup>10</sup>

VSLAs are often considered to be a sustainable model for savings and loans in rural areas due to several of their characteristics, including – although not limited to: <sup>11</sup>

- they are savings led and thus, do not have external debt;
- they are simple and transparent which promotes trust;
- they can self replicate as once they are established there are few operating costs;
- they have a social fund to help members in an emergency;
- they serve as a platform to connect with other services and financial institutions.

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<sup>6</sup> Ibid.

<sup>7</sup> <http://www.microfinancegateway.org/sites/default/files/mfg-en-toolkit-linking-savings-and-loan-associations-to-external-financing-a-guide-for-practitioners-nov-2012.pdf>

<sup>8</sup> Ibid.

<sup>9</sup> <http://www.ruralfinanceandinvestment.org/sites/default/files/128223-WP-IVC-ENGLISH-Digitizing-Cocoa-Value-Chain-PUBLIC.pdf>

<sup>10</sup> <https://www.pnas.org/content/pnas/114/12/3079.full.pdf>

<sup>11</sup> Baradoe, Joseph. *An assessment of the Village Saving and Loan Associations (VSLA's) scheme on the livelihoods of cocoa farming communities. A case study in Asunafo North Municipality* July 2017 (Thesis for School of Graduate Studies, Kwame Nkrumah University of Science and Technology Kumasi)

**GENERAL STATED BENEFITS OF VSLAS**

VSLAs provide participants and their communities with a variety of benefits, and many different studies have shown positive results. They provide a safe way and typically a relatively low cost manner for participants to access financial services.<sup>12</sup> In addition, they promote self confidence and women's empowerment; disciplined savings and financial knowledge; access to funds for either emergencies, investments, or specific needs such as education; increased strength of social networks, connections and support; financial literacy; as well as the 'fun' associated with the participation.<sup>13</sup>

VSLA participants benefit from their savings which helps them to have cash when they need it; and they benefit from their loans which provide them with the opportunity to spend more cash than they have in the moment to be able to cover an emergency or invest in a business opportunity which hopefully will generate positive income for them in the future. Loans are used in a variety of ways. One study from 2015 that looked at access to finance for cocoa farmers in Cote d'Ivoire found that of the loans taken out by cocoa farmers (not necessarily through a VSLA<sup>14</sup>), most were used for "emergency (59%); 15% for school fees; 21% for regular household; 7% for farm tools or inputs."<sup>15</sup> Meanwhile, in a more recent study – not yet publicly available - of approximately 225 VSLAs with approximately 6200 members in cocoa growing communities in Cote d'Ivoire, 50 – 65% of the loans were used for small businesses; 20-30% of the loans were used for their cocoa; 6-8% for education expenses and the remaining loans were used for other agriculture. Thus, for the participants of these 225 VSLAs there is a lot of potential for financial gains from having access to a loan to invest in income generating work – small enterprises or their cocoa plots. Implementers have information on a variety of anecdotes of the investments and benefits made from the VSLA loans, although there is less collective research on the make-up and impact of these investments.

In addition to the immediate benefits that participants experience associated with the VSLA, there are also broader benefits. The VSLAs often serve as a starting point, accelerator or catalyst for investments, business growth, and household change. For example once a participant has had the experience in the VSLA, she may gain confidence and financial literacy skills; and she may have made a small investment in her business; this may catalyze a lot more growth. Or when a participant is able to pay for her children's education expenses, then she is investing in their future which can have short and long term impacts on for example the child's future path and that of future generations. There are studies that show how the education of adults may affect their wage rates and/or their attitude to education, both of which may encourage the parent to send the child to school and not to have the child engage in child labor.<sup>16</sup> In one cocoa community the Community Child Protection Committee had identified seven children who were not going to school and in child labor. The VSLA approved funds to cover the cost of their uniforms which removed a barrier from them going to school and increased the chance that they would be removed from child labor.<sup>17</sup>

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<sup>12</sup> [https://www.akdn.org/sites/akdn/files/Publications/2011\\_akf\\_beyond\\_financial\\_services.pdf](https://www.akdn.org/sites/akdn/files/Publications/2011_akf_beyond_financial_services.pdf)

<sup>13</sup> Variety of sources: some include: <http://investeddevelopment.com/2012/04/the-benefits-of-informal-savings-groups/>; <https://www.cgap.org/blog/savings-groups>; information from CARE and Mars

<sup>14</sup> Source of loans: 54% from family and friends; 40% from agricultural cooperative; 5% from MFI; 5% from financial cooperative; 1% from bank; 11% from other; also in terms of the cocoa farmers' savings 2% save through informal/traditional savings groups; 2% through agriculture cooperatives; 37% save at home; 20% through mobile money; 17% through an MFI/Financial coop; and 16% through bank; 7% through other

<sup>15</sup> <http://www.ruralfinanceandinvestment.org/sites/default/files/128223-WP-IVC-ENGLISH-Digitizing-Cocoa-Value-Chain-PUBLIC.pdf>

<sup>16</sup> de Carvalho Filho, Irineu Evangelista. 2008. "Household Income As A Determinant of Child Labor and School Enrollment in Brazil: Evidence From A Social Security Reform - IMF Working Paper". <https://www.imf.org/external/pubs/ft/wp/2008/wp08241.pdf>

<sup>17</sup> Interview with cocoa community expert

## LITTLE EVIDENCE AVAILABLE TO SHOW THAT VSLAS CLOSE THE INCOME GAP

While VSLAs have a lot of positive benefits, there is little rigorous data that shows their direct impact on closing the income gap. There are some reports and case studies that show VSLA impact on income. However there is also a broader question regarding how significant the impact potential is given the small magnitude of a given loan relative to the size of the income gap. At the same time, VSLAs may be an important component of a broader more holistic intervention to close the income gap.

The most robust study on the impact of VSLAs on income is a randomized control trial (RCT) that was conducted by IPA with CARE and local implementing partners. Data was collected from 2008-2011 for three different VSLA programs – one in Malawi, one in Uganda and one in Ghana. More than 15,000 households in nearly 95 communities participated in the study and clusters of villages were assigned randomly to be in the treatment group or the comparison group. The study found ‘no evidence that the VSLA program changes average income or consumption.’ The researchers suggested that the ‘lack of impact likely reflects the fact that participants saved relatively little; though savings increased, the amount was too low relative to household consumption to have transformative effects on the overall financial well-being of a household or microenterprise.’<sup>18</sup>

Further, a systematic review of 53 studies conducted between 2004 and 2017 which included measures of well-being reviewed what the analyzed studies showed regarding impact on income. The researchers noted that in one study in Zanzibar, participants reported increased income and in one other study – in Rwanda – they did find an increase in income among the households who started with the lowest income levels. There were some other more rigorous studies that looked at consumption or expenditures as a proxy for income and the outcomes of these studies were mixed.<sup>19</sup>

According to a blog on CARE’s website<sup>20</sup>, in Uganda, over three years, VSLA members’ monthly household income rose from \$60 to \$95. However, it is not clear how much of these results are attributed to the VLSAs or something else that was happening. In addition another CARE project with VSLAs resulted in household annual income increasing from \$418 at the baseline to \$771 at the endline<sup>21</sup>. Further, “An evaluation of CARE VSLAs in Afghanistan” indicated that they could not report on the increase in income for the VSLA members because they did not have baseline data. They did note that ‘respondents did report an increase in their income as a result of the VSLA, but the specific amounts should be further investigated if needed.’<sup>22</sup> According to the various reports and information from CARE, VSLAs will contribute towards participants achieving a living income, e.g., through stabilizing income, engaging women, and access to loans for investment in income generating activities, but on their own they will not close the income gap. VSLAs serve as the foundation/basis or a catalyst from which other interventions can build to close the income gap.

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<sup>18</sup> Innovations for Poverty Action (IPA) – 2017: “The Impact of Savings Groups on the Lives of the Rural Poor in Ghana” - <https://www.povertyactionlab.org/evaluation/impact-savings-groups-lives-rural-poor-ghana>; full study is “Impact of savings groups on the lives of the poor” - <https://www.pnas.org/content/pnas/114/12/3079.full.pdf>

<sup>19</sup> Gash, Megan. 2017. “Understanding the Impact of Savings Groups”. SEEP and FSD Africa. [https://mangotree.org/files/galleries/SEEP\\_Understanding-the-Impact-of-Savings-Groups\\_20180117\\_FINAL-0001.pdf](https://mangotree.org/files/galleries/SEEP_Understanding-the-Impact-of-Savings-Groups_20180117_FINAL-0001.pdf)

<sup>20</sup> “VSLAs the three keys to financial security”; <https://insights.careinternational.org.uk/development-blog/vslas-the-three-keys-to-financial-security>

<sup>21</sup> Final Performance Evaluation: graduation with resilience to achieve sustainable development (GRAD) activity - [https://www.careevaluations.org/wp-content/uploads/GRAD-Final-Evaluation-Report\\_for-Submission-01-05.pdf](https://www.careevaluations.org/wp-content/uploads/GRAD-Final-Evaluation-Report_for-Submission-01-05.pdf)

<sup>22</sup> Research on the role of Village Saving and Loan Association / Community Based Savings Groups in household's resilience CARE Afghanistan. <https://mangotree.org/files/galleries/VSLACommunityBasedSavingResearch.pdf>

According to the research done by the Farmer Income Lab, there is evidence that savings-led groups can result in an increase in income. “Savings-led groups demonstrated income increases ranging from 21% to 31% [this increase was only derived from findings in a limited number of studies since no others reported on the size of the impact].”<sup>23</sup>

### **CRITICISMS/RISKS OF VSLAS**

While VSLAs have many benefits they do come with their risks. Risks may relate for example to gender dynamics and risks to the women if attitudes and norms aren’t changed; risks may relate to loans being unpaid and the impact on members whose savings could dissipate; there may be challenges related to the poorest of the poor not being able to make the savings requirements of the group; there may be challenges related to implementation and reporting due to illiteracy, etc. A literature review of 30 Savings Group evaluations, analysis of program data, and primary research and interviews, looked at women’s empowerment and savings groups and ways to promote better and more sustainable outcomes. Table 1 below is taken directly from this review and identifies areas of risk and potential mitigation strategies related to implementation of various interventions related to savings group.

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<sup>23</sup> What works to increase Smallholder Farmers Income - a Landscape Review  
[https://www.farmerincomelab.com/sites/g/files/jydpvr621/files/2019-09/What%20Works\\_FINAL\\_9.19.pdf](https://www.farmerincomelab.com/sites/g/files/jydpvr621/files/2019-09/What%20Works_FINAL_9.19.pdf)

RISK AREA	RISK IDENTIFICATION	MITIGATION STRATEGIES
Do No Harm	<ul style="list-style-type: none"> <li>Is there an understanding of context-specific gender barriers to inform the adaptation of the Savings Group model?</li> <li>Have implementing partner agencies and staff been vetted to work with women, specifically girls and young women?</li> <li>Are project and partner staff trained and supported to address gender issues that may arise?</li> </ul>	<ul style="list-style-type: none"> <li>Gender analysis to identify barriers and to avoid incorrect assumptions</li> <li>Engage women in Savings Groups to set empowerment targets</li> <li>Safeguarding policies in place to protect women and facilitate whistleblowing</li> <li>Long-term capacity-building of staff and partners in gender-sensitive programming</li> </ul>
Ethical monitoring and results measurement	<ul style="list-style-type: none"> <li>Is the environment conducive to women's participation in interviews?</li> <li>How is the privacy of responses assured, particularly sensitive information which might put subject at risk?</li> <li>Are the questions adapted for sensitive and gender-specific issues?</li> <li>Is the interviewer aware of sensitivities in questions to ask/not ask?</li> </ul>	<ul style="list-style-type: none"> <li>Gender-appropriate interviewer</li> <li>Technical experts to support development of research tools in response to contextually specific sensitivities</li> <li>Capacity-building of interviewer around gender sensitivities and human subject protection protocols</li> <li>Scoping visit made to interview locations, arrangements ensure privacy of participants</li> </ul>
<b>IMPLEMENTATION</b>		
Coercion and women's lack of bargaining power	<ul style="list-style-type: none"> <li>Does the project work with power-holders – men, relatives, influential community members – to enable women to travel to Savings Group meetings and control group funds?</li> <li>Do women experience financial anxiety or household conflict due to savings and borrowing decisions in Savings Groups?</li> </ul>	<ul style="list-style-type: none"> <li>Engage men and powerholders before Savings Group are established, to support women's participation and control over Savings Group activities and funds</li> <li>Support joint creation of savings goals, by female members and male partners</li> <li>Project staff to reinforce quality assurance around group governance, and encourage members to raise concerns</li> </ul>
Challenging male authority and role as provider	<ul style="list-style-type: none"> <li>Does male authority and identity as breadwinners limit the potential of female Savings Group members in terms of: <ul style="list-style-type: none"> <li>Savings and investment goals</li> <li>Sustainability of income-generating activities</li> <li>Social engagement</li> <li>Fear of conflict, IPV and GBV</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Community advocacy regarding the economic potential of women</li> <li>Engaging powerholders in trainings and transformation process</li> <li>Support access to legal and support services</li> </ul>
Creating double burden on women's time as they invest in IGAs	<ul style="list-style-type: none"> <li>Is health (mental and physical) affected by additional economic activity?</li> <li>Do women experience increased conflict as a result of increased economic activity?</li> <li>Does increased economic activity impact children's (particularly girls) school attendance?</li> <li>Do mothers who engage in increased economic activity experience stigma?</li> </ul>	<ul style="list-style-type: none"> <li>Community advocacy regarding the economic potential of women</li> <li>Facilitate discussions around changing gendered roles, redistribution of household and care responsibilities</li> <li>Promote technologies and training that reduce burden and save time (e.g. food preservation techniques)</li> </ul>
Savings Group add-on activities including enterprise development, linkage to formal financial services and digitization of services	<ul style="list-style-type: none"> <li>Do women fully understand conditions and implications of new financial products and services?</li> <li>Does digital technology have an impact on group dynamics, as well as institutional and financial performance? Are these technologies bridging or exacerbating the digital gender divide?</li> </ul>	<ul style="list-style-type: none"> <li>Additional financial education</li> <li>Facilitate discussions around changing gendered roles</li> <li>Build awareness of consumer rights and capacity to understand conditions of use for new, formal products and services</li> <li>Pilot new products and services – with rigorous analysis of impact</li> </ul>

Table 1: Seep Network: Savings Group Implementation - Risks and Mitigation Strategies<sup>24</sup>

## RETURN ON INVESTMENT OF A VSLA – IN COCOA GROWING COMMUNITIES

Typically the concept 'Return on Investment' (ROI) refers to *for every unit of currency that is invested, what sort of financial benefit (for example profit) will be generated.* Thus when considering the ROI for a VSLA, in an ideal

<sup>24</sup> Seep Network. FSD Africa. Nathan. UKAid. 2018. "Women's Empowerment and Savings Groups: What do we know" <https://seepnetwork.org/files/galleries/2019-SG-LB-Womens-Empowerment-And-SGs-EN-DIGITAL.pdf>

situation, one would consider for every dollar spent in setting up and running a VSLA how much extra money are the participants receiving due to their participation in the VSLA. That is *what is the financial benefit to the participants related to the cost*.

For many organizations implementing a VSLA, the financial ‘ROI’ may not be the objective. For example the VSLA may be implemented as a component to help support women’s empowerment with an ultimate objective to reduce child labor. In these situations the outcome or the ‘return’ that the implementer seeks relates to increased women’s empowerment and/or reduced child labor and is not a quantifiable income/finance number. However, *for purposes of this paper, we are focusing on the ‘financial’ benefit associated with the VSLA*.

For the ROI of the VSLAs, there are questions regarding the definitions of the key components of the ROI calculation. For example, in terms of financial benefits, should it be the savings or the amount of loans? Should it be the increase in money returned to participants relative to the amount they contributed as savings? Should it be the increased profits from their income generating activities and/or cocoa farms related to the investment they made from their loan from the VSLA? These options and their trade-offs are outlined in Table 2 below. Regarding the costs, what are the specific costs associated with setting up the VSLA? Which costs are absolutely necessary and which are creating added value? Further should the ROI be considered for a single cycle? How should we factor in future cycles and what about other VSLAs that emerge as replicated versions? How should their costs and benefits factor into the VSLA ROI? The financial benefit, the costs, the time period and the replicated VSLA impact are discussed in more detail below.

Financial Benefit	Definition	Pro	Con
<b>Savings</b>	The value of the money that VSLA participants save by buying ‘shares’ at a fixed price from the VSLA. (equal to the purchase price per share (or the original share value) times number of shares in group)	<ul style="list-style-type: none"> <li>* Easy to track</li> <li>* Clear definition</li> <li>* Direct attribution to VSLA</li> <li>* Important benefit of the VSLA</li> </ul>	Does not show a direct connection to improved income or livelihood
<b>Loans Disbursed</b>	Value of the loans taken out by the VSLA members	<ul style="list-style-type: none"> <li>* Easy to track</li> <li>* Clear definition</li> <li>* Direct attribution to VSLA</li> <li>* Important benefit of the VSLA</li> </ul>	Does not show a direct connection to improved income or livelihood
<b>Profit to Group</b>	Value of payout to group – greater than amount of savings put into the group. (relates to interest income, fines and any donations subtracting out any fees, losses, etc. <sup>25</sup> )	<ul style="list-style-type: none"> <li>* Easy to track</li> <li>* Clear definition</li> <li>* Direct attribution to VSLA</li> <li>* Important benefit of the VSLA</li> <li>* Direct impact on income/livelihood of participants</li> </ul>	While it is profit (an increased income) for some participants, it is a ‘redistribution’ of income among the group members; that is all the ‘profit’ distributed is funds paid in by group members
<b>Net income generated from the investments made with the loans</b>	Net income from income generating activities (cocoa, additional farming, or other activities) that can be attributed to the investment made using the VSLA loan and/or VSLA net payout (net of initial amount invested in savings)	<ul style="list-style-type: none"> <li>* Focuses on additional income generated from an investment (that is ‘growth in Gross Domestic Product (GDP)’)</li> </ul>	<ul style="list-style-type: none"> <li>* Hard to track (self-reporting)</li> <li>* Unclear definition (how to define net income)</li> <li>* Hard to attribute the net income specifically to the loan</li> </ul>

*Table 2: Potential Financial Benefit Measures*

When considering which financial benefit measure to use it is important to evaluate the trade-off between the ease of capturing the data/tracking it and attributing the result to the VSLA versus the actual alignment the measure has with a sign of improved income. Ideally there would be a measure that is easy to track,

<sup>25</sup> The SAVIX database calculates this figure from the VSLA balance sheet (since VSLAs do not have full income statements) as follows: “(cash + value of loans outstanding+ property now) – (savings + debts + property at start of cycle))”

directly attributable to the VSLA and well aligned with an improved income and livelihood. Figure 2 shows the potential financial benefit measures outlined in Table 2 mapped against these criteria.

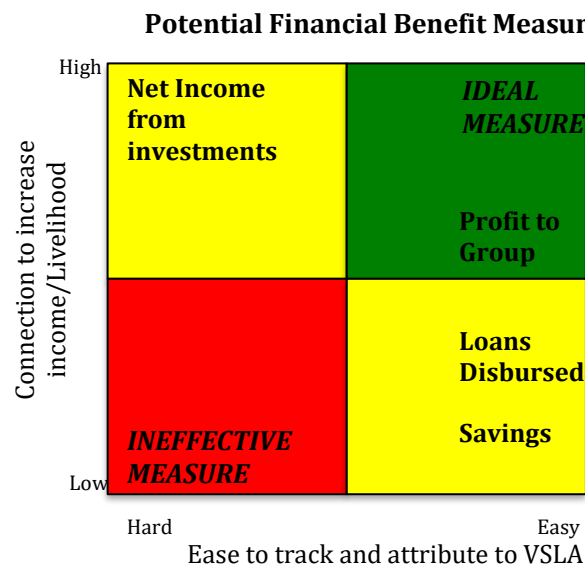


Figure 2: Trade-off among potential financial benefit measures

Based on the trade-offs, it seems that the best financial benefit measure to use to evaluate the return on investment for the VSLAs is the ‘Profit to Group’. This measure is easy to collect from the VSLAs, can be directly attributed to the VSLAs, and has an impact on the income and livelihood of the participants in terms of a ‘profit’ they receive for their participation in the group. The major drawback of it is that one may not consider the added income to the group really ‘additional’ income (or GDP generated) as it is money contributed by group participants (in the form of fees/penalties and or interest payments) and redistributed among the whole group. If there were an easier means to collect and attribute the ‘net income from investments’ amounts then this measure would be worth considering.

Regarding the costs, what is the ‘investment’ that is necessary for the VSLA to form and operate and for the participants to receive the financial benefits. Is it the cost that the VSLA member pays? Is it the cost the implementer pays? Are there other costs to consider? Table 3 outlines these alternatives.

Alternative	Description	Estimated Cost	Issues to Consider
<b>Direct Cost to VSLA Participant</b>	Cost that VSLA participant pays to participate – typically covers cost of ‘VSLA cashbox’ and also as relevant cost of village agent/facilitator; some may also include the payment into the social fund as it will not be returned.	Cost per participant is approximately GHc 15-50 (USD 3-9) depending on the size of the group, the use of and cost of the Village Agent facilitator. VSLA cash box is approximately GHc 400 <sup>26</sup>	VSLA Participants often pay for the box and the village agent/facilitator. Before participating, members should consider the benefits they get relative to the financial cost and opportunity cost of their time.
<b>Cost to company/NGO for implementation</b>	Full cost of implementation – often part of a project funded by a private company and/or other donor and implemented by an NGO; covers training, M&E, additional interventions specific to the VSLA (e.g., financial literacy, women’s empowerment, etc.)	Varies greatly depending on the interventions, which implementer, etc. However data from a variety of implementers in cocoa communities suggests that \$50 per participant is a reasonable cost for one VSLA cycle (to cover core costs of e.g., training and implementation for one cycle) <sup>27</sup>	For donors, this is the cost that typically is considered. Donors can contribute to various interventions; and thus they may consider an ROI to compare the returns to their investment in a particular intervention – although they may also consider soft and hard benefits in the return.

Table 3: Cost Alternatives to Consider

For purposes of this analysis, we will use the cost to the donor as the ‘investment’ in calculating the Return on Investment. Any costs that the participants make such as for the cashbox and/or other fees to participate in the group, ideally would be taken out of their ‘profit’ (‘returns’) and thus should be reflected in the ‘share

<sup>26</sup> Based on input provided for this study from two VSLA implementers in Ghana

<sup>27</sup> Based on input provided in a prior context to WCF from various chocolate/cocoa companies and their implementers



price’ at the end of the cycle when the initial cash and any ‘profits’ are disbursed. While input from various implementers shows that the costs may vary, many organizations suggested approximately a \$50/participant cost for the core VSLA interventions in cocoa growing communities in West Africa.<sup>28</sup>

In terms of the time period, ideally when considering an ROI, one reviews the return over time compared with all the costs. For example, if the group were to continue into perpetuity, the profits could be considered for all cycles into the future (with assumptions regarding how these profits change over time); and if there were additional costs these would be factored in as well. For purposes of this calculation, we will assume that the average VSLA will continue for three cycles and thus the ‘benefits’ will be considered for three cycles (sometimes in this document the term ‘cycle’ is referred to interchangeably with ‘years’ even though a cycle may only be nine months). While there is not yet comprehensive research – especially in cocoa growing communities -- on the typical lifespan of the VSLA, there are examples of VSLAs in operation after at least three years while others may not survive once the implementer leaves. For example a panel study of 331 groups in 5 countries (Mali, Uganda, Tanzania, Kenya and Cambodia) found that after roughly 12 to 15 months all VSLAs were independent of the implementing partner and that after 5 years 89% of the VSLAs were still functioning<sup>29</sup>. A study by DFID of Care’s Zanzibar program found “all of the original groups that were six years old at the time of the study survived with no contact with the facilitating agency for four years.”<sup>30</sup> A study that reviewed 53 studies on savings groups found that approximately 75% of the studies reviewed outcomes from the first three cycles of savings groups; whereas the other 25% were reviewing outcomes from beyond this period (with 6% from outcomes from five to ten savings cycles). There were not details on the survival rate and number of years in this report, but there is evidence that there were at least 25% of studies examining savings groups past the three-cycle period.<sup>31</sup> Representatives in the WCF learning meeting in December, 2019 did express questions about the survival rate of their VSLAs, so it may be worth exploring this more. And of the data that we have received regarding VSLAs in cocoa growing communities, their current ‘age’ is younger than 3 years but that may also be because these programs started more recently. Thus one implementer shared data on approximately 7500 groups whose average ‘age’ is 20 months. While for purposes of this paper, three years will be used in the ROI calculation, it can be reconsidered as more data is collected on the lifespan of VSLAs in cocoa growing communities.

The costs for the future years will be considered as \$0. In reality, often organizations are implementing a program over the course of multiple years and thus they are continuing to incur costs. However, often these costs are related to additional interventions and after the first year there are not VSLA-specific costs.

The financial benefits in the future cycles [years] in practice will likely be higher as typically in future cycles after the first ones, the savings level maximums are increased and the amount of loans are increased as people gain more trust in the system. As the value of the loans increases then the amount paid (interest on the loan) will be higher (assuming the interest rate remains at a least the same level and loans are paid back in the same period of time). A study of more than 50 studies on savings group did find though that the research is light in this area – in terms of the increasing impact over time.<sup>32</sup> One chocolate/cocoa company suggested from their data on VSLA implementation that over a three year period, a typical participant more than doubled their savings and their amount of loans taken out increased by 50%. Thus the financial benefits in

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<sup>28</sup> Source – WCF Data from implementers/chocolate-cocoa companies

<sup>29</sup> Discussion with Hugh Allen – VSL Associates (17 December 2019)

<sup>30</sup> DFID Financial Sector Deepening Project for Uganda, 2007, “Village Savings and Loan Associations in Zanzibar: Anyango, Esipisu, Opoku, Johnson, Malkamaki and Musoke” (London: DFID). [SEP]As cited in: “Allen, Hugh and Panetta, David. (Seep network 2010). “Savings Groups: What are they?” <https://seepnetwork.org/Resource-Post/Savings-Groups-What-Are-They>

<sup>31</sup> Gash, Megan. 2017. “Understanding the Impact of Savings Groups”. SEEP and FSD Africa. [https://mangotree.org/files/galleries/SEEP\\_Understanding-the-Impact-of-Savings-Groups\\_20180117\\_FINAL-0001.pdf](https://mangotree.org/files/galleries/SEEP_Understanding-the-Impact-of-Savings-Groups_20180117_FINAL-0001.pdf)

<sup>32</sup> Gash, Megan. 2017. “Understanding the Impact of Savings Groups”. SEEP and FSD Africa. [https://mangotree.org/files/galleries/SEEP\\_Understanding-the-Impact-of-Savings-Groups\\_20180117\\_FINAL-0001.pdf](https://mangotree.org/files/galleries/SEEP_Understanding-the-Impact-of-Savings-Groups_20180117_FINAL-0001.pdf)



future cycles is likely greater than the initial cycle; for purposes of the calculation for this report we are assuming a constant financial benefit over the three years equal to the one that the data shows (VSLAs in the programs for which we have data may be at different numbers of cycles completed and thus the result is closer to an average for the three years – although as noted by the age of the VSLAs – fewer may have completed their third year yet.)

Finally there is a question of whether to include additional VSLAs that may have been formed as a result of the existing VSLA as part of the ‘impact’ or benefit of the VSLA – thus enhancing the return from the initial investment. A study of VSLAs and SILCs in Uganda in 2013 found that for every one VSLA/SILC that was implemented another two similar savings groups formed on their own. And these replicated savings groups seemed to have slightly higher returns on savings and also potentially lower costs as many were ‘self formed’ – that is without the use even of a village agent. They were able to self-form given many of the members were already participating in other groups too.<sup>33</sup> Other analysis also showed that returns for groups that are ‘self managed’ are at least as high as those that are ‘supervised’.<sup>34</sup> Thus for purposes of this study, we could assume an additional two VSLAs formed for every single one invested in – and that these have zero additional cost by the implementing organization and at least as high ‘returns’ as the established VSLAs. To remain somewhat conservative, we will assume on average one additional VSLA forms and will include two years of financial benefits for it in the model. This is another assumption that we may want to continue to ‘reality’ check in the cocoa communities. Are there additional VSLAs emerging as a result of those implemented and if so, how many and what are their returns?

Based on the decisions explained above, the equation we will use for the ROI is shown in Figure 3 and a sample spreadsheet model is shown in Appendix 1.

$$\text{Return on Investment (ROI)} = \frac{\sum_{y=1}^3 \text{"Total VSLA Profit"}_y + \sum_{y=1}^2 \text{"Total Replicated VSLA Profit"}_y}{\text{Total implementation cost related to the VSLA}}$$

Figure 3: VSLA Return on Investment Calculation

- **Total VSLA Profit** refers to the VSLA that the company/NGO invested in and references to the ‘payout’ to the group minus the contributions into the savings by the group. The profit is added for each of the first three cycles [years].

<sup>33</sup> Datu Research. November 2013. Post Project Replication of Savings Groups in Uganda. (prepared for VSL Associates)

<sup>34</sup> CERSEM (Center for Research on Social Enterprise and Microfinance); FAHU Foundation; University of Agder. “Savings Groups and the SAVIX Database.” [http://www.e-mfp.eu/sites/default/files/resources/2018/11/EMW%202018\\_Uni%20i%20Agder%20CERSEM%20Fahu\\_R.%20Mersland.pdf](http://www.e-mfp.eu/sites/default/files/resources/2018/11/EMW%202018_Uni%20i%20Agder%20CERSEM%20Fahu_R.%20Mersland.pdf)

- **Total Replicated VSLA Profit** refers to the VSLA assumed to be replicated as a result of the one started with the assistance of the implementer. For this VSLA the calculation includes only 2 cycles [years] of profits.
- **The implementation cost related to the VSLA** is the cost for the implementing partner to set up and oversee the VSLA – typically for no more than one cycle.

As shown in Table 4, the data suggests that for every \$1 that a donor invests in a VSLA in a cocoa community in Ghana or Cote d'Ivoire, there is approximately \$0.52 generated in group profits.<sup>35</sup> However, results varied across implementers and across programs. While we do expect variation, there are still some key questions outstanding on the specifics of the data provided, and thus to finalize this ROI number we need to ensure that parallel numbers in terms of 'profits' are being used for each program. Below we discuss the shortcomings in general of the VSLA data. Also, for many participants the VSLA is critical for the participant to invest in her business which will ideally generate more income; but this data is not tracked consistently.

Measure/ Indicator	Total: All Six Groups Combined	Minimum of the Six Groups	Maximum of the Six Groups	Mean of the Six Groups*
# VSLAs	912	14	520	152
# Participants Total	21,367	323	11,207	3561
'Annual Savings'	\$473,669	\$24,210	\$151,992	\$78,945
'Annual Loans'	\$186,766	\$4508	\$82,652	\$37,353
'Profits'	\$111,159	\$471	\$42,149	\$18,527
'Profits/Member'	\$5	\$1	\$31	\$9
ROI	52%	6%	312%	94%

- Values in USD (\$): 1 XOF = 0.002 USD; 1 GH¢ = 0.18USD
- Received full data set from four implementing organizations for six different VSLA programs with cocoa/chocolate companies
- Implementation cost estimated at \$50/person based on input from various organizations
- Two Ghana Programs and Four Cote d'Ivoire Programs
- Due to confidentiality, data displayed at aggregated levels
- Some assumptions in data interpretation – still to be clarified
- \*Mean refers to the average across each group – where each group 'total' is weighted equally – it is not weighted by number of participants or any other value

Table 4: ROI and other Measures - VSLAs in Cocoa Growing Communities<sup>36</sup>

#### SHORTCOMINGS OF THE ROI DATA FOR VSLAS IN COCOA GROWING COMMUNITIES

There is a lot of data that VSLAs, cocoa and chocolate companies and other donors, and implementers collect and maintain. However there are some shortcomings with this data that organizations collect and report (some report it to donors; others also report it to the SAVIX database, etc.). Addressing these shortcomings in future data collection would help promote more learning and improvement from the data collected.

<sup>35</sup> This ROI is based on data provided by the project implementers as of December 31, 2019. We are still working to ensure that data used for this ROI calculation is consistent across projects and as such the ROI calculated may be revised if we determine that the data needs to be updated. We hope to finalize this by January 31, 2020.

<sup>36</sup> Ibid (see previous footnote)

Some of the key challenges include the following and are discussed in more detail in the section below on ‘Measurement Specifics’:

- Definitions: different organizations may use different definitions and thus report on something slightly different, such as profits or the time period used for reporting.
- Consistent collection of all data: Some implementers may collect on a subset of their VSLAs or a subset of the indicators at times.
- Verification/quality of data: typically the data is self-reported. This is important as it is part of the capacity building component of the VSLA for members to report results; however, there is no verification process and thus reports are based on self-reported data.
- Comprehensiveness of data collection categories: in order to learn more from the data, there are additional categories that would be helpful to report on consistently – for example related to the characteristics of the members and also the use of the loans and resulting effect on income from their investments.

### SEGMENTATION OF IMPACT

It is interesting to consider whether different population segments are affected in different ways by the VSLAs and/or whether certain components of the VSLA add more value to different populations groups. For example, are the benefits greater or less to female-headed households; families of a certain size; families with a certain income level? Do women with established IGAs or ones that are just starting benefit more? Are there certain components of VSLA implementation that create the greatest value and/or certain ‘other activities’ that are most crucial to combine with the VSLA to create the greatest ROI? Sufficient data to answer these questions does not exist. Collecting data tailored in specific ways to be able to understand segmented results will help to gain these insights.

There is one study that addresses the questions of membership in multiple groups. It does not really touch on the segmentation mentioned above, but it does raise some interesting questions. Data from a 2013 study of post project replication groups in Uganda showed how there are many examples where individuals participated in more than one VSLA. For example, 58 of the 62 active groups in the study had at least one member who participate in another savings group; and in 13 of the groups more than 90% of the members belonged to another group. There were members who belonged to at least three groups and some participated in five groups! This suggests that potentially the benefit (or ‘return on investment’) for the individual participant is so high that it is worthwhile to participate in more groups; or on the other hand it could suggest that the return is so small that the participant needs to join multiple groups! Some of the data showed that for some more prosperous participants being in more groups helps them to maximize their savings and loans. The data also showed situations where a member may join another group to pay off a loan in a different group – this may lead to the participant going into debt which goes against the goals of the groups.<sup>37</sup> This analysis suggests that there are VSLA members who are interested in more savings and loans than can be provided by one group. Because of the cap put on the amount someone can save or borrow within a group, then the larger a family is with only one adult participating in a VSLA, then the smaller the impact per family member as compared to someone who has fewer dependents and can save and borrow the same amount of money.

Over time it will be very helpful to determine some of the key questions and structure data collection so that these types of questions can be answered with data gathered. Data collected could relate to family characteristics; use of the loans; etc. Some organizations are already collecting such data but there is little collective data at this level.

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<sup>37</sup> Datu Research. November 2013. Post Project Replication of Savings Groups in Uganda. (prepared for VSL Associates)

## VSLAS WITH OTHER INTERVENTIONS – MARGINAL BENEFITS

VSLAs often are not implemented on their own. They may be part of a broader multi-year intervention that can encompass a variety of activities, such as broader women’s empowerment/gender awareness activities; support for business development and income generating activities; linkage to financial institutions; child labor monitoring & remediation systems; agriculture development work, nutrition, etc. Depending on the implementer, the program objectives, the donor, etc., the specifics will vary. There is minimal research on the marginal financial (or other) benefit of the VSLAs when implemented with other interventions.

SEEP has done research on the women’s empowerment benefits associated with implementing just VSLAs; implementing VSLAs with other economic development activities; and implementing VSLAs with integrated gender programming. As shown in Figure 4, based on a review of 30 Savings Groups Project Evaluations and Meta Analyses, SEEP found the positive impacts on women’s empowerment domains to be greatest when the savings group work is combined with full gender integrated programming.<sup>38</sup>

INTERVENTION TYPE	OUTCOMES						
SAVINGS GROUP ONLY	ECONOMIC INDEPENDENCE	CONFIDENCE AND SELF-WORTH	DECISION-MAKING	VOICE AND LEADERSHIP	TIME USE	MOBILITY	HEALTH
SAVINGS GROUP + OTHER ECONOMIC DEVELOPMENT ACTIVITY	ECONOMIC INDEPENDENCE	CONFIDENCE AND SELF-WORTH	DECISION-MAKING	VOICE AND LEADERSHIP	TIME USE	MOBILITY	HEALTH
SAVINGS GROUP + INTEGRATED GENDER PROGRAMMING	ECONOMIC INDEPENDENCE	CONFIDENCE AND SELF-WORTH	DECISION-MAKING	VOICE AND LEADERSHIP	TIME USE	MOBILITY	HEALTH

**GREEN:** consistent measurement, and where change is strong in almost all circumstances  
**AMBER:** some change occurs in certain circumstances (e.g. as a result of a dedicated intervention)  
**RED:** little to no evidence, or where measured change is not consistent or robust

Figure 4: Overview of the Evidence of the contribution of savings groups to Women's Empowerment

The Agha Khan foundation in 2011 commissioned a study to explore how savings groups [SGs] “are leveraged for other development activities (OA), how linkages to other services take place, and the associated costs, benefits and risks to group members.”<sup>39</sup> While it was difficult to separate the results of the Saving Group from the results of the OA, the cases reviewed did show that leveraging savings group for other development activities “improved the potential for the success of the OA in almost every case, by providing access to groups that are already organised and disciplined and have (often substantial) savings. The reverse was also usually true; the OAs aided group members and strengthened the groups, however, not always; sometimes the OA produced little noticeable benefit to the groups and in a few cases brought additional risks.”

One chocolate/cocoa company, who, with their VSLA work, implements other development activities such as nutrition programs, additional livelihood/IGA program, Good Agriculture Practices (GAP) trainings, nurseries, etc. intends for participants to use their VSLA credit and funds for income generating activities to improve livelihoods of the cocoa farmers. This company has found that the VSLA participants have improved

<sup>38</sup> Rickard, Katherine and Johnsson, Amalia (Nathan Associates). “Women’s Empowerment and Savings Groups, what do we know?” 2018 (SEEP Network)

<sup>39</sup> Rippey, Paul and Fowler, Ben. 2011. “Beyond Financial Services – A Synthesis of Studies on the Integration of Savings Groups and Other Development Activities.”  
[https://www.akdn.org/sites/akdn/files/Publications/2011\\_akf\\_beyond\\_financial\\_services.pdf](https://www.akdn.org/sites/akdn/files/Publications/2011_akf_beyond_financial_services.pdf)

their GAP practices (pruning, spraying, weeding, etc.) by 8% more than non-VSLA members who have received other interventions. There is no additional review or analysis of this data to determine if the VSLA participation is what is driving the improved GAP practices or not, but it is an interesting data point and the type that would be good to collect more consistently across VSLAs/programs.

It seems that VSLA participants also appreciate and perceive the benefit from being exposed to not only the VSLA components but also additional training and interventions. For example, a final report to Walmart regarding the Cocoa Livelihoods Program (CLP) stated that KIT worked with the CLP companies (matching grant partners) to assess the impact of the VSLAs on the group members. The assessment found that “women farmers value the VSLAs the most when conducted in combination with an income generating activity.”<sup>40</sup> Further research at SEEP shows the broader benefits and impacts that savings groups can have when implemented in conjunction with other interventions.<sup>41</sup> And there are some examples that show the positive results when VSLAs serve as a starting point and then the groups are linked to more formal financial institutions.<sup>42</sup> There is more information in the section below on other community savings approaches on savings groups linked with financial institutions.

Some of the experts interviewed for this paper did caution about the risks of combining interventions. It is important that those implementing different initiatives have the expertise necessary related to that initiative and that those participating in the program also can focus. Thus, while there may be a symbiotic relationship between VSLAs and other interventions, it is important that implementers do not sacrifice the quality of their VSLA implementation due to the larger program they are implementing.

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## VSLAS COMPARED TO OTHER SAVINGS APPROACHES

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### OVERVIEW OF OTHER COMMUNITY SAVINGS APPROACHES

Since VSLAs were initially established by CARE in 1991, CARE has established more than 350,000 VSLAs with nearly 7.6 million members in 51 countries.<sup>43</sup> Other organizations have implemented VSLAs or similar groups.

There are limited other means of savings and loans or “VSLA substitutes” in the cocoa growing communities. Cocoa farming families seek safe ways to save, smooth income/cash; and access affordable loans to use either as investments in their farms or other income generating activities or for household and/or emergency needs. Some of the more common alternatives to VSLAs include:

- 1) Value chain financing: this is done by the off-takers or cooperatives who will for example provide inputs or capacity building/advisory services on ‘credit’ and then the farmers will re-pay once they harvest and sell their cocoa. Other times a microfinance organization like Advans will provide loans to the cooperative who will use the loan to provide inputs to the farmers.

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<sup>40</sup> Empowering Women Cocoa Farmers in West Africa - *An industry experience in women’s empowerment through public private partnerships*. 2017. [https://www.worldcocoafoundation.org/wp-content/uploads/files\\_mf/1512401062EmpoweringwomencocofarmersinWestAfricaFINALVERSIONPUBLIC.pdf](https://www.worldcocoafoundation.org/wp-content/uploads/files_mf/1512401062EmpoweringwomencocofarmersinWestAfricaFINALVERSIONPUBLIC.pdf)

<sup>41</sup> SEEP Network. Empowering Women through Savings Groups” - <https://seepnetwork.org/Blog-Post/Empowering-Women-Through-Savings-Groups>

<sup>42</sup> Care: Breaking the Barriers to Financial Inclusion with Barclays: <https://www.careinternational.org.uk/get-involved/corporate-partnerships/financial-inclusion/breaking-barriers-financial-inclusion>

<sup>43</sup> <https://www.care.org/vsla>

- 2) Variations of the VSLA – there are some initiatives that build on the VSLA model but incorporate external funding/finance including for example:
  - a. CFREC (Cellule Féminine de Renforcement Économique): developed by ICI – this recent model is like a VSLA – with the exception that it was initially focused for women only (although there are now a couple of male members) and ICI provides a grant (that does not need to be repaid) to help develop the funds to share-out for loans. ICI provides this grant only when needed and to date has provided a grant to 38 of the 53 CFRECs.
  - b. VSLA + access to financial service providers: there have been different models where the savings group is the launch pad to link the group to be more ‘bankable’. CARE and Plan worked for example with Barclays on its Banking on Change Partnership where ultimately 5000 savings groups set up formal bank accounts. Advans, Care, Cargill, and IDH are working to link VSLAs to more formal financial institutions and other “innovative solutions such as mobile money accounts or digital loans.”<sup>44</sup> Advans has worked in Cote d’Ivoire with more than 3200 women in cocoa growing communities.

While there is an increasing amount of ‘savings group plus’ models where the savings group is linked with a financial institution, to date there is little evidence of the added benefit. For example, an analysis of the SAVIX database from the years 2010-2017 shows no real difference between the results whether or not savings groups have access to additional financial institutions.<sup>45</sup> Further an analysis of 53 different studies on the impacts of savings groups found that although there has been an increase in the number and scale of initiatives to link savings groups to financial services providers, ‘there is very limited evidence on welfare impacts for groups and members.’<sup>46</sup> Another study mentions that there is limited research on the effectiveness of the links between savings groups and financial service providers and that the results are mixed. This study concludes that the benefits can be strong so long as the certain critical success factors. While “there is no one-size-fits-all approach”, the study suggests that the probability of success is the greatest when the following holds:

- “The SG is stable and mature (usually at least two years old), and its members have gained some financial literacy and discipline.”<sup>[1][1] [SEP]</sup>
- The SG views linkage as a way to extend its capabilities without losing its core community development principles.”<sup>[1][1] [SEP]</sup>
- The FSP takes a long-term view of its customer base and has a commitment to increasing financial inclusion in its markets.”<sup>[1][1] [SEP]</sup>
- The SG-FSP relationship is built upon mutual trust and respect.”<sup>[1][1] [SEP]</sup>
- Products are designed by the FSP specifically to meet the needs of SGs and their members.”<sup>[1][1] [SEP]</sup>
- The SG is geographically located close to an FSP branch, automated teller, or agent.”<sup>[1][1] [SEP]</sup>
- Enough technology is deployed to facilitate linkage, but not so much that SG members lose their dependence on the group.”<sup>[1][1] [SEP]</sup>
- The linkage is facilitated and supported by an NGO that will provide guidance with each of the above points.”<sup>47 [1][1] [SEP]</sup>

#### **VSLA AS COMPARED WITH OTHER APPROACHES – PROS/CONS**

There is not a lot of existing research that compares different savings and loans alternatives; however Table 5 provides a cursory review of how different options compare on some core dimensions. VSLAs’ return on

<sup>44</sup> <https://www.idhsustainabletrade.com/news/investing-in-the-family-cocoa-farm/>

<sup>45</sup> CERSEM (Center for Research on Social Enterprise and Microfinance); FAHU Foundation; University of Agder. “Savings Groups and the SAVIX Database.” [http://www.e-mfp.eu/sites/default/files/resources/2018/11/EMW%202018\\_Uni%20i%20Agder%20CERSEM%20Fahu.R.%20Mersland.pdf](http://www.e-mfp.eu/sites/default/files/resources/2018/11/EMW%202018_Uni%20i%20Agder%20CERSEM%20Fahu.R.%20Mersland.pdf)

<sup>46</sup> Gash, Megan. 2017. “Understanding the Impact of Savings Groups”. SEEP and FSD Africa. [https://mangotree.org/files/galleries/SEEP\\_Understanding-the-Impact-of-Savings-Groups\\_20180117\\_FINAL-0001.pdf](https://mangotree.org/files/galleries/SEEP_Understanding-the-Impact-of-Savings-Groups_20180117_FINAL-0001.pdf)

<sup>47</sup> Seel, Graham (World Renew). 2018. “Where Next after VSLA? A World Renew Research Paper Exploring the Value of Linking Savings Groups with Financial Services Providers”

investment is expected to be similar to the other options – the returns are unlikely to be too large but neither is the cost. The returns are limited by the cap placed on the maximum allowable savings and loans amounts. VSLAs though are a viable option that fill an important niche. Given the VSLA members' income typically is very low, even the small change that the VSLA provides is very helpful and can make a big difference in the life of the member. And, as mentioned elsewhere in this report, there are many benefits to participating in a VSLA, such as providing a safe way to save money in a low cost way; promoting self confidence and financial literacy; providing ways to smooth out cash during the year; providing loans for income generating activities and for family necessities. Further the social cohesion brings a variety of benefits to the members and the community.

	VSLA	CFREC	Savings Group (SG) 'Plus' (access to financial institution)	Value Chain or Cooperative Finance
Ease of access for women				
Ease of implementation				
Sustainability/ self sufficiency				
Cost per beneficiary				
Financial return on investment				
Overall benefits ('soft and hard') related to cost				
Ease of increasing reach (numbers benefiting)				
Ease of increasing impact per beneficiary				
Summary comments	<i>Very easy to implement and replicate; biggest challenge is the magnitude of savings and loans will always be relatively small given structure of VSLA model</i>	<i>Very similar to VSLA; however given grant requires more donor funds that will not be reimbursed; although this could result in slightly larger financial benefits to participants which could have bigger impact on their livelihood</i>	<i>Similar to CFREC – but external funds from a financial institution (FI) so may be more sustainable. May be more difficult and costly to implement than CFREC or VSLA given the need to work with more partners and gain buy-in from FI. If not using mobile money, then distances to FI can be a barrier. Also unclear whether access to financial services increases returns based on existing studies.</i>	<i>Model very different than the others; will not get all the soft benefits typical of a savings group; typically more difficult for women to participate, given dynamics of women in cocoa farming; funds focus more on farming investments than alternative IGA or household needs. Potential for larger loans and larger financial benefits.</i>

Table 5: Savings and Loans Alternatives -- Cocoa Growing Communities

This study does not provide analysis comparing VSLAs with other income generating activities. While the paper is focused on developing an 'ROI' for a VSLA and thus it is focused on considering the income benefits of the VSLA, in general VSLAs are considered complementary to other income generating activities rather than as a substitute. That is the VSLA is used to help members develop basic financial literacy and to access small loans that will help them in their other income generating activities. And the direct income from the VSLA – from the 'payout' to the group - as noted above is not a large number. Thus, while a donor may want to consider a choice between these two interventions (VSLAs and 'Income Generating Activities') the direct objectives are somewhat distinct and complementary.



## RECOMMENDATIONS TO IMPROVE VSLA IMPACT

There is a variety of guidance on implementing VSLAs, and issues to consider and best practices. Figure 5 contains one framework that is detailed in a SEEP publication: “Program Quality Guidelines for Savings Groups”<sup>48</sup>. As VSLAs in cocoa growing communities complete more cycles, there will be more lessons learned that are specific to these VSLAs/communities and it will be useful to share and learn across implementers. Below we have highlighted two specific areas that are important to effective implementation and to help increase the VSLA impact: gender integration and measurement

PROGRAM QUALITY GUIDELINES FOR SAVINGS GROUPS								
PHASE	PRINCIPLE	KEY ELEMENTS						
DESIGN	① Design the program with clear outreach and quality objectives that are responsive to member interests and align all stakeholders with the desired outcomes.	Common understanding of program objectives	Realistic benchmarks for both quality and scale	National level coordination				
IMPLEMENTATION	② Know the populations you intend to serve, including the most vulnerable, and take deliberate actions to reach them.	Identification and measurement of intended participants	Program processes that reach the intended population	Messages that are inclusive of vulnerable populations	Group procedures that reflect the needs of vulnerable populations	Alignment of trainer incentives with the objective of inclusion		
	③ Select, train, manage, and monitor trainers in a manner that recognizes their essential contribution to the program.	Careful selection of trainers	Tested and effective training methods	Streamlined training structures	Appropriate incentives for trainer performance	Clear trainer monitoring criteria and responsive feedback		
	④ Promote a tested Savings Group model, and instill in members an understanding and respect for that model's procedures.	Commitment to the group constitution	Caution with tempting shortcuts	Attention to the security of group funds	Respect for both borrowers and savers			
	⑤ If choosing to combine a Savings Group with other activities, plan carefully and respect the autonomy of the group.	Transparent communication of expectations	Respect for the procedures and structure of the SG	Demand-driven quality products and services	Safety of additional services and activities	Caution with the allocation of group funds for any purpose outside of savings and lending	Caution with anyone who views the SG principally as a market for products and services	
	⑥ If choosing to promote a relationship with a financial service provider, empower SG members to make good choices based on their interests and demands.	Education of all parties involved in the financial relationship	Careful assessment of the financial service provider	Care for the interests of the group	Understanding of the implications of mobile banking			
MONITORING	⑦ Consistently monitor and evaluate program performance using responsible data collection, management and dissemination practices.	Varied methods for assessment	Respect for data ownership and security	Monitoring of post-project outcomes				
EXIT	⑧ Put in place a clear exit strategy that leaves behind post-program structures for sustainability, expansion of services, and ongoing support.	Clearly planned and communicated exit strategies	Culturally appropriate post-project contracts	Carefully designed oversight structures	Responsive redress mechanisms			

Figure 5: Program Quality Guidelines for Savings Groups (SEEP Network)  
([https://mangotree.org/files/galleries/1571\\_SG-guidelines.pdf](https://mangotree.org/files/galleries/1571_SG-guidelines.pdf)) – and shown in Appendix 5

## GENDER INTEGRATION INTO VSLA IMPLEMENTATION

The very nature of VSLAs promote women’s empowerment in the way that the majority of the participants are women; they promote access to finance for women; they provide a social network; and promote financial literacy. The first question is what do we mean by women’s empowerment and then the second question is, are there certain interventions or approaches that should be carried out in conjunction with VSLA implementation to promote even more women’s empowerment.

<sup>48</sup> SEEP 2015. “Program Quality Guidelines for Savings Groups”.  
[https://mangotree.org/files/galleries/1571\\_SG-guidelines.pdf](https://mangotree.org/files/galleries/1571_SG-guidelines.pdf)



Thus, what do we mean by women's empowerment? The definition varies depending on the context or the person one asks. The type and depth of intervention also will affect to what extent the women are empowered. "For example, women may gain access to finance and start a business, but how their profits and savings are managed can vary widely according to household dynamics and social norms—in some cases this decision-making might all be handed over to a spouse. While Savings Groups alone may not address the underlying constraints to women's empowerment, in combination with targeted interventions, they may have a positive impact on women's earnings *and* their control of those earnings."<sup>49</sup> Based on IFPRI's Women's Empowerment in Agriculture Index (WEAI) and on Care's Women's Empowerment Framework, a SEEP Network study developed a framework to capture 'the domain of women's empowerment in the context of Savings Groups.' [Refer to Figure 6]<sup>50</sup>








Domain	Main Components
 <b>ECONOMIC INDEPENDENCE</b>	<ul style="list-style-type: none"> <li>• Access to appropriate financial services – formal and informal</li> <li>• Financial literacy</li> <li>• Opportunities for employment or self-employment</li> <li>• Control over productive assets</li> <li>• Control over income and expenditures</li> <li>• Access to markets</li> </ul>
 <b>CONFIDENCE AND SELF-WORTH</b>	<ul style="list-style-type: none"> <li>• Positive self-image and self-esteem</li> <li>• Consciousness of self and others as interdependent</li> <li>• Social norms related to behavior and relationships</li> </ul>
 <b>DECISION-MAKING</b>	<ul style="list-style-type: none"> <li>• Influence in household decisions related to finance, productive resources, education of children and self, family planning, consumables and home improvement</li> </ul>
 <b>VOICE AND LEADERSHIP</b>	<ul style="list-style-type: none"> <li>• Participation in economic or social groups</li> <li>• Comfort in speaking in public</li> <li>• Leadership positions (in group or community)</li> <li>• Social norms related to positions of authority</li> </ul>
 <b>TIME USE</b>	<ul style="list-style-type: none"> <li>• Control over the allocation of time, including paid and unpaid work, and leisure activities</li> <li>• Satisfaction with the allocation of time, including paid and unpaid work, and leisure activities</li> <li>• Social norms related to gendered household roles</li> </ul>
 <b>MOBILITY</b>	<ul style="list-style-type: none"> <li>• Physical mobility within – or beyond – the community</li> </ul>
 <b>HEALTH</b>	<ul style="list-style-type: none"> <li>• Control over own body, physical and mental health, and bodily integrity</li> <li>• Access to appropriate health services including, but not limited to, reproductive, maternal, neonatal and child healthcare</li> </ul>

Figure 6: Domains of Women's Empowerment

The goal is for initiatives to be gender transformative, which are ultimately more sustainable and which work to 'tackle the underlying causes of gender inequality in cocoa communities and value chains. They aim at changing the power dynamics and structures that reinforce gendered inequalities.' These interventions require change at the individual and community level and tackle the three key barriers that women face:<sup>51</sup>

<sup>49</sup> SEEP Network; FSD Africa; Nathan; UKAid 2018. "Women's Empowerment and Savings Groups: What Do We Know?" <https://seepnetwork.org/files/galleries/2019-SG-LB-Womens-Empowerment-And-SGs-EN-DIGITAL.pdf>

<sup>50</sup> Ibid.

<sup>51</sup> World Cocoa Foundation 2019. Gender Integration Guidance Note. [https://www.worldcocoafoundation.org/wp-content/uploads/2019/04/WCF-Gender-Integration-Guidance-Note-Final\\_pub.pdf](https://www.worldcocoafoundation.org/wp-content/uploads/2019/04/WCF-Gender-Integration-Guidance-Note-Final_pub.pdf)

- Discriminatory social norms and laws
- Exclusion from decision-making and leadership
- Fewer capabilities and opportunities.

The degree to which VSLAs contribute to transformative change in gender dynamics depends on the nature/approach of the overall intervention. There are different toolkits and approaches to support gender transformative approaches as part of interventions. Figure 7 shows the pathways between the savings groups and a set of relevant interventions and women's empowerment outcomes.<sup>52</sup>

### 1.2.3 Savings Group + integrated gender programming

As presented in the Learning Brief, Savings Groups are more likely to contribute to transformative change when they integrate gender programming that challenges harmful social norms and systemic inequities. An example of gender programming that has been used in conjunction with Savings Groups is education and capacity building for members accompanied by gender dialogue sessions, engaging members and their spouses, community and religious leaders. The figure below, provides a generalized framework for the pathways between Savings Groups and women's empowerment for this broad category of interventions.

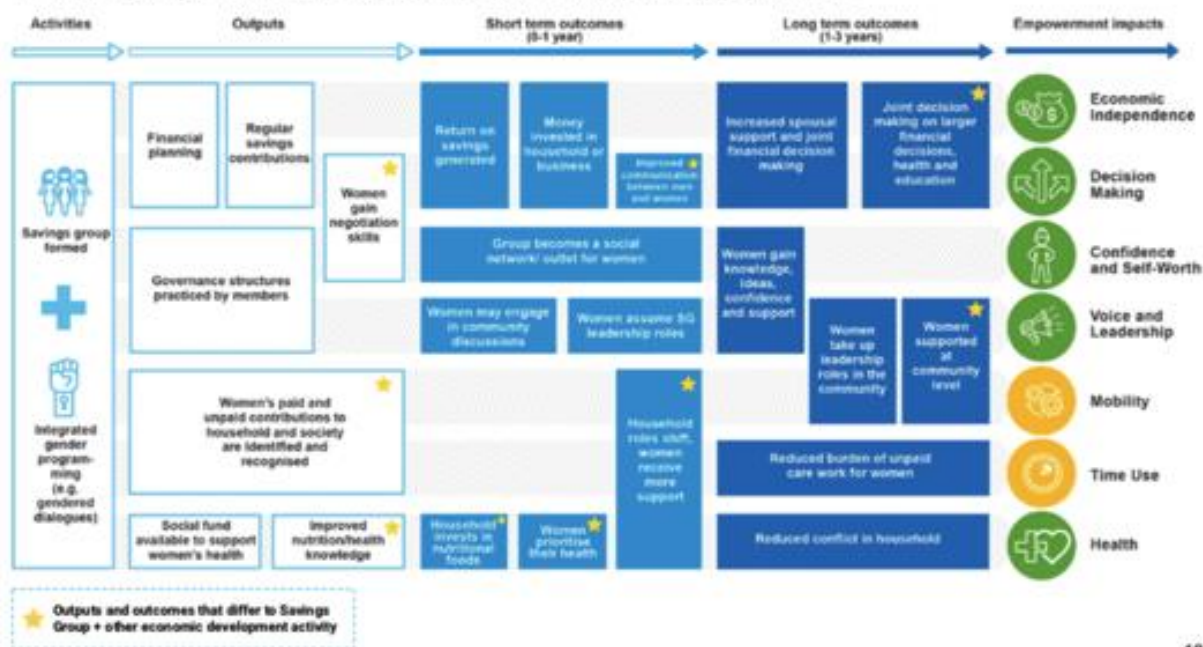


Figure 7: Pathways between Savings Groups with additional interventions and Women's Empowerment

([https://seepnetwork.org/files/galleries/SG\\_Womens\\_Empowerment\\_MRM\\_Toolkit\\_FINAL\\_Sept\\_2019.pdf](https://seepnetwork.org/files/galleries/SG_Womens_Empowerment_MRM_Toolkit_FINAL_Sept_2019.pdf)) and shown in [Appendix 5](#)

WCF has developed guidance and tools that are helpful in considering approaches towards VSLA interventions that can be gender transformative. WCF's gender integration guidance note includes leading examples in the cocoa industry and other guidance. One learning that it cites is that owning and buying-in to the processes really help promote sustainable and desired change.<sup>53</sup> In CLP and in many other initiatives participants use the Gender Action Learning System (GALS) approach which is a "community-led empowerment methodology that is used for individual life and livelihood planning; collective action and

<sup>52</sup> Women's Empowerment and Savings Group – Monitoring and results measurement toolkit. (seep, FSD Africa; UKAid; Nathan). [https://seepnetwork.org/files/galleries/SG\\_Womens\\_Empowerment\\_MRM\\_Toolkit\\_FINAL\\_Sept\\_2019.pdf](https://seepnetwork.org/files/galleries/SG_Womens_Empowerment_MRM_Toolkit_FINAL_Sept_2019.pdf)

<sup>53</sup> WCF 2019. Gender Integration Guidance Note. [https://www.worldcocoaoundation.org/wp-content/uploads/2019/04/WCF-Gender-Integration-Guidance-Note-Final\\_pub.pdf](https://www.worldcocoaoundation.org/wp-content/uploads/2019/04/WCF-Gender-Integration-Guidance-Note-Final_pub.pdf)

gender advocacy for change; [and] institutional awareness raising and changing power relationship with service providers, private sector stakeholders and government bodies”<sup>54</sup>.

In addition WCF’s Gender Integration in Cocoa Value Chain Self Assessment Tool<sup>55</sup> provides guidance in how to assess where along the spectrum from gender blind to gender transformation an intervention may be. Figure 8 shows the section of the tool that includes reference to access to finance and VSLAs. This reference shows the types of activities that would move the intervention from being gender blind to gender sensitive to gender transformative. It emphasizes for example moving from setting up the VSLA to tailoring the training, logistics, etc. to suit the specific needs of the women and the community. It emphasizes moving from the existing norms and doing more to increase dialog between male and female and among the community, etc. The details included in the reference tool provide specifics to consider in implementing a VSLA that is moving in the direction of gender transformative.

World Cocoa Foundation  
Gender in Cocoa Value Chains Continuum: Reference Tool

This reference tool helps WCF members to understand and assess the types of activities in cocoa value chain interventions at each level of the continuum of gender integration: gender-blind, gender-sensitive, gender-transformative.

GOAL	OBJECTIVE/ OUTCOME	ACTIVITY AREA	Gender-Blind:	Gender-Sensitive:	Gender-Transformative:
			<p><b>Gender-Blind:</b> Gender blind interventions do not consider how gender affects cocoa communities and value chains.</p> <p>Gender blind interventions have a high risk of reinforcing gender inequality and harm to women, and of undermining sustainable cocoa chains.</p> <p>These interventions focus on individuals but often fail to increase women’s capabilities or wellbeing because they do not understand their roles, needs and priorities.</p>	<p><b>Gender-Sensitive:</b> Gender sensitive interventions consider how gender affects cocoa communities and value chains and adapt activities to the different needs of women and men.</p> <p>Gender sensitive interventions seek to do no harm and contribute to improving women’s existing roles in and benefits from cocoa value chain, but do not seek to challenge or change gender norms and relations.</p> <p>These interventions build women’s individual capabilities and work with men and communities to better understand the needs of women farmers and their contribution to cocoa value chains. They may also enable women to participate more in their community and its governance, and build women’s solidarity with other women through women-only groups and spaces.</p>	<p><b>Gender-Transformative:</b> Gender transformative interventions actively seek to challenge and change unequal gender norms, roles and relations that prevent women from fully participating in and benefiting from the cocoa value chain, and provide adequate resources to achieve this objective.</p> <p>Gender transformative interventions seek to change women and men’s roles in cocoa communities and value chains, and contribute to more equitable cocoa communities and value chain where female and male farmers have equal opportunities and benefits.</p> <p>These interventions build women’s individual and collective capabilities, engage men and communities in tackling gender inequality, and challenge and change unequal laws, policies, customs and practices.</p>
aiming	Access to finance	VSLAs, Prefsaves, credit, cash transfers, financial literacy	<p>VSLA, credit and microloan activities enable farmers to access finance for purchasing inputs, technology and labor, as well as building resilience to shocks.</p> <p>However, social norms and gender roles/discrimination may limit women’s access to finance, e.g. women with restricted mobility or who face time constraints may be prohibited from attending VSLA meetings or, when they do, their husband may control new savings or credit. The act of women accessing new sources of finance, can also threaten men’s status and expose women to increased risk of domestic violence.</p> <p>Financial inclusion activities that are blind to the specific needs of women are likely to only increase men’s access to savings and finance.</p> <p>Financial training that is gender blind risks to accentuate gendered norms about “men’s work” and “women’s work”.</p>	<p>VSLA, credit and microloan activities are tailored to the needs and priorities of women to encourage their participation e.g. women-only groups, female trainers, time, place and content of training, understanding social and legal barriers to women’s access to finance/credit.</p> <p>Financial literacy training is provided to women to enable improved management of personal finances.</p> <p><b>PLUS</b> Household and community dialogues are held to raise men’s awareness of the benefits of women’s access to savings and credit, and to mitigate risk of increased GBV/IPV by positively engaging with women’s VSLA activities.</p> <p>Informal finance (e.g. VSLAs) are linked to formal finance institutions e.g. banks or revolving credit facilities through cooperatives.</p>	<p>Financial literacy training supports women to think beyond traditional roles for women.</p> <p>Household dialogues are held to increase women’s control of income and assets and to increase women’s decision-making power over expenditure.</p> <p>Household work is shared to enable women to access financial opportunities.</p> <p><b>PLUS</b> Activities with community leaders and local authorities to oversee correct application of national legislation and promotion of social norms that can benefit women.</p> <p>Gender dialogues within wider community build a supportive environment for women to participate fully in, and benefit from VSLA activities.</p>

Figure 8: Gender Integration in Cocoa Value Chain - Reference Tool (Access to Finance)<sup>56</sup>  
(<https://www.worldcocoafoundation.org/wp-content/uploads/2019/04/WCF-Gender-Continuum-Marker-Final.pdf>)  
Also shown in [Appendix 5](#)

Thus there are a variety of resources to support VSLA interventions that are moving towards gender transformation. Some key components of such interventions include:

- Implementers working with the community to understand social and legal barriers and specific needs and priorities of the women related to savings and loans.
- Developing and delivering effective financial literacy training – tailored to the women’s needs (and potentially delivering general numeracy and literacy skills as relevant)
- Working with men and women to raise awareness around and promote dialogues regarding women’s empowerment and to promote a change in beliefs and norms within the household and the community level – e.g., related to

<sup>54</sup> [https://www.oxfamnovib.nl/redactie/Downloads/English/SPEF/141023\\_2-pager\\_Flyer\\_GALS\\_Oxfam.pdf](https://www.oxfamnovib.nl/redactie/Downloads/English/SPEF/141023_2-pager_Flyer_GALS_Oxfam.pdf)

<sup>55</sup> <https://www.worldcocoafoundation.org/wp-content/uploads/2019/04/WCF-Gender-Continuum-Marker-Final.pdf>

<sup>56</sup> Ibid

- evolving the role of women;
- the woman's control over income and assets and decision making over expenditure
- division of labor within the household
- Connections with formal financial institutions which often have been very hard to access for women

### MEASUREMENT SPECIFICS

In several sections above, the findings were limited given the shortcomings with the data related to consistency, comprehensiveness, etc. Thus, in order to more confidently report on the ROI; or to be able to compare different interventions; or to be able to understand differences in different populations, it will be important to refine the VSLA measurement approach. At present different organizations are leading the way with some strong data collection – thus it will be important to learn from them.

When thinking about measurement it is always important to consider the 'objectives' of the measurement. Often the mantra 'less is more' holds. It is better to gather less data that is meaningful and high quality than a lot of data that may not be high quality and may not be able to be used. Further it is important to consider the use of the data for those collecting it and at a more organizational/collective level. At times data collection can be burdensome and 'not helpful' at the field level – only for the good of a high-level report, etc.

In general some steps to follow when enhancing VSLA measurement include:

1. Determine what key questions should be answered with the data collected – and then determine what data must be collected to answer these questions.
  - a. Agree on what is most useful to measure for all VSLAs – and roll out the measurement of this (set of) indicators. For example, if it is the ROI described in this paper then ensure that the data needed to calculate it is collected.
  - b. Consider segmentation that may help to better understand results, learn, and adapt – this could require data for example about the family size of the participant; income levels, etc.
  - c. Remember that some things are better collected as part of a rigorous study rather than having community members spend too much time reporting – and thus there may be a more simple set of data that is collected consistently across all VSLAs/programs and then other information that would be collected as part of an occasional deep dive/evaluation. For example the ROI described in this report may be a simple measure; but in order to really understand the use of and impact of the loans this may require a deeper dive.
2. Definitions: document and gain clarity on definitions for each of the critical measures to ensure that what one VSLA or company is reporting for example as a gain or as a loan or as the implementation cost, etc. is equivalent to what another is reporting on.
3. Timeframes: linked with the definitions clarify what duration/time periods reporting is for; as an example sometimes savings refers to savings in the whole cycle and other times it refers to savings at a point in time in the box.
4. If the value related to the effort is agreed upon to be worthwhile, document participant use of loan and if possible, a simplified version of incremental net income due to the loan used. This will ultimately enable a different ROI calculation that factors in an increase in net income to the participant related to the investment made from the loan.
5. Quality control – a big component of the VSLA is the self sufficiency and promoting financial literacy among the participants. As such it is important to empower the group to do their reporting. However if the data is going to be used to make significant decisions then it will be important to do some sort of validation check on the data.

## SAVIX MANAGEMENT INFORMATION SYSTEM

The SAVIX Management Information System (MIS) seems like a very useful tool to promote more clear and consistent data collection that can be used to help understand and compare the results at a project level and thus support strategic and operational decision making. Implementers currently use this MIS to differing degrees. The system allows the user to set up and link together different projects (e.g., groups of VSLAs) and then to define the fields necessary for data entry. There are specific fields required for all VSLAs – and this data allows for the financial benefit of the ROI calculation presented in this report. There is also an optional section to enter cost data which could then enable an ROI calculation. [Appendix 3 of this report has some details; and Section 2.6 of the SAVIX MIS 2.0 Users’s Manual details the data entry fields].

In addition to the required fields, the user can define fields. SAVIX already has developed 78 potential additional fields for data entry (called ‘Standard Defined Fields – SDF’) across the categories of Education and Training; Financial Institution interactions; Group Details; Income Generating Activities; and Members. As the user’s guide highlights, it is important for a user to think carefully before selecting the fields as they want to be sure it is realistic what they will enter data for. It is important to think about why the user seeks the data/what they will use it for. In addition to these SDF, the user has the option to develop “User Created Fields” (UCF). If there is data the user wants to collect across all projects for which there is no already defined field, the user could create it. The user needs to again think about the purpose of this field; how the data would be obtained (is it realistic to get this data; how burdensome is it); and have confidence that it could be reported on for all projects. This type of data may enable more segmentation as discussed earlier in this report. The SAVIX user’s guide advises that the user select no more than 15 user-defined fields (combination of SDFs and UCFs).

SAVIX enables the user to look collectively at the data and to see the performance/results across projects. There are a variety of reports the user can view – as outlined in Part 3 of the SAVIX User’s Manual: Section 6 shows the project management points; Section 7 shows the Operational Reports; and Section 8 shows the MIS Administrator reports. These various reports allow the user for example to compare results across trainers or across projects; they can compare the results for example to a country level benchmark, etc. These reports can help those implementing the VSLAs to identify differences across implementation and in turn to determine where they may need to do follow up to enhance the efficiency and effectiveness of their work.

As with any MIS and reporting system, *‘garbage in equals garbage out’* – the system/reports are only helpful if the data in is of high quality – that it matches the definition of the data field and it reflects the reality on the ground. According to the SAVIX 2.0 User’s Guide, “Bad quality data is the most common issue arising with the SAVIX MIS. It also receives the least attention!” The system has some built-in checks to provide error messages when data entered is outside of certain ranges and section 4.3 provides information on basic data quality checks and common errors. However, in spite of these checks and guidance there still can be a variety of data quality issues. The SAVIX’s user’s guide and accompanying documentation on definitions provides clarity on specifics of the data entry. It is very important that the person entering the data is clear on the definition, why it is important for the data to be of high quality, and that they understand what types of things to check to ‘clean up the data’.

Although many of the implementers who shared data for this report do enter data into SAVIX, it is unclear how many – if any – of those using the system have received the SAVIX training. Perhaps as the cocoa and chocolate companies agree on specifically what VSLA-specific information they consistently want to report on and use for learning, they could determine how this fits with the SAVIX. Then they could receive training on SAVIX and use it more comprehensively to support their own operational management and broader VSLA learning.

As part of this report we have not spoken with users of SAVIX to understand from their perspective the opportunities and challenges of the SAVIX. It does seem though that SAVIX provides an opportunity for



the cocoa and chocolate VSLA implementers to collect and report data in a consistent way to enable standardized reports and ROI reporting. Where relevant the implementers could agree on some user-defined fields for all to report on to promote relevant reports.

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## CONCLUSION AND NEXT STEPS

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VSLAs provide a lot of benefits to the VSLA members and to the broader community. This study focused on the financial/business benefits of VSLAs in cocoa growing communities in West Africa. There are few studies that show their business or income benefit, and data reported is not always consistent across programs, thus making it more difficult to compare the programs. This report presents a suggested ROI calculation that is relatively simple to calculate and attributable to the VSLA. And based on the data received on VSLAs, we estimate an ROI for VSLAs in cocoa growing communities of West Africa of approximately 0.5 which implies that for \$1 spent on the VSLA approximately \$0.50 is generated as 'profit' to the participants<sup>57</sup>.

The cocoa and chocolate companies and their implementers should determine if this ROI calculation is helpful for their learning. As a first step they should decide when they implement VSLAs, whether financial return is an objective – if this is not an objective of why VSLAs are implemented then it may not be worthwhile to measure it! If it is an objective and meaningful, then as a first step the companies/ implementers should align on the definition for example of financial benefit and cost; and then agree on the assumptions to finalize the ROI calculation – for example:

- 1) What is the 'definition' of 'financial benefit'? Is the 'in field profit' as calculated by SAVIX a sufficient calculation?
- 2) For how many years should this benefit be considered? (in the model in this report, we suggested three)
- 3) What cost should be used? Ideally this will be calculated program to program.
- 4) Should replicated VSLAs be considered? (in the model presented in this report we suggested one replicated VSLA per VSLA formed and assumed two years of benefits)

And then they should agree on an approach to consistently collect the necessary data – perhaps through aligned reporting in SAVIX.

The ROI 'result' shared in this report needs to be checked as many assumptions were made regarding the data shared. For example, in some situations it was unclear whether the net profit referred to that for one cycle or more or less; we assumed an implementer cost of \$50/member, but it would be beneficial to confirm this is a good estimate across each program; further it is unclear with some of the data how to factor in dividends as in general the payout usually is in the form of the net profit but may in certain reports be appearing as dividends but is not showing up in the SAVIX returns calculation. It will be important to gather the following pieces of information for each program so that the 'actual' ROI (using the formula suggested in this paper) can be calculated – as a start collecting this data for the end of cycle 1 for each program would help. Appendix 1 shows a simple model that can be used to calculate the ROI with these data points and some additional assumptions the user can enter:

- 1) 'Net profits' shared per member
  - a. the payout to the members compared to the amount they paid in for savings. The specifics of this data may vary depending on the implementing organization and the structure of the VSLA; for example, it may be the profits + the dividends; although this needs to be clarified.
  - b. We could consider collecting this for each of three cycles to have more precise data rather than the current approach of multiplying by three the results from a single cycle.
- 2) Implementation cost per member

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<sup>57</sup> This ROI is based on data provided by the 6 cocoa programs who shared data. As of December 31, 2019 we are still checking on the consistency of the data and hope to clarify the data by 31 January 2020 at which point the ROI could change if there is a new set of data.

In addition those implementing VSLAs in cocoa communities may want to consider the other elements that are key for them to track for overall operational management and learning and then determine if there are simple ways to collect data consistently to gather this information or if from time to time a ‘deep dive’ is required. Using some of the standard defined fields in SAVIX, implementers could collect additional data to segment findings. And there seems to be interest by various implementers and cocoa and chocolate companies in understanding the use of and impact of the loans. Some organizations already track this – per member, for each loan, what it is used for. If possible it may be interest to track this more consistently. It would be worthwhile to discuss with the SAVIX team their system, it’s nuances and what is feasible for overall VSLA data management.

In addition to the data collection, measurement and reporting piece, additional work may be considered to better identify barriers and critical success factors in implementing VSLAs in cocoa growing communities. This paper discussed some key components regarding gender transformation work, women’s empowerment and also lessons regarding effective linkages with financial institutions. It also touched on the value often of linking VSLA implementation with other initiatives such as Income Generating Activities. However, not a lot of detail was provided and these topics could be explored more to benefit the VSLA work in cocoa growing communities. As companies and implementers align more on their objectives and what they wish to explore, they can adapt their approach to data collection and sharing and learning and over time learn from their collective experience, share and adapt their approach so that the VSLAs have greater impact on achieving their desired objectives in the cocoa growing communities.

## APPENDIX

### APPENDIX 1: BASIC ROI MODEL PRESENTED

This appendix shows a screenshot of the model which can be found in a WCF/egnyte folder:  
<https://worldcocoa.egnyte.com/app/index.do#storage/files/1/Shared/WCF/15%20-%20CocoaAction%20Resources/TWC%20Workstreams/WS3%20-%20Community%20Development/VSLA%20research%20December%202019/VSLA%20Basic%20ROI%20Model>

SIMPLE ROI MODEL -- CAN ENTER FOR GROUP OF VSLAs OR FOR SINGLE VSLA

Enter Data:	Enter Data:	Description/Definition
Number of Groups	30	Enter number of groups that are being included in the calculation -- could be as small as one
Average Number of Members per group	35	Enter the average number of members per group being entered
Implementer Average Cost/Member/Cycle [Year] (VSLA)	50	Enter the average cost per member per cycle (sometimes referred to as "year" for this study - that the implementer is spending on VSLA implementation)
Number of Cycles [Years] with Cost	3	Enter the number of cycles [years] that the implementer will spend this money per year (an average across all VSLAs); if the cost will decline over time the number of cycles could reflect this; for example in year 1 if the cost is \$50/person and in year two the cost is \$25/person; and year 3 = \$0/person; then the user could put the cost as \$50/person and then indicate this is for 3.5 years (rather than 1 year at \$50 and the second year at \$25)
Average Net Profit per Cycle/Member	3	Enter the average "net profit" per cycle per member. This should be considered an average over the number of years that the profit is being considered. Thus if in year 1 the profit is \$1; and in year 2 it is considered to be \$2; and in year 3 it is likely \$3; and the survival rate being used for the calculation is 3; then user could enter \$2 in this cell as it is the average profit/person over the 3 years
Average estimated Number of Years - Survival Rate (original VSLA)	3	Enter an assumption for the average expected number of years that the VSLAs set up will stay functioning
Average number of Replicated VSLAs	3	Enter an average number of VSLAs that are spontaneously replicated for each VSLA set up by the implementer (this may be a fraction)
Average Estimated Profit for Replicated Group (as a % of original group)	1.00%	Enter a percentage -- if the annual net profit per member is expected to be the same in the replicated VSLA as the original VSLA set up then put 300%; if it is expected to be approximately half as much per person as the original VSLA then enter 50%; if it is expected to be 1.5 times the profit per person of the original VSLA then enter 150%, etc.
Average Estimated Number of Years - Survival Rate (replicated VSLA)	3	Enter an expected life in years of the replicated VSLA
Enter Calculations:	Automatic Calculations:	Description/Definition
Total Annual Profit Original Group (Average)	35	Average net profit per member * average number of members
Total Annual Profit Replicated Group (Average)	35	Average estimated profit for replicated group (as a percent of original group) * Total Annual Profit of Original Group
Total Profit over Estimated 'Life' used for calculation for Original VSLA (Average)	50	Total Annual Profit Original Group (Average) * Average estimated Number of Years (Survival Rate) (original VSLA)
Total Profit for Estimated 'Life' used for calculation for Replicated VSLA (Average)	35	Total Annual Profit Replicated Group (Average) * Average estimated Number of Years (Survival Rate) (replicated VSLA)
Total Cost for Implementation (Average per VSLA)	1750	Average Number of Members per Group * Implementer Average Cost/Member/Year (VSLA) * Number of Years with Cost
Total Estimated Profits Generated (all VSLAs - original and replicated)	3250	(Average Total Profit over Estimated Life for Original VSLA + Average Total Profit for Estimated 'Life' for Replicated VSLA) * Number of Groups
Total Estimated Implementation Cost (all VSLAs)	37500	Total Cost for Implementation (Average per VSLA) * Number of Groups
<b>ROI Calculated</b>		
ROI	0.06	Total Estimated Profits Generated (all VSLAs - original and replicated) divided by Total Estimated Implementation Cost (all VSLAs)

#### Assumptions and Notes

1. Original VSLA -- are the VSLAs set up by implementer
2. Replicated VSLA -- no implementer cost; these are assumed to have sprung up in a spontaneous manner because of the VSLAs implemented
3. Assume same profit for every year for VSLA (although in reality profits likely increase) - so whatever profit is listed here is constant
4. Not factoring in money put into Social Fund; And assumes any fees paid by participants go into the profit calculation for members (not factored into this calculation)
5. Annual is assumed to be the same as a cycle -- the words are used interchangeably
6. Enter all data in the same currency (e.g., CFA or Ghana Cedi or USD, etc.) -- as long as all costs and profits use the same currency the ROI calculation will be OK



## APPENDIX 2: MOST RELEVANT REPORTS

Throughout this document reports sourced are listed in the footnotes. Most of these reports include an online link. This appendix lists some of the more referenced reports, and few additional ones which are also all posted at: (<https://worldcocoa.egnyte.com/app/index.do#storage/files/1/Shared/WCF/15%20-%20CocoaAction%20Resources/TWC%20Workstreams/WS3%20-%20Community%20Development/VSLA%20research%20December%202019/Interesting%20VSLA%20reports%20and%20toolkits>)

- 1) General guidance and savings groups best practices
  - a. Village Savings and Loans – Field Officer’s guide (from September 2019) – one copy in English and one in French
  - b. Women’s Empowerment and Savings Groups: What do we Know  
<https://seepnetwork.org/files/galleries/2019-SG-LB-Womens-Empowerment-And-SGs-EN-DIGITAL.pdf>
  - c. Women’s Empowerment and Savings Groups: Monitoring and Results Measurement Toolkit  
<https://seepnetwork.org/Resource-Post/Women-s-Empowerment-and-Savings-Groups-Monitoring-and-Results-Measurement-Toolkit>
  - d. Program Quality Guidelines for Savings Groups [https://mangotree.org/files/galleries/1571\\_SG-guidelines.pdf](https://mangotree.org/files/galleries/1571_SG-guidelines.pdf)
  - e. Where are the Men? How Male Engagement in Savings Groups Can Contribute to Financial Inclusion and Women’s Empowerment [https://mangotree.org/files/galleries/SEEP\\_Savings-Groups-and-Male-Engagement\\_20191207.pdf](https://mangotree.org/files/galleries/SEEP_Savings-Groups-and-Male-Engagement_20191207.pdf)
  - f. <https://insights.careinternational.org.uk/publications/care-global-vsla-reach-2017>; note that Care’s website has FAQs and a variety of other general and specific information on VSLAs
- 2) Linking Savings Groups with Financial Institutions:
  - a. Where Next After VSLA? A World Renew Research Paper Exploring the Value of Linking Savings Groups with Financial Services Providers [https://mangotree.org/files/galleries/WhereNextAfterVSLA-ReportforWorld\\_Renew-FINAL24July18.pdf](https://mangotree.org/files/galleries/WhereNextAfterVSLA-ReportforWorld_Renew-FINAL24July18.pdf)
  - b. Delivering Formal Financial Services to Savings Groups: A Handbook for Financial Services Providers [https://insights.careinternational.org.uk/media/k2/attachments/Delivering-Formal-Financial-Services-to-SGs\\_A-Handbook-for-FSPs\\_2017.pdf](https://insights.careinternational.org.uk/media/k2/attachments/Delivering-Formal-Financial-Services-to-SGs_A-Handbook-for-FSPs_2017.pdf)
  - c. Linking Savings Groups to Banks *What Works, What Doesn’t, What’s Next*  
<https://www.careinternational.org.uk/sites/default/files/April%2021%20Charter%20Webinar%20Presentation%20Combined%20FINAL.pdf>
- 3) Linking savings groups with other activities
  - a. Beyond Financial Services: A Synthesis of Studies on the Integration of Savings Groups and Other Development Activities  
[https://mangotree.org/files/galleries/647\\_2011\\_akf\\_beyond\\_financial\\_services.pdf](https://mangotree.org/files/galleries/647_2011_akf_beyond_financial_services.pdf)
- 4) SAVIX MIS materials
  - a. SAVIX MIS 2.0 User’s Manual (English)
  - b. Data Collection forms
  - c. Data Definitions
- 5) WCF Materials - <https://www.worldcocoafoundation.org/focus-areas/community-empowerment/>
  - a. Gender Continuum Marker (English and French)
  - b. Gender Integration Guidance Note (English and French)
- 6) VSLA Impact
  - a. Innovations for Poverty Action (IPA) – 2017: “The Impact of Savings Groups on the Lives of the Rural Poor in Ghana” - <https://www.povertyactionlab.org/evaluation/impact-savings-groups-lives-rural-poor-ghana>; full study is “Impact of savings groups on the lives of the poor” - <https://www.pnas.org/content/pnas/114/12/3079.full.pdf>
  - b. Gash, Megan. 2017. “Understanding the Impact of Savings Groups”. SEEP and FSD Africa.  
[https://mangotree.org/files/galleries/SEEP\\_Understanding-the-Impact-of-Savings-Groups\\_20180117\\_FINAL-0001.pdf](https://mangotree.org/files/galleries/SEEP_Understanding-the-Impact-of-Savings-Groups_20180117_FINAL-0001.pdf)
  - c. Baradoe, Joseph. 2017 – Thesis. “An assessment of the Village Saving and Loan Associations (VSLA’s) scheme on the livelihoods of cocoa farming communities. A case study in Asunafo North Municipality”

### APPENDIX 3: SAVIX TEMPLATE AND DEFINITIONS FOR DATA COLLECTION

The SAVIX Database has been developed directly for VSLAs and has the opportunity for users to enter only the required data; or to add data for standard defined fields and or user defined fields. Most of the organizations implementing VSLAs in cocoa communities in West Africa are submitting data to SAVIX. The system has significant potential to help users to operationally manage their programs to compare key results across trainers, groups, etc. and to learn and evolve the programs. This appendix shows the standard data collection template already developed for SAVIX – and also definition.

Data collected at formation of group	
Group name	
Group trained by (name)	
Date of first training	
Number of members at creation of group	
Latitude (optional)	
Longitude (optional)	



Data always collected from a group			
Group name and no.			
Cycle data			
Cycle number			
Date savings started this cycle			
Group status (supervised/self-mngd) at start of cycle			
Group monitored by (name)			
Registered Members when savings started this cycle			
Savings reinvested at start of cycle			
Property at start of cycle			
Member information			
Date of data collection			
No. of registered Members now			
No. of registered women now			
No. of Members attending this meeting			
Dropouts this cycle			
Loans and savings			
Value of savings this cycle			
Value of loans outstanding			
No. of loans outstanding			
Write-offs this cycle			
Loan fund cash in box			
Other assets and liabilities			
Bank balance			
Social fund balance			
Property now			
External debts			
Dividends and share-out			
Dividends paid this cycle			
Is this an end of cycle share-out meeting		Yes	No

In-field profit calculation	
Value of loans outstanding	
Plus: Loan fund cash in box	
Plus: Bank balance	
Plus: Property now	
Minus: Value of savings this cycle	
Minus: Property at start of cycle	
Minus: External debts	
Equals: Profit (or loss) to date	

Worksheet		
N° of Mbr	Total shares bought by each member this cycle	Value of loans outstanding
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
Total		

Price of 1 share
Total savings

**Table 1 - Group Static Fields**

These are data that needs only to be entered once, when the group is created, usually during training. It records data that never changes and need never be filled out again.

N o	Name	Type	Description	Mandato ry
1	Group Name and no.	Text	The group name to identify the group. Usually this is chosen by the group. The group number is automatically generated after data on the group is entered for the first time.	Yes
2	Group trained by	Text	The name of the person who originally trained the group. This is <u>NOT</u> the designation (such as 'Field Officer' or 'VA') but the name of the actual person who originally trained the group. This will be matched with a list of names that you will have been pre-entered in the database.	Yes
3	Date of first training	Date	The date on which the group was first formed to become a savings group. We ask for this because it will enable us to always know how long the group has been working as an SG. So, for example, if a group already existed (i.e. a farmers' group) you would not write the time it was first trained as a farmers' group but when it received its first training to be able to start operating as a savings group.	Yes
4	Number of members at creation of group	Numeric	The total number of members of the group at the start of the <u>first cycle</u> . This number will NOT change in subsequent cycles.	Yes
5	Latitude / Longitude	Specific to one of three standard conventions	<p>Standard Latitude and Longitude format (Degrees, Minutes, Seconds) <u>This is optional data</u> but must be generated by a GPS device and written in one of three standard formats:</p> <ol style="list-style-type: none"> <li>1 Degrees, minutes and seconds. <u>This is the most widely used convention in hand-held GPS systems</u></li> <li>2 Degrees, minutes and decimal minutes.</li> <li>3 Degrees, decimal degrees. This is the default convention used by the MIS and is recommended</li> </ol> <p>These data will change only if the group changes its meeting place.</p>	No

Table 2 – Cycle data.

These are data that are verified at every visit to the group, but are unlikely to change after the first meeting of a cycle

No.	Name	Type	Description	Mandatory
1	Group name and no.	Text	The group name chosen by the group.	Yes
2	Cycle number	Numeric	This is the cycle number of the group. A cycle is a period in which a group saves, gives loans to its members and finally shares out its cash assets. In most Savings Group programmes this is 1 year. This does not change during the cycle.	Yes
3	Date savings started this cycle	Date	The date when the people started saving money <i>in the present cycle</i> . This does not change during the cycle but will change when a new cycle begins.	Yes
4	Group status (Supervised/self-mngd) at start of cycle)	Text	There are only two choices; Supervised or Self-managed. A group may still be receiving training and supervision, in which case it is Supervised. Alternatively, it may be operating independently and no longer being trained or supervised, in which case it is Self-managed. If a programme is carrying out other activities with the Savings Group that are not related to savings and credit, this is not relevant. <i>The status as being Supervised/Self-managed only refers to the savings and credit activities of the group.</i> . This does not change during the cycle.	Yes
5	Group monitored by (name)	Text	The name of the person who is monitoring the group. If data is being collected from a group, then this is the name of the person doing this on a regular basis. It is assumed that this is either a Field Officer or a Village Agent. The name may change during the cycle.	Yes
6	Registered Members when savings started this cycle	Numeric	The number of group members <i>at the start of the each cycle</i> . This does not change during each cycle. This does not change during the cycle.	Yes
7	Savings re-invested at start of cycle	Currency	The total amount of money that members carry over as their personal savings from one cycle to the next. <i>This event only occurs at the start of a new cycle</i> and allows a member to invest any amount that they wish.	Yes; default 0
8	Property at start of cycle	Currency	The value of the <i>physical property</i> owned by the group <i>at the start of the cycle</i> . The value of this property is the purchase price paid. No attempt should be made either to depreciate or re-value physical assets.	Yes

**Table 3: Dataset.**

These are data that are collected at every meeting and are very likely to change

Information				
9	Date of data collection	Date	The date this data was collected in the field.	Yes
10	No. of registered Members now	Numeric	The number of people at the time of data collection who are considered by the group to be members and who appear in the group's records.	Yes
11	No. of registered women now	Numeric	The number of women at the time of data collection who are considered by the group to be members.	Yes
12	No. of Members attending this meeting	Numeric	The number of group members attending the meeting at the time of data collection. This information is gathered towards the end of the meeting when all latecomers have arrived.	Yes
13	Dropouts this cycle	Numeric	The amount of dropouts in this cycle until this moment. A dropout is a member who has left the group for <i>any</i> reason (voluntarily leaving for no specific reason, removal by the other members, death, moving away to live elsewhere etc.).	Yes, default 0
Loans and savings				
14	Value of savings this cycle	Currency	Total value of all savings to date this cycle (including savings re-invested at start of cycle) <i>Savings are ONLY the total of what all members have contributed in cash since the start of the cycle and it has nothing to do with the money in the Loan Fund.</i> It can only be determined by referring to individual savings records,	Yes, default 0
15	Value of loans outstanding	Currency	Total value of the principal sum remaining to be paid of all loans at the moment of data collection. It does not matter if the loan is being paid on time or is late: the amount that is listed is the total value of all remaining principal to be repaid. <i>It does not include interest.</i>	Yes, default 0
16	No. of loans outstanding	Numeric	Number of loans that have not yet been fully repaid. This figure refers to active loans, even if they are behind schedule for repayment.	Yes, default 0
17	Write-offs this cycle	Currency	The amount of any loans that the members have agreed will never be repaid during this cycle. This can be owing to death, sickness or a member abandoning the group and refusing to pay etc. <i>This is a cumulative figure.</i>	Yes, default 0
18	Loan fund cash in box	Currency	The amount of cash in the box which is available to members for loans. It is usually held in a separate bag so as not to mix it with the Social fund.	Yes, default 0
Other assets and liabilities				
19	Bank balance	Currency	The total balance of all funds the group has deposited to any type of financial institution. It is the amount that shows up on a bank statement, or calculated by adding up the value of deposit slips.	Yes, default 0
20	Social fund balance	Currency	The total amount of cash held by the group in any other funds separate from the loan fund. In most cases this refers only to the Social Fund, but some groups have additional funds, such as Education funds or Loan insurance funds etc.	Yes, default 0
21	Property now	Currency	The value of all of the <i>physical property</i> owned by the group <i>at the time of data collection</i> . The value of this property is the purchase price paid. No attempt should be made either to depreciate or re-value physical assets. The person gathering the data should ignore what the group had in physical property at the start of the cycle and add up the total value <i>at the time of data collection</i> , regardless of whether or not it was present at the start of the cycle.	Yes, default 0
22	External debts	Currency	The total value of the debts a group owes to external organisations (banks, coops, SAACOs) or individuals.	Yes, default 0
Dividends and share-out				
23	Dividends paid this cycle	Currency	This is the amount of money paid out in dividends <i>to groups that do not share out their capital</i> . It is a cumulative figure.	Yes, default 0
24	Is this an end-of-cycle share-out (distribution) meeting?	Yes/No	This field, displayed on the MIS as a checkbox, is intended to indicate if the meeting at which the data was collected was a share-out (distribution) meeting at the end of the cycle. A share-out meeting is one in which there are usually no loans remaining unpaid and cash on hand and total savings are recorded immediately before the share-out starts.	Default No

#### APPENDIX 4: CONTACTS FOR THIS REPORT

In order to gather data and insights for this report we reached out to a mix of cocoa/chocolate companies and non-governmental organizations involved in implementing VSLAs in cocoa communities in Ghana and Cote d'Ivoire. In addition, Hugh Allen at VSL Associates has been very helpful and generous with his time and insights.

Companies	Implementers
Barry Callebaut	Agro Eco
Blommer	CARE
Cargill	Caritas
Cocoanect	Glowdep
ECOM	ICI
FedCo	Nature Aid
Ferrero	Participatory Development Associates
Hershey	Solidaridad
Kookoo Pa	World Vision
Mars	
Mondelez	
Nestle	
Olam	
PBC	
Touton	



## APPENDIX 5: SPECIFIC FIGURES

Figures 5, 7, and 8 from the report above are re-pasted here in a more 'zoomed' in version for more legibility. The links to the online locations of the reports where the figures can be found are also included for ease of reference.

Figure 5: Program Quality Guidelines for Savings Groups (SEEP Network) ([https://mangotree.org/files/galleries/1571\\_SG-guidelines.pdf](https://mangotree.org/files/galleries/1571_SG-guidelines.pdf))

PROGRAM QUALITY GUIDELINES FOR SAVINGS GROUPS							
PHASE	PRINCIPLE	KEY ELEMENTS					
DESIGN	① Design the program with clear outreach and quality objectives that are responsive to member interests and align all stakeholders with the desired outcomes.	Common understanding of program objectives	Realistic benchmarks for both quality and scale	National level coordination			
IMPLEMENTATION	② Know the populations you intend to serve, including the most vulnerable, and take deliberate actions to reach them.	Identification and measurement of intended participants	Program processes that reach the intended population	Messages that are inclusive of vulnerable populations	Group procedures that reflect the needs of vulnerable populations	Alignment of trainer incentives with the objective of inclusion	
	③ Select, train, manage, and monitor trainers in a manner that recognizes their essential contribution to the program.	Careful selection of trainers	Tested and effective training methods	Streamlined training structures	Appropriate incentives for trainer performance	Clear trainer monitoring criteria and responsive feedback	
	④ Promote a tested Savings Group model, and instill in members an understanding and respect for that model's procedures.	Commitment to the group constitution	Caution with tempting shortcuts	Attention to the security of group funds	Respect for both borrowers and savers		
	⑤ If choosing to combine a Savings Group with other activities, plan carefully and respect the autonomy of the group.	Transparent communication of expectations	Respect for the procedures and structure of the SG	Demand-driven quality products and services	Safety of additional services and activities	Caution with the allocation of group funds for any purpose outside of savings and lending	Caution with anyone who views the SG principally as a market for products and services
	⑥ If choosing to promote a relationship with a financial service provider, empower SG members to make good choices based on their interests and demands.	Education of all parties involved in the financial relationship	Careful assessment of the financial service provider	Care for the interests of the group	Understanding of the implications of mobile banking		
MONITORING	⑦ Consistently monitor and evaluate program performance using responsible data collection, management and dissemination practices.	Varied methods for assessment	Respect for data ownership and security	Monitoring of post-project outcomes			
EXIT	⑧ Put in place a clear exit strategy that leaves behind post-program structures for sustainability, expansion of services, and ongoing support.	Clearly planned and communicated exit strategies	Culturally appropriate post-project contracts	Carefully designed oversight structures	Responsive redress mechanisms		

Figure 7: Pathways between Savings Groups with additional interventions and Women's Empowerment  
[https://secpnetwork.org/files/galleries/SG\\_Womens\\_Empowerment\\_MRM\\_Toolkit\\_FINAL\\_Sept\\_2019.pdf](https://secpnetwork.org/files/galleries/SG_Womens_Empowerment_MRM_Toolkit_FINAL_Sept_2019.pdf)

## 1.2.3 Savings Group + integrated gender programming

As presented in the Learning Brief, Savings Groups are more likely to contribute to transformative change when they integrate gender programming that challenges harmful social norms and systemic inequities. An example of gender programming that has been used in conjunction with Savings Groups is education and capacity building for members accompanied by gender dialogue sessions, engaging members and their spouses, community and religious leaders. The figure below, provides a generalized framework for the pathways between Savings Groups and women's empowerment for this broad category of interventions.

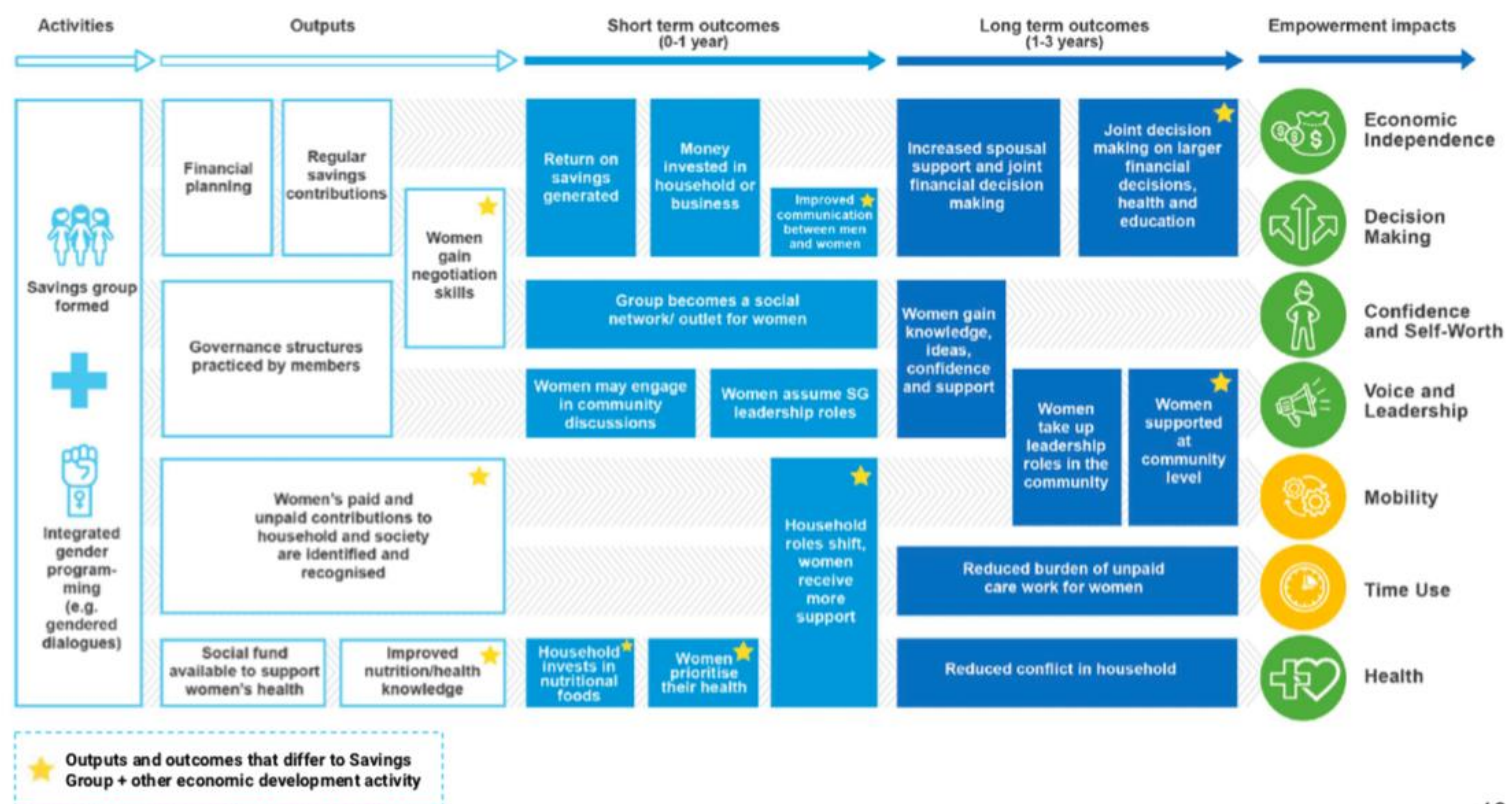


Figure 8: Gender Integration in Cocoa Value Chain - Reference Tool (Access to Finance) (<https://www.worldcocoaoundation.org/wp-content/uploads/2019/04/WCF-Gender-Continuum-Marker-Final.pdf>)

World Cocoa Foundation  
Gender in Cocoa Value Chains Continuum: Reference Tool

This reference tool helps WCF members to understand and assess the types of activities in cocoa value chain interventions at each level of the continuum of gender integration: gender-blind, gender-sensitive, gender-transformative.

GOAL	OBJECTIVE/ OUTCOME	ACTIVITY AREA	<p><b>Gender-Blind:</b> Gender blind interventions do not consider how gender affects cocoa communities and value chains.</p> <p>Gender blind interventions have a high risk of reinforcing gender inequality and harm to women, and of undermining sustainable cocoa chains.</p> <p>These interventions focus on individuals but often fail to increase women's capabilities or wellbeing because they do not understand their roles, needs and priorities.</p>	<p><b>Gender Sensitive:</b> Gender sensitive interventions consider how gender affects cocoa communities and value chains and adapt activities to the different needs of women and men.</p> <p>Gender sensitive interventions seek to do no harm and contribute to improving women's existing roles in and benefits from cocoa value chain, but do not seek to challenge or change gender norms and relations.</p> <p>These interventions build women's individual capabilities and work with men and communities to better understand the needs of women farmers and their contribution to cocoa value chains. They may also enable women to participate more in their community and its governance, and build women's solidarity with other women through women-only groups and spaces.</p>	<p><b>Gender-Transformative:</b> Gender transformative interventions actively seek to challenge and change unequal gender norms, roles and relations that prevent women from fully participating in and benefitting from the cocoa value chain, and provide adequate resources to achieve this objective.</p> <p>Gender transformative interventions seek to change women and men's roles in cocoa communities and value chains, and contribute to more equitable cocoa communities and value chain where female and male farmers have equal opportunities and benefits.</p> <p>These interventions build women's individual and collective capabilities, engage men and communities in tackling gender inequality, and challenge and change unequal laws, policies, customs and practices.</p>
aiming	Access to finance	VSLAs, Prefinance, credit, cash transfers, financial literacy	<p>VSLA, credit and microloan activities enable farmers to access finance for purchasing inputs, technology and labor, as well as building resilience to shocks.</p> <p>However, social norms and gender roles/discrimination may limit women's access to finance, e.g. women with restricted mobility or who face time-constraints may be prohibited from attending VSLAs meetings or, when they do, their husband may control new savings or credit. The act of women accessing new sources of finance, can also threaten men's status and expose women to increased risk of domestic violence.</p> <p>Financial inclusion activities that are blind to the specific needs of women are likely to only increase men's access to savings and finance.</p> <p>Financial training that is gender-blind risks to accentuate gendered norms about "men's work" and "women's work".</p>	<p>VSLA, credit and microloan activities are tailored to the needs and priorities of women to encourage their participation e.g. women-only groups, female trainers, time, place and content of training, understanding social and legal barriers to women's access to finance/credit.</p> <p>Financial literacy training is provided to women to enable improved management of personal finances.</p> <p><b>PLUS</b> Household and community dialogues are held to raise men's awareness of the benefits of women's access to savings and credit, and to mitigate risk of increased GBV/IPV by positively engaging with women's VSLA activities.</p> <p>Informal finance (e.g. VSLAs) are linked to formal finance institutions e.g. banks or revolving credit facilities through cooperatives.</p>	<p>Financial literacy training supports women to think beyond traditional roles for women.</p> <p>Household dialogues are held to increase women's control of income and assets and to increase women's decision-making power over expenditure.</p> <p>Household work is shared to enable women to access financial opportunities.</p> <p><b>PLUS</b> Activities with community leaders and local authorities to oversee correct application of national legislation and promotion of social norms that can benefit women.</p> <p>Gender dialogues within wider community build a supportive environment for women to participate fully in, and benefit from VSLA activities.</p>