

Learning into action:

Village Savings and Loans Associations in cocoa communities

This brief outlines good practices for setting up Village Savings and Loan Associations (VSLAs) and provides practical measures to encourage women's participation in these groups. Although this brief is based on ICI's experience establishing VSLA groups in cocoa-growing communities in Côte d'Ivoire and Ghana, the good practices presented could be applicable to other contexts.

What are VSLAs?

Village Savings and Loans Associations are community-based savings groups that promote saving and borrowing in communities where access to formal financial services is limited. They were first developed by CARE in the 1990s in Niger. Today, there are over 20 million active members in 77 countries.

Each group typically consists of 15 to 30 members who meet regularly (weekly, biweekly, or monthly) to save their money in a collective pool. Members can then take out small loans from the collective pool and repay the money in time with a flat interest rate.

At the end of the year's cycle, the group's collective profits are distributed to its members according to their contributions.

VSLAs are self-managed and run by a management committee, which is elected by the members, oversees the collective pool, and runs the meetings.

VSLAs are often targeted at women as part of efforts to promote gender equality in rural communities, where women may have fewer financial resources and opportunities than men.



Why set up VSLAs?

- **Facilitate access to loans** in communities where access to formal financial services is very limited.
- **Increase household resilience.** VSLAs help members build financial security by encouraging saving and facilitating access to emergency loans. Members can borrow money to meet basic needs, respond to unexpected events, like an illness in the family or a bad harvest, and cover big expenses, like healthcare costs or house renovations. This strengthens household resilience and reduces the need to resort to negative coping strategies, such as child labour, to make ends meet.
- **Encourage income diversification.** VSLA members can take loans to invest in farming activities or alternative income-generating activities, helping to diversify their income sources.
- **Improve child welfare and protection.** With increased financial stability, VSLA members have additional funds to meet children's basic needs, such as food or healthcare, as well as education-related costs.
- **Strengthen social cohesion.** VSLA members meet regularly, support each other in times of need, and collectively make decisions, fostering strong community bonds. Once established, the group structure can also serve as a platform for other community-based initiatives, such as training on pesticide risks, awareness-raising on child labour or gender equality dialogue sessions. This extends the group's impact beyond savings and loans.
- **Promote gender equality.** VSLAs offer women opportunities to set up income-generating activities, increasing their economic independence and influence over household spending decisions. Besides contributing to gender equality, this is important because women often prioritise spending on their families' health, nutrition, and education, directly benefiting children's well-being.
- **Support sustainable interventions.** Once set up, VSLAs quickly become autonomous. Members often remain in the group for multiple cycles, and most groups remain active five years after their creation. In many communities, VSLAs spontaneously replicate, spreading their benefits even further.



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The VSLA loan has done me and my family a lot of good. This year I've enrolled my children in school.

FEMALE VSLA MEMBER

Good practices to set up VSLAs



Mobilise the community

Present the project and its benefits to encourage community members to join the group and promote community ownership of the VSLA.



Support the group formation

Support the group formation, including encouraging community members to join, facilitating the election of group leaders, and helping the group define clear rules and procedures for savings, loans, and group dynamics (e.g., limits on loan amounts, interest rates, fines for late repayment, etc.). When defining the rules, be mindful of religious or cultural sensitivities present in the community.



Train the members

Training topics should include democratic group management and governance (elections, meeting dynamics, transparent and inclusive decision-making processes, etc.), financial literacy (basic saving and lending principles, importance of accurate record-keeping), and conflict management and resolution.



Provide materials

Provide materials such as savings boxes, padlocks, record books, pens, stamps, ink pads, bowls, and calculators for the group to function smoothly.



Guide and mentor the group

Guide and mentor the group during the first months to ensure smooth running, identify additional training needs, and help resolve any issues or conflicts. Use this period to help the group build trust and cohesion. With the right support, groups become autonomous within a year and can continue to operate independently.



Officially register the VSLA

In some countries, such as Côte d'Ivoire, VSLAs must be registered before they can begin operating. Even when not mandatory, it is recommended to register the VLSA as it can enable the group to open a bank account, access loans from formal financial institutions, and gain official recognition from local authorities. Registration can also facilitate the implementation of collective income-generating activities, ensuring all group members own and manage them.



Raise awareness about child labour in parallel

Integrating child labour awareness into VSLA meetings can help ensure that group discussions contribute to positive outcomes for children.

Additional resources

- [VSLA Programme Guide Field Operations Manual, VSL Associates](#)
- [Facilitator Guide Village Savings and Loans Association, International Rescue Committee](#)
- [FAQs on Village Savings and Loan Associations, CARE](#)
- [Gender Action Learning System, CGIAR GENDER Impact Platform](#)

How to encourage women to participate in VSLAs

Integrating a gender lens into VSLA programmes promotes gender equality and ensures that everyone, women, men and children, can benefit fully from the group's activities.

- ✓ **Ask women to join.** Proactively engaging with women during the group formation process, especially those who are less likely to join, can contribute to them feeling welcome and confident to join. Addressing social norms or cultural barriers that may limit their involvement is also key. This can include involving local leaders in promoting women's inclusion and raising awareness about gender equality.
- ✓ **Promote women's leadership in VSLAs** by actively encouraging them to run for leadership roles or by establishing quotas in group rules, ideally ensuring that more than half, or even all, of VSLA leaders are women, and that women make up a significant share of the group's members. This contributes to creating a safe environment for women and can encourage others to join.
- ✓ **Address barriers and cater to women's needs** to ensure they can participate. This might mean holding VSLA meetings at times and locations that are accessible to women.
- ✓ **Offer adult literacy and numeracy classes for women.** Women in cocoa-growing communities may lack the literacy and numeracy skills needed to participate fully in financial activities. Parallel literacy and numeracy classes can help women learn to read, write and count. [Discover](#) how adult literacy and numeracy classes helped VSLA members in Côte d'Ivoire.
- ✓ **Consider women-only groups.** In some settings, women-only VSLAs, also known as CFREC in ICI-implemented programmes in Côte d'Ivoire, can help ensure that women have a safe space for their activities and feel confident to fully engage in group activities.
- ✓ **Provide gender equality training.** Combining VSLAs with gender training and couples dialogue sessions encourages discussions on equitable roles within households and raises awareness about the benefits of gender equality. These discussions, often carried out using the [Gender Action Learning System \(GALS\)](#) methodology, aim to shift unequal power dynamics, promote mutual respect, and support harmonious relationships. This is particularly important in contexts where women's increased financial autonomy may lead to resentment or tension with male partners. Facilitated dialogue helps address these challenges and fosters mutual understanding.