

The Role of the Village Savings and Loans (VS&L) in Financing WASH, Nutrition, Agriculture and Disaster Risk Reduction (DRR) Activities in Amalima Districts

I. Introduction

Amalima promotes Village Savings and Loans (VS&L) initiatives across its strategic objectives as a means of mobilizing funds to improve nutrition for pregnant and lactating women and children under two years of age—as well as improve communities’ resilience to shocks such as droughts. The project’s three strategic objectives are: (1) Improve household access to, and availability of, food; (2) Improve community resilience to shocks; and (3) Improve nutrition and health among pregnant and lactating females and children under the age of two. Through the VS&L training, Amalima encourages community members to use VS&L funds to improve productivity in crop and livestock activities by investing in agricultural assets and inputs. Amalima also encourages VS&L groups to invest in health, nutrition, and disaster risk reduction (DRR) interventions that include latrine construction, procurement of kitchen utensils, and rehabilitation of irrigation schemes and dip tanks. From FY14 to FY19, Amalima worked with 900 VS&L groups with a membership of 8,384 people (7,734 females and 650 males). The total value of savings from FY 14 to FY 19 was \$1,036,337 USD.

This study was motivated by the growing application of VS&L in financing WASH, nutrition, DRR, and agriculture activities in Amalima’s four districts (Tsholotsho, Bulilima, Mangwe, Gwanda). The study sought to identify interventions that were not financed by VS&L but remained critical in contributing to the achievement of the program’s strategic objectives and goal. The findings from the study were used to confirm the supported interventions, and to assist in developing appropriate strategies to fund interventions not currently funded by VS&L.

The study was conducted in Tsholotsho and Gwanda districts with a total of 21 randomly selected groups: eleven (11) from Tsholotsho and ten (10) from Gwanda district. The findings of the study confirmed that VS&L financed the purchase of livestock (24%), agriculture (15%), flood-proof houses and household latrines (15%) and investment in income generating activities (IGAs) (14%). The findings of the study also noted a few interventions that were not financed by VS&L but are equally important in contributing towards Amalima’s goal--this included rehabilitation of community assets. For VS&L to become a readily used mechanism to fund interventions not prioritized by the participants, the VS&L Facilitator increased participants interaction with the relevant Amalima Technical coordinators.

2. Research Questions

Amalima conducted a VS&L study to ascertain the role of VS&L in financing WASH/nutrition, agriculture and DRR activities. In particular, the study aimed to answer the following questions:

- 2.1 Which interventions are being financed by VS&L?
- 2.2 Which interventions are not being financed by VS&L?
- 2.3 What strategies should be put in place to improve programming to strengthen participants’ resilience to shocks?

3. Methodology

3.1 Study Area and Population

The study was done in two districts, Tsholotsho and Gwanda, that are supported by different economic activities. Tsholotsho district has economic activities that are largely influenced by diaspora remittances from neighbouring countries such as Botswana and South Africa. Another economic driver in this area is livestock rearing and marketing. In contrast, while Gwanda is on the highway to South Africa and shares a border with Botswana, its economic activities are not significantly influenced by remittances from neighbouring countries. The major economic drivers in Gwanda district are artisanal mining, horticulture and livestock rearing.

The two districts were each divided into three clusters according to economic zones. The table below shows the number of VS&L groups that were reached in each cluster per district. The number of groups selected for the study sample was proportional to the number of existing VS&L groups within the cluster.

Province	District	Cluster 1	Cluster 2	Cluster 3	Total no. of Groups
Mat North	Tsholotsho	4	4	3	11
Mat South	Gwanda	4	3	3	10
Totals		8	7	6	21

Figure 1: Number of groups sampled for the study.

3.2 Data Collection

A VS&L group data collection tool was administered to each group where at least three members attended the interview. The group tool collected data on decisions that were made by the group on the use of the VS&L funds. After administering the group tool, an individual tool was then administered to some selected individual members of the groups to ascertain individual use of the VS&L funds. In total 21 focus group discussions were conducted and 40 individual interviews were administered.

4. Key Findings

The results of the study confirmed that VS&L plays an integral role in financing many of the interventions which are expected to be supported by VS&L (see figure 2.3 and 4 below). From the list given by the Amalima Coordinators (WASH, Agriculture and Livestock and DRR Specialist), all the interventions received funding from VS&L by the sampled VS&L groups except for rehabilitation of assets. The study was also able to identify some of the items/activities that are not being supported by the program that group members still deem as important. In these cases, VS&L money is being used to fund these activities—including payments for school fees and funds to purchase group members uniforms.

4.1 Utilization of VS&L Money (Collective Decision)

This section looks at the decision mechanisms made by all the group members on the use of the shared-out funds from their VS&L group. The VS&L procedure encourages members to set utilization targets at the beginning of the cycle and follow through those commitments. This minimizes conflicts when decisions are made at the share-out due to conflicting needs.

ITEM	% EXPENDITURE
Livestock	24
Agric (inputs, implements and stock feed)	15
Infrastructure (flood proof houses + latrines)	15
Group IGAs	14
Food	9
Shared in cash	8
Kitchen utensils	7
Reserved	4
Fees and club uniforms	4
Total	100

Figure 2: VS&L Savings funds utilization (collective decisions)

4.2 Loan Use

These are the funds that members borrowed from the group and repaid with interest.

ITEMS	% EXPENDITURE
Household IGAs	80
Medication, fees & funeral	9
Food	6
Agric	2
Infrastructure	2
Kitchen utensils	1
Total	100

Figure 3: Loan utilization by VS&L members

4.3 VS&L Money Use at Individual Level

This included funds that were generated through share-outs and cash generated from household IGAs. However, it was difficult to separate these expenditures from loans.

ITEM	% EXPENDITURE
Food	22
Livestock	20
Agriculture	17
Kitchen utensils	13
Medication and fees	12
Infrastructure	10
HH IGA	6
Total	100

Figure 4: VS&L expenditure at individual level

4.4 Study analysis and direction for future programming

The study showed that 24% of the VS&L funds went towards the purchase of livestock, 15% on agriculture, and 15% on infrastructure development including flood proof houses and household latrines. Investment in IGAs was at 14%, 9% of funds were used to purchase food for members, and 7% to purchase kitchen utensils. 8% of the savings were given to members in cash form to meet other household needs.

4.4.1 Highly prioritized items

ITEM FINANCED BY VS&L	ANALYSIS	CONTRIBUTION TO FUTURE PROGRAMMING	WAY FORWARD
Purchase of livestock (poultry, goats, cattle and donkeys) for members	<ul style="list-style-type: none"> • Contributing to building resilience to shocks of members through ownership of livestock. • Improved access to nutritious food (milk and meat) for children under five. 	<ul style="list-style-type: none"> • The existence of VS&L groups investing in small livestock gives an opportunity to offer training on livestock management since most of these groups can be easily organized for training. • The availability of funds makes it easy to influence behavior change, especially on building appropriate housing. • The groups could also play an important role in participating in grazing lands management around the homesteads, since goats do not go to relief grazing. 	<ul style="list-style-type: none"> • VS&L Facilitator worked with the Gender Specialist to track changes in livestock ownership amongst the selected VS&L members. • VS&L Facilitator worked closely with the DRR Specialist to influence the VS&L members to participate in grazing land management.
Investment in group IGAs	<ul style="list-style-type: none"> • There are opportunities for the VS&L IGAs to participate in the value chains promoted by Amalima, especially livestock. • Group IGAs are 	<ul style="list-style-type: none"> • Need to have updated data on where the groups are, type of IGAs and current numbers. • Conduct trainings on farming as business for the groups. • Work on increasing 	<ul style="list-style-type: none"> • VS&L Facilitator with the district Teams compiled list of VS&L groups engaging in Livestock IGAs and shared with the Agric and Livestock Coordinator, DRR Specialist and Value

	potential sites for learning/demonstration centres as they have the potential to put up recommended structures and put the training into practice.	the production levels for them to supply the market	Chain and marketing Specialist to assist the groups in moving up the ladder in production and marketing.
Purchase of food for members	<ul style="list-style-type: none"> • Contributes to increasing access to diversified food at household level. • Reduces disposal of assets during lean period as there is money to buy food. 	<ul style="list-style-type: none"> • This will be used as a bait to SO3 beneficiaries (PLW) so that they use funds from VS&L to compliment what they are getting from the programme. 	<ul style="list-style-type: none"> • VS&L Facilitator worked closely with the SO3 Nutrition Coordinator to reach out to PLWs so that they integrate VS&L and to influence type of food to buy.
Construction of flood proof houses	<ul style="list-style-type: none"> • Positive response to DRR 	<ul style="list-style-type: none"> • Target the areas that are prone to flooding and heavy wind so that they build durable houses. The pilot groups will be used as learning centres for behavior change. 	<ul style="list-style-type: none"> • Worked closely with the DRR Specialist to influence communities in flood prone areas to integrate VS&L for them to raise money to build flood proof structures.
Latrine construction	<ul style="list-style-type: none"> • Positive response to promoting proper disposal of human waste • An opportunity for promoting personal hygiene (Menstrual hygiene) as VS&L members can afford to purchase hygiene enabling facilities such as pads. 	<ul style="list-style-type: none"> • Market VS&L concept to Community Health Clubs to assist in fulfilling their behavior change. 	<ul style="list-style-type: none"> • VS&L Facilitator worked closely with the WASH Coordinator to promote VS&L amongst CHCs

Figure 5: Interventions highly prioritized for VS&L financing

5. Recommendations

- The program needs to continue integrating VS&L across all the strategic objectives (SOs) as it has proven to be a good source of financing for rural communities, who are in most cases shunned by formal financial institutions. This could be replicated in future programs.

6. Conclusion

- The findings testify that VS&L is indeed financing some of the Amalima supported interventions across the three SOs. As highlighted in Figure 2 of this report, VS&L fund use builds members' resilience at the household level. This was also confirmed by the individuals interviewed who said that being members of VS&L changed their lives. Members are influenced by others on how to spend their share-outs, just as they are expected to share with their colleagues how they used their money.
- The use of VS&L funds to meet other household needs such as medication, food and education expenses helps group participants to not easily dispose of their assets, such as goats, since they have other money available to meet pressing household needs. Individuals who said that they were able to access loans to pay for school fees and examination fees confirmed this. Share-outs that they make at the end of the year help them to prepare for their children before schools open.
- The purchase of livestock helps households build their asset base, which will be used to mitigate against some shocks that may befall the household in the future. There are various success stories of households who have moved from zero goats to ten (10) because of the assistance of VS&L.
- Participation in VS&L fulfils one of the critical pillars of women empowerment, which is economic independence. In the Amalima program, women constituted 92% of the individuals that participated in VS&L. Individual interviews confirmed that these women were now financially independent because of their participation in VS&L.