

tearfund

The Impact of the Village Savings & Loans Association and Self-Help Groups

in the East-African Community

December 2023



Fadhili Trust



EKHDC

tearfund

South Sudan



Eglise du Christ au Congo
3^{ème} Communauté Baptiste
au Centre de l'Afrique

Communities in the East-African region are characterized by:

- Poverty, droughts, floods, limited access to healthcare, political instability
- Community-focused initiatives
- Leaders overcoming poverty
- Empowering community beyond poverty

Impact:

Assessing the effects of the Village Savings & Loans Association (VSLA) and Self-Help Groups (SLG) programs in DRC, Tanzania, South Sudan, Kenya, and Ethiopia.

Research Question that was presented to 881 members:
How has the VSLA/SLG programs impacted your life and community?

Hypothesis:

The Village Savings & Loans Association and Self-Help Groups have contributed to positive transformations within the communities of the participating members, significantly impacting poverty.

Methodology

In November 2023, a cross-sectional survey was conducted across five countries, involving interviews with 881 members. The survey aimed to address the following questions:

In the first 2 months of starting a group, how much did you save per week?
How much did you save weekly in the last 2 months?
How connected are you to your community?
How has being in this group changed your life, family, or village?
How many times per year did/do you get money from a micro money lender (formal or informal)?
What did/do you spend your money on?
What does your group do with their savings?
What is your group known for in the community?

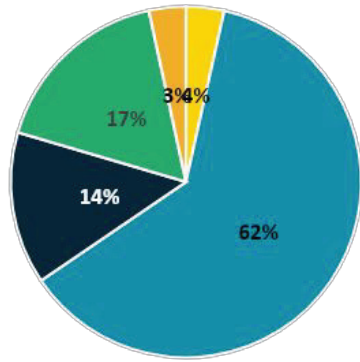
Note: For some questions, recipients were allowed to choose more than one answer

Demographic Questions and Context



The geographical distribution of the 881 interviewed members

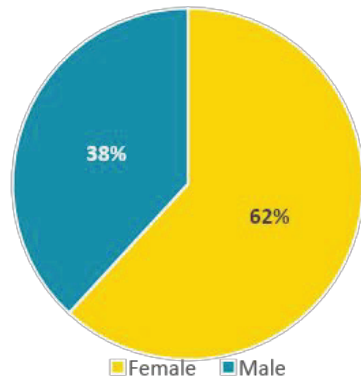
Distribution per country



■ DRC ■ Ethiopia ■ Tanzania ■ South Sudan ■ Kenya

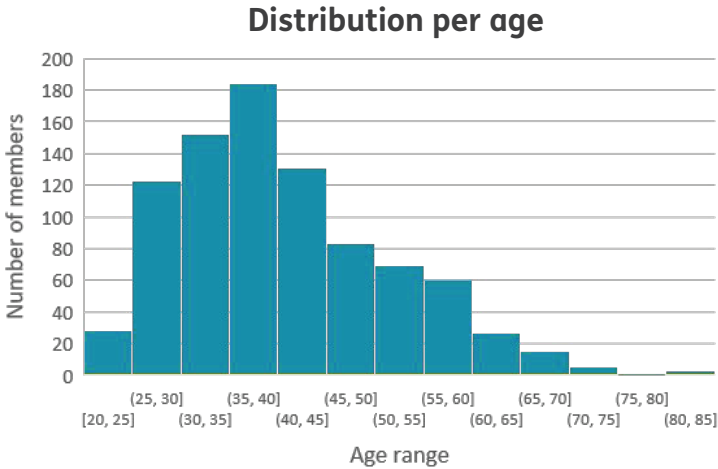
The gender distribution of the 881 interviewed members

Distribution per gender



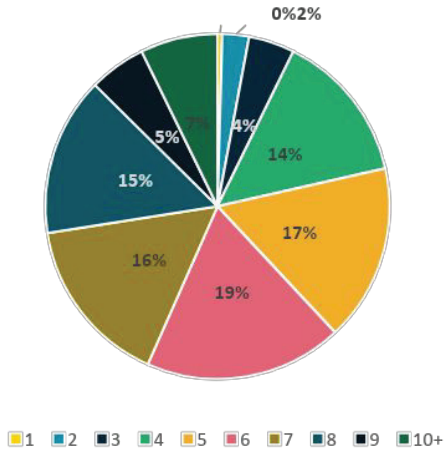
■ Female ■ Male

The age distribution of the 881 interviewed members with an average age of 42 years old.



The distribution of family sizes among the 881 interviewed members reveals a median of 6 people per family

The family sizes



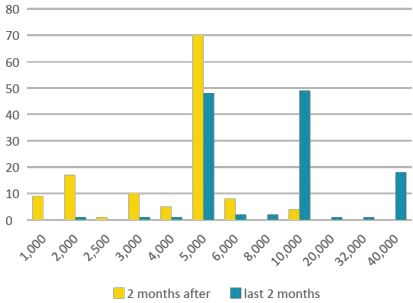
Village Saving & Loan Group/Self-Help Group (VSLA/SHG)

Impact Evaluation



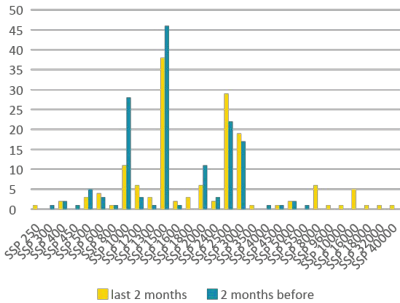
How much did you save weekly in the first two months of joining a group compared to the last two months?

Savings (Tanzania in shillings)



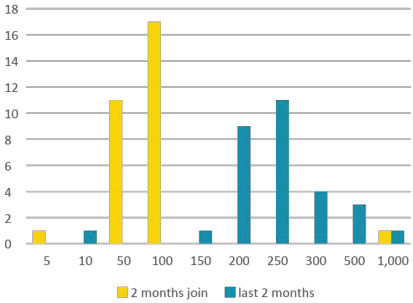
The median was TZS 5000 (CAD 2.66) initially and increased to TZS 10000 (CAD 5.32) after.

Savings (South Sudan in pounds)



The median was SSP 1500 (CAD 15.37) from 25% of members before increasing to 31% afterward.

Savings (Kenya in shillings)



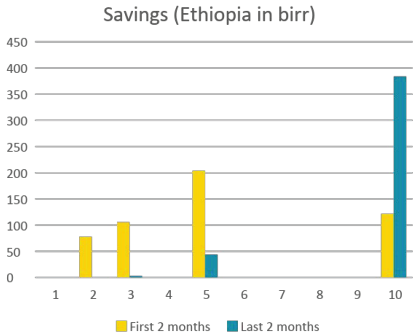
The median was KES 100 (CAD 0.86) initially and increased to KES 250 (CAD 2.15) after.

Comparing both bars, there was a substantial increase in the saved amount over time.

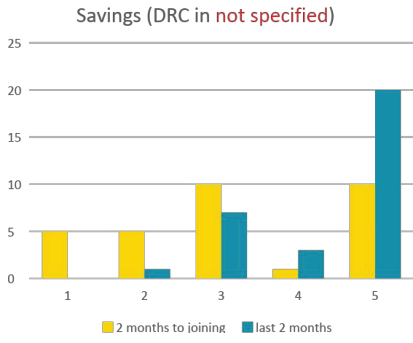
How much did you save weekly in the first two months of joining a group compared to the last two months?



The median was ETB 5 (CAD 0.12) initially and increased to ETB 10 (CAD 0.24) after for TDA.



The median was ETB 5 (CAD 0.12) and increased to ETB 10 (CAD 0.24) after for EKHDCDC.

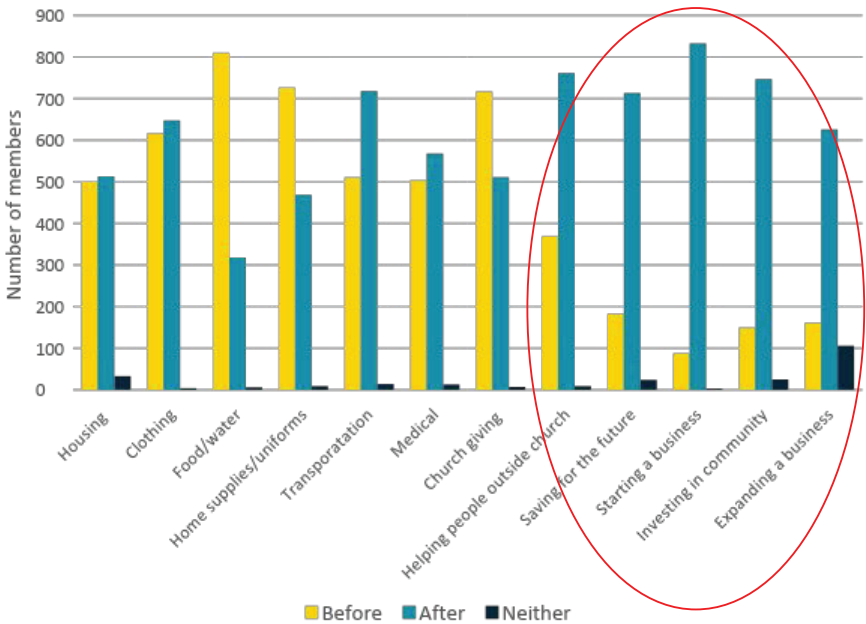


The median was 3 initially and increased to 5 afterward.

Comparing both bars, there was a substantial increase in the saved amount over time.

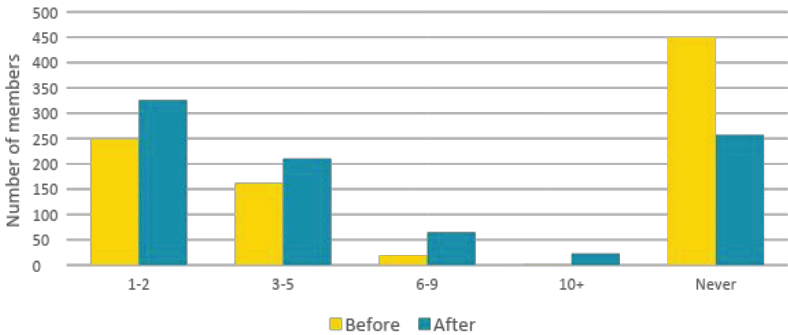
This chart illustrates members' expenditure patterns before or after joining a group. The **blue bar** shows post-joining spending, with notable increases in helping people outside the church, saving for the future, starting businesses, investing in the community, and expanding businesses—rising by 44%, 60%, 85%, 68%, and 53%, respectively.

What did/do you spend your money on?



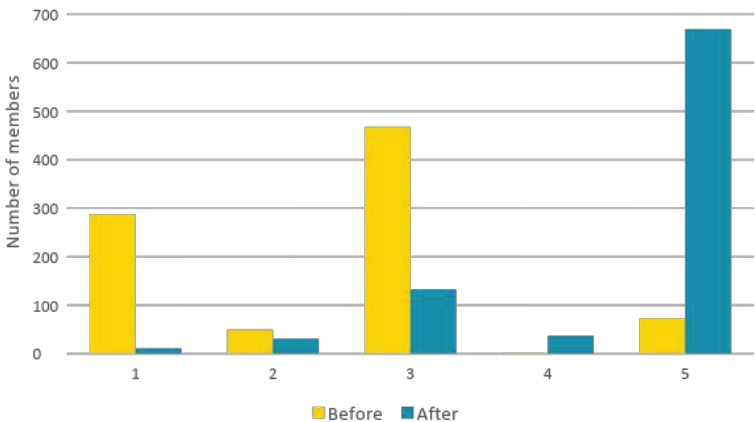
Among the interviewed members, 51% had never used a micro money lender before joining the group. This figure decreased to 29%, with 71% having used a micro lender at least once after joining the group.

How many times per year did/do you get money from a micro money lender (formal or informal)?



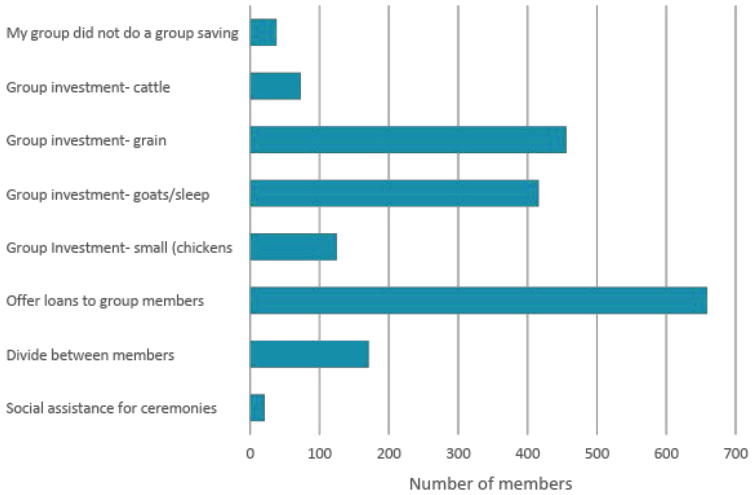
Among the interviewed members, the median connection to the community before joining a group was 3 (somewhat connected), while after joining, the median rate increased to 5 (very connected). This reflects a substantial increase, with the rate of 5 rising from 8% to 76%.

How connected are you to your community?



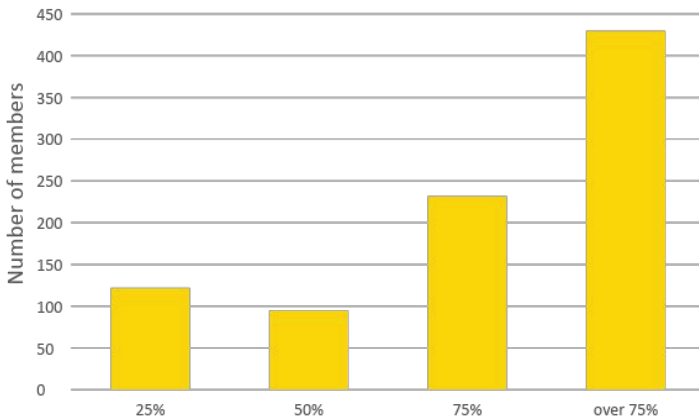
Among the 881 interviewed members, the most common group activities reported are group investment in grain (56%) and offering loans to group members (91%).

What does your group do with their savings?



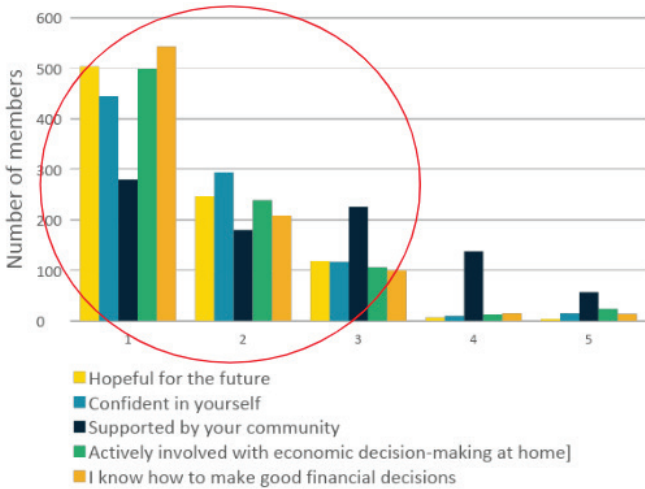
Among the 881 interviewed members, 49% reported that over 75% of their group members took a loan in the past year.

How many members of your group took a loan in the past year?

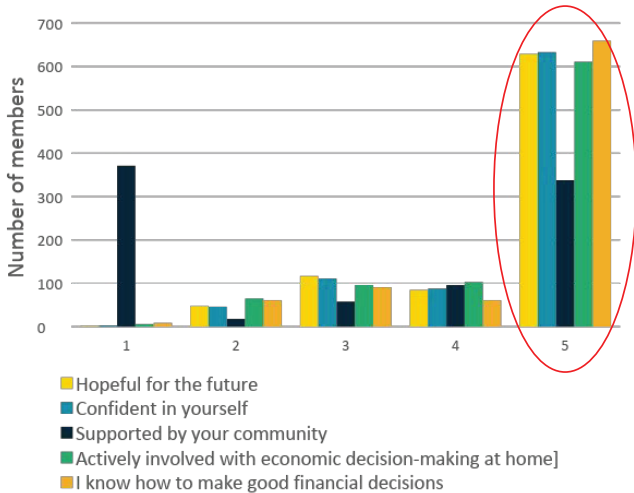


Among the 881 interviewed members, approximately 84% rated their feelings in the mentioned areas as 1-3 before joining the group. This number changed after joining a group, with most members now rating the areas as 5.

On average, how did you feel before joining a group?



On average, how do you feel after joining a group?



How has joining a group changed your life?

‘I am able to send children to school, profit share, and access loans for businesses.’

‘I got confidence to start a business.’

‘There is knowledge transferring, product bulking, capacity building, and profit sharing.’

‘I have More saving for future.’

‘I have a farm and I obtained leadership, communication, and IGA skills.’

‘Improved food security status, improving the knowledge and skills to do different technologies.’

‘I have bought livestock and expanded my business.’

‘I built a house for my children.’

‘I I was able to open a restaurant after the share out in the group.’

‘There is money to cater for health (medical) expenses.’

How has having groups changed your village?

‘There is self reliance for village members and good use of income.’

‘Improved housing, paying for motorbikes, and buying land plots.’

‘Men drink less alcohol to save for VSLA share or contribute to their wives’ savings.’

‘There is more entrepreneurship and job opportunities for women and youth.’

‘Conflict management among people has improved.’

‘More unity, sharing crops, participating in community-based development tasks such as CA.’

‘Reduction in HTPs practice.’

‘Decision making improved, gender equality, cooperation/share working.’

Analysis Conclusion

The graphical representations of our findings, coupled with insightful quotes from the interviewed members, validate our initial hypothesis. The data exposes a clear correlation between the positive transformations witnessed in the participating members and their villages.

Improvements in poverty are evident through the creation of better job opportunities, increased savings, enhanced food security, improved health care, and better community relationships.

This interconnection of positive changes, illustrated both visually and narratively, underscores the significant impact of the VSLA/SHG initiatives on both individual lives, families, and the broader community.



Limitations and Biases

- This study is a cross-sectional examination conducted across five Tearfund partnering countries. While the research involved a sample size of 881 members, it is important to note that the distribution might not be proportional, as the numbers of members in the groups vary. Additionally, it is essential to acknowledge that the sample selection did not follow a specific formula but relied on the availability and convenience of both the participants and interviewers.
- Interviewers (Partners) may also have a motivation to present favorable outcomes to TFCA.



Acknowledgements

Our gratitude goes to our partners for generously dedicating their time and making invaluable contributions. Their substantial input supplied essential data, instrumental in analyzing our hypotheses. This dataset not only provided profound insights but also served as a validating factor, confirming the initial observed impact.

List of partners:

- CBCA – Community of Baptist Churches in Central Africa
- DCT/DST – Diocese of Central Tanganyika
- EKH CDC – Ethiopian Kale Heywet Church Development Commission
- Fadhili Trust
- Tearfund South Sudan
- TDA – Tepereza Development Association

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