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# Building Capital in Crisis

**How women in CARE's VSLAs in Emergencies  
increase savings and solidarity**

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# Executive Summary

**“I took a loan and bought a bakery. And here I am. I am a producer!”**

(Amat, VSLA Member, Yemen)

Globally, 339 million people need humanitarian assistance and this figure is growing. The global humanitarian funding need is \$51.6 billion<sup>1</sup>.

Increases in global conflict, the COVID-19 pandemic, and the effects of climate change are compounding crises across the world and putting ever more people at risk. Meanwhile, the amount of assistance funding available is not keeping up, and shortfalls mean that humanitarian actors are able to reach proportionately fewer people. Therefore, the assistance we provide must be as high quality as possible, be able to shift with people’s changing needs, and, where possible, take approaches that can reduce long term vulnerability and be more sustainable.

Since 2017, CARE has piloted and refined our VSLA in Emergencies model to address these issues. This model is owned by and administrated by participants and aims to:

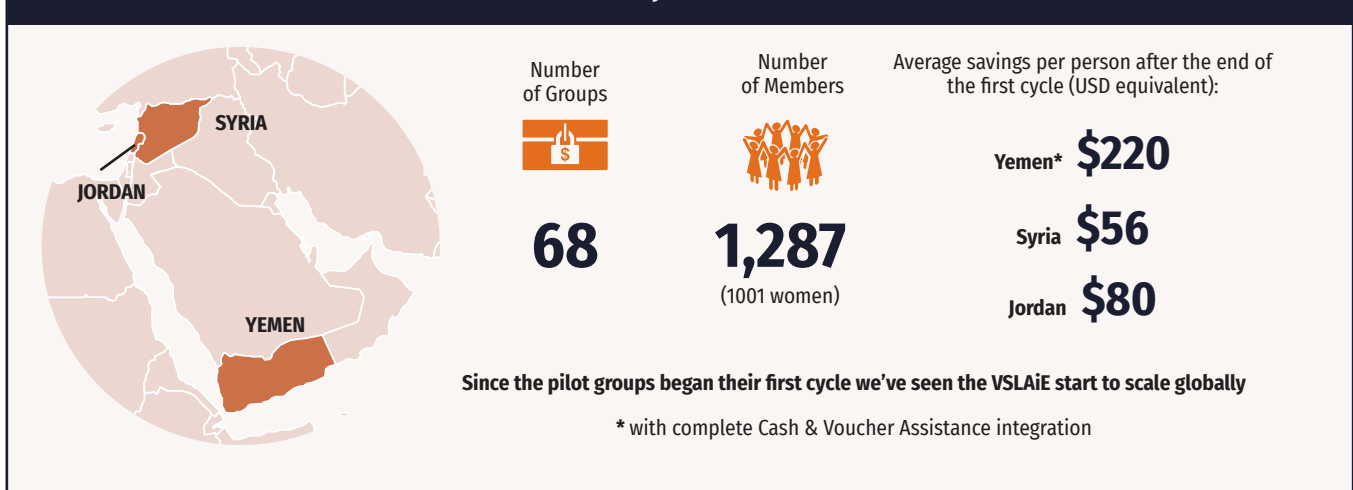
- Support people living in crisis to address and recover from shocks; and
- Support people to build more resilient livelihoods.

When we properly sequence and integrate VSLAs into a package of interventions to support livelihoods, they can be a powerful tool for livelihood recovery. There are also early indications that these results can sustain themselves over time, offering longer term resilience for highly vulnerable communities.

In this second report on the VSLAiE pilot research, we provide insights from three pilots in Yemen, Syria, and Jordan. This includes the end of pilot findings from Syria and Jordan as well as the results from our Yemen sustainability study. As a result of funding from IDEAL Small Grants Program, CARE has been able to return to communities in Yemen, one year after the end of the first cycle and observe the sustainability of the gains from the pilot.

<sup>1</sup> [UNOCHA: Global Humanitarian Overview 2023.](#)

## PILOT COUNTRIES: Syria, Jordan, and Yemen.



## What change have we seen?

All locations have seen successes in establishing VSLAiE groups. However, each context is different with varying challenges which affect the speed at which we see results.

### Yemen

- One year after the Tiffany-Salls VSLAiE project, which ran from 2021 to 2022 the established VSLAs are still running strong in Taiz, Yemen. They continue to help people save, lend and help others. VSLAiE groups have also contributed towards lasting resilience.
- In the first cycle, when Cash Transfers were integrated with VSLAs, participants saved on average \$220 USD. We have seen here that the resilience built in the first phase of the project has been long lasting. Despite the economic turmoil in the year since and the fact that no additional cash assistance has been given to that community, participants had maintained the equivalent of \$194 USD in savings.
- Despite the economic challenges that Yemen has experienced over the last year, we can see some clear improvements in food consumption scores since the end of the project. The number of people with 'Poor' levels of food security has decreased by 12% since the baseline was conducted.

### Syria

- In Syria, we have preliminary results from the first cycle, which ran from Dec 2021 to Jan 2022, where, despite considerable challenges including inflation, currency devaluations and disruptions in global supply chains, we have seen VSLAs successfully established.
- The amount of VSLA members with acceptable levels of food security, measured by the Food Consumption Score, rose from 30% to 96%. Similar improvements are seen in other indicators. 70% of people reported the ability to diversify their consumption of food. 81% reported an increase of how much they consume both in terms of food and non-food items.
- From baseline to endline, the number of people who reported being debt free rose by more than 20 percentage points. Among those who had debts, the number of people characterizing their debt as 'high' fell from 68% to 41%, while the number of people characterizing it as 'low' rose from 5% to 19%.

### Jordan

- In Jordan, where VSLAs had previously been done very differently, there were some real challenges to setting up VSLAiEs and it is likely that longer term support to groups in this context may be needed in order to overcome challenges including barriers to lending due to religious concerns on charging interest. One promising case study on group business investments may offer some indication of how groups could address lending in a way which is Sharia compliant.
- However, VSLAs have been successfully established in Jordan and group members were positive about VSLA membership. At the endline assessment participants were asked about their perceptions of the VSLA and 70% of participants felt that VSLAiE had a positive impact on their income. 94% said they would be likely to recommend VSLA membership to another person.
- Participants were asked about their ability to meet their basic needs at both baseline and endline. The percentage of people reporting that they could meet all of their basic needs rose from 4% to 11% and the number stating they could meet none of their basic needs fell from 14% to 4%.



## What have we learned?

### Sequencing livelihood interventions with VSLAiE

- The sequencing of interventions for crisis affected people needs to be carefully planned to ensure that we meet people where they are and respond to their immediate needs while, if feasible, addressing long term vulnerability through livelihood programming.
- VSLAs may not be most appropriate intervention for extremely vulnerable people for whom cash voucher assistance (CVA) may be needed to stabilize consumption and assets. However, longer term cash strategies allow us to integrate VSLA alongside CVA once participants are ready and can help to ensure more sustainable approaches to livelihood promotion. By then layering on appropriate livelihood interventions (e.g. vocational training), it is possible to see longer lasting outcomes.
- The rate at which progression towards more resilient livelihoods happens is highly idiosyncratic and will differ considerably from community to community. Therefore, working closely with communities to respond to expressed needs is important, as is having flexible budgets which can respond to the expressed needs of communities.

### Addressing fear, sensitizing and accompanying participants and communities

- Across all locations, we have seen that VSLAs can be a new and, in some cases, daunting concept for communities. They can challenge the way communities have traditionally viewed aid and in some cases maybe perceived to conflict with cultural or religious practice. However, in all locations, this has been overcome by sensitive and responsive teams.
- In many crisis affected settings, establishing VSLAs will be complex since there may be social norms, fears, or community dynamics which affect how easy they are to establish. As a result, the first cycle of VSLAs in Emergencies will require time for sensitization and accompaniment.
- Maintaining a responsive relationship with the community will aid trust and will also help teams to know when issues arise and should be addressed. This requires consistent presence in communities with rapid feedback cycles.

### Enabling adaptation

- VSLAs are adaptable in two ways:
  - The model is adaptable as groups can write their constitution and set up their own specific saving and lending practices in a way that helps them to meet the needs they want to address.
  - It is also adaptable because it can fit easily into many different interventions packages and can serve a variety of needs (e.g., helping people who need consumption support to build a safety net, or helping people who want to build businesses to borrow capital for investment).
- This adaptability is a key strength of the VSLA model, but it does have to be actively enabled and supported, particularly throughout the first cycle. This can be done through approaches such as introducing flexible budget lines, using strategy testing, and ensuring that community feedback is enabled and responded to.

### Gender Inclusion

- While VSLAiEs can be gender inclusive, in some locations working with women can be harder than in others. In some cases, significant shifts in social, cultural and political norms and practices may be required for VSLAiEs to be effective.
- Wherever we do VSLAs it is important that the following minimum standards are met:
  - Use **gender analysis** to ensure that gender dynamics are understood and that our programs can respond to this.
  - Have **capacities and resources** in place within the project to ensure gender is integrated. This can include gender trained staff, budgeting for gender advisors and expertise, a gender balanced local team, etc.
  - Address **Gender Based Violence in Emergencies (GBViE) and protection** to ensure that we are at the least mitigating any risks from our programming. Our work should be in line with interagency standards on GBViE integration.
  - Ensure **women and girls have a say**. Guarantee that women are able to meaningfully participate in decisions about programming. At a minimum this means ensuring that community consultation deliberately and meaningfully includes women. Ideally, women will help define program activities.
  - **Safely target women** by ensuring outreach and mobilization activities reach women where they are and actively look to include them in interventions, where this can be done safely.

# Introduction

[Village Savings and Loan Associations \(VSLAs\)](#)<sup>2</sup> are a proven platform to support individuals, households, and communities move towards a more economically stable and resilient future. They provide safety nets, both socially and economically, and offer long-term sustainable support during unstable times.

Over 300 million people around the world live in fragile contexts, with nearly 26 million refugees fleeing conflict and scarcity. With historically high numbers of people living in crisis, the need for effective support to these communities is evident and considerable. [VSLAs](#) have proven themselves in other contexts to be an effective support for economic resilience. They:

- Provide people with safe and reliable savings facilities;
- Extend access to capital which can help promote economic resilience through consumption smoothing, asset purchase and the ability to invest in income generating activities; and
- Provide a link to formal financial services;
- Support increased knowledge and skills in maternal and child health, income generation, and increase decision making and control over resources;
- Provide social and support networks;

However, in many crisis settings, financial service providers frequently find that their operations are hindered if they are able to operate at all. This leaves many communities without reasonable access to formal financial services. Within crisis affected settings, more than 75% of adults remain outside the formal financial system<sup>3</sup>.

This lack of access to even the most basic of savings facilities harms the long-term economic resilience of already precarious communities. Without savings, people may find it difficult to access medical support when they need it or they may find that in a given month when their income is lower, they can't afford their rent. They might find that they are forced to reduce how much they and their children eat or be forced to migrate to new areas leaving behind family and support networks.

Furthermore, while in protracted crisis, there are often not viable conditions for business growth. The ability to invest in income generating activities is important to ensure that people have the ability to make money to sustain themselves in the face of aid shortfalls and collapsed public services.

The VSLA model with its low running costs (average \$25-44/member) and its focus on administration by its own members has the potential to operate within crisis affected settings where other financial service providers cannot work. There is also evidence<sup>4</sup> that in some crisis affected settings effectively sequencing cash transfers and livelihood programming alongside VSLAs can help to amplify the effectiveness of humanitarian programming.

For this reason, CARE has been working to develop an approach to implementing VSLAs in settings affected by conflict: trialing an enhanced VSLA in Emergencies (VSLAiE) model in Yemen, Syria and Jordan and developing tools and learning which can help to more effectively serve and support people affected by crisis.

In our second report on the VSLAiE pilot research, we provide insights from three pilots in Yemen, Syria, and Jordan. This includes end of pilot findings from Syria and Jordan as well as the results from the second year of the Yemen sustainability study. As the result of funding from USAID IDEAL, CARE has been able to return to communities in Yemen, one year on from the end of the first cycle and observe the sustainability of the gains from the VSLA pilot.



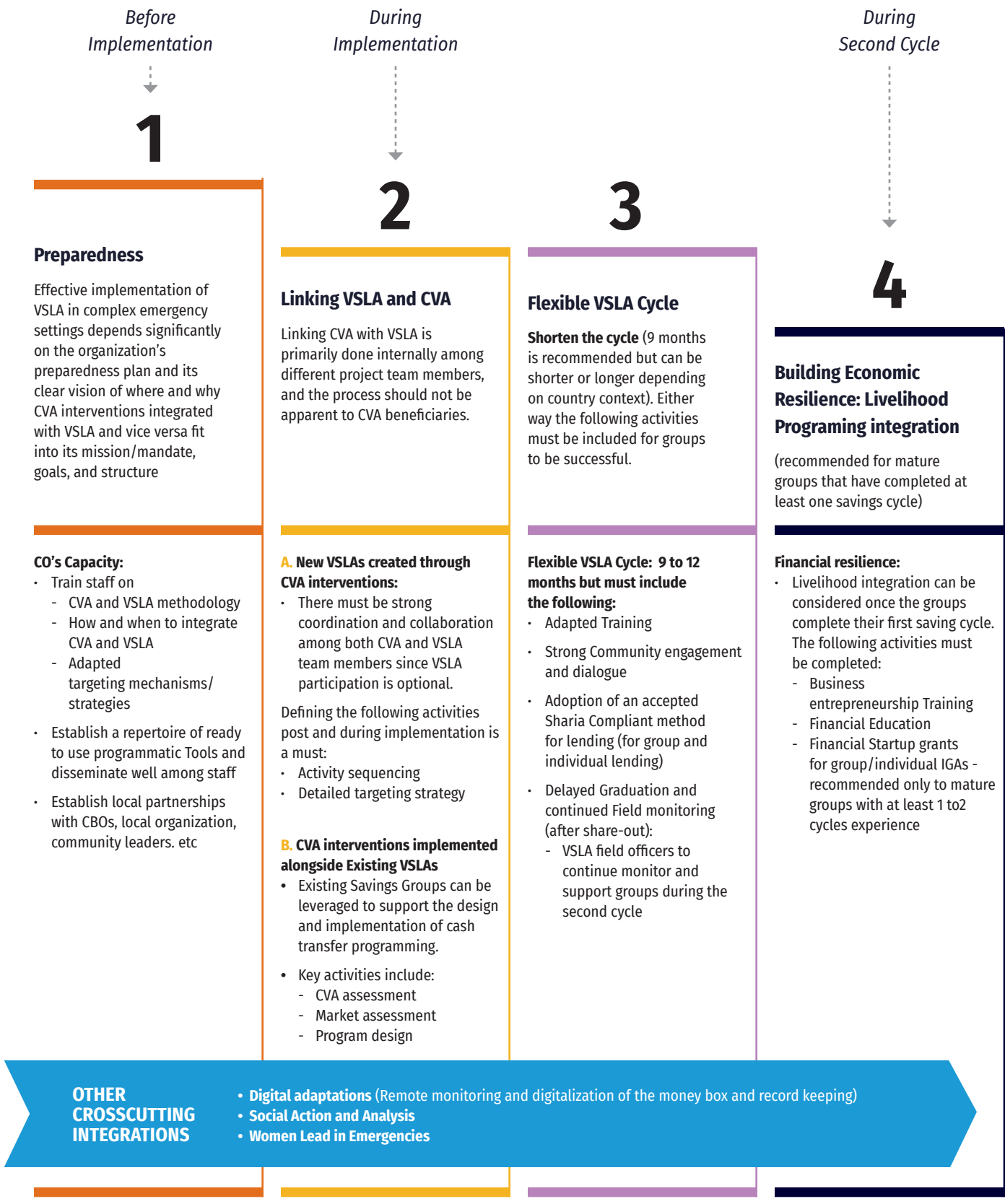
<sup>2</sup> For the purpose of this paper, the term VSLA will be used to represent the many iterations of savings groups, as this is the term most prominent with CARE

<sup>3</sup> Ibid

<sup>4</sup> CARE (2022) Savings and Solidarity in Crisis: CARE's VSLA in Emergencies Pilots

# VSLA in Emergencies Approach

The VSLAiE approach builds on CARE's decades long history of implementing VSLAs by introducing four components which strengthen the ability of VSLAs to integrate appropriately within humanitarian programming. The four components which makes up the VSLAiE approach are:



# Impact in Yemen

## 1. Context

The humanitarian crisis in Yemen remains severe and continues to be exacerbated by worsening food security due to conflict; increases in global fuel and food prices; disruptions in global supply chains; severe humanitarian funding gaps; and depreciation in currency exchange rates. Over two thirds of Yemeni's have been affected by the conflict, with 5 million people living on the brink of famine. 80% of people in Yemen live below the poverty line, with over 20m people relying on humanitarian aid, 60% of whom are in acute need.

It is within this context that CARE Implemented a 10 month VSLA pilot in 2021 in Taiz which has been a flashpoint of the current civil war and has experienced high levels of conflict. The crisis has led to a near total collapse of social protection and government run services. This gap is now partially filled by humanitarian agencies, as well as social solidarity networks. Our baseline highlighted the extent to which the communities that we worked with as part of this pilot were living in an acute food and livelihood crisis. Since the end of this pilot, the economic crisis in Yemen has worsened. Taiz, according to the September 2022 IPC Report, is the 4<sup>th</sup> (out of 22) severely affected governorate in Yemen with 48% of people classified as [IPC3](#) or above.

At the end of this pilot, CARE saw [positive results](#) from the VSLA pilot; however, to see the longer term effects of VSLA, it has been important to follow up with these groups in order to understand how VSLA affects resilience long term and whether the effects have been maintained.

**As such, as part of this report, CARE will share the findings of our sustainability study with groups in Taiz, one year after the end of the pilot.**

## 2. Intervention

CARE piloted the VSLA in Emergencies approach through the Tiffany-Salls VSLAiE project which sought to establish 16 groups and reach 300 people. 100% of these were women, many of whom were members of a vulnerable group including older people or widows. However, whilst these were among the more vulnerable women within this community they were not amongst the most vulnerable (IPC 4 or 5) category in Yemen by the time the project started.

By the end of the cycle, 16 groups were established with a total of 330 members. These were fully functioning with saving, lending and distributions from the solidarity fund. In addition to this, we saw replication of VSLAs happening within the community, and an additional 22 groups and approximately 600 participants started new groups.

The model of VSLAiE used in Yemen had an integrated Cash & Voucher Assistance (CVA) component. Through this, 584,000YER (\$632 USD) was distributed per person over 10 CVA cycles. By the end of the project, participants had saved on average the equivalent of \$220USD, or approximately a third of their cash transfers.

The approach involved:

- Distribution of CVA and offered recipients the opportunity to set up and join VSLAs.
- A shortened VSLA cycle of 10 months.
- High levels of accompaniment from staff and high levels of engagement with community members.
- Flexibility within budget lines which meant savings could be used in order to add new interventions in response to community input. These included:
  - A conflict management intervention in which 30 men and women were trained in conflict and dispute management procedures and a protocol for dealing with community level disputes
  - Multiple vocational trainings for women.
  - Women's leadership interventions.

The project also mobilized resources from the community itself to establish a building which could be used to serve the VSLA. The women of the VSLA managed this building, used it for meetings, and also to have a space for vocational trainings.



### 3. Results

As outlined in our report [‘Savings and Solidarity in Crisis’](#), we saw numerous positive impacts at the end of the first cycle.

However, in a previous project in the same community, VSLAs which had been established were not maintained past the end of the project. Due to delays in implementation, the previous VSLA project did not have enough time to create fully functioning groups and those were not maintained past the end of the project. As a result, it was important to return to understand the longer term results of VSLAs in this community.

- **One year on from the project end, the VSLAs are now independently active, saving, lending, and continuing to distribute ‘solidarity’ funds to others in need in the community.** Through the sustainability study, CARE has been able to return to groups that were established as part of the initial Tiffany-Salls VSLAiE project and we found that not only are all 16 groups still active, saving, and lending, but also that the groups continue to use their solidarity funds to offer significant support to people outside of the VSLAs who need help, including orphans and people in need of medical assistance.
- **Groups have maintained a savings buffer even without cash assistance, suggesting that the resilience built has a long tail.** Only 3 participants (out of 159) in the study received any CVA from any source since the end of the project and yet the average savings per member has only diminished slightly, falling from \$220 to \$194 USD each. This is particularly notable because of the significant economic instability that Yemen generally, and Taiz specifically, have faced since the end of the Tiffany-Salls VSLAiE project. 90% of study participants reported that their income had increased since joining the VSLA and this may have some impact on the ability of members to maintain this savings buffer.
- **There has been a resurgence in consumption smoothing loans, potentially indicating that people have needed to deal with instability.** At the first endline conducted at the end of the first cycle, we saw a sizable increase in the percentage of loans that were used for businesses. However, we have since

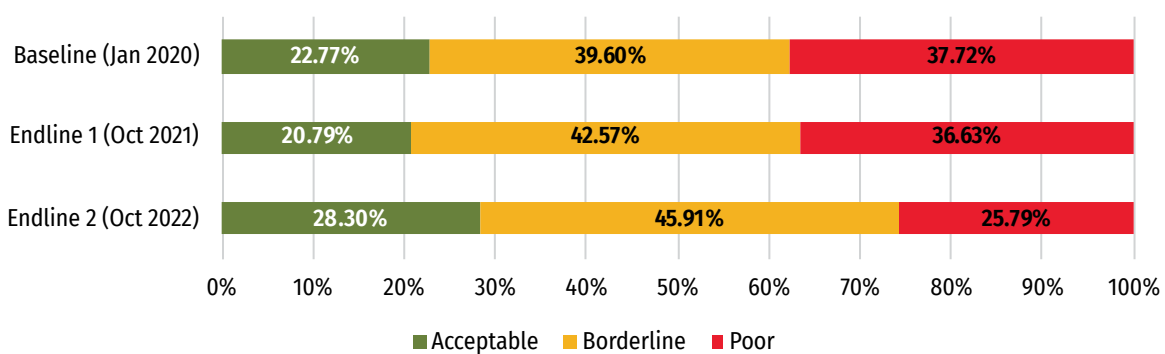
seen a resurgence in the degree to which loans are used for consumption smoothing, with 79% of loans distributed used for this purpose. By comparison, 15% were for business investment. However, there is some indication that this may be because people would rather use their savings for investments and that loans are valued when covering unanticipated costs. When we look at many of the ‘consumption smoothing loans’, they are frequently used to pay, for example, for costs associated with issues such as medical care. Despite the focus on using loans for consumption smoothing, it is still the case that people have invested in new assets, even if they haven’t used loans to do this. 51% of people reported that they had been able to invest in new assets since joining the VSLA.

- **Despite the negative conditions, we can see some clear improvements in food consumption scores since the end of the project.** The baseline and first endline were not directly comparable from the perspective of food consumption because, while the baseline was conducted in January, the first endline was conducted during a season when there were higher levels of food scarcity. Therefore, the stability in these scores was viewed positively because they indicated the ability of the community to remain resilient to yearly fluctuations. The second endline was conducted a year after the first and provides us with a better indication of the longer-term impacts of VSLA membership. There is a considerable improvement in the number of participants who have acceptable levels of food security and a more than 10 percentage point drop in the number of people with ‘poor levels. This is important because 85% of people identified the absence of food security when asked to identify the biggest crisis affecting their community now, which indicates just how important the resilience build has been. The ability to pay for expenses like food and medicine is a continual theme in the qualitative data collected. When identifying benefits from the VSLA, participants frequently referenced the ability to address their food security as being an important outcome of VSLA membership for them.





**Yemen: Food Consumption Scores at baseline and endlines**



## YEMEN CASE STUDY: AMAT

**“The conditions my children were living in were very bad before I joined the VSLA” says Amat. “I didn’t have a profession and I couldn’t provide for myself or my family. We couldn’t save money to meet the children’s requirements for school. And I didn’t have a plan for how to improve our livelihoods.”**

Amat explains that because they had so little money it was taking a real toll on both her mental and physical health. Previously, there hadn’t been anywhere that she could have accessed any financial services. She had nowhere to save and no ability to pull together enough money to invest. **“I wasn’t saving money in the past. There was no Saving & Loan Association.”**

She explains that the VSLA was a turning point because, in addition to helping her save, it also gave her the ability to open a business of her own.

**“I took a loan and bought a bakery which I used to make sweets. And here I am. I am a producer! A sweet maker... It was a big thing for me to have this success. I have my own business so I can help my family members. I use my time fruitfully and I’ve acquired skills and have savings. I want to do my best to grow my business, but I know there are obstacles: prices are increasing, and the markets are limited.”**

Amat captures a theme from our research that in protracted crises people still want to build livelihoods for themselves. However, instability in global markets and its resulting effects on the most vulnerable create clear obstacles which need to be overcome. Our research demonstrates why working adaptively within crisis, in ways which are appropriate to wherever their livelihood is now, is important to being able to support people, even in the most unstable contexts to build their own resilience.

# Impact In Syria

## 1. Context

This intervention was implemented in North West Syria, which is home to more than 4.6 million people. After 11 years of conflict, people continue to experience recurring waves of violence, forced displacement, and disruptions in the provision of humanitarian assistance.

More than 90% of Syrians live below the poverty line, compared with 10% before the start of the conflict, and as of the end of 2021, 60% of the population were food insecure, a 57% increase on the figure from 2019. The agricultural sector continues to decline, and average food prices have risen by more 97% in a year<sup>1</sup>.

The situation in the north-west is even more acute. Food prices have gone up by more than 120%, further increasing households' dependency on humanitarian aid. The ongoing food crisis is expected to significantly amplify stressors on the most vulnerable, particularly the region's 2.8 million internally displaced people (IDPs), as well as female-headed households, widows, women in general and children.

The VSLA in Emergencies pilot was implemented as part of the Multi Donor Fund (MDF) project from 2022 to 2023, a period which was characterized by increases in petrol prices, disruptions in global food supplies and the considerable devaluation of the Turkish Lira<sup>2</sup>. Rising inflation has substantially weakened people's purchasing power and the pilot was implemented in a context where people were utilizing negative coping strategies<sup>3</sup> like asset selling or reducing the number of meals in order to be able to address shortfalls in their household income. CARE's 2022 [North West Syria Rapid Gender Analysis](#) found that all groups of participants identified food, livelihood and health support as their main needs. Adolescents also highlighted the need for better education opportunities.

<sup>1</sup> WFP [Situation Report #12 \(Dec 2021\)](#)

<sup>2</sup> The Turkish Lira was adopted as an alternative currency to the Syrian Pound in North West Syria.

<sup>3</sup> UNOCHA, [North West Syria. Situation Report](#), 18<sup>th</sup> January 2023.

The conflict and severe economic strain have led to more women becoming main breadwinners, but social and cultural barriers continue to impede their greater participation in decision making in the household and the public sphere. CARE's Rapid Gender Analysis also highlighted that the conflict has continued to drive changes in women's traditional roles (more on this in the section on gender inclusion below).

## 2. Intervention

In this context CARE implemented the VSLA in Emergencies pilot within the MDF project. This project focuses on four pillars which includes ensuring that:

1. People have **safe and equal access** to and the appropriate skills for participation in capital, markets, income generation and employment.
2. People's **sense of safety** is increased at home, and in communities.
3. Opportunities **for inclusive decision-making** on issues of importance to the community are available
4. People are able to **psychologically cope** with and recover from stress

As part of the first pillar, communities were sensitized on VSLA and were offered the opportunity to participate. Cash transfers (CVA) were also available to those who met the broader programmatic targeting criteria, and many of these communities and households receiving CVA were sensitized to VSLA and had the opportunity to form VSLAs if they wanted to.

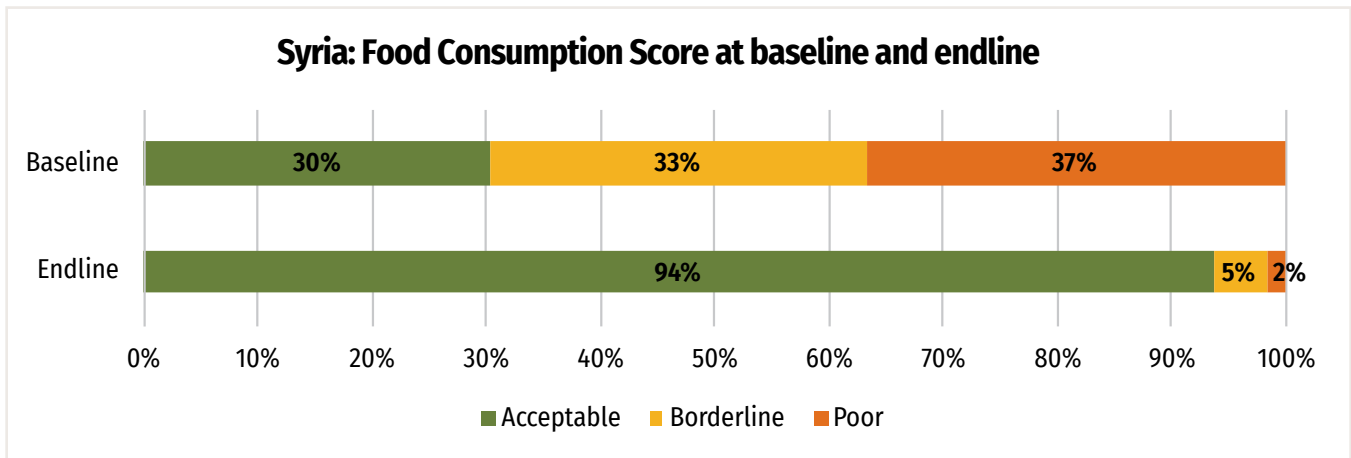
When looking at the findings from the VSLAiE pilot, it is important that we consider that the pilot was situated within a broader set of interventions.

## 3. Results

The MDF project established 44 fully functioning groups with 791 participants (521 female and 270 male). The average savings per person is approximately the equivalent of \$56 USD. 265 loans have been distributed with 63% of these already successfully repaid. Groups had put on average a total of \$1,598 in the social fund and 469 distributions were made from the social fund. The Baseline was conducted between December 2021- January 2022 and the endline was conducted in January 2023. Further results from this pilot included:

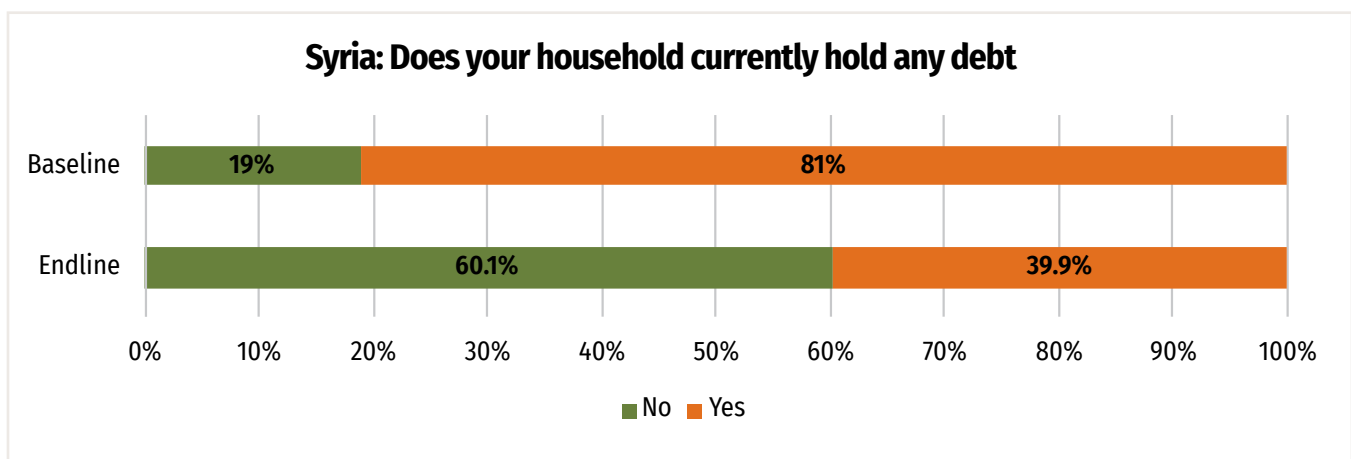
- **People valued the way that the VSLA enabled them to smooth consumption related expenditures.** When asked about whether they saw any benefits from the VSLA and what these were, consumption smoothing was cited as the primary benefit by 35% of the participants. As in Yemen, the majority of the loans in this period were given for consumption smoothing including paying medical fees, paying off debts and for buying household items.
- **We can see some preliminary positive results in the Food Consumption Score with the number of people**

**with acceptable levels of food security rising from 30% to 96%.** Similar improvements are seen in other indicators as well. 70% of people said that they were able to diversify their consumption of food. 81% said were able to increase how much they consume both in terms of food and non-food items. People were asked at both baseline and endline to estimate their monthly food expenditure and this increased by 50% between the start and the end of the first VSLA cycle. Participants seemed to view the VSLA as being an important component in this.



- **We can also see clear indications that by the end of the cycle people had significantly less debt.** From baseline to endline, the number of people who reported being debt free rose by more than 20%. Among those who had debts, the number of people characterizing their debt as 'high' fell from 68% to 41%, while the number of people characterizing it as

'low' rose from 5% to 19%. This suggests that people were less likely to view their debt as significant or as problematic. From the qualitative data we can also see people reporting that the VSLA helped them to pay their debts. Indeed, when people were asked to estimate their amount of debt the average debt decreased by 39%.



- **Increased joint decision-making among VSLA participants.** Of the 802 participants in the MDF project, 66.3% of them were women. However, this increased throughout the course of the project as a result of deliberate targeting by the local teams as it was mostly

men seeking to participate at the outset. It is important to note though that in some communities, because of the low levels of economic participation from women and very conservative social norms, there were structural barriers to women's participation in VSLAs which would

be difficult to overcome without introducing significantly more gender programming alongside. Nevertheless, amongst participants we saw a significant change in the number of women who reported being participants in economic decisions about both income and expenditure (more on this in the section on gender inclusion below). The number of people who reported that decisions about income were ‘joint decisions between men and women’ grew from 63% at baseline to 94% at endline, with the percentage who said men make the decisions alone falling from 35% to 4%.

- **There is still potentially more room to integrate cash and business support in order to make VSLAs more sustainable.** While the groups appreciated the VSLA services, it is still the case that many felt that the amount they were able to save inhibited the overall pot and, therefore, their ability to go beyond consumption smoothing towards business investment. For some, this inhibited their willingness to join a second VSLA cycle. In the broader context of macroeconomic instability, the ability to save more continued to be impeded. For this reason, with

future VSLAs in Syria, it would be wise to consider how cash could work longer term to stabilize income streams before VSLAs are then offered alongside cash programming to try and ensure greater stability before moving on to a Livelihood Promotion strategy.

- **There are clear examples of the Social Fund being used to support people outside of the group, as in Yemen.** Qualitative data from Syria demonstrates that many groups again went beyond the traditional use of the VSLA as an emergency fund for members and instead saw members offering solidarity to those in need outside of their group. In one case, we saw a group opting to change their constitution in order to make allowances for the social fund to be used for people outside the group. In focus group discussions, groups spoke of using the money to pay for Iftar feasts for the poor during Ramadan and supporting orphans and other at-risk groups through the social fund.

**“The group considered it Zakat (charity) and it was spent by us to help poor families outside of the group”**

**(Syria, Female VSLA member, FGD)**

## SYRIA CASE STUDY: MERVET

Mervet is 35 years old. She is a widow and a mother of three.

**“My husband passed away 7 years ago, leaving me with three children. I suffered a lot after the death of my husband, especially in light of the crisis in the country. I had to work in agriculture as a day laborer to secure the necessities of life for me and my children.”**

Mervet’s work as an agricultural worker did not provide her with enough income to be able to deal with the high cost of living or to address her poor living conditions.

**“So I decided to find an additional means of income and decided to take a new experience and run my own business. So I started cutting part of**

**the household expenses and saving, so I could buy and sell household items and appliances.”**

While the business helped Mervet to be able to deal with her day to day expenses, the problem of investment capital remained until she joined a VSLAiE introductory session on savings and lending activities in her village.

**“I joined with the village women in a savings group. I increased my working hours in agriculture and rationed household expenses in order to maintain a savings rate of five shares in most sessions. And when the door to lending was opened, I took out a loan and through it I was able to expand my business. I bought good**

**quantities of the goods and included detergents and baby diapers in my merchandise... Providing good capital helped me to achieve additional profits, so I was able to pay off my debts and began paying the loan and I am committed to paying it off.”**

There are still clear business challenges for Mervet. Her business relies on travel in order to get wholesale prices for goods, and this can be expensive. The broader economic instability in Syria continues to be an obstacle to economic security for all people, including Mervet’s clients. However, the ability to save and borrow has been an important step for Mervet in taking care of her family.

# Impact In Jordan

## 1.Context

Jordan is in the process of recovery from the COVID-19 shock; however, higher global commodity prices has led to an acceleration in inflation (as was also the case in the other pilot areas) and this has particularly affected the poorest households. Labor market conditions are also challenging. The unemployment rate is still above pre-pandemic levels, particularly among women and young people. Labor force participation is also low, particularly for women (14%).<sup>4</sup> Jordan is also host to 1.3 million Syrian refugees, representing 13% of the total population<sup>5</sup>

The pilot period saw increases in negative coping strategies, rises in the cost of living and broad economic instability. Debt levels are also rising along with dependency on international assistance<sup>6</sup>. The project was implemented in the North West of the country in response to the findings of CARE's 2020 Annual Needs Assessment, as well as CARE's presence and established relationship with communities here.

The intervention targeted both Jordanian host communities and Syrian refugees. Out of the total of 162 participants, 29% were Syrian.

## 2.Intervention

Prior to the pilot, CARE Jordan had been implementing an adjusted version of VSLAs which focused more on savings rather than lending. For example:

1. Community based organizations (CBOs) were responsible for the operational management of the VSLAs, rather than the groups themselves. This had two effects:
  - Groups didn't manage themselves and therefore were not sustainable without external capitalization
  - It was more expensive to run VSLAs because CBOs also had to be paid for hosting the VSLAs.
2. The model employed in Jordan did not operate self-selection for groups. Ordinarily, groups are self-selected to ensure people are comfortable saving

with one another and because groups who know and like one another tend to be more sustainable.

3. Groups had external capitalization through a seed fund given to groups to begin the savings and lending pool. However, again we know that this kind of formal capitalization of the pot can mean that groups are less sustainable.

As a result of some of these adaptations in Jordan, the VSLA model was not always sustainable or scalable and was often more costly than traditional VSLA models.

CARE piloted VSLAiEs in Jordan through the Salls funded 'Strengthening livelihoods of crisis affected populations with VSLAiEs' project. The pilot looked at addressing some of these adaptations to try and increase the sustainability of VSLAs in this context. The team identified ahead of implementation that religious norms around interest rates were likely to pose a problem to lending and that a Sharia compliant model would need to be explored as part of the pilot. Whereas, in some countries, it has been possible to introduce a service charge, in Jordan this was not viewed as Sharia Compliant and therefore the options were either to not charge any interest or to find other models which might address this concern.



<sup>4</sup> World Bank: Jordan Overview. Jan 2023.

<sup>5</sup> Ibid.

<sup>6</sup> CARE Jordan's Annual Needs Assessment

Ahead of implementation, the Jordan team explored some Islamic Financing models in which, instead of charging interest, groups can engage in joint enterprises or groups, buy items and sell these back to members at a slight profit. However, while one group did opt for this approach, further learning over a longer period of time will be required to draw conclusions about the viability of this kind of model. It is possible that such a modification to VSLAs may have to be attempted with more mature groups.

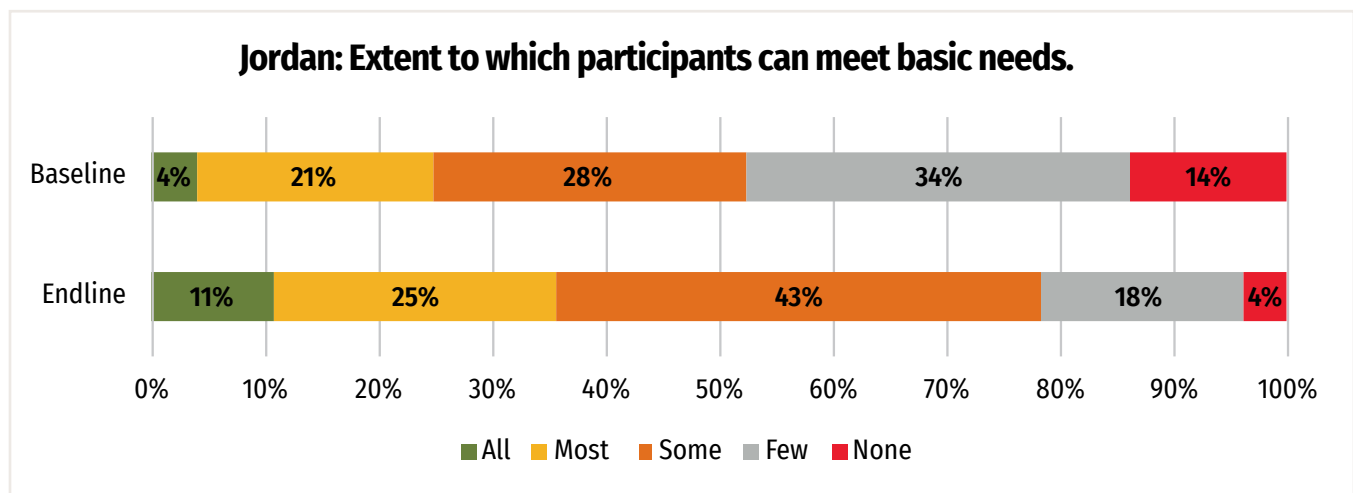
### 3. Results

The Jordan pilot sought to establish 8 groups with 150 members and as part of the initial pilot in 2021. CARE established 8 groups with 162 members (95% women). However, since this time, CARE has gone beyond this and established a further 35 groups with more than 700 members through other projects.

The data below speaks to the 8 Salls groups because they had reached the end of their first cycle by the end of the pilot period. On average, members had savings which amounted to an equivalent of 58.11 JOD or approximately \$80 USD. However,

transitioning from the previous model to a new model of working did present some challenges for this pilot.

- **Group members were positive about VSLA membership and frequently said that they would recommend to others that they joined a group.** At the endline assessment, participants were asked about their perceptions of the VSLA and 70% of participants felt that VSLA had a positive impact on their income. People overwhelmingly described their experience of being in the VSLA as positive where 67% said very positive and 25% quite positive. 94% said they would be likely to recommend VSLA membership to another person. Of those, 73% said they were very likely to do so.
- **We saw positive gains in the extent to which participants stated that they could meet their basic needs.** Participants were asked about their ability to meet their basic needs at both baseline and endline and we saw the percentage of people saying they could meet all of their basic needs rising from 4% to 11% and the number saying they could meet none of their basic needs falling from 14% to 4%.



- **Lending was more challenging with these groups; however, in at least one case, innovative solutions were found which demonstrates why the flexibility of the VSLA model is important.** Of the eight groups, only two saw participants take out loans. Groups were hesitant about lending, and this appears to have been for a combination of reasons but among the most important was the religious norms which forbid interest payments. One group opted for an investment based model built on the principles of the Islamic financing Murabaha model (see the case study

below for more details). This group has been able to ensure the savings pot accumulated money without lending while still offering their members a valuable service which enables them to buy assets or smooth cash flow. While lending appears to be accelerating in the new groups set up after the initial pilot, it is still the case that more accompaniments may need to be done with groups in Jordan to address barriers to lending and it may be helpful to do more learning around the use of group investment models in VSLA.

- **There continue to be challenges in moving away from the CBO supported model.** The Jordan project team reported that participants felt that spaces run by CBOs were the most appropriate place for them to meet. The importance of safe and culturally appropriate meeting spaces was also highlighted in the Syria and Yemen pilots. In Syria, groups often opted to meet at members' houses because there were frequently no other appropriate spaces to meet. In Yemen, it was necessary for a space to be created where VSLAs could meet. However, neither of these options were appropriate to the Jordan context. The team reported that women have confidence in CBOs and that they consider them to be safe and trusted places to hold sessions. However, this again means that external capitalization is required to pay for the space. The CARE Jordan team worked hard to negotiate spaces, however this continues to be an obstacle.
- The team described that among many community members the idea of using their own money as part of the group made mobilization more difficult. Local team members stated that NGOs in the communities where they were working were frequently viewed as distributors of aid. Therefore, a significant mindset shift was needed for participants to accept that VSLAs were about saving one's own money. Whilst there were some reports of this in Syria this was observed most strongly in Jordan. However, team members also stated that opinions on VSLAs are gradually shifting and seemingly mobilization is increasing over time. It may be that, to address some of the challenges experienced in Jordan, a longer term community engagement approach which spans cycles may be needed to address some of the issues which have developed.

## JORDAN CASE STUDY:

**“My husband doesn’t work as he used to do before the pandemic, so me and my two daughters are working to support the family. The expenses for the home are higher than the income. I wanted to save some of my daughters’ income to keep it for them since they are carrying a huge responsibility towards the family”** says Muna, who is 42 years old. She is a Jordanian living in Zarqa, married with three daughters and one son. Her husband is a carpenter. She is the treasurer for Al-Aidee Al-Musanidah VSLA group and 5 other VSLA groups.

Muna explains that the first time she heard about VSLAs was from a friend of hers who had this experience previously. **“We decided to encourage ourselves and others to participate even if we weren’t going to get grants as a result of participation, and once we started our regular meeting, many people came to us with the**

**desire to contribute. As for me, what made me want to join is the idea of saving money for myself and my daughters. The first phase of this VSLA box ended, and now we are starting the second phase of it.”**

Her savings reached 50 JOD (\$70 USD). She enjoyed her achievement and made the decision to start a small business for herself from home which she advertises on social media. She never borrowed from the VSLA because of the fear of not being able to repay. However, Muna now realizes that she can borrow from the VSLA without worrying about repaying her loans to the VSLA. Muna explains that the VSLA has been good for her relationships with others: **“We really enjoy talking about our savings, dreams, and what we want to do in the future. In addition, my husband often compliments me and says that I am wise for taking the risk to launch my own business.”**

# Learnings

## 1. Sequencing livelihood interventions with VSLAie

People in emergencies need interventions which are tailored to their current needs, *and* which appropriately address their longer term vulnerability. It is frequently the case that different groups within the same community will have different levels of vulnerability and will need interventions which can meet them where they are. This support should also change with them. As groups stabilize their assets or income, programming can then offer new interventions which help people to build longer term resilience so they can deal with any new shocks.

In the early stages of crises or where there are very high levels of vulnerability (where people are in the midst of an acute food or livelihood emergency or famine), the focus of interventions might be on ensuring that people have their basic needs addressed (Livelihood Provision); however, as assets and consumption come to be stabilized, it is important that we support people in new ways through interventions which help to reduce vulnerability (Livelihood Protection) and support livelihood growth (Livelihood Promotion) interventions (see box below for more detail).<sup>7</sup>

<sup>7</sup> Jaspars, S. and Maxwell, D. (2009) 'Food Security and Livelihoods Programming in Conflict: A Review'. Humanitarian Practice Network. London: ODI.

### TYPES OF LIVELIHOOD SUPPORT IN EMERGENCIES

Jaspars and Maxwell (2009) define three different kinds of Livelihood support in crisis. They point out that in the first stages of a crisis the focus might be on livelihoods provisioning but that as livelihoods stabilise it may be possible to introduce other interventions which might aid a longer term approach to addressing basic needs. They give three categories for livelihood interventions (some interventions may overlap):

#### **Livelihood Provision (directly affecting outcomes)**

- Meeting basic needs through the provision of in-kind goods- including cash or minimizing expenditures through the provision of goods or services.
- Contributing to personal safety.

#### **Livelihood Protection (protecting assets, preventing negative outcomes)**

- Preventing migration to camps by providing livelihood support to rural populations
- Reducing vulnerability by diversifying livelihood opportunities and increasing choice
- Protecting Livelihood and Assets through the provision of services
- Helping recover assets (agricultural inputs, savings and loans, cash transfers)

#### **Livelihood Promotion (improving strategies, assets)**

- Creating new livelihood assets (e.g. human assets through skills/vocational training)
- Improving access to markets and services (vouchers, infrastructure, producers cooperatives/orgs)
- Supporting informal institutions and civil society to improve services and/or traditional governance (e.g. natural resource management)
- Promoting access to information (on services, entitlements, rights etc)
- Influencing policy (for example on land rights and occupation, compensation for lost assets etc)



VSLAs, for example, may not be appropriate when people are at their most vulnerable. For these people, cash transfers and service provision are needed in order to meet basic needs before people can think about using any of that cash transfer to save. However, once people have stabilized their income, the Yemen example indicates that continuing cash transfers alongside VSLA can help people to develop a savings buffer which can be an important and long lasting support while increasing the sustainability of humanitarian programming. Additionally, layering on livelihood interventions, at a pace that works for the community, can help to offer further protection from vulnerability. Sequencing these interventions in ways which allow people to build from Livelihood Provision to Promotion is important in order to make sure that we are offering VSLAs in Emergencies in ways that are appropriate to the needs of the people that we are working with.

Our most mature pilot in Yemen particularly demonstrates the potential positive impacts that result from taking a longer term livelihood approach. Offering VSLAs to people who were receiving cash meant that, once consumption was stabilized, cash could go towards creating a savings buffer. **Once the option of saving was available, people saved approximately one third of their cash transfer.**

VSLAiE can provide an important intermediary role as people move from asset and consumption stabilization to recovery or growth. As we saw in Yemen, VSLAiEs can serve dual purposes. At first, VSLAiE loans were used to smooth over fluctuations in consumption. However, after business training, the number of loans for business purposes grew from 22% to 44%. Since the end of the project, in the context of economic instability, loan use has again focused more on consumption smoothing which demonstrates the benefits of a model which can flex to the changing needs of members as circumstances change.

Beyond VSLAiEs, our Yemen pilot also indicates the potential to layer additional livelihoods support. Significant ongoing community engagement between the team and the community meant that the community were able to communicate their readiness to engage with business training. With the aid of flexible budgets, CARE was able to provide this additional vocational support. As described above, with enough savings available to support business activity we saw a significant uptick in business investment after this training, and it is still the case one year later that many of these businesses continue to be successful.

In Yemen, the desire to progress towards sustainable livelihoods was clear but we also saw this in Syria where there were requests for business training:

**“Integrating vocational training and income generating activities into VSLAs would be more effective in providing job opportunities.”**

**(Syria, Focus Group Discussion - women’s group)**

## Cash and Voucher Assistance

In Syria, while cash was a component of the wider project, during the pilot phase it was still necessary for cash to be targeted at the most vulnerable and many among this group felt that they still needed to stabilize their consumption and address asset loss before they could join a VSLA. As a result, while some cash recipients became VSLA members, in many cases there was less overlap between these two groups, limiting the degree to which groups had enough capital to lend for business investment.

While the VSLA in Emergencies pilot demonstrates the potential for cash combined with VSLAs to offer people longer term resilience, it is still important that the two remain operationally separate. Cash should be given out before VSLAs are introduced and participants need to be clear that cash is not a grant associated with the VSLA. Giving grants to VSLAs will limit the sustainability of groups. Our Syria team specifically spoke in learning meetings of the need within sensitization meetings to be clear with participant that if people choose to participate in the VSLA then it is important that they understand this will not make them more or less likely to receive other forms of assistance.

### TAKEAWAYS:

- The sequencing of interventions for crisis affected people needs to be carefully planned to ensure that we meet people where they are and respond to their immediate need while also addressing long term vulnerability, through livelihood programming, where this approach is feasible.
- The rate at which progression towards more resilient livelihoods happens is highly idiosyncratic and will differ considerably from community to community.

## 2. Addressing fear, sensitizing and accompanying participants and communities

Each emergency context is different and therefore the barriers to introducing VSLAs will differ as well. The flexibility of the VSLA model means that it can change to meet the needs of different communities.

### Addressing Fear

When the project teams did their initial explanation and sensitization, introducing the broad concept of VSLA to communities, members frequently described feeling fear or trepidation at the idea. This fear resulted from issues including not understanding the nature of VSLAs, being concerned about issues relating to religious compliance, and also fear about taking loans and increasing indebtedness. For some, there were fears simply about joining a group which might not last.

**“At first, I had a fear of failure or of not being able to continue saving or not securing the amount, and also fear that some members would withdraw, and the group would be dispersed. Now I save with confidence.”**

**(Syria: Interview with female group member)**

For some who took on leadership positions within the VSLA, there was also fear resulting from the responsibility of holding on to the box:

**“My family was worried about me having the box with me, but I explained to them that I didn’t have the keys and explained to them the system for opening the box, and they felt relieved when they understood the idea”**

**(Jordan, Female VSLA treasurer)**

It was through the deeper sensitization- prior to activities starting- that teams were able to work through some of these fears and explain the potential benefits and safeguards of VSLAs. VSLAs are frequently new interventions to these communities, and in some cases are not necessarily in line with community expectations of the assistance that NGOs provide, which may ordinarily involve providing distributions of cash, Non-Food Items (NFIs), or other assistance.

**“A broader sensitization and information campaign on VSLA projects was very much needed for communities to make a decision. The campaign particularly needed to address any unfounded rumors or misunderstandings.”**

**(Yemen Female Focus Group Discussion Participant)**

Teams looking to implement VSLAs in Emergencies need to expect that there is likely to be some nervousness amongst participants and that it is also likely that accompaniment and sensitization will be required to ensure that people feel confident to join.

### Regular accompaniment

Investment in accompaniment during the first cycle is important for ensuring that any fear or misunderstandings are dealt with appropriately and sensitively, and that communities have the ability to express their needs and be heard so that appropriate adjustments can be made to the model.

It is possible to overcome fears and misgivings and in all of the pilot locations concerted work by dedicated teams was an important component in addressing this, as was people seeing the effects of VSLA membership in their own lives and in the lives of others in their community.

**“I was expecting that some goals are not possible, but I was surprised that they became possible by participating in savings groups and organizing and managing my financial affairs.”**

**(Syria, female Focus Group Discussion participant)**



In Yemen, the team worked closely with the participants, with a local officer present in the community approximately three times a week, discussing and solving issues that arose. The ability of the project to add requested programming components, and to respond to concerns in a timely and appropriate manner helped to further build trust among participants.

The responsive accompaniment of the Jordan team, like in Yemen, was important in ensuring that the VSLA members understood the approach and were on hand to address any questions:

**“Even though [the training] was given in a short amount of time, the concepts were thoroughly explained and seemed to make perfect sense. After I put what I learned into practice, everything became clearer and easier to plan the roles, arrangements, and meeting times. And what was useful was that if I had any questions, I could contact the CARE officer through WhatsApp and would receive a response in a kind and quick manner.”**

**(Jordan, male VSLA member, KII)**

### **Dispute Resolution**

In addition to vocational training, community members in Yemen also highlighted disputes as a key issue which needed to be addressed, and one which potentially had consequences for the social cohesion necessary for VSLAs to function effectively. Working with community leaders, the VSLA team identified that being able to resolve disputes more easily within the community would be helpful in supporting social cohesion, and by extension would make implementation of VSLAs easier. In order to address this concern, 30 community members, both men and women, were trained in conflict mitigation and dispute management. Participants in the sustainability study reported that this was important to dispute resolution in their community. This was possible because of the availability of flexible budget.

### **Expectations of traditional aid**

There were some significant challenges that arose in the first cycle. For example, the VSLA model was not in line with community expectations of NGOs. Humanitarian programming that people had interacted with previously focused on distributing items, cash, or access to services that met fundamental needs. However, with VSLAs, participants noted, the money was theirs. The country team identified that the community felt that the VSLA should be subsidized in some way. For many groups, this could be overcome by working with groups through the VSLA model and methodology so

that groups could see the benefits that they had as a result of saving. Nevertheless, many groups felt that there should be some subsidies available, including potentially travel subsidies for those people that had to travel for a long distance, and for whom as a result, the cost of attending meetings was high.

### **Meeting Spaces**

In Yemen, the solution wasn't always additional programming components but working with communities to find solutions. For example, when the project found that there were few spaces for the participants to meet, the project worked with community members to find a solution. In the end, community members donated some land where a facility could be constructed which could provide a space for women to safely meet as VSLAs. This facility was then administrated by the VSLA members and became an important space for vocational trainings to be held, among other things.

In Jordan, there were also issues around spaces to meet. In previous iterations of VSLA in Jordan, there had been some significant challenges to sustainability. This is because these VSLAs were reliant on paying Community Based Organizations (CBOs) to run the VSLA and therefore, once the project ended, there was no further money for the VSLA. As a result, the VSLA*iE* pilot attempted to run the VSLAs independently. However, without the involvement of the CBO, VSLAs had nowhere to suitable to meet.

### **Early Sensitization & Adaptation:**

In Syria, where the team set up a high number of VSLAs as part of the initial pilot, the team quickly realized the need to ensure a good understanding of VSLAs and sensitization of potential members was a priority from the start of the project. The team engaged in sensitization meetings with hundreds of potential participants which they used as opportunities to ensure clarity on the model and ensure inclusive VSLAs. When it was clear that the project was inadvertently targeting mostly men, the team quickly responded to this by doing specific outreach with women in order to ensure an inclusive approach.

Again, in Syria as in both Yemen and Jordan, it is evident that attitudes frequently shift as participants make use of the VSLA and explore how to use it. For example, in March 2022, early in the cycle the team reported that participants had been skeptical about the use of the Social Fund. They didn't necessarily see significant value in it. However, as the cycle progressed people began to appreciate it and particularly how this helped to ensure solidarity among members of the group.

**“[The social fund is] of more moral value than material value, it increased the feeling of social connection among the groups members.”**

**(Syria, Male VSLA member, FGD)**

**“I used the Social Solidarity Fund in our group only once, by gifting one of the members on the occasion of the arrival of a new baby to him. I think that the idea of the Solidarity Fund is a good idea that contributes to increasing love and cooperation among members.”**

**(Syria, VSLA member, KII)**

## TAKEAWAYS

- Across all locations we have seen that VSLAs can be a new and, in some cases, scary concept for communities. It can be challenging to existing social norms, and it can challenge the way communities have traditionally viewed aid. However, in all locations this has been overcome by sensitive, responsive teams.
- In many crisis affected settings establishing VSLAs will be complex, there may be social norms, fears, or community dynamics which affect how easy they are to establish. Therefore, the first cycle of VSLAs in Emergencies requires time for sensitization and accompaniment.
- Maintaining a responsive relationship with the community will aid trust and will also help teams to know when issues arise and should be addressed. This requires consistent presence in communities and could be aided by strategies to support rapid feedback.



## 3. Enabling adaptation

Because all contexts are different it is important that VSLAs are able to adapt, not only to the changing context but also to the different desires of VSLA members. Flexibility is a key strength of VSLAs but there are also some elements which cannot change without affecting the long term sustainability and efficacy of the model. We know, for example, that groups should be self-selected and that the funding pot should come from community members themselves, not from a grant. However, outside of these two dimensions VSLAs are highly adaptable, and this has been an important aspect of success in the VSLA pilot.

### 3.1 Adapting the VSLAiE model

The constitution of the VSLAs is decided upon by the community members themselves and therefore they are able to build an association which meets their needs and fulfills the desires they collectively have for it. This flexibility, and the degree to which the group could make a VSLA which suits them was appreciated by groups:

**“The constitution was flexible and takes into account the conditions of most members, which helped in the commitment of members and the inclusion of new members.”**

**(Syria, female VSLAiE member, Focus Group Discussion)**

As a result of this flexibility, we saw a number of adaptations emerge which could be easily accommodated within the methodology. In Syria, for example, where currency devaluation was a problem, we saw a shift among members from saving in Turkish Lira to saving in US dollars. This helped to ensure that people felt comfortable that they could save without fearing that their money would lose considerable value throughout the cycle.

**“Sometimes [we had] difficulty in increasing the number of shares or securing the amount of savings due to the bad economic situation and the collapse of the Turkish currency...We deal with this and save in the dollar currency.”**

**(Syria: Female VSLA member, KII)**

In Jordan, the flexibility of the model meant that when groups had a problem with loans they were able to adapt the model so that instead they engaged in a collective investment model. This is an exciting adaptation which holds possibilities for future VSLAiE groups, particularly in areas where lending may be problematic due to religious norms around lending.

## JORDAN CASE STUDY: SAVING TOGETHER, INVESTING TOGETHER

The 'Sandoq AL-Qudorat For Saving and Investment' is a VSLA group made up of 31 Jordanian and Syrians (24 women, 7 men). When the group were set up, they were resolute that they wanted a business which would not need outside assistance, and instead they wanted to invest as a group and then distribute the profits back to members through the VSLA. **"With a diverse group like ours, we made the decision to expand the VSLA model by including investment. Through this we can assist our members with things like product purchases."**

**"[We buy an item] then we sell it to the member at a modest profit and much cheaper than the market".** The group does not have a standard product but instead they will buy items according to the needs of members, the season and the opportunity for investment. The group has included an additional VSLA committee which can help them to make clear judgements on how to invest: **"We have a Purchasing Committee that examines and studies the market and decides to provide support based on the needs of the members. We were able to purchase remote**

**study cards for Tawjihi students in order to assist group members in providing their children with the necessary education. Another example: we bought an air conditioner in cash for one of the members and then sold it to her in instalments with a small profit as an investment, so we bought a washing machine for another member. Now that winter has arrived, we are anticipating that some of our members will require heaters."**

The group described how working together in this way has brought them together and Sawsan, the treasurer of the group elaborates: **"I work as a tailor at the CBO. I contacted the VSLA group when my sewing machine broke. The group agreed to purchase a new machine and resell it to me for a small profit. They helped me right away, which is why I felt like I belonged."**

The group can see others in their community are excited by their success: **"My daughter was intrigued by the VSLA and wanted to contribute to it, and I was pleased to see that she is considering saving and investing."**

### 3.2 Adapting interventions to support VSLAiE outcomes

As addressed above, we can maximize the effectiveness of VSLAiEs when they are mixed with other appropriate interventions. For example, it is likely that outcomes in Syria were enhanced by placing VSLAs in the context of a wider set of interventions which included things like livelihoods support and protection programming.

We can make sure that the intervention 'package' is relevant to the needs of participants by ensuring that it can flex. As we saw in section 1 on sequencing, crises are dynamic, and people's needs are often changing. Ensuring monitoring is in place and setting up a project to be able to add or remove interventions as needed and in response to need is an important part of ensuring quality in VSLAiE programming.

We saw this particularly in Yemen where it was possible, due to flexibility within budget lines, to add additional programming components including leadership training, conflict management support, and perhaps most importantly, vocational training. This was highly valued by the community both because of the skills learnt, but also because it represented a clear example of CARE gauging feedback on interventions and tailoring to those expressed needs.

When asked to give an example of the impacts of the VSLA project while many mentioned the financial inclusion aspects it was also the case that the skills aspect was also prominently identified:

**"Gaining new experiences and skills... Currently I work in sewing to support my family because the head of the family got sick and had an eye operation."**

**(Yemen, Female VSLA participant, KII)**

**"We've mastered skills such as henna design creation. Because we have these skills it helps us to ease the burden of meeting our families' requirements."**

**(Yemen, Female VSLA Participant)**

In addition to livelihood and vocational training, the Yemen pilot was able to introduce a number of components. As described above, in response to expressed needs from the community, the project introduced conflict mitigation components which helped community members to resolve disputes and ensured the community had the levels of social cohesion required in order to support safe and effective VSLAiEs. The project also introduced women's leadership training in order to support women who increasingly felt that their role within the VSLA required additional soft skills development.

## TAKEAWAYS

- VSLAs are adaptable in two ways:
  - The model is adaptable as groups can write their constitution, or set up saving and lending practices, in the way that helps them to meet the needs they want to address.
  - However it is also adaptable because it can fit easily in to many different kinds of packages of interventions and in this way serve different kinds of needs (e.g. helping people who need consumption support to build a safety net, or helping people who want to build businesses to borrow capital for investment)
- This adaptability is a key strength of the VSLA model but it does have to be actively enable and supported, particularly throughout the first cycle

### **What does this mean for practitioners:**

- The ability of VSLAs to set up their constitution to reflect social, and economic realities is important and ensuring that staff are available to work with VSLAs to think through the implications of these changes will be helpful to ensuring they meet community needs.
- It is also important that the enabling interventions implemented alongside VSLAs are able to flex too. For this aspects should be included such as:
  - Monitoring of the context so that we can work with groups to mitigate against any potential problems which might arise.
  - Rapid Feedback approaches which can be used in order to understand community needs and respond to them.

### **What does this mean for donors:**

- Donors can help to enable this adaptability by focusing on practices which foster adaptation within projects. This may include:
  - Allowing budget flexibility so that new interventions can be added or removed according to the needs of the specific communities.
  - Using approaches such as Review and Adaptation Meetings (RAMs) or strategy testing workshops so that donors can work with project teams to assess progress and review targets.

## 4. Gender Inclusion

Gender in Emergencies is at the heart of CARE's Humanitarian strategy and therefore, is an important dimension of the VSLA in Emergencies Approach. The October 2020 Inter-Agency Humanitarian Evaluation of Gender Equality and the Empowerment of Women and Girls concluded that **there remains a lack of a systematic and consistent approach to gender in emergencies in humanitarian contexts**. This combined with the lack of systematic gender action means that the different needs of women, girls, men and boys remain poorly understood and often unaddressed amongst competing priorities. As such, we have to deliberately include women within our humanitarian approaches and ensure women are heard, safe, and that their needs are met by our programming.

This means that where we implement VSLAs in Emergencies we must have the following **minimum standards**:

- **Understand the context:** CARE's Rapid Gender Analysis (RGA) is fundamental to our Gender in Emergencies approach. We use RGAs in order to ensure that within crisis affected contexts we understand the potential drivers of and barriers to gender equality so that we can design programs which are appropriate to the needs of all people, and do no harm. CARE has integrated VSLAiE specific questions in to new guidance on doing Rapid Gender Analyses, in order to ensure that teams have the tools they need to ensure they necessary analysis of context which also captures potential opportunities and barriers to economic programming in emergencies.
- **Have capacities and resourcing in place:** We also know that beyond having the tools needed it is important to also have the capacities amongst our staff. Gender advisors should be on hand to provide technical input, but all staff also need to be aware of the need to address gender equality in our work, and there should be resources allocated to the project to allow for the time and capacity to do this. This should also include ensuring a gender balanced team.
- **Address GBViE and protection:** Women, and all people, in crisis are at greater risk from Gender Based Violence and when NGOs work with women we have to ensure that our projects do no harm and do not exacerbate the risks to women. It is therefore necessary that GBV risk mitigation and protection is embedded across all of our work in Emergencies. This should be in line with

[the Interagency Minimum Standards guidance on GBV in Emergencies](#). We should, for example, ensure that safety audits are in place and that programs are set up in ways which mitigate any safety risks.

- **Ensure women have a say:** Women’s voices are frequently marginalized within humanitarian response and this limits the degree to which their needs are met. CARE works through models like [Women Lead in Emergencies](#) to strengthen women’s voice and leadership in crisis and going forward we will be looking to explore greater integration of this in the VSLAiE approach. However, at a minimum CARE itself must enable all people, and particularly women and girls, to have their voices heard within our programming. This means ensuring opportunities for women to feedback and to meaningfully participate in decisions on the program. This should go beyond ‘consulting’ with women or giving them information and instead women should be able to have a say in how the program develops. VSLAs- as explored above- already allow for significant tailoring to the expressed needs of communities however it is important that this is also done with a gender lens by ensuring that teams are deliberately integrating women’s expressed needs and wants.
- **Ensure we are safely targeting women:** If and when it is safe to do so, CARE should ensure that we are deliberately targeting women. We know that if we do not do this then it is frequently the case that women will be excluded from humanitarian response. However, it is also important that we make sure that the bundle of interventions are appropriate. Just as VSLAiE should be introduced only when communities are ready- and when they are not having to meet their basic needs, so too should we look to work with women through VSLAs when we know that women can meaningfully benefit from this participation. In some cases where women are fully economically excluded or where social norms are so restrictive that women may be at risk from participation, it may be necessary to address these issues first (addressed in more detail below).

Inclusion of women was a priority across all of our pilots. In Yemen, the project focused on women and 100% of participants were women; while in Syria and Jordan, this figure was 66.3% and 90% respectively. We can see clear examples in the pilots of women feeling that being part of the VSLA was helpful to them, or enabled them to take on new roles within their communities and households:

**“I was able to help my husband in securing the needs of the house, as the matter became more participatory between the wife and husband.”**

**(Syria, Interview, Female VSLA member)**

**“The role of women has changed. They’ve become pioneers and shown they can run institutions and support their partners, the men.”**

**(Yemen, Interview, Female VSLA member)**

We also saw some shifts evident in the degree to which women felt able to exercise their decision- making power:

- **Syria:** The number of people who reported that decisions about income were ‘joint decisions between men and women’ grew from 63% at baseline to 94% at endline, with the percentage who said men make the decisions alone falling from 35% to 4%.
- **Yemen:** After the completion of the first cycle, when asked how their participation in economic decisions had changed 92% of women stated their they were now more involved in economic decisions than they had previously been.
- **Jordan:** 91% of female participants indicated that they felt they had more say over economic decisions after taking part in the VSLA

However, it is also clear from discussions with local teams that there are also challenges to engaging with women in some of these contexts. It is frequently the case, for example, that women are not the primary economic actors in their household and this might impact on the perceived relevance of VSLAs to women. In locations where women are participating economically, there can also be tensions around this.

We particularly saw this in Syria where the ease with which women could be integrated into VSLAs differed considerably according to the community worked with. As was outlined in CARE’s 2022 North West Syria Rapid Gender Analysis (RGA), the conflict has contributed towards changes in women’s traditional social roles. This results from factors including the death, injury, migration, or recruitment of male heads of households<sup>8</sup>. While women’s growing presence in the labor market is an important trend, there are also risks that accompany this because such shifts can be challenging to existing cultural and social norms. The RGA found that female divorcees and widows are among those most challenged by these shifts, because as they assume the head of household

8 CARE’s 2022 [North West Syria Rapid Gender Analysis](#).

role, they also face discrimination, mobility restrictions, economic exploitation and safety risks in trying to meet their families' basic needs.

The Syria team explained during learning meetings that it was necessary to ensure the safety of women first and that among some communities and participants there were some challenges to engaging women in VSLAs. The team highlighted that according to the barriers in place it may be necessary to put in place additional gender programming in order to make it easier for women to participate and that in some cases this should take place before VSLAs are set up if we want to effectively and appropriately reach women.

**While GBV risk mitigation, standards on protection should always be in place (in line with the minimum standards outlined above)** there may be some additional interventions that might support broader gender inclusion:

- **Interventions to address negative social norms:** This can include many interventions, from ensuring that women even have the basic mobility and social permissions to engage in VSLA, to addressing broader social barriers which might hinder perceptions of women's competence as business people. It therefore might include engagement with powerholders (community or religious leaders) to ensure women's participation is possible. It could involve couples curriculums, or engaging men and boys as champions, or the use of CARE's Social Analysis and Action Tool to understand and address gender and power dynamics. In Yemen, where the community was proactively engaged in order to ensure that women could be included in VSLAs we can see evidence that attitudes changed as women began to participate: *"At first we weren't convinced by women's participation in VSLAs. We didn't expect this change to happen. But women have benefited a lot, and I witnessed how my wife benefitted from this project. She started to make accessories and sew clothes. I supported her, and she also took a loan from the VSLA. Her work is now going well."* (Yemen, husband of VSLA participant)
- **Interventions to address broader community power dynamics:** We know that women often do not have enough of a say over key decisions (e.g. distribution of resources) in the communities they live in and this can hinder their economic participation. As such interventions which aim to increase women's voice and leadership can help to address this. This may

include CARE's Women Lead in Emergencies model but may also involve ensuring inclusion of women within key decision making platforms, and working with local women's organizations can also help to address this.

- **Interventions to address women's economic inactivity:** Where women are not viewed as economic actors or where there are barriers to women's equitable participation in markets and the labor force, it can be difficult to ensure that VSLAs feel relevant to women. In these cases interventions such as vocational training, income generation interventions, or interventions focused on access to and control over assets and resources may help to ensure that the VSLA interventions feel relevant to women.

## TAKEAWAYS

- While VSLAiEs can be gender inclusive, in some locations working with women can be harder than in others. In some cases it may be the case that significant shifts in social, cultural and political norms and practices are required for VSLAiE's to be effective.

### **What does this mean for practitioners:**

- As in all of our humanitarian work gender dynamics are an important determiner of our ability to ensure inclusive and high quality response. Interventions must be designed with gender in mind to ensure that we do no harm, and that all people- and particularly women and girls who are often excluded- can benefit.
- For this reason we should ensure that we meet minimum standards on gender inclusion in order to safely be able to target women.
- Careful consideration should also be given to where pervasive social norms may present a barrier to women experiencing the full benefits of VSLAs and this should inform decisions about potential necessary parallel interventions, or whether VSLAiE is currently appropriate in a given setting.

### **What does this mean for donors:**

- Donors should seek to ensure that programmes implementing VSLAs in Emergencies have appropriate strategies for ensuring gender analysis is developed and used within programme design and that projects do no harm.





# Recommendations

## Sequencing livelihood interventions with VSLAiE

### *What does this mean for practitioners:*

- All staff should be trained on how VSLAs and CVAs can be integrated appropriately in line with CARE's CVA-VSLA integration guidance.
- Staff should monitor vulnerability levels and readiness for new interventions closely with the community.
- It is likely that 9 months is the minimum period for implementing a VSLA. Whilst the cycle can be shortened compared to the standard 1 year it also takes time for people to understand the concept and to start to feel the benefit of this.

### *What does this mean for donors:*

We have seen a positive increase in longer-term humanitarian funding and in nexus programming. Donors should enable programming that supports both basic need provision and longer term vulnerability reduction. This may mean:

- Amounts available for cash and voucher assistance (CVA) should be enough not only to respond to immediate needs but also to support a phase of saving.
- Donors should acknowledge the need to travel at the pace of the community when developing results frameworks and designing projects so that humanitarian actors are held accountable against the appropriateness and relevance of their response rather than on implementation of set activities.

## Addressing fear, sensitizing and accompanying participants and communities

### *What does this mean for practitioners:*

- Teams will need to work closely with communities within the first cycle and this should include:
  - Addressing fears or misunderstandings about the model;
  - Understanding the needs of different groups and tailoring support to ensure inclusion; and
  - Understanding and addressing potential challenges to group cohesion and sustainability.
- Building trust within the community is an important aspect of establishing VSLAiEs. It is therefore important that there is a strong implementer presence in communities, particularly in the early phase of a project.
- Ensuring that staff have the time and capacity to work with teams to find solutions to problems will be an important dimension of the long term success of the model.

### *What does this mean for donors:*

- The first cycle of VSLAs, particularly in a new location, will require higher levels of investment in staff time than subsequent cycles which demand fewer resources and capacity. This should be factored into budgeting and targets, particularly where the implementation of VSLAs has not been done before and/or in locations where there may be significant sensitivities that need to be addressed (e.g. religious objections to lending or community conflict).

## Enabling adaptation

### *What does this mean for practitioners:*

- The ability of VSLAs to set up their constitution to reflect social and economic realities is important. Ensure that staff are available to work with VSLAs to think through the implications of their constitution in order to meet community needs.
- It is also important that the enabling interventions implemented alongside VSLAs are able to flex too. For this, the following aspects should be included:
  - Monitoring of the context in order to work with groups to mitigate against any potential problems which may arise.
  - Rapid Feedback approaches which can be used to understand community needs and respond to them.

### *What does this mean for donors:*

- Donors can help to enable adaptability by focusing on practices which foster adaptation within projects. This may include:
  - Allowing budget flexibility so that new interventions can be added or removed according to the needs of the specific communities.
  - Using approaches such as Review and Adaptation Meetings (RAMs) or strategy testing workshops so that donors can work with project teams to assess progress, review targets and adapt results frameworks throughout the programming cycle where needed.

## Gender Inclusion

### *Recommendations for practitioners:*

- As in all of our humanitarian work, gender dynamics are an important determinant of our ability to ensure inclusive and high quality response. Interventions must be designed with gender in mind to ensure that we do no harm, and that all people, particularly women and girls who are often excluded, can benefit.
- Ensure that minimum standards on gender inclusion are met in order to safely be able to target women in the community.
- Careful consideration should also be given to where pervasive social norms may present a barrier to women experiencing the full benefits of VSLAs. This should inform decisions on potential necessary parallel interventions, or whether VSLAiE is currently appropriate in a given setting.

### *Recommendations for donors:*

- Donors should seek to ensure that programs implementing VSLAs in Emergencies have appropriate strategies for ensuring gender analysis is developed and used within program design and that projects do no harm.



# Next Steps

The VSLAiE pilots in MENA have generated enormous interest in the model and the adaptation of VSLAs in emergency settings. While the insights and findings from VSLAiE implementation in Yemen, Syria and Jordan have shown that VSLAs can be successfully applied alongside humanitarian programming to support resilience building among members. Given the number and severity of emergencies - from conflict, displacement, climate related and natural disasters - VSLAiE shows promise for being adapted across contexts to address the cyclical and ongoing crisis that people face globally. CARE plans to support the scaling of the model across contexts and through humanitarian partners by standardizing the tools and replicating the approach to better understand how the model can adapt in different types of emergencies. In the next year, CARE will support scaling of VSLAiE by:

## Publishing VSLAiE Toolkit:

- In July 2023, CARE will publish and socialize a toolkit on VSLAiE implementation for practitioners that will enable humanitarian organizations to implement the model in their contexts. CARE will work with IDEAL and USAID's Bureau of Humanitarian Affairs (BHA) on a dissemination strategy for the toolkit.

## Scaling across Contexts:

- The VSLAiE model has been tested and adapted in the MENA region for complex (conflict affected) contexts. CARE will now test the model in Sub-Saharan Africa (Uganda and Mozambique) as well as in Central and Latin America (Columbia and Ecuador). CARE will continue to collect and share data on group performance in new regions.

## Influencing Scaled Approaches to VSLAiE implementation:

- In line with disseminating the VSLAiE toolkit, CARE will develop a strategy to support key scaling partners (WFP, UNHCR, USAID) to implement the approach in different contexts and through programs implemented by those organizations. We will coordinate this effort with BHA and IDEAL in 2023/24.



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