



ACCESS AFRICA

**Transforming the lives of women
through economic empowerment**



care®

Background

In sub-Saharan Africa, 550 million people live on less than \$2 a day, unable to earn enough to meet their needs and with little access to basic financial services. These people are not serviced by the formal banking system due to the smaller size of their transactions, lack of collateral, level of inexperience as borrowers and remoteness of location.

CARE has managed economic development programs in Africa for more than 25 years, implementing its first microfinance program in Niger in 1991. Microfinance is financial services geared specifically toward poor or low-income clients.

For millions of families, the impact of microfinance is profound: they are able to purchase land, buy fertiliser or seed to increase harvest yields, buy raw materials to start new businesses or create a cushion of savings in case of an illness or unexpected expense.

In June 2008, CARE launched its ACCESS AFRICA Village Savings and Loans Program- an ambitious ten year investment that will show dramatic returns in the fight against poverty. The program is expanding to 39 countries, providing 30 million people – 70 percent of them women – with access to a suite of basic financial services that can enable them to break the vicious cycle of poverty, transforming it into a virtuous cycle of rising income, improved health, better education and greater participation in their communities and nations.

This program utilises a savings-led approach to microfinance rather than a credit scheme which would be difficult for very poor people to participate in. Village Saving and Loans schemes are recognised as one of the most effective and simple means of reaching poor, rural households in Africa and the social and business case made for investing in groups of women is well established as women have proven to be credit worthy and astute in their investments.

Small investments made by women often yield significant benefits in terms of family well being because that is where women invest their earnings. Empowered with financial literacy skills, women are able to build businesses which improve their financial security. With improved financial security, other areas of women's lives invariably improve: they can afford prenatal care, purchase uniforms for their children and are more likely to play a leadership role in their communities. The collective effects of these programs repeatedly demonstrate that empowered, financially literate women and girls are truly one of the most powerful forces in the fight against poverty.



Village Saving and Loans Associations (VSLA)

VSLA methodology is based solely on member savings and small, self-managed groups. Groups of twenty women on average are trained using a financial literacy curriculum. They elect leaders; tailor the system of savings, insurance and credit to meet their needs; run savings and credit meetings; and manage savings and loans.

Savings models have been adapted to accommodate loans of variable lengths and amounts and systems of savings that allow for flexible contributions – and even shareholdings. Income distributions are usually made annually and at an agreed time to the group. Members often allow for distributions to coincide with the need to purchase seed and fertiliser for their farms.

The VSLA model has proven to be sustainable because the women who participate in it are committed to its continued success. Low levels of default are attributed to the fact that the model is funded solely through members' own savings and groups are self governing.

CARE's experience in Africa shows that over 95 percent of VSLAs continue to operate successfully for at least two years, and 87 percent for at least six years – many groups in Niger have surpassed their 15-year anniversary – after their formal relationship with CARE ends.

Who is this program helping?

My name is Jacqueline and like everyone else, we live off of our own agriculture. Customarily, women are not able to earn money or participate in community meetings. Similar to other women, I depended on my husband's money to cover the needs of our family and to buy seeds and fertilizer for our crops.

My life has changed since CARE helped us form a solidarity group known as a village savings and loan association. We call our group Twizere (Let's hope!) and there are 25 members, all of us neighbors.

Each week, we contribute 5 cents to our savings fund. We also serve as a support group for each other to discuss problems and issues in our lives. I used to be lonely, having no one with whom to share my thoughts, but now the solidarity group is like a refuge, providing a safe place to go for support and advice.

Our VSLA has also set up a social fund, whereby the group helps members pay for family funeral expenses with money from the fund. Or if someone is ill, we use the money in the fund to pay hospital fees.

Before becoming a member of the VSLA, I waited for my husband to send money, but now, I am able to earn money by selling local beverages and increasing production in my field.

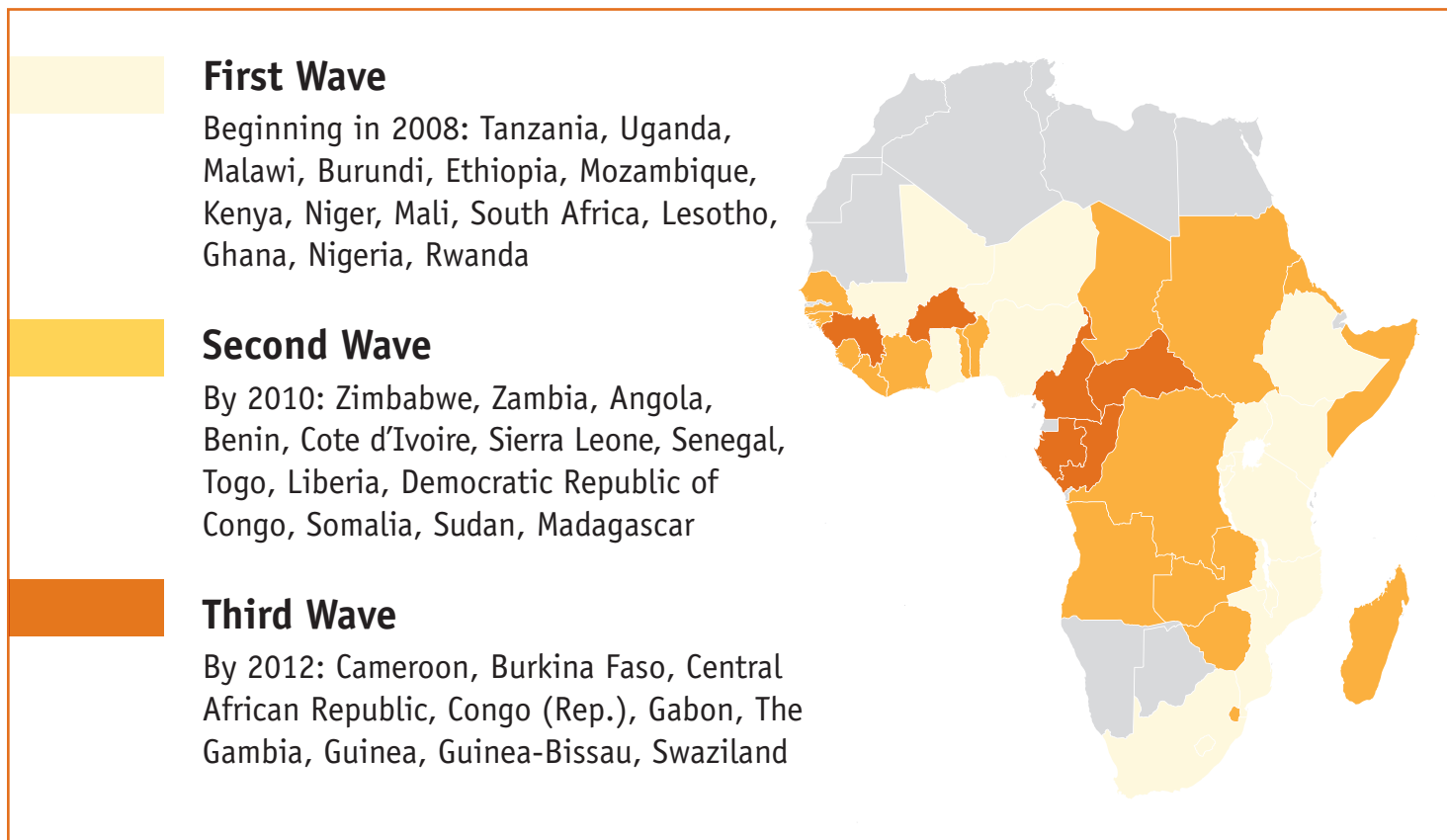


And because I earn money, I have become more responsible with it – I plan expenditures and save. I personally am able to meet my family's needs; I don't wait for my husband's money, and our children stay in school because we can afford the fees.

My husband says he is very proud of me and that the family is more prosperous because I am good at managing money. He even consults me in financial decisions. I am no longer treated like a child in my own house.

Map: Areas covered by ACCESS AFRICA

ACCESS Africa will be implemented within 39 countries in three waves over ten years between 2008 and 2018. The map below indicates the program expansion timeline.



With your support, CARE can make a lasting impact to the lives of millions of women and their families by providing a comprehensive training program to support savings and loan groups for up to one year as well as a financial literacy curriculum, toolkit and materials to support trainers.

During this program, CARE will develop a gender-focused tool to identify gaps that contribute to gender exclusion in the law and policy frameworks that govern the financial services sector and will engage in advocacy to explore how national governments can integrate savings-led approaches and can develop approaches that are successful in reaching the ultra poor, including people who are socially excluded, such as HIV/AIDS-impacted households.

CARE's position as one of the world's largest international humanitarian organisations enables our economic development programs to make a lasting impact on poverty reduction. Our strong commitment to partnership means that we have extensive experience working with local NGOs and private-sector enterprises, such as commercial banks. Finally, CARE maintains ties with more than a dozen independent institutions (Micro Finance Institutions, non-profits, cooperatives, technical service providers) that have grown out of our own economic development programming, which will play a role in ACCESS AFRICA.

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