

# **VILLAGE SAVINGS AND LOANS TRAINING REPORT**

**TARGETED GROUP: RAMULA WIDOWS SELF-HELP GROUP**

**BONDO, KENYA**

**TRAINING DATES: -21<sup>st</sup> Feb -25<sup>th</sup> Feb 2022**

**FACILITATOR: JOHN OMOLLO-0714173200**

**TRAINING VENUE: RAMULA WIDOWS SELF-HELP GROUP RESORCE CENTRE**

**IMPLEMENTING AGENCY/SPONSOR: WAJANE INTERNATIONAL FOUNDATION INC.**



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## **INTRODUCTION**

This is a report on Voluntary/Village Savings and Loans Associations training offered to the Ramula Widows Self-Help Group in Bondo, Kenya, to strengthen their resource mobilization capacity and ultimately improve their livelihoods at household level. The training was conducted from 21<sup>st</sup> February 2022 to 25<sup>th</sup> February 2022 at Ramula SHG resource Centre in Bondo.

Presently, the widows are experiencing a number of challenges, mainly, mainly food insecurity and lack of basic needs (clothing, money to pay school fees for their children, housing, health and security)

A short need assessment conducted by Wajane International foundation resolved to bridge the gap through this intervention.

The report has three sections; first section provides an in-depth presentation of the background, objectives of the trainings and methodology used.

Section two explains the training process and key topics handled while section three includes different appendices related to this training.

### **1. 1 Background**

Wajane International Foundation strategically works with widows and orphans to improve their livelihoods through initiation and management of income generation activities for the widows and provision of education opportunities for the orphans. Currently, Wajane International Foundation is active in two countries, namely Kenya and Myanmar. The approach covered in this training is the Village Savings and Loans Associations, (VSLAs), a Community-based Micro- finance initiative, which facilitates the mobilization of group members' savings, and lending among members only with no external liabilities. The model emphasizes provision of simple and accessible financial services to the widows to build a capital base, and provision of loans for livelihood activities to meet the household needs, leading to improved livelihoods.

The rationale for adoption of this method came in response to the trend of many not-for-profits' reliance on external support. For Wajane international foundation, the main push was the almost near-total reliance on assistance from the United States of America, which limited what we could do

as an organization, and the in response to the gaps that exist within the micro finance sector. These gaps include:

- difficulties in taking micro finance services to the remote communities,
- The emphasis of banks and MFIS on credit as opposed to savings, exposing the poor to greater risks of loss of key assets, not to mention the insistence on collateral as security.
- The long waiting period of funds due to legal requirement and expensive processing fees.

This approach also has the potential to mainstream financial earnings to the group's investments and to improve their enterprises and livelihoods.

Key of the benefits associated with VSLAs include.

- An improvement in the saving and lending culture for the low income earners in the village to help them mobilize own resource, access, invest in Income Generating Activities (IGAs) and engage in social-economic activities.
- An increase in of financial products by households leading to improved livelihoods.
- An improvement in social networks (through access to finances), leading to the courage to participate in leadership roles at community level

The groups were trained on VSLAs methodology by Pastor John Omollo, one of the many friends of Wajane international foundation in Kenya, and was done to address the afore-mentioned gap in resource mobilization. The training covered the following short topics:

- Group dynamics,
- Share purchase and lending policies;
- Record keeping and
- Leadership roles

## **1.2 Training Objectives**

- I. To equip the widows with knowledge, skills and strategies to help them mobilize and manage financial resources
- II. To train the widows on the necessities of savings and lending

### **1.3 Training Methodology**

The training went through various key techniques that were more participatory and interactive. These techniques included

- Questions and answers,
- Simple quizzes and
- Group work.

This enabled them (participants) to get a deeper and practical understanding on the concept of the topics trained.

For all these sessions, demonstrations and stories relating to the topics covered were handled to enable participants have a clear and more elaborate way of handling key issues amongst group members.

## **2. TRAINING PROCESS**

### **2.1 Preliminary Session**

The key activities during this session included welcoming remarks and official opening of the workshop from Pastor in charge of the group (Pst Bernard) participant registration, self-introduction, election of workshop leaders, setting the workshop norms, sharing participant expectations and review of topics schedule.

### **2.2. Participant expectations**

The following were the key expectations as was shared by the participants;

- To get more knowledge and skills on VSLAs operations for improved livelihood.
- To get good money management skills (financial Literacy)
- To know and identify specific roles and qualities in VSLAs leadership structure.
- To know the importance of Village Saving and Loans Association (VSLAs)
- To know how to address the challenges encountered during the VSLAs operations.

## **2.3. Training Sessions**

### **Session 1: -VSLA Overview / Background**

This session enabled participants acquire the general understanding of the VSLAs methodology origin, objectives, and goals, how the methodology works, strengths and weaknesses of VSLAs methodology. Discussion also focused on the key features of VSLAs that distinguish it from other forms of financial services such as merry-go-round, table banking and formal micro finance institutions.

### **Session 2: VSLAs / Group formation and the General Assembly (G.A)**

This session focused on defining characteristics of a good group member and the general assembly. By the end of the session, participants had understood the meaning of a group, appreciated benefits of belonging to a group and the need to promote quality groups. Further, the following key areas were discussed.

- Individual self-selection to help members decide whether to join a group or not, it also contains Group Dynamics,
- Characteristics of ideal group e.g. having registered members, common objectives/goals, policies to guide the group operations and elected leaders.
- This helps a group to achieve a set goal at a given period during the group's operation cycle.

The session further focused on leadership and types of leaders in –VSLAs set-up, a distinction between a group and gathering

- Qualities of a good group and Village Savings and Loans Associations
- Qualities of a good group member
- The session also introduced participants to the meaning and role of the general assembly. It was emphasized that the General Assembly is a superior body in VSLAs setup that holds the decision making power. The session highlighted the following key roles of the General Assembly.
- Election of the VSLAs management committee

- Dissolve the management committee
- Oversee the management committee performance
- Develop and reinforce the group's by-laws
- Witness all VSLAs transactions

Roles and responsibilities of each individual member of a VSLAs were discussed with emphasis on the following;

- Attendance of all VSLAs meetings
- Regular savings per meeting
- Paying all personal loans
- Participating in all group discussions
- Obeying the group's by-laws
- Ensuring confidentiality of group operations to strengthen group cohesion

### **Session 3: VSLAS Leadership system**

Leadership of the VSLAs Management committee was also handled during this session. The purpose was to enable participants understand why it is necessary for a group to have the management committee, the roles, responsibilities and qualities of good leadership. It was discussed that a VSLAs management committee comprises of the following;

- Chairperson
- Record keeper
- Treasurer
- Two money counters
- Three key holders elected from the general assembly (however, they are not members of the management Team)

Further discussions enabled participants to appreciate the roles and qualities of the management committee, but also noted the key role of the general assembly in electing the management committee based on the qualities and responsibilities discussed, and to ensuring that the committee members perform their duties satisfactorily.

Below are some cross cutting qualities and roles of VSLAS leadership as was discussed;

<b>S/No.</b>	<b>Qualities</b>	<b>Roles</b>
1.	Honesty	Organize group meetings
2.	Confidentiality	Ensure all group activities have been executed in time with agreeable procedures
3.	Reliability	Ensure safety of group funds
4.	Integrity	Solve conflicts
5.	Trustworthiness	Maintain order and solidarity
6.	Literate	Enforce group by-laws
7.	Availability	
8.	Good listener	
9.	Punctual	
10.	Can keep group secrets	
11.	Organized	
12.	High level of responsibility	

#### **Session 4: Understanding VSLAs funds**

This session focused on the key VSLAs concept namely; savings (shares), loans, interest, social funds. During discussion on this session, participants were made to know the definitions, application and importance of each concept in VSLAs operations. This includes; the sources funds such as social funds and loan funds. Social fund is meant for emergencies during the transaction of cycle while loan fund is generated from savings, fines, and interests, loan repayment, registration and group Income Generating Activities.

The session further focused more on the uses of loan fund such as Investment, Emergencies and Consumption. The participants were therefore advised to put more loan fund in investment to help it



plough back as loan repayment and other Socio-economic activities such as business, farm activities and marketing their products.

### **Session 5: Developing internal regulations and elections**

The purpose was to enable participants understand the importance of internal regulations in a VSLA and procedure of electing the management committee. Some of the key important elements of the VSLA internal regulations discussed included;

- Group objectives
- Criteria for membership
- Meetings and savings
- Criteria for loans disbursement
- Loan repayment conditions
- Criteria for managing social fund
- Death and Withdrawal of Membership
- Fines and Offences

Further discussions indicated that the VSLA internal regulations cover issues of ownership and governance of the group together with rules and procedures on savings, loans and the welfare fund. Participants were informed that the constitution will bind the members in group hence making a very important element of the group.

### **Session 6: VSLA Record Keeping**

- In this session, the focus was on the key records kept in a VSLA and emphasis was put on the importance of keeping accurate records. This was to enable participants know the records kept in VSLA and how data in each record is captured. The records discussed included;
- Register
- Social fund book
- Savings book
- Loans book
- Fines book

- Simple cash book
- Member's pass book (savings and loans)

Records of Shares  
single share value: 100/-  
Cycle Number: - 1

Shares bought per Meeting	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 5
100	100	100	100	100	
100	100	100			

Starting No. of Shares 0  
Total No. of Shares bought 102  
Shares Redeemed: 78  
NET Shares CIF 102 180

Records of Loans  
CYCLE 1

DATE	AMOUNT BORROWED	MONTHLY SAVING CHARGE	SIGNED BORROWER	AMOUNT REPAY	SIGNED SEC.
6/6/20	2000	200	Wilfred	2200	Jane
7/7/20	5000	500	Wilfred	3500	Jane
5/8/20	2000	200	Wilfred	2200	Jane
3/9/20	10,000	1000	Wilfred	7100	Jane
2/10/20	11000	1100	Wilfred	5500	Jane
4/11/20	5000	500	Wilfred		

Pass book records

Membership

Attendance Register

Name	ID	Pho	Amount	No	Name	DATE
Wilfred	xx	xx	200	1	Wilfred	6/6/20
Jane	xx	xx	200	2	Jane	6/6/20
				3	Patricia	6/6/20
				4	Grace	6/6/20
				5		

10100  
19900  
20000

Social fund

NAMES	DATE	206	206	276
Wilfred	20	20	20	40
Jane	20	20	20	40
Patricia	20	20	20	40

TOTAL 400 360 400  
BENEFIT PAID OUT 400 760 720

SAVINGS

No	NAMES	DATE	206	206	276
1	Wilfred	1000	800	500	
2	Jane	500	800	600	
3	Grace	800	1000		
4	Patricia	200	600	400	

TOTAL 11200 8700 11200

CUMULATIVE TOTAL 11200 8700 11200

FINES

DATE	NTIPS	REASON(S)	AMOUNT
6/20	Anne	Late	20
	Rose	"	20
	Jane	"	20
	Wilfred	Simo	70

Balance sheet

DATE	PARTICULARS	CASH IN	CASH OUT	BALANCE
6/6/20	Registration fee	400		
	social fund	400		
	savings	1200		
	FINES	70		
	LOAN DISBURSED		11670	400
13/7/20	social fund	360		
	savings	8700		
	LOAN REPAY		12840	280
	LOAN DISBURSED			

Ledger records

## EXCHANGE AND LEARNING TOUR ON 25<sup>TH</sup> FEBRUARY 2022

This marked the climax of the training on the fifth day with Ramula Widows Self Help Group from Bondo Sub-County to pay courtesy call and visited Nyamasaria widows and orphans in Kisumu East Sub-county kisumu County.

Wajane group arrived at the training site at 10.00 am. The team were welcomed by host and was shown around the projects the group is undertaking. This includes but not limited to:

1. Cooking stove molding unit
2. Village savings and loans activities



3. Chairperson, Nyamasaria widows, explains to the visitor how they mould stoves



The host chairperson took the clients around the site, where they learned clay preparation, mixing, molding, drying, burning and marketing their products.

A lot of questions were raised and answered.

All members moved to the prepared stage for VSLA activities which was conducted within 45 minutes

### **Plenary session.**

There was a questions and answers session.

Members learned a lot during the exercise by asking and getting responses from the group project of molding and selling stoves and VSLAs. This took a period of almost one hour then members shared snacks which were offered by Wajane International. Group photo was finally taken for remembrance of the day at 2.30pm.



Products ready for market

### **Lessons learned from the exchange/learning tour**

1. Both teams learned a lot how they roll-out their income generating activities- (IGAs)
2. Both teams built a cordial business ties/relationship since the Ramula Widows SHG agreed to help market the products
3. Nyamasaria widows wished to visit Ramula Wajane to get to understand the intricacies of weaving and beadwork.
4. Nyamasaria widows got to understand the importance of having a pastor in a group as they got to understand the importance of engaging God's guidance in all their activities, together with the importance of spiritual nourishment.

5. The visit was an eye-opener for Ramula Widows who decided to seek more investment opportunities to ensure a growth of the group, leading to improved livelihoods.
6. Finally, both groups requested more and more visits within and outside to build their capacity

### **3.0 CONCLUSION, RECOMMENDATIONS AND WAY FORWARD**

#### **Conclusion**

The training was timely and participants were very active. The participatory method used kept participants motivated and learned a lot.

#### **Recommendations**

1. Though the widows got a good grasp of the concepts, they require more technical support for effective implementation.
2. Trainer should conduct quarterly reviews to strengthen the capacity of the widows.
3. More exchange visits needed to empower the widows and create business opportunities in and outside the group.

### **APPENDICES**

#### **I. LIST OF PARTICIPANTS – RAMULA WIDOWS SELF-HELP GROUP**

<b>No</b>	<b>Name</b>	<b>Sub-County</b>	<b>Position</b>	<b>Phone No.</b>
1.	Caren Okoth	Bondo	Chairperson	0715812289
2.	Pamella Okoth	Bondo	Secretary	0713291536
3.	Elida Nandi	Bondo	Treasurer	0700636178
4.	Josephine Onyango	Bondo	Member	0740055693
5.	Alice Adhiambo	Bondo	Member	0703209916
6.	Florence Atieno	Bondo	Member	0713128161
7.	Irene Otieno	Bondo	Member	0746161324

8.	Jecinter Nyajure	Bondo	Member	0746869337
9.	Selestine Anyango	Bondo	Member	0718808271
10.	Alice Waga	Bondo	Member	0714881360
11.	Gladys Omondi	Bondo	Member	0715614442
12.	Imelda Achieng	Bondo	Member	0716780974
13.	Mary Ouma	Bondo	Member	0796462872
14.	John Omollo	Kisumu	Trainer	0714173200

## II. FINANCIAL BREAKDOWN

NO	DATE	PARTICULARS	@	AMOUNT (KSH)
1.	21/02/2022	Transport to and from Bondo-Kambajo	400/=	800/=
		Photocopy (100 training materials)	5/=	500/=
		Airtime	200/=	200/=
		Lunch	1000/=	1000/=
		SUB-TOTAL		2,500/=
2.	22/02/2022	Transport to and from Bondo-Kambajo	400/=	800/=
		Airtime	200/=	200/=
		Lunch	1000/=	1000/=
		SUB-TOTAL		2,000/=
3.	23/02/2022	Transport to and from Bondo-Kambajo	400/=	800/=
		Airtime	200/=	200/=

		Lunch	1000/=	1000/=
		SUB-TOTAL		2,000/=
4.	24/02/2022	Transport to and from Bondo-Kambajo	400/=	800/=
		Airtime	200/=	200/=
		Lunch	1000/=	1000/=
		SUB-TOTAL		2,000/=
5.	25/02/2022	Transport to and from Kisumu	500/=	1000/=
6.	26/02/2022	Report Development and forwarding	1	1,500/=
		<b>GRAND TOTAL</b>		<b>11,000/=</b>

### III. TIME TABLE

<b>TIME DAY</b>	<b>900AM – 11:00AM</b>	<b>11:00 AM- 11:20AM</b>	<b>11:20 AM- 1:00 PM</b>	<b>1:00PM – 2:00pm</b>
<b>DAY ONE</b>	<b>Arrival &amp; Registration</b> <b>Climate Setting</b> <ul style="list-style-type: none"> <li>● Introduction</li> <li>● Norms</li> <li>● Expectations</li> </ul>	<b>T</b>  <b>E</b>  <b>A</b>	<b>Training objectives</b> <b>Overview of VSLAS</b> <ul style="list-style-type: none"> <li>● Origin</li> <li>● Scope of methodology</li> <li>● Groups formation</li> <li>● Leadership</li> <li>● Elections</li> </ul>	<b>L</b>  <b>U</b>
<b>DAY TWO</b>	<ul style="list-style-type: none"> <li>● Arrival &amp;Registration</li> <li>● Recap for Day 1</li> <li>● Group fund Development</li> </ul> <p style="margin-left: 40px;">Types of funds</p> <p style="margin-left: 40px;">Sources and uses of funds</p> <p style="margin-left: 40px;">Share purchase policies</p>	<b>B</b>  <b>R</b>  <b>E</b>  <b>A</b>  <b>K</b>	<b>Arrival&amp; Registration</b>  <p style="margin-left: 40px;">Lending policies</p> <p style="margin-left: 40px;">Safety of group funds</p> <p style="margin-left: 40px;">Managing loan demand</p>	<b>N</b>  <b>C</b>  <b>H</b>



<b>DAY THREE</b>	<ul style="list-style-type: none"> <li>• <b>Developing group constitution</b></li> </ul> <p><b>Governance</b></p> <p><b>Services</b></p>		<p><b>Record keeping and meeting procedures</b></p> <p><b>Types of records in VSLAs</b></p> <p><b>Ledger</b></p> <p><b>Passbooks</b></p>	
<b>DAY FOUR</b>	<ul style="list-style-type: none"> <li>• <b>Meeting procedures</b></li> </ul> <p><b>First share purchase</b></p> <p><b>First loan disbursement meeting</b></p>		<p><b>First loan repayment meeting</b></p> <ul style="list-style-type: none"> <li>• Simulation exercise</li> <li>• Workshop closure</li> </ul>	

