

Training report on establishment & management of a village saving and loan association

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This report reflects the proceedings of the three-day training for women of Empowered Voices and some of their husbands in preparation for the establishment of a VSLA – Village Savings & Loan Association, based on members' routine savings for a one-year(twelve months) cycle.

TRAINING WORKSHOP REPORT ON GROUP SAVING & LOAN SCHEME (VSLA – VILLAGE SAVING & LOAN ASSOCIATION) FOR EMPOWERED VOICES COMMUNITY MEMBERS IN NALUTUNTU SUB-COUNTY, MUBENDE DISTRICT.

1.0 Background

This activity was arrived at in sequence after the training in IPM (Integrated Pest Management) and Sustainable Crop production and input support for the bean project in form of seed. After equipping Empowered Voices members with skills in sustainable crop production it is hoped that their future yields will get better and better from the same fields they would be managing using sustainable practices and consequently, this should improve their incomes. As part of a systematic progressive development arrangement, having a member-owned VSLA – Village Saving & Loan Association was thought as appropriate after some consultations with both development partners (the women beneficiaries and the funder). It was conducted as one of the measures of empowering the EV (Empowered Voices) women members [in Nalutuntu Parish, Mubende District, Uganda] to pave their way out of abject poverty through own savings from their economic activities such as the bean project and proper management of their finances for self-sustenance.

2.0 Design

The three-day training workshop was conducted in form of sessions of guided discussions of the set topics between facilitators and participants. It was characterized by question [from participants] and answer [from both facilitators & fellow participants] sessions with repeated elaborations and illustrations of the subject matter to enable learning and appreciation by the participants. The participant number was limited to 40 [participants] to maintain a manageable facilitator - participant ratio for effective learning. Like all the previous training workshops, it was conducted in Luganda, a common local language for all to follow and understand well. The course content after the discussions was transcribed on flip charts and participants were able to write down whatever they would have learnt. Depending on the level and speed at which the participants were able to follow, some topics were repeated for that purpose. Some role plays were also used to facilitate the learning process.

3.0 Purpose and goal

The purpose of the training was to inculcate EV members with a sense of responsibility on how to put even their meagre incomes to good use through routine savings in an arrangement where they have stake and full control to the entire loaning process and also a complete benefit of the total profit generated from the interest levied on loans.

Training Objectives

1. To enable participants relate personal and family financial management as a crucial component of community development.
2. To introduce to participants the concept of Community Based Groups and their dynamics.
3. To equip participants with knowledge and skills in the management of a member owned Savings & Loan Association.

4.0 Organizational arrangement

a) Venue and meals

The training venue was at the local church in Kyakatebe. The training sessions were run within the church all through out while meals were prepared outside near the church. These were arranged by the EV leadership.

b) Time schedule and activity breakdown

The training was planned to start by 10:00am after arrival of participants but this was not well observed, the participants would arrive much later between 11:00am and noon, thus losing a lot of time to just waiting for participants. Nevertheless, the remaining time in the day would be used appropriately to ensure that the training objectives are met. Several adjustments were also made in the time table and course content flow so that more crucial topics could have more detailed discussions. Breakfast and lunch were served during the healthy breaks accordingly.

c) Facilitators

Julie Nakalanda Matovu was the Principle Facilitator of the training workshop. Two Guest facilitators Mrs. Walulya Beatrice and Mrs. Kasule Norah from Bukasa Parish, Gombe, Wakiso

district alternated their facilitation in an interactive way while sharing their experiences and answered questions using real life examples. Luganda language was used all through out the training.

EV leadership was responsible for all the logistical requirements, mobilization of participants, training materials, venues and meals.

d) Participants

These were strictly EV members, who are all women, and their husbands [those who were able to attend]. The purpose of including the husbands of the EV members were as follows: 1) The subject matter of Savings & loans is a very contentious issue even at family level, EV leaders felt it important that the husbands attend the training to rule out any suspicion of foul play in this group activity; 2) To win the support of the husbands as EV women members engage further in the various development activities; 3) For some women, it was established that they are illiterate and find hardships with figures, their husbands were invited to have a clear understanding of the scheme so that they can support their wives. This would also enable them understand that the scheme was one means of developing their homes.

5.0 Training proceedings:

Preliminary sessions

The activities during these sessions included registration, self-introductions by all participants, election of workshop leaders and sharing their expectations and fears, and review of the timetable topics.

Among the highlights of these sessions, it was observed that EV members still have a phobia on take on leadership roles even for just three days of the workshop. This should be an area of interest to address. Most participants had expectations of being able to learn how to save regularly so as to overcome their day-to-day needs while the biggest fear they expressed was a possible failure of members to pay back loans. These issues were repeatedly discussed and focused on to address members' limitations and fears.

The timetable was overhauled according to a situation by the day until all topics were covered.

TOPIC ONE: INTRODUCTION TO GROUP WORK AND DEVELOPMENT

The key learning objectives were:

- 1.1 To enable participants further understand development and relate it to personal financial management.

1.2 To introduce participants to community group dynamics

Participants were asked to define a group in their own view and what it comprises of. The key aspect that was discussed during this brain storming session was that people with the same objectives/aim come together to achieve these objectives as one team. It was also discussed that a group is characterized by leadership with defined clear roles of each leader and known (agreed upon) group activities. It was also mentioned that a group should have rules that guide their operations. The different types of groups were also discussed but particular emphasis was put on community development groups and the key factors of sustainable development. The five phases of group development, namely, forming phase, storming phase, norming phase, performing phase and the Adjourning phase were discussed as their names suggest.

TOPIC TWO: INTRODUCTION TO GROUP SAVINGS AND CREDIT SCHEMES

- **Learning objectives**

2.1 To introduce participants to the phenomenon of group savings and loan schemes and how they operate.

The following topics were discussed in sequence slowly by slowly, allowing members to reflect, share their understanding of the topics being discussed and also ask questions.

- Members' savings
- Ownership of savings
- Sharing profits
- Re-investments
- How to run savings and credit schemes
- Experience sharing on VSLA operations by guest participants

TOPIC THREE: INTRODUCTION TO CONSTITUTIONAL MAKING

- **Learning objectives**

3.1 To introduce participants to constitutional making

This topic was covered by the Guest Facilitators during their experience sharing sessions and they took the participants through the entire process of making a constitution. By the end of the session Leaders of EV were invited to lead their members in forming a draft constitution. (A copy of this will be shared after translation).

TOPIC FOUR: INTRODUCTION TO CASHBOOK ACCOUNTING

- **Learning objectives**

4.1 To introduce participants to basic cashbook accounting

This session was done using practical illustration of the ledger book and how to enter transactions. A few questions were asked, participants wanted to know who does the entries. They were explained to that the VSLA will have leaders doing the group entries but individuals also were shown the VSLA passbooks which would have the individual records but still these are to be entered by the scheme Secretary using the approved “star stamp” per share accordingly to represent figures. This is an easy way of recording and counting shares even for those who cannot read and write.

TOPIC FIVE: INTRODUCTION TO GROUP DYNAMICS

- **Learning objectives**

5.1 To introduce participants to key issues of group dynamics.

These included effective communication, communication barriers and communication skills. The other aspects of group dynamics that were discussed were how to share roles and activities in a progressive way under workload management, these included aspects such as delegation and giving feedback. The chain game [in which participants are divided in about four to five groups and each group is secretly given contradicting instructions on the same activity] was used on participants as a role play to have an understanding of how conflicts can occur in groups, and later a brain storming session was held and participants shared their ideas on how to resolve them. Another role play on communication barriers [in which one person at one end of the room is given information in form of a simple whisper and is requested to pass it on to the neighbour, and so on until it reaches the last person. The information is then cross-checked and matched to see if it is the same. Since the rule of the game gives no chance for pardons, the information does not usually match since it is passed on in a whisper] and later, means of improving communication among members in a development group were shared.

6:0 Action plan and the way forward

During the wrap-up session the EV leaders where invited to fine tune the draft constitution. Members agreed that the first VSLA meeting was to be held on 14/12/2013 during which they were to first elect the VSLA leaders, and there after start their monthly savings. Majority of the

members were not well-versed with the General EV constitution. It was also agreed that this would also be shared during the first VSLA meeting.

Since this is a new activity to members and it involves sensitive issues, there is need for close follow up and monitoring during the first quarter (January – April 2014) on a monthly basis by Juls consults. It is also advisable that the elected VSLA leaders are facilitated to visit the Kamu Kamu VSLA in Wakiso Gombe for an experiencing sharing session during one of their weekly VSLA meetings.

7.0 Official closure

The Training was officially closed by Madam Peninah the Chairperson of EV. She thanked Lene and Kaley for the continued financial support towards the development of EV members and the community at large. She thanked the facilitators for their well demonstrated ability to pass on the required expertise, urged the participants to seriously take on the VSLA initiative so that the scheme can enable them to get out of poverty. She thanked the participants for their attendance and requested them to take on the challenge and set a vivid example to the rest of the members so that eventually each of the five villages can have their own VSLA.

8.0 Annexes to the report:

1. List of participants (Still with Peninah)
2. Individuals savings objectives [within the next three years] per Village (Still with members, to be collected later)
3. EV VSLA constitution (still under translation to English)
4. EV General Constitution (to be got from Peninah, will be scanned & sent)
5. Accountability documents (To be compiled and sent)