

CAPABILITY STATEMENT

ECONOMIC OPPORTUNITY & VSLAS



ECONOMIC OPPORTUNITY SNAPSHOT

In 2019, **120,000 PEOPLE** benefited directly and indirectly from **1,250 SAVINGS GROUPS** in **17 COUNTRIES**.

3,095 PEOPLE participated in small business and income generating activities in FY20.

535 NEW BUSINESSES FORMED and **3,100 SCALED UP** through a private estate donor in FY20.

Who is World Renew?

World Renew is a faith-based international development and humanitarian organization, working since 1962 to address the root causes and impacts of poverty, disaster, and injustice. With a USD \$34 million budget in 2020, we work with 64 local partners and have a long-term presence in 19 countries throughout Africa, Asia, and the Americas, bringing permanent, sustainable change to vulnerable communities and working towards the Sustainable Development Goals. We provide consultation, technical assistance, and financial support to build the capacity of our partners as they implement programs that integrate agriculture and food security, health, economic opportunities, peacebuilding and justice, disaster response and preparedness, and gender equality. As an industry leader in prioritizing local program ownership, World Renew uses Participatory Learning and Action methodologies so communities can identify challenges, evaluate assets, and generate their own solutions.

Our Economic Opportunity Work

For more than 40 years, World Renew has expanded economic opportunities with the most vulnerable, particularly women. Our participatory, community-led approach ensures that the voices of the most vulnerable are central to project design to ensure markets work for them. We provide training to partners and communities, support the formation and sustainability of Village Savings and Loan Associations (VSLAs), and leverage access to a pro-poor market environment for those who are marginalized. We provide training in financial literacy and business management to support participants as they start their own businesses or increase income generating activities, and increase access to credit which is a key factor in reducing poverty and enabling business startup. We also facilitate connections with markets and support the creation and sustainability of cooperatives so that community members can earn a fair price for their products and effectively engage with market systems.

Key Programming Approaches

- **A savings approach:** World Renew responds to community needs using VSLAs, which helps both urban and rural households build resilience and even-out their erratic and often seasonally-driven income. VSLAs also facilitate community mobilization for sustainable agriculture, empowerment of women and marginalized people, social justice, healthcare improvements, and peace-making.
- **A microbusiness approach:** Participants receive training in business management and gain access to markets through innovative market partnerships with local companies or social enterprises that invest in entrepreneurs.

- **An empowerment and advocacy approach:** These initiatives empower and build the resilience of participants, particularly women, by strengthening their leadership skills, financial literacy and decision-making power, improving ownership and control of resources, improving family relationships, and improving access to social and financial capital. Cluster Level Associations (CLAs) of representatives from ten VSLAs are a platform to advocate for government services and get resources for community issues across sectors.

Our Expertise in Economic Opportunity

World Renew has extensive economic livelihoods expertise in-country and through North American-based resources. Our country directors are trained to respond to chronic and acute poverty across settings, including post-disaster, conflict, refugee influx, and crop failure. We lead a range of community-based financial initiatives including VSLAs, self-help groups (SHGs) with CLAs, credit unions and Savings and Credit Co-ops (SACCOs), and linkages with formal financial institutions. Major donors funding VSLA programming include Global Affairs Canada, Growing Hope Globally, private estate donors, funding programs like the 5-year, CAD \$7.1 million, GAC Livelihoods program in Bangladesh, Mozambique, Mali, Honduras and Tanzania. Research papers for the broader development community include *Where Next After VSLA?* in the SEEP Network's *The Mango Tree*.

Evidence of Impact

The USD \$1.6 million Scaling Up Conservation Agriculture (SUCA) program resulted in more than 6,000 farmers in Tanzania and Kenya joining VSLAs over the course of the five year (2015-2020) project. Funding came from World Renew, a private estate donor, and the Canadian Foodgrains Bank. World Renew partnered with the African Inland Church Dioceses of Geita, Mara, and Ukerewe to implement the program. Through VSLAs, farmers were supported with the purchase of agricultural inputs for improved farming and increased food security. For example, in Kenya, more than 1,600 farmers were able to access credit to purchase farm implements, rent land for

conservation agriculture, and pay school fees. Groups created marketing cooperatives to sell produce in bulk at higher prices and established seed banks to support access to quality seed. At the same time, community cohesion increased through social funds and integration with other community activities, reflecting that VSLAs are frequently the platform for other sectoral changes in communities. Careful design and implementation of these measures ensured they continued after the 5-year project ended. Nearly 8,000 program participants reported higher incomes as a result of the SUCA project, resulting in more resilient and food secure households.

Best Practices and Innovations

- **Integrated Economic Empowerment:** Holistic interventions integrate VSLAs with agriculture, health, HIV and AIDS awareness, and women's empowerment, ensuring the engagement of youth and people with disabilities. Our VSLAs and CLAs have been linked to increased women's decision making, improved gender equality, and reduced gender-based violence and early marriage.
- **Scaling Potential:** By transitioning from VSLAs into more mature SHGs, and linking groups together in CLAs or SACCOs, group members strengthen their voice for increased advocacy and reach. Connections to formal financial institutions, providing market linkages, or increasing mobile technology for VLSAs facilitates bridging from the community to broad amplifiers and markets.
- **Disaster Response through Livelihoods:** In responding to disasters, such as Rohingya refugee camps in Bangladesh, VSLAs are part of integrated project implementation which helps build community economic strength and resilience in fragile contexts.

