

RANO WASH VSLA Strategy

A Village Savings and Loans Association (VSLA) is a group of 15 to 25 people who save together and make small loans from these savings. VSLAs allow members to save frequently in small quantities and access credit on flexible terms to carry out small income-generating activities and thus improve their daily lives. VSLAs are, by design, financially and institutionally sustainable and can continue to operate independently after a training period of nine to twelve months. They are both social and financial capital for rural households.

RANO WASH uses VSLAs to improve rural household incomes and access quality WASH services more easily. VSLAs use their loans to invest in small income-generating activities, mostly as retailers of rice, honey, cinnamon, or coffee beans. The average amount of a loan is 30\$ that they have to repay in three months. VLSAs have the highest repayment rates in the microfinance industry. In addition, in its support for the professionalization of small private operators, RANO WASH also focuses on the potential of these VSLA groups or their members to become private WASH service providers later, contributing to the sustainability and availability of WASH services at the community level.

KEY INTERVENTIONS

RANO WASH's interventions are structured around four main areas:

Promotion of healthy behaviors and use of WASH services

01



Through their positive influence, both financially and socially, VSLAs facilitate the promotion of healthy behavior practices and the use of services. This is reflected in consideration of VSLA members as targets in behavior change campaigns. VSLAs are also connected to water, sanitation, and hygiene service providers, who can organize targeted marketing campaigns for members and/or offer service offers or products with ease of payment. The project also organizes a VSLA contest to promote an ideal latrine, shower, and kitchen among members, according to their definitions. The project also facilitates linking VSLA with health centers so that members can benefit from universal health coverage (CSU). Finally, the project sets up specific VSLA for young people to have a good savings and management culture.

Professionalization of Village Agents (VA)

02



Village Agents or VAs are dynamic, motivated VSLA members with the necessary skills to set up and create other groups. The implementation of VAs solves the sustainability issue of VSLAs by providing the community with skills to create, train and support new groups, even after the end of the project. VAs can also continue to support the increase of uptake/demand of WASH services and products. The groups themselves are paying the VAs to assist and support them prior to a contract according to the possibilities of each group and the quality of services provided by the VA. The professionalization of VAs ensures the quality of their services, which must comply with the ethics of the VA profession. RANO WASH supports the VAs identified at the level of already functional groups, inspired by CRS' Private Service Provider (PSP) professionalization model and participates in discussions on this point with members of the Madagascar Savings Group Promoters Network (RPGEM).

03



Linking VSLA groups with formal financial services

RANO WASH contributes to connecting VSLA groups with formal financial institutions. This allows them to secure their funds by researching and testing various solutions, including mobile technology and partnerships with banks and microfinance institutions. The security of VSLA funds is essential to ensure that the savings and loan solution tailored to poor rural communities continues to be available and that VSLA members can steadily increase their incomes and access and use WASH services and products. Linking VSLA groups to formal financial institutions also allows them to be aware of available services that meet their needs, such as having an account, getting a larger credit, or transferring money, etc.). RANO WASH is also participating in the ongoing discussions with the Madagascar Savings Group Promoters Network (RPGEM) on these issues.

04



Support VSLAs to become WASH service providers

RANO WASH also supports VSLA groups to realize their potential to become WASH service providers. Indeed, the WASH market offers interesting opportunities for local service and product providers, and VSLA groups can exploit this potential market by becoming suppliers themselves. They can invest in the WASH market, individually through loans within VSLA, as in the case of local masons or seamstresses, and as a group, by joining forces to become private water system managers or a company specializing in sanitation. RANO WASH thus provides technical support for this possibility.

CHANGE PROJECTION

