

**REPORT ON TRAINING FOR VILLAGE BANK SAVINGS
GROUPS FOR WOMEN IN LINDA COMPOUND**

HELD AT ZOCs LINDA secondary school

11TH TO 13TH NOVEMBER, 2020



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1.0 INTRODUCTION

The report highlights the training carried out for women doing village banking in Linda compound. A total number of 12 women village banking groups were trained. The total number of women who participated in the training were 119. The training was conducted in two groups, one in the morning session and the other in the afternoon session. The training was successfully held as the women highly participated in the activities of the training

The training was conducted at Linda Community School from 11th to 13th November, 2020. What prompted the training was that the Coordinator of the village savings groups identified certain challenges during her monitoring sessions which were hindering the women from maximizing returns from their savings.

2.0 TRAINERS

The training was facilitated by well-seasoned Trainers of Trainers in savings groups methodologies:

1. Ms Mercy Muyenga Daka- 0977 - 644823
2. Ms Emmy Mwalongo – 0977- 875901

3.0 OBJECTIVES OF THE WORKSHOP

- To orient participants on Social Fund and its uses.
- To orient participants on how to calculate interest on loans and understand the effects of taking long in paying back loans.
- To orient participants on how to calculate the share out using an appropriate formula.

4.0 METHODOLOGY

The model used by the village bank savings groups is Own Savings and Wealth (OSAW) model which is appropriate for women. The training was conducted using different training methods and techniques, including interactive presentations with illustrations; discussions; brainstorming, group work and question and answers.

5.0 TRAINING PROCEEDINGS

Day one

5.1 Overview and Self-introductions

An overview of the training was given, highlights on having a constitution that had all the group rules, does and don'ts was vividly explained. It was noted that most groups did not maintain a written constitution but mastered group rules by word of mouth. Different aspects on the lessons learnt from the savings groups were highlighted which pointed to the advantages of join a savings group and a few disadvantages were mentioned more especially when groups did not follow laid down procedures. The training proceedings included self-introductions by both the facilitators and the participants. The participants were asked to give reasons why they had not refused to attend the workshop when they were invited.

Responses as to why they accepted the invitation to participate are outlined below:-

- ❖ To get more information on village banking and how business is conducted.
- ❖ To understand what is meant by Social Fund
- ❖ To know how to calculate interest
- ❖ To understand the village banking concepts better.
- ❖ To understand how share out is correctly.

5.2 Training sessions

Day 1 Topic: Social Fund

The focus was to make the participants understand that social fund stands alone and should not be added to the money saved during the meeting and neither should it be added to the money to be shared at the end of the circle. It was highlighted that social fund must be determined by the group itself according to the contribution they can afford.

Facilitators explained what Social fund was as money contributed by each member every time they meet. It was stated that fund should be used for stationery, refreshments, help out when a member is sick or has funeral and any other emergencies faced by the group as agreed and highlighted in the constitution.

It was emphasised on the importance of including uses of the social fund in the constitution so as to reduce on quarrels on the funds are disbursed.

Group work on practical's was done to show participants on how social fund is contributed and kept for issues it was required to solve.

6.0 Day Two

DAY 2

SHARE OUT

Topic: Calculation of interest

A presentation on what interest is and how important it was in growing group funds was made. It was highlighted that adding interest to the borrowed loans was the only way of growing group funds. Members were encouraged to always pay interest on the funds borrowed. Different scenarios of how different groups used different amounts of interest were given. It was also highlighted that it was common among groups to have interest on cumulative loans, any money remaining in the hands of the borrower attracted interest and that's how members were encouraged to pay back loans, those that did not pay back assisted in building the group funds. The participants were shown how to calculate interest on loans taken using different percentages such as, 10%, 15% and 20%. Individual members practiced calculations of interest and were excited to get it correctly.

$$\begin{array}{r} 10\% \\ \text{_____} \times 2000 = \text{K } 200 \\ 100 \end{array}$$

It was clarified that interest was calculated on loans taken and not on the money saved.

The participants were made to understand that the group earnings would be affected by the length of the payback period, to get higher earnings, the group needs a short pay back plan and suggested period was one month.

7.0 DAY 3

SHARE OUT: Calculation of share out

Discussions, brainstorming and plenary was held to discuss how share out was conducted by different groups. Most groups conducted share out calculations wrongly as they did in their own way. The participants had a lot of challenges in their respective groups regarding sharing the savings and interest earned at the end of the circle.

One group had an interesting way of sharing the money, would just give their members money saved plus interest. Most groups had their own self-made formulas on how share out calculations were done, which mostly disadvantaged members, this often led to conflict.

The participants were advised to use the recommended formulae outlined below and it was explained in detail.

INDIVIDUAL SAVINGS

_____ X Total cash at hand
(on the table)

GROUP SAVINGS

A session was done to assess the understanding and appreciation of the formulae by dividing the participants into three groups and they had to calculate share-out using the formula and using their method that of giving back to the member money saved and interest.

The participants were able to note the differences between the formula introduced and their old way of sharing the earnings.

The above formulae help group members to:-

- ❖ Share the earnings in the right proportions.
- ❖ Reduce questions on how to deal with members with outstanding loans.
- ❖ All members get to know which figures are used when calculating the group earnings.
- ❖ All members get to know how much the group managed to save.
- ❖ All members get to know the total cash to be shared among the members.
- ❖ If after apportioning the fund some money remains members will know how to share the balance.
- ❖ It motivates members, the more one saves, the more interest they enjoy

8.0 LESSONS LEARNT AND RECOMMENDATIONS

- It was noted that most women had low levels of literacy and needed more time and individualised coaching

- There is need for continuous monitoring and mentorship to the groups in order to ensure they are doing the right things pertaining to saving
- Need to capacity build and motivate the coordinators of the women as they are closer to the women so that it's easy to provide hand holding to the women and supervision.
- There is need to provide start up grants to the poorest women who cannot afford to save initially when the group begins
- Need for more orientation for the groups in order to highlight emerging issues in savings and village Banks
- Need to mainstream functional literacy for women who are unable to read, write and do simple arithmetic. Village banks are about money and calculations, all members must be able to read, write and assimilate

9.0 Conclusion

The participants gained knowledge and understanding of social fund and its specific uses, why money saved and social fund cannot be combined. The participants appreciated the use of the share out formulae as it addressed most of their concerns and would reduce finger pointing in the groups. The training was successful as the objective was achieved. We look forward to ensure that the women create their own wealth using the village Banks as they assist them to earn capital for their businesses, inculcate a sense of saving among vulnerable beneficiaries, creates a sense of team work as women work together towards poverty reduction.





GROUP Saving

Name	Amount	Interest 10%
Zetris	1500	150 220
Dorice	900	K 180
Febby	K 2000	K 450
Esther	K 4500	K 650
Robeka	K 500	K 100

How They borrowed

Name	1st	2nd	3rd	Total
Zetris	borrowed 500 - 50	borrowed 400 - 40	borrowed 100 - 10	50 + 40 + 10 = 100
				100 + 150 = 250
Dorice	borrowed 100 - 10	borrowed 50 - 5	borrowed 40 - 4	10 + 5 + 4 = 19
				19 + 170 = 189
Febby	borrowed K 200	borrowed K 150	borrowed K 100	K 200 + K 150 + K 100 = K 450
Esther	borrowed K 2000	borrowed K 1500	borrowed K 1000	K 2000 + K 1500 + K 1000 = K 4500
Robeka	borrowed 500	borrowed 200	borrowed 100	500 + 200 + 100 = 800