

DEVELOPING ENTREPRENEURS THROUGH VILLAGE SAVINGS AND LOAN ASSOCIATIONS

In an effort to increase her economic resiliency given the high risks associated with dependence on small scale agriculture, 28-year-old and mother of two, Grace Alimatu Truba took up apprenticeship in hairdressing. Just prior to her completion from the apprenticeship, Alimatu joined one of the Village Savings and Loan Associations (VSLAs) formed by the USAID-funded and US Forest Service managed Coastal Sustainable Landscapes Project (CSLP) in her community, Asonti, in Ghana's Western Region. With her first loan of \$152, she was able to finance the construction of a hair dressing salon. After successfully repaying the loan, she was able to take an additional one to procure necessary start up items for her new venture. As Alimatu stated, **"...the benefits I have enjoyed from joining the VSLA are very great. Aside my hair salon which is bringing additional income, I also used my savings after our share out to buy roofing sheets to complete another house so my family now feel secured in our two bedrooms"**.



Alimatu standing in front of her hair salon



Alimatu working on a client at her salon

Like Alimatu, many farmers and fisher folks who are members of CSLP's VSLAs have reported and attributed significant improvement in their economic conditions thanks to the benefits derived from the savings and loans made available through participation in the associations which now number more than 33 across the Western Region. A local Chief of Navrongo (in Jomoro district) and a record keeper in his VSLA, Mr. Walter Cudjoe, purchased four beehives with loan from his group and is obtaining additional income from beekeeping while avoiding deforestation by using a secondary forest for the apiary. Similarly, a farmer in Tweakor No 1 (a community next to Navrongo) indicated how financial support from the VSLA enabled him to enhance his farming activities to effectively cater for his family and stopped poaching in the Ankasa rainforest, one of the last virgin forests in Ghana which borders his community. A few further examples of some of the results of participation in the VSLAs are noted below.

<i>I became a business woman by buying and selling maize with a loan of \$155 from the VSLA</i>	<i>Mary Amos</i>
<i>I started selling earrings and clothing with a loan of \$38 and have now expanded the business</i>	<i>Juliana Doma</i>
<i>With the support of the VSLA, I got money to send my child to the university. I now feel happy to have a child at the tertiary education level</i>	<i>Comfort Oklety</i>

VSLAs are member or community managed groups of 15-25 people who save together and take small loans from those savings. The CSLP helped establish 7 groups in Asonti which total more than 150 members. All these groups have now completed at least one share out cycle with average total savings of \$3000 and return on savings between 18-22%. Members are also benefiting from other CSLP interventions such as beekeeping, tree planting/agroforestry and organic vegetable production. Without the USAID intervention, Alimata, Mary, Juliana and many other farmers and fisher folks in Ghana's Western Region would have found the ability to build economic resiliency and improve their livelihoods that much more difficult.

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