

Final Report on the Village Agent Pilot Assessment

Introduction

Financial inclusion means that all individuals and businesses have access to a full range of useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit, and insurance – and are delivered responsibly and sustainably¹. Bangladesh is gradually making progress in financial inclusion indicators set for measuring the Sustainable Development Goals (SDGs) according to the SDG Progress Report 2018 ²(Ref). A range of public and private initiatives made this possible; while the government took initiative like ‘One House, One Farm’, the NGOs excelled in covering rural households through microfinance. Other initiatives taken by the Bangladesh government to promote financial inclusion of people that cannot access formal financial institutions include - introducing mobile financial services, requiring banks to establish 50 percent of their branches in rural areas, starting agent banking, and opening a 0.12 USD deposit bank account by farmers³. Bangladesh is also preparing the National Financial Inclusion Strategy for accelerating the progress of financial inclusion in the country. Despite these initiatives, many people lack access to finance, and even if they do the products widely offered by many financial institutions do not factor in their situation.

SDG 8 focuses on economic growth based on macroeconomic indicators, for example - GDP per capita, the proportion of informal employment in non-agriculture employment, hourly wage, unemployment rate. The financial inclusion indicator measures the proportion of adults (15 years and older) with an account at a bank or financial institution, or with a mobile-money-service provider.⁴ Hence, any improvements measured by this indicator do not count people that have none of the above. SHOUHARDO III is implemented in some of the most hard-to-reach areas in northern Bangladesh where such population is abundant. SHOUHARDO stands for Strengthening Household Ability to Respond to Development Opportunities. It is an integrated development program funded by the United States Agency for International Development (USAID) and the Government of Bangladesh. The program, at its fifth year of implementation, aimed at gearing most of its efforts for sustainable impact. As part of the process, the program tested approaches in different parts of its implementation areas. The Village Agent (VA)-led Village Savings and Loan Associations (VSLA) is one of those approaches. According to VSL Associates, VSLAs are –

“The Village Savings and Loan Association (VSLA) model creates self-managed and self-capitalized savings groups that use members' savings to lend to each other. VSLAs are comprised of between 10 and 25 members and offer self-managed savings, insurance, and credit services in urban slums and remote rural areas. The model has spread to 77 countries with over 20 million active participants worldwide.”⁵

SHOUHARDO III started forming VSLAs by trained local service providers known as ‘Shanchay Sathi’ since October 2019. This report is made based on the findings generated from the VA/ Shanchay Sathi pilot. The report begins with the Bangladeshi context of financial inclusion and an introduction to the VA pilot including its coverage and lessons. Then, it outlines the objectives and methodology followed by

¹ <http://inm.org.bd/financial-inclusion-and-sdgs-bangladesh-context/>, cited on 24 June 2020.

² https://www.bd.undp.org/content/bangladesh/en/home/library/democratic_governance/sustainable-development-goals--bangladesh-progress-report-2018.html, cited on 25 June 2020.

³ Ibid

⁴ <https://www.bd.undp.org/content/bangladesh/en/home/sustainable-development-goals.html>, cited on 24 June 2020.

⁵ <https://www.vsla.net/>, cited on 22 June 2020.

the findings of the study. The next part of the report analyzes the findings using secondary data, and finally, enlists some recommendations for the program.

Background of the Study

According to the annual report 2018⁶ of the Microcredit Regulatory Authority of Bangladesh, about 30 million people are covered by the microfinance service providers. Microfinance although created access to financing for the rural population (mostly) but often faced with critiques for high-interest rates⁷, lack of diversified products and services, and excluding extremely poor people (due to their inability of providing collateral) in remote communities. SHOUHARDO III implementing areas are no exception to this reality hence an alternative financial service model was a timely and contextual demand. Forming and facilitating the Village Savings and Loan Associations (VSLA) by the **Village Agents (VA)**⁸ was one of the initial pilots implemented in SHOUHARDO III areas. The pilot was implemented in four districts of the Char and Haor regions including Kurigram, Jamalpur, Kishoreganj, and Habiganj. According to the program's two years' extension proposal,

“To sustain momentum, CARE will develop village agents who operate on a fee-based system to support existing groups and set up new groups. The program will test and scale as appropriate three models: 1) village agents for savings promotion only, 2) village agents for savings promotion and social issues, such as promoting nutrition and addressing social norms that affect women's empowerment, and 3) village agents for savings promotion, social, and economic support, such as business planning and marketing skills.”

The program initially planned for piloting all three models under the same approach. However, CARE focused on two approaches to test as part of this pilot initiative;

1. To solely provide financial services through VSLA groups
2. Include socio-economic services in addition to financial ones.

All the VAs provided core VSLA services to the groups whereas seven VAs worked on social awareness. The extension proposal stated,

“For FY5 ... CARE will strengthen capacities of new group leaders of non-farm producer groups and LSPs (such as village agents) in business analysis and management, savings and loan management, facilitation, and linkage with GOB departments and market actors.”

The VAs were selected following a rigorous process; initially based on eligibility criteria (e.g., an existing VSLA member, willingness to be an entrepreneur, leadership qualities) and then through assessments taken during the VSLA foundation training. All the selected VAs [16] were women and came from the program implementing communities. The selected VAs were trained in September 2019, and they started mobilizing community members to form VSLA from October 2019. The conceptualization of the VA pilot was briefly mentioned in the S3X technical narrative as –

“As the S3X program phases out, LSPs such as Village Agents (VA) will be developed to support community groups that have incorporated the VSLA savings modality. Field Trainers will select one advanced member from each village, based on their capacity and interest. Selected potential VAs will receive in-depth training on savings group facilitation from the point of community mobilization for savings group formation to the first share-out process, based on its guidelines and modules. CARE will work with local partners to identify VAs to develop an average of 4 groups per VA in the first 18 months (could

⁶ https://www.mra.gov.bd/images/mra_files/Publications/annualreport18.pdf, cited on 12 April 2020

⁷ <https://www.ifpri.org/blog/how-microfinance-has-reduced-rural-poverty-bangladesh>, cited on 12 April 2020

⁸ 16 women selected and trained by the program on VSLA formation and facilitation from the implementing communities.

expand to 10) within their villages where current Field Trainers will be with them to assist in the field. After the formation of new savings groups, the Village Agent will provide need-based services during meetings and charge an agreed-upon fee from the groups.”

As of now, all of the selected VAs formed VSLA groups and started savings and loan activity successfully. The program conducted seven monthly follow-ups to capture the progress, experiences, challenges faced by the VAs; the information on group formation (formed by VAs) was recorded and updated monthly in the STREAM⁹. The VAs, locally known as *Snachay Sathi* (Savings Peers) formed at least two VSLA groups, many of them formed up to four groups, and some of them planned to form more groups consisting of both poor and non-poor members¹⁰. After receiving the training from the program, the 16 VAs formed 39 groups in eight unions of four districts. These VSLAs consist of 25 members maximum and a minimum of 13 members. Among these groups, three VSLAs hadn't stated their loan meetings yet. VSLA members took loans mostly for buying agricultural inputs, livestock, and poultry and start a small business. The rest [37 out 39] of the groups have altogether saved USD\$8,603.16 and the total loan outstanding is USD\$7,881.50. Although these VSLA groups have not yet completed the first cycle they have altogether USD\$845.16 return on their savings. The minimum share value in these groups was about USD\$0.24 and the maximum was about USD\$1.21. According to the follow-up findings, the groups that decided to have the share price as low as USD\$0.24 (per share) realized their mistake and wanted to increase the share value in the next savings cycle. As committed by the group members, the VAs were expecting to receive shares worth USD\$18.11 per savings cycle from each of the groups formed by them. In exchange for this service charge, the VAs mobilized VSLA groups, organized the election, built capacity of the group members, and facilitated meetings (e.g., savings and loan meetings). The VSLA kit boxes were provided from the program. However, three VAs were able to pursue three VSLAs groups to purchase their kit boxes. The VAs did not make any profit out of this as the participants directly purchased the kit boxes locally not from the VAs. This was perceived as a step forward towards sustainability because if VSLA groups purchase their kit box then the program will no longer need to keep providing it to all the groups.

The seven VAs that rolled out the second approach of providing economic and social services engaged in agricultural livelihood and disseminating information on government safety programs. In addition to providing financial services, the VAs provided suggestions to the group members on purchasing quality seed, vaccination for their poultry and livestock, and accessing government safety net programs (e.g. widow and old age allowances). In both regions, the VAs developed linkages between the group members and locally elected bodies.

Amidst some good progress, the VAs went through some difficulties too. Initially, they struggled to finalize their remuneration with group members which were settled later on. As shared by the VAs during follow-ups that they could not form new groups in many instances as the potential group members were unwilling to buy the VSLA kit box. Furthermore, some VAs experienced difficulties in getting support from their families regarding their travel to nearby communities to facilitate VSLA groups. It is important to note that some VAs thought the group members may not need them after the completion of the first cycle. Despite all these documentation and regular follow-ups with the VAs, the program decided to do a systemic assessment of the VA pilot. The intention was to not only to assess but also to capture knowledge gaps, to inform the scale-up strategy.

⁹ An internal data management system with both online and offline surface.

¹⁰ Please see Annex 1: Information on VA-led VSLAs for further details.

Objective

The major objective of this study is to assess the Village Agent pilot implemented by SHOUHARDO III. More specifically, the study aimed -

- (a) To assess the effectiveness of the VA pilot based on the variable selected in the pilot concept note ¹¹
- (b) To identify areas for improving the VA approach
- (c) To identify factors that would facilitate scaling up the VA pilot

Methodology

The study used a mixed approach but was primarily qualitative. In this case, priority was given to the purposes, and the nature of the investigated phenomenon, and then considered the appropriate methodological ways of inquiry¹². The sample population for this study was selected after careful consideration of the COVID pandemic situation. The study sample included all 15 VAs [100% female], four trained-potential-future VAs [100% female], 34 VSLA members [100% female], and 17 respondents [100% female] from the VA pilot areas.

- All the VAs (15) were selected for interviews to gain a comprehensive understanding of their work and contribution.
- Four trained (not current VAs but trained by the program) and potential VAs were randomly selected from four Upazilas where the pilot was implemented. They were interviewed to review the training quality and their motives related to providing financial inclusion services.
- A total of 34 current VSLA members were selected for remote FGDs randomly from multiple VSLAs (each FGD entailed members from more than one VSLA) from all the eight unions where the pilot was implemented.
- 17 respondents were selected randomly from the four Upazilas where the pilot was implemented to understand the potential and community's willingness to form more VSLAs in the future. A
- All respondents of this assessment including the current VAs, potential VAs, current VSLA members, and non-VSLA members were female.

Data for this assessment was collected through interviews and focus group discussions. The data collection was done remotely considering the current pandemic situation. Both the interviews and the focus group discussions were conducted through phone calls. The VA pilot assessment not only collected data from savings group members and LSPs but also community members and the trained VAs. Altogether, this assessment included 15 interviews with the current VAs, four interviews with the trained VAs, eight focus group discussions with the savings group members, and four focus group discussions for the non-group members. For each of the target groups, separate data collection tools were developed. The tools development process included repeated and rigorous review by the technical team, Senior Technical Advisor (Access Africa), and Program Quality and Research team. One of the primary consideration while developing the tools were to keep them precise and relevant so that the respondents can engage and share their insights without feeling exhausted. Informed consent was taken from each of the respondents orally (as the data collection process was remote).

¹¹ Please see Annex 2 for further details.

¹² <https://pdfs.semanticscholar.org/7c1e/6049ef380fab2ea671fa63b14caf29dfe9d6.pdf>, cited on 15 June 2020.

Findings

This part of the report presents empirical data and explains the findings from the VA pilot assessment. Findings in this assessment were divided into two broad categories including (a) the supply side, and (b) the demand side. Findings relating to the supply side were divided into three broad themes including service coverage, income and motivation, and socio-economic services. The last thematic category applies to the VSLA+¹³ approach.

(a) The supply side of the service (Current VAs)

I. Service Coverage

Services offered by VAs: The VAs offered a range of services to the VSLA group members. The most common ones were setting up new VSLA, conducting VSLA committee election, and organizing as well as facilitating the VSLA meetings. They played a key role in facilitating savings and loan meetings and ensuring transparency in accounting and record-keeping of groups' loan and savings activities. All the 15 VAs developed the capacity of 39 VSLA group members and advised them on utilizing loans and on the importance of savings.

Services offered beside savings and loan: Findings from the assessment revealed that all the VAs [15] provided messages to the group members on socio-economic issues in addition to providing core VSLA services. For example, they assisted the eligible VSLA members to access social safety nets and disseminated early warning messages. They advised and guided pregnant women to have Antenatal Care (ANC) services, vaccination and intake of nutritious food, distributed IFA supplements to pregnant women, lactating mothers and adolescent girls, sold contraceptives and hygiene products. They also raised awareness of child education and child marriage. One of the VAs in Nikli, Kishoreganj shared during her interview that she assisted 16 adolescent girls to access free sanitary napkins from community health care providers. Another VA from Phulbari, Kurigram was successful in making a profit by building liaison between the vaccinator and the service recipients; she made BDT 1.00 (USD\$ 0.01) profit per chicken/duck.

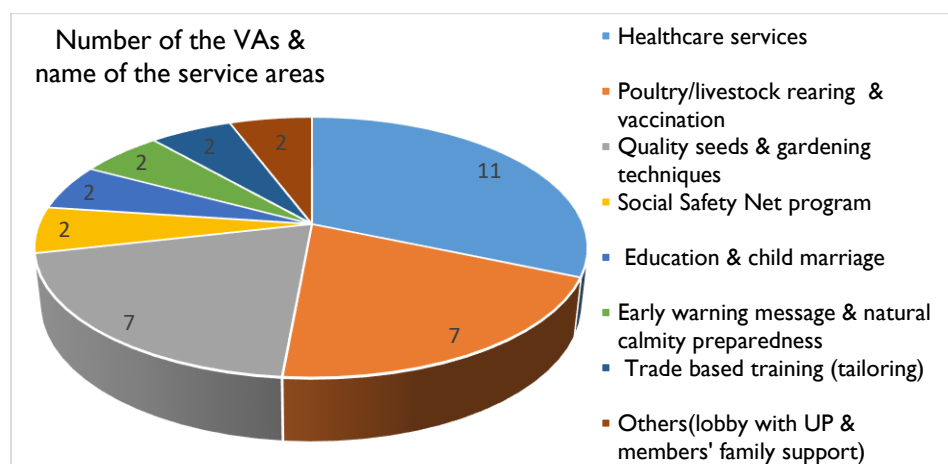


Figure 1 Number of VAs and information and assistance offered by them in different service areas

Capability to form more groups:

The VAs facilitated VSLAs that vary in terms of location, size, and functioning. Figure 1 below presents the number of VSLAs formed by the 15 VAs. The horizontal axis of the figure shows the number of the

¹³ VSLA+ approach allows the VAs to offer social and economic services in addition to the saving and loans services.

VAs and vertical axis exhibits the number of VSLA they formed. As the figure shows, around half of the VAs [7 out of 15] were leading two VSLAs. Each of the four VAs facilitating three VSLAs and each of the three VAs facilitating four VSLAs. However, only one VA reported directing one VSLA during this first cycle.

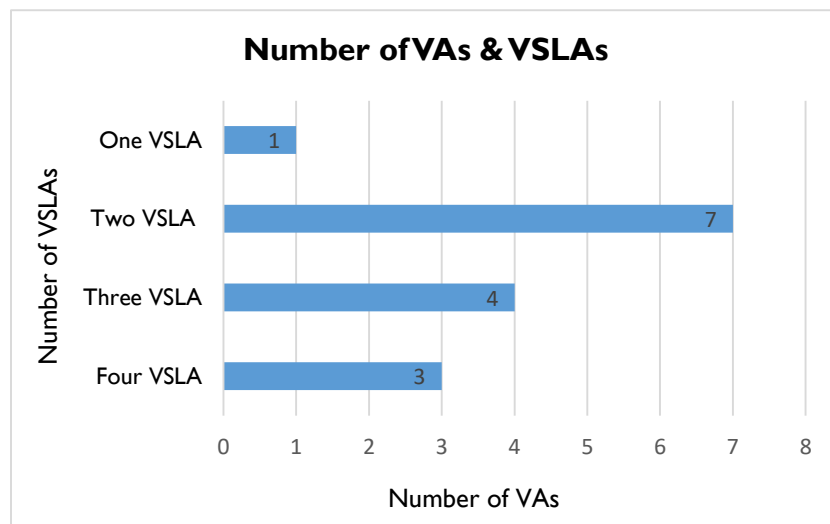


Figure 2 Number of VAs and the VA led VSLAs

The VAs shared that they were capable of forming four more groups on an average in addition to the existing VSLA groups. This is indicative that they were willing to support more groups in the same savings cycle. Four [out of 15] VAs responded that they could form five more groups and provide quality services besides their existing groups. Three [out of 15] VAs perceived that they could form two more groups. The rest of the VAs' responses varied from three to ten additional groups.

VAs from the Haor region were more optimistic about forming new groups within their village rather than serving new areas. All seven VAs from the Haor region shared that they can form 2-10 groups besides their present VSLAs. In the Char region, six [out of 8] VAs are capable of forming 2-8 groups other than their current VSLAs in the future.

Geographical coverage: The VAs [nine out of 15] were willing to cover additional villages based on the willingness of villagers. The VAs from the Char region (6) was more positive about serving new areas than the VAs from the Haor region (3). Five [out of 15] VAs thought that they could cover four or more nearest villages/ Aatis besides their current service areas. Six [out of 15] VAs could not cover any new village/ Aati. The remaining VAs [4 out of 15] expressed their readiness to provide services to a varied number of villages ranging from two to six.¹⁴

Selling kit boxes to new groups: The VAs were asked about their ability to sell kit boxes to the new groups. SHOUHARDO III is transitioning towards its sustainability phase when the VAs are expected to mobilize, form, and facilitate VSLA groups by themselves. So far, the program has been providing VSLA kit boxes to almost all the groups formed by the VAs but in the long run, they will need to pursue VSLA groups to purchase their kit box. Five [out of 15] VAs responded that they would sell the VSLA kit box to group members; four [out of these 5] had already pursued the group members to buy the kit box. Two [out of 15] VAs responded that they could not sell any kit box. More than half of the VAs [eight out of 15] were planning to convince the VSLA members. The VAs shared that it was difficult to sell kit boxes within the same village where one group had already received a free kit box from the program. They shared that some community people expressed interest to form VSLA groups, but did not want to buy the kit box.

Willingness to form VSLA with non-PEP members: A total of 13 [out of the 15] VAs expressed their interest to form groups with non-PEP members, and the rest [2 out 15] were not interested. Four

¹⁴The piloting villages can be clustered into three broad category, (1) small village with up to 150-200 households, (2) medium village with about 200-300 households, and (3) large village with about 300+ households. Most of the small villages are located in haor whereas the large and medium ones are mostly in char.

[out of the 39 VSLAs] included non-PEP members by the VAs (under VSLA+ model) in Baniachong Upazila. Two of these VSLAs agreed to pay a comparatively high remuneration (USD\$30.18) to their VAs by the end of the first savings cycle. According to the follow-up findings, the formation of non-PEP VSLAs was demand-driven and emerged through the piloting phase. The non-PEP community people were encouraged by the VSLAs formed by the program participants (Poor and Extreme Poor people).

Payment from the first cycle: The VAs were expecting to earn an average USD\$48.05 as service charge from the VSLA groups at the end of the first cycle; the maximum income would be USD\$97.80 and the minimum would be USD\$6.04. The majority of the VAs [12 out of 15] shared that their groups agreed to pay them USD\$18.11 at the end of the first cycle, two [out of 15] VAs reported their groups agreed to pay them USD\$30.18 at the end of the first cycle.

Meetings required to facilitate: All 15 VAs stated that they needed to facilitate loan meetings in person whereas 14 [out of 15] VAs felt that they needed to facilitate the share-out process. Only two [out of 15] VAs felt that their presence was required in the savings meetings.

Required skills to provide better services: Most of the [12 out of 15] VAs named skills that they needed to better serve the needs of their VSLA members. Findings from the FGDs suggested that the VSLA members also asked for similar services from the VAs. The key services requested by the group members and suggested by the VAs are given below:

- Providing on-farm training: poultry farming (preparing feed, treatment), goat rearing and providing vaccination on a fee for service basis; training related to homesteading vegetable gardening techniques; selling quality seeds;
- Providing health and nutrition training: provide growth monitoring promotion services; primary health care services (measuring blood pressure, blood sugar and recommending basic drugs);
- Providing training on alternative income-generating activities (IGA): tailoring, handicrafts (*Nakshikatha* stitching), or other trades (to provide new services to community people).
- Improved training on VSLAs maintenance: loan meetings facilitation and group management for a large number of VSLA groups and members; developing new linkages with relevant service providers (i.e., kit box maker, health care commodity supplier) for smooth service provision.
- Some felt the need to receive training on soft skills, for example, on leadership and communication (to motivate people, to disseminate the VA's opinion, to deal with negative comments and approaches).

Two VAs stated that they did not require any additional skills. One of them was not planning to continue her service in the next cycle.

Continue from the second cycle: A total of 14 [out of the 15] VAs shared that they would like to continue this service from the second cycle onward. They were willing to do so without being monitored by the program.

Challenges experienced by the VAs: The VAs reported several challenges while providing the services including challenges associated with VSLAs activities. For example, members reluctance to purchase the kit box, difficulties to form new VSLAs due to the members' disagreement on the VA's service charges, disagreement among members on loan repayment terms, irregular attendance¹⁵ of VSLA members in the meeting, and lack of specific location to conduct the VSLA meetings (mentioned by two VAs out of 15). They also stated that lack of skills to provide diversified services and lack of supplies of VSLA kit box locally as major challenges. Only one [out of 15] VA reported not receiving support from

¹⁵ There is an existing provision of fine for VSLA group members that are irregular in meeting but it is not practiced widely.

her family and community. Three VAs reported that they didn't face any challenges while working as a VA.

II. Income and Motivation

Influence on VA's service charge: The majority of the [12 out of 15] VAs perceived that the return on savings (amount) would influence groups' decision of procuring their services in the next cycle. They were expecting high service charges in the next cycle compared to the current one. On the contrary, three [out of 15] VAs perceived that the return on savings would not have such influence.

Non-monetary incentives: The VAs shared receiving non-monetary incentives from community people. They shared that their work was appreciated, respected, and honored by the local people. They also reported developing a strong network and interactive relations with community members. One VA from Phulbari shared, *"People call me out for suggestions in case emergency, especially when their children are sick, and it makes me proud."* One VA from Baniachong shared her improved relationship with many households in her community and had acquaintances with people beyond her area.

Family support: Almost all the VAs [14 out of 15] perceived that their family would support them in terms of taking over their caregiving roles for children and elderly, household chores, and by accepting their work if they needed to support more groups. Only one VA shared her family members would not support her. She also shared that she would not continue her service from the second cycle due to family issues.

Relations with other financial service providers: The connection between the VAs and other financial service providers seemed to emerge throughout the pilot. It is too early for the program to evaluate this connection as the groups were only in the first savings cycle. This study documented connections that organically developed and with little or no effort from the program. Nine [out of 15] VAs shared that their relations with the different financial service providers and development organizations improved because of their role as a VA. Six [out of 15] VAs shared that they did not have any such connection. The VAs were asked by different MFIs and NGOs (TMSS, BRAC, ASA) to provide a list of participants so they could offer microcredit to the group members. The VAs identified and shortlisted vulnerable people and provided the list to the MFIs. One VA from Phulbari was asked by BRAC and she provided a list to the BRAC officer during the COVID pandemic, the enlisted people received gifts in the Bengali New Year. They reportedly attended meetings and programs organized by local MFIs and NGOs (i.e., Dhaka Ahsania Mission, BRAC).

Community leadership roles: The findings suggested that community members sought support and information from the VAs. Some of the VAs were involved in developing the list of poor and extremely poor people and provided those to different organizations and locally elected people (i.e., BRAC, Union Parishad Chairmen) who provided relief goods during the pandemic. The VAs guided the poor women on how they can access micro-credit support from different financial service providers. One VA from Baniachong Upazila formed and led a microcredit group of 40 female members in her village and another VA organized tailoring training to 50 women with support from BRAC. They also reported resolving family disputes, conflicts among the neighbors, and assisted community people to obtain birth certificates and national identity cards. One VA helped some dropout students to continue their study with the assistance of the Union Parishad Chairman. Another VA bought stationeries for 10 orphan children with the help of *"Karpasha Juba Kalyan Sangha"*. Four VAs could not share an example of such leadership roles in their community.

III. Socio-Economic Service (for VSLA+)

Effect on service charge: Only one [out of 7] VA provided socio-economic services (under VSLA+ approach) beyond core VSLA services to the VSLA groups reported having an impact on their service

charges. Six [out of 7] VAs perceived that there was little or no impact on their service charge due to the additional services that they provided to group members.

Valued by more people: Six [out of 7] VAs (VSLA+) reported being valued by community people for providing social services, and one [out of 7] VA did not feel the same way.

The perspective of the LSPs who received VA training is presented under (1) training quality, (2) engagement in financial inclusion, and (3) motivation. Four LSPs were interviewed from four Unions (Bara Bhita, Sujatpur, Karpasha, and Palbandha) and all of them studied till eighth grade.

I. Training quality and motivation (Trained non-VAs)

The data on training quality was collected from four respondents who were trained on VSLA but not finally selected in the first cycle. The respondents shared different aspects of the training that they liked most including the VSLA strategy, savings process through the kit box, and developing the register book from this training. They appreciated the practical sessions and demonstration processes in the training. Three [out of 4] respondents shared that it was difficult to stay in another district for a five-day-long residential training and suggested that CARE reduce the training duration. All of them stated that they'd recommend this training to their peers. All of them reported being engaged in some kind of savings and loan activities. However, none of them formed any VSLA groups after receiving the training. They were planned to remain as back-up VAs in case of a drop-out in the existing VAs. All four respondents expressed their willingness to form and facilitate VSLA groups in the future.

(b) The demand side of the service (Current VSLA members)

On the demand side, findings from the focus groups discussions with VSLA group members are categorized in the areas of – (i) level of awareness, (ii) collective action/ social capital, (iii) willingness to pay, and (iv) community's perception on the demand of financial services. The following findings were generated from eight Focus Group Discussions (FGDs) with women VSLA members. Each discussion group consisted of four or more members. The respondents participated from different villages of eight Unions (Palbandha, Goaler Char, Sujatpur, Uttor Paschim Baniachong, Naodanga, Shimulbari, Dampara, and Karpasha).

I. Level of awareness

The roles as a VA: The participants described responsibilities of a VA including the role in mobilizing the members to participate in the meetings (both savings and loan), facilitating savings and loan meetings, monitoring the record book, ensuring transparency in accounting loan and savings amount, assisting to disburse the loan, and moderating the activities of the group committee. Apart from these core responsibilities, the respondents shared that the VAs also assist pregnant and lactating mothers (to take care and intake nutritious food), discussed on quality seeds and sold seed among the group members. Most respondents perceived that after receiving assistance from the VA for three/four meetings consecutively, they would be skilled enough to run the meetings themselves. This finding needs to be interpreted carefully and in consideration of the fact that none of the VSLAs (that were formed by the VAs) went through the share-out process. Hence, they might not realize they need of VAs' role in the share out process. Again, according to the VSLA strategy of SHOUHARDO III, VAs' involvement is expected in loans and share meetings.

Considering the current VA as effective: The majority of the respondents in eight FGDs reported to consider their current VAs as effective in their roles and duties. The respondents were pleased to be part of the VSLA that was formed and facilitated by the respective VAs. They reported being aware of how savings could benefit them more in the future, especially in times of natural disaster (they've mentioned the example of COVID-19 crisis). The VAs developed group members' capacity in organizing group meetings and guided them to engage themselves in different income-generating activities.

Meetings that require VA's support: Respondents from four [out of eight] groups stated that both the loan and share-out meetings required support from the VA. Since the VA is somewhat educated, she helped in deciding the members' eligibility for receiving and returning a loan, savings amount, and profits. They thought the VA's presence was important in the share-out meeting due to the complex calculation process of distributing profits among group members. Respondents from two [out of eight] groups shared that they need support from the VA for all types of meetings – savings, loans, and share-out. Respondents from one of the groups required VA's support for the loan meeting only.

II. Collective Action/ Social capital

Strengthens connection/ bondage: The VAs mobilized the formation of self-selective groups that mostly included program participants (except for the non-PEP groups). The program had developed the capacity of the participants on collective action that may have resulted in collective actions taken by VSLA group members. Respondents from all eight groups believed that being in the group strengthened their social solidarity as they could sit together in a regular interval and share their experiences. The respondents reported coming forward when they saw a group member going through difficulties. One of the respondents during one of the FGDs stated that *“Earlier I used to know them (VSLA members) as neighbors only, but once the VSLA formulated, we can discuss and share different issues more frequently and offer suggestions to each other.”*

Actions taken as groups: Participants from five [out of eight] groups shared that they took different actions as a group, for example, protesting gender-based violence in the community and assisting the poor VSLA members. Members of one group collectively placed their demand to the Union Parishad to construct a road for improving the transportation system for the villagers. The chairman granted their application and constructed a road in the village. One of the respondents from Balatari village reported that a man used to abuse his wife regularly. The VSLA members talked to the man collectively and after that, he realized his mistakes. On the contrary, respondents from three [out of eight] groups could not take any such action. Respondents from one group explained that they would require more time to initiate collective actions since their groups are relatively new.

III. Willingness to pay

Determiners of VA's remuneration: Respondents from all groups shared that the remuneration was mutually determined by the VA and group members. At the beginning of the VSLA group formulation, all the members discussed among themselves and they've decided the amount of remuneration.

Mode of payment: Respondents from six [out of eight] groups shared that they preferred providing the service charges in the share-giving method. They reported that the share-giving method was more convenient and easy to calculate for the members. Respondents from one group preferred in-kind (vegetables) method and respondents from another group wanted to provide the service charges through a mixed-method (both cash and share-giving method).

Amount of service charge: Respondents from all eight groups shared that their VSLA groups committed to pay USD\$18.11 at the end of the first cycle. Since these focus group discussions consisted of members from different VSLAs, some respondents from three [out of eight] groups reported different amounts of service charges for the VA. Some respondents from two [out of eight] groups reported paying USD\$28.98 and USD\$30.18 to the VA at the end of the first cycle, and members of one group reported that the VSLA members agreed to pay in-kind (vegetables) for each meeting.

Frequency of payment: While asked on the frequency of paying a service charge to the VAs, respondents from six [out of eight] groups stated that they wanted to pay the VA yearly in the future. They prefer to pay the VA yearly because they were unable to pay the VA monthly or meeting-wise basis before the share-out process. Moreover, there would be complexity in calculating VA's remuneration if someone failed to pay in a month. On the other hand, respondents from two [out of

eight] groups wanted to pay meeting-wise. They stated that they would like to pay the VA for the only meeting that she would attend. All eight groups reported that their VSLAs had a written record of the contributions.

Influence on VA's service charge: Participants from five [out of eight] groups believed that the return on their savings (amount) would not influence groups' decision of procuring VA services in the next cycle. Some of the FGD respondents stated that they would be able to run the VSLA by themselves from the second cycle. The VSLA members felt like they could continue running the VSLA onward without the assistance of the VA. One of the respondents stated that *"If we can learn about the first cycle from the VA, we will be able to independently run from the next year without the VA's support!"* Rozina, another respondent supported also added, *"This arrangement is quite appropriate for the first year, but we believe the elected committee will be competent enough to conduct the group onward."*

Respondents from three [out of eight] groups believed that the return on savings (amount) would influence the groups' decision of procuring VA services in the next cycle. Having a higher return would result in increased service charges for the VA's.

Other services at a fee basis: A report by the World Bank suggested that the service recipients require skills training and better networking opportunities besides savings and loan to expand their non-farm income activities that will boost productivity and sustained income¹⁶. The FGD respondents shared that there was a need for additional services to be provided by the VAs. From their response, it seemed that they expected to receive such service at free of cost. They requested for technical guidance on agricultural activities, selling quality seeds, arranging vaccination for poultry and livestock, tailoring training, selling vitamin, measuring blood pressure, providing growth monitoring and promotion services, providing primary health care services and providing menstrual and personnel hygiene products from the VAs. Besides they preferred the VA to lobby with UP members on behalf of them for obtaining the social safety net.

Additional service charges: Respondents from seven [out of eight] groups could not come up with a definite amount that they would like to pay the VA for the additional services. Although they somewhat had received such services from the VA, they were unable to refer any amount. Some respondents said that they would like to provide USD\$0.06-0.12 for measuring blood pressure and would purchase other products. Rozina, one of the FGD participants explained, *"There's a local tailoring course provider, they offer the service at USD\$9.66. If the VA could provide a tailoring training to the VSLA members, we can discuss and negotiate an amount feasible for both the parties."* Participants during one of the FGDs shared that, if the VA could manage vaccines for their poultry and livestock, they would pay her a small amount including the cost of vaccines and fees for the vaccinator. Though some respondents highly appreciated any additional services that they might have received from the VA, they were reluctant to pay for that.

Recommend to buy VSLA kit box: Respondents from seven [out of eight] groups reported that they would recommend new groups to buy their own VSLA kit box as it was essential to keep the savings money safe. However, most of them claimed that people lost their interest to form a new VSLA, once they got to know that they would have to buy the kit box on their own. They also said it would be difficult to sell kit box within SHOUHARDO III implementing areas. They commented that the new VSLA members should realize that it would be their own VSLA kit box. The program has decided to provide up to two kit boxes to each of the VAs. If the VAs form more than two groups, the new groups will have to buy their kit box.

¹⁶<https://openknowledge.worldbank.org/bitstream/handle/10986/24669/9781464808944.pdf?sequence=2&isAllo wed=y>, cited on 23 June 2020.

IV. Community perception of demand

Demand for VSLAs: Respondents from all eight groups shared that there's a high demand in their community for more VSLAs. Primarily many people showed their interests but later were reluctant when they were asked to pay for the kit box. A respondent from Kurusa Ferusa village said, *"It's true that many of these people show their interest but later they don't want to purchase the kit box on their own."* Even the community people showed their interest and some of them also asked for membership, the VSLA members explained to them that the number of members cannot exceed 25 and they suggested them to form their VSLA.

Recommended changes about the VA's work: Respondents from six [out of eight] groups expressed their need for additional services from the VAs. They appreciated technical advice on agricultural activities, poultry, and livestock rearing, vaccination for poultry and livestock, tailoring training provided by the VAs, measuring blood pressure, primary health care services, providing menstrual and personnel hygiene products. Respondents from one group requested for technical guidance on how to use the VSLA money and increase the fund. Respondents from one of the groups preferred active participation from the VA's end¹⁷. One of the group members commented that *"Apa (the VA) only comes and takes account of the members' attendance, the committee members collect the money and update the record-keeping book. It would better if she does the entry work."*

Family support: A small but mighty determinant for a rural LSP's career
Sremoti Chandona Rani from Balatari village didn't receive enough supports from her family members while working as a VA. Consequently, the VSLAs that she formulated also affected. Though the VSLA members acknowledged the VA's roles and responsibilities in mobilizing the VSLAs, they expect the VA to act more responsibly while facilitating the VSLA sessions. <i>"The VA only attends the meetings, she remains inactive throughout the session and it is mainly conducted by the members"</i> shared by Rozina, a member of Jamuna VSLA. During the VSLA sessions, members were never informed about or offered any additional services from the VA. While the members perceived that they can continue their VSLA from the second cycle without the VA's support, the LSP shared similar thinking. She won't continue the service from the next cycle as there's no family support, she's incapable of developing any leadership roles in the community and relationships with other financial service providers. She remains occupied with household chores.

Changes in VA selection: Respondents from all the groups did not recommend any changes, they were satisfied with the current modality. Respondents from all eight FGDs preferred female VAs over the male one. It was perceived that they (female VSLA members) felt more comfortable sharing their problems with a female VA. Respondents in four FGDs [out of eight] mentioned that while selecting a VA, they prioritized their educational qualification and competency in soft skills, like – conflict management.

Effects of the COVID pandemic: The VAs shared the VSLA members' concerns regarding the COVID-19 crisis and the future of the VSLA groups. Some VAs anticipated that some groups might not continue in the second cycle. The VSLA group members reported that their VSLA activities were disrupted due to the crisis.

The perspective of non-VSLA group members was thematically divided into three areas, including (i) level of awareness, (ii) willingness to form VSLA groups, and (iii) willingness to pay. The following findings generated from four focus group discussions with community women who are non-VSLA members. Each group consisted of four or more members. The respondents participated from different

¹⁷ While interviewing the VA working in the same villages, she expressed her unwillingness to continue from the second cycle.

villages of eight Unions including Palbandha, Goaler Char, Sujatpur, Uttor Paschim Baniachong, Naodanga, Shimulbari, Dampara, and Karpasha.

(i) Level of Awareness (non-VSLA members)

Knowledge about VA: The participants from all four groups acknowledged the presence of VAs in their areas. They saw the VAs mobilizing people to form VSLAs and to facilitate the group sessions. The respondents knew that the VAs arranged regular savings meetings. According to their responses, the VAs raised awareness among people about the benefit of saving money in a group.

Roles of VA: While narrating the roles of a VA, the respondents mentioned a few key responsibilities for a VA that included setting up VSLAs, arranging regular group meetings, and ensuring the participation of all members. They also mentioned that the VA roles were to collect savings money from the VSLA members through a 'share' purchasing system, and advising group members on the importance of savings.

Sources of VA's payment: Respondents from three [out of four] groups did not know about paying service charges to the VAs. Only one group mentioned that the VA was paid by the VSLA members after the completion of one year (first cycle).

(ii) Willingness to form VSLA groups (non-VSLA members)

Knowledge of VSLA: Respondents from all four groups were aware of the VSLAs in their areas. They knew that the VSLA group consisted of 25 members and members participated in regular savings meetings where each member purchased one share at USD\$0.60. They also knew that the members saved their money in a kit box, they could take a loan from their savings amount, would distribute their shares and profits after one year. One of the respondents from Rowson Shimulbari village commented during the FGD that, *"VSLA group organizes fort-nightly meetings, once the savings amount becomes mature the members can take a loan."* Another participant stated that *"If we form the VSLA, then we can use the money for running a small business after one year. And in the next year, we will be able to buy more shares and save a large amount that helps to increase our business."*

Interest to form VSLA: All respondents expressed their interest to form their VSLA groups with their peers. One respondent said that *"If we would be a member of a VSLA group, we can take a loan from the group in a difficult situation and needn't go to the MFIs. But many people lost their interests when they're asked to buy a Kit box to start a VSLA group."* Emphasizing the importance of savings one of the female respondents added that, *"We (she and her husband) spent everything we earn. If I could become a member of VSLA, it'll be easier to save some money for the future. Thus, we'll be able to invest our money (to buy poultry or livestock)."*

Despite their interests to form the VSLA, the respondents shared some of their challenges. One respondent named Hawa, a widow from Purba Phulmati village who lived with her only daughter, shared, *"I always wanted to be a VSLA member, but I cannot. I work at other people's house for my livelihood, I couldn't pay my daughter's tuition fee, later she had to discontinue her study."*

Taking service from VA: Respondents from three [out of four] groups expressed their interests to take services from a VA. They explained that they were not aware of the VSLA strategy, thus, they feel the necessity of a person who would guide them to continue the VSLA. One participant stated that *"In case of a new group we'll be needing some guidance to learn the group rules. It'll be difficult to moderate on our own."* They sought some other services from the VAs, such as measuring blood pressure and blood sugar, GMP services, primary health care, and essential medicines. They believed if those services were provided by the VAs they would not need to go to other service providers and could avail those services at the doorstep with a minimum cost. The fourth group was not interested to take services from the VA.

Buying the VSLA kit box: Respondents from all four groups shared their willingness to buy the VSLA kit box. In other words, the respondents thought buying their own VSLA kit box would be benefitting for them although it would be quite challenging to convince all the members. A female respondent named Ambia said that *“As a group, we should buy our kit box, but it has to be agreed among the group members first.”*

(iii) Willingness to pay (non-VSLA members)

Determinants to pay VA’s remuneration: Respondents from three [out of four] groups stated that they were ignorant of the process of deciding VAs’ service charge. One respondent shared that the VA could be paid considering her efforts to run the VSLA group. Only one group mentioned two things including, 1) taking care of the group and conflict management, and 2) sharing knowledge on how to run the VSLA group to the members that they would use to decide the VA’s service charge.

Determiners of service charge: Respondents from two [out of four] groups addressed that the group members and the VAs should collectively determine the service charge. All members should discuss the service charge of the VA after one year. Respondents from the third group believed that the group members should determine the service charge, and respondents from the fourth group stated that they did not know who should determine the service charge.

Capability and willingness to contribute VA's service charge: Respondents from three [out of four] groups failed to come up with a firm response about people’s (in case if they form a group) capability and willingness to pay VA's service charge. The explained that it would depend on the future VSLA members’ decisions. Only one group responded that the group members were capable to pay VA’s service if they would form a group.

Pay in cash: Respondents from all groups agreed to pay in cash. Though some respondents from one group expressed their lack of interest to receive services from the VA in the future.

Frequency of payment: Respondents from two [out of four] groups wanted to pay monthly and the remaining groups preferred to pay yearly. They clarified that when the share would be distributed, everyone would have money in hand and they would be happy to pay the VA’s service charge from their savings.

Analysis

(I) Effectiveness of the VA pilot (two paragraphs for two separate approach)

The key objective of this assessment was to find out the effectiveness of the VA pilot as one of the pioneering service models of SHOUHARDO III. As mentioned in the background, two distinct models were tested as part of the VA pilot, VAs who provided financial services and VAs who provided socio-economic services in addition to the financial services. The pilot design had a set of variables entailing – the provision service charge at the end of a cycle; VAs’ income, social recognition, and family support; the number of VSLA formed by VAs (both PEP/non-PEP) and the geographical coverage; demand for VAs’ services; comparison between core VSLA and VSLA+ models in terms of service charge, savings portfolio, loan disbursement; and finally, selling the VSLA kit box. As shown in the findings section, 15 VAs formed a total of 39 VSLAs including PEP and non-PEP ones as of April 2020 and had successfully agreed with the groups for paying the service charges at the end of the first cycle. All of them reported receiving respect and appreciation from the community as well as from their family members. From the demand aspect, the FGD respondents suggested that there was a need for additional services like – vaccination of poultry and livestock, technical advice on quality seeds, lobbying for safety nets from the VAs’ Some of the VAs were successful in selling the kit box but it was not the case for all of them. Among other constraints, due to scarce family support, one VA decided to discontinue her work. While a study in Ghana reported challenges like group members’ unwillingness to repay loans; nothing like this

was experienced in any of these VSLAs despite being run by the VAs (not the program)¹⁸. It was quite interesting to identify contradictory perceptions on the return on savings; while the majority of the VAs thought that it would influence their service charge, the majority of the group members (FGD participants) disagreed.

The program provided training on social and economic issues to all 15 VAs but instructed only seven VAs to roll out the VSLA+ approach. Though seven VAs were selected to provide VSLA+ services, all 15 VAs provided social and economic services. They disseminated important messages about social safety net programs, agriculture, and health and hygiene issues. The assessment findings could not draw a clear line between the two different approaches. However, this assessment came across anecdotal evidence that some of the groups formed by VAs under the VSLA+ approach had a higher savings portfolio compared to groups formed by VAs who only provided core financial services. For example, in the Palbandha union, two VAs under the VSLA+ approach formed four VSLAs. They sold a good number of shares within a few meetings and their VSLAs had remarkable savings and return on savings amount. The top savings portfolio belonged to a group in Char Baitkamari Golap was also formed a VA under the same approach. The VA provided poultry vaccination on her own. She was working with BRAC and *Ekti Bari Ekti Khamar* project and was well-connected with Union Parishad. A similar pattern was noticed for two other VSLAs in Uttar Paschim Baniachong and In Naodanga Unions that were formed by VAs who offered socio-economic services along with core VSLA service¹⁹. Four VAs (under the VSLA+ approach) formed 12 VSLA groups in these Unions. In Naodanga Union two VAs provided information on social safety net programs, advised on poultry and livestock rearing, and raised social awareness on child marriage. Two VAs from Uttar Pashchim Baniachong assisted the VSLA members accessing healthcare services and disseminated early warning messages. Among these 12 VSLAs, the only male VSLA [out of 39] ranked top in terms of the outstanding amount and return on savings.

The VSLA members expressed their demand for diversified services from the VAs. Studies suggested offering additional services to the VSLA groups based on the groups' demand and consensus²⁰. The caveat in providing such services was a lack of skills and network for the VAs. Both of these areas are crucial to achieving sustainable VSLAs. A study²¹ conducted on SHOUHARDO II respondents found that some of the savings groups that were formed with support from the program (SHOUHARDO II) dissolved (after the program ended) due to two main reasons – the lack of capacity to manage the group and trust issues among the group members.

Increased access to financial institutions and pro-poor financial products and increased savings of PEP including both men and women are two of the program's non-farm (immediate) outcomes. The findings above suggest that the program by setting up the VA pilot started contributing to – improved financial management skills increased ability to utilize loans²², and ensured access to pro-poor financial services for PEP. It also implies that the logical pathway planned for achieving outcomes related to financial inclusion is valid.

¹⁸<https://ghanalinks.org/documents/20181/0/USAID+CSLP+Final+Report+on+Village+Savings+and+Loan+Associations+%28VSLA%29/3fd1db8-b10c-41ec-90d8-12e7b1f7d6ab?version=1.0>, cited on 25 June 2020.

¹⁹ Data used in this narrative was downloaded from STREAM. Due to the unavailability of data on four VSLAs, the team could only analyze data on 35 VSLAs [out of 39] that were formed by the VAs. Among these 35, 12 VSLAs were formed by the VAs under the VSLA+ model.

²⁰ [https://www.wvi.org/sites/default/files/SG%20PM%20Revised%20Aug2015%20v8%20\(Sect5%20pending\).pdf](https://www.wvi.org/sites/default/files/SG%20PM%20Revised%20Aug2015%20v8%20(Sect5%20pending).pdf), cited on 23 June 2020.

²¹ https://mangotree.org/files/galleries/1743_Bangladesh_SavingsGroupAssessment_Feb2016.pdf, cited on 23 June 2020.

²² Please see the table in Annex I that includes data on return on savings.

(ii) Recommendation for adjustments and scale-up strategy

The pilot assessment results clearly show some promising outputs relating to the sustainability of the model. The VAs seemed to take off well and without many challenges. However, the success of this pilot will heavily rely on the share-out process which is due. Some of the areas that the program may consider while scaling up this pilot are –

- The VAs selection process can be improved considering the dropouts in the first cycle. Despite receiving quality training (as assessed by the potential VAs), the VAs struggled to sell the VSLA kit box. Since potential VSLA groups were discouraged after knowing that they would have to purchase the kit box, the VAs could not form more groups. The program has decided to provide two kit boxes to each of the VAs but it will no longer be sufficient in the future. The VAs will need to learn how to set up groups that are willing to buy their kit box. Marketing and sales skills may come handy in these circumstances. It is recommended that the training on marketing should be provided from a commercial perspective, hence, should be facilitated by a marketing and sales expert.
- During the VA selection, the geographical areas have to be carefully examined along with their willingness to provide services to communities that are far from her native village. Selecting more than one VA from villages that are adjacent to each other sometimes limit their geographical coverage. The VA will then need to avoid setting up new groups in her neighboring village as there can be another VA already working there. Hence, she will need to travel far to identify communities that have potential VSLA groups.
- Developing a learning sharing platform (through mobile phone/internet) among the VAs and organizing discussions on a quarterly basis can motivate the VAs. This platform can also be used to develop their capacity, skills, and technical knowledge on areas that emerged as demands from the VSLA.
- Findings suggested that 11 VAs [out of 15] were already providing healthcare services to the VSLA groups. Some of them were connected with other organizations and had specific roles related to healthcare. The capacity of providing basic healthcare services systematically may increase their income in the future. The program may consider training them in technical areas like primary health care services and nutrition counseling to sustain this model.
- The VA pilot did not originally plan for setting up non-PEP VSLA groups yet four [out of the 39] VSLAs were non-PEP ones. The demand for this kind of VSLA group emerged through the pilot. The program may emphasize the need to prioritize the VSLA groups for poor people for the VAs while designing the scale-up strategy so that they do not exclusively serve people who already have access to financial services. Nevertheless, setting-up non-PEP groups besides the VSLAs including PEP participants is undoubtedly a strength of the pilot and will work in favor of sustaining the VA-led VSLAs in the long term.
- As mentioned in the background, the program did monthly follow-ups of the VAs' work beside this assessment. Findings from those follow-ups suggested that most of the VAs struggled to get family support. The situation got better over time and their families started to support them. For example, Sima, one of the VAs shared the lack of family support and she could not support VSLA groups for a few days as her family was not supportive of it. Gradually they realized the value of her work and started supporting her. The assessment found another VA who did not want to continue her service in the next savings cycle as she did not have family support. The

program may consider training the VAs on social norms and unequal power relations as well as soft skills (e.g., problem-solving, negotiation) so they are aware of potential challenges and are capable to address them.

- During the pilot phase, data on the non-PEP VSLA was not available on STREAM. Given that the number of non-PEP VSLAs is highly likely to increase in the future, the program will need to start collecting and documenting data on the non-PEP VSLAs.

Conclusion

SHOUHARDO III implemented the VA pilot in October 2019 in eight Unions. Before scaling up this pilot it was important for the program to learn from this pilot and identify areas of adjustments for sustainable results in the future. During this piloting period, 15 VAs formed a total of 39 VSLAs and they were planning to form more VSLAs. Current VAs stated that they could stretch their supports to more groups in broader geography. They were willing to offer to diversify services but needed skills for that. They seemed to have developed connections with multiple service providers. Most of them suggested that the number of non-PEP VSLA was likely to increase. Selling the kit box was identified as one of the major challenges. The trained VAs (not currently working as VA) assessed the training as a quality one but flagged the long duration as an issue.

The VAs could not draw clear lines between the core VSLA and the VSLA+ model and the data available on STREAM did not suggest that the VSLAs set up by the latter group had higher savings and return (on savings). The assessment captured some anecdotal evidence but not strong enough to suggest that the VSLA+ approach had higher financial benefits compared to the core VSLA approach. The underlying reason can be that the fact that all 15 VAs had somewhat provided additional services to VSLA group members besides the financial services.

The current VSLA members seemed to have a fair understanding of the VA's work. They shared a sense of gradual decline in their dependency on the VAs' services. According to them, VSLA strengthened their bondage (among the group members). Some of the VSLA groups took some collective actions at the community level. The non-VSLA member was willing to form VSLA but had a mixed-feeling about purchasing the kit box. They wanted to pay the VAs' service charge in cash. In Bangladesh, rural poor households are excluded from accessing financial services as they experience a lack of awareness, poor income, gender inequality, and illiteracy²³. Therefore, scaling up the VA pilot with the suggested changes (mentioned in recommendations) will ensure better access to such services for the poor people.

The VAs demonstrated effective community engagement and service provision despite some pitfalls. The VAs became able to set out the need for additional services among the VSLA members. The current members also mastered a positive attitude about purchasing the VSLA kit boxes. While the non-VSLA members observed the VSLA activities and members' engagement, they showed interest to form their VSLA. This piloting model provided important insights and learnings that may result in adjustments while scaling up the model in the SHOUHARDO III area.

²³ http://bidslink.bids.org.bd/bidsorgbd/completed_research/Executive%20Summary%20Access%20to%20FS.pdf, cited on 25 June 2020.

Annex I: Information on VA-led VSLAs

SL. No.	Upazilla	Union	Village	VA	Group Name	Formation date	No of meetings completed	Value per share*	Total Share This Cycle	Savings*	Value of Loan Outstanding this Cycle*	Return on Savings*
1	Baniachong	Uttar Paschim Baniachong	Amirkhani	Jaheda Begum (VSLA+)	Amirkhani Jaba VSLA Sanchy Sathi :01	30/10/2019	5	0.60	291	175.66	167.33	17.63
2	Baniachong	Uttar Paschim Baniachong	Amirkhani		Amirkhani Jamuna VSLA	20/11/2019	4	0.60	334	201.62	219.30	17.69
3	Baniachong	Uttar Paschim Baniachong	Amirkhani		Amirkhani khagrihati Chaderhasi VSLA	1/3/2020	1	0.60	34	20.52	-	-
4	Baniachong	Uttar Paschim Baniachong	Amirkhani		Amirkhani Lal Golap VSLA	8/12/2019	6	0.60	382	230.59	202.83	
5	Baniachong	Uttar Paschim Baniachong	Ruprajkhara Para	Moni Rani(VSLA+)	Ruprajkhara para Meghna VSLA VA , 01	28/10/2019	5	0.60	212	127.97	124.23	18.11
6	Baniachong	Uttar Paschim Baniachong	Vidhyabhushan Para		Vidhyabhushanpara Jamuna VSLA	16/11/2019	5	0.60	273	164.80	155.92	19.44
7	Baniachong	Uttar Paschim Baniachong	Vidhyabhushan Para		Vidhyabhushopara Dowel VSLA	28/12/2019	4	0.60	285	172.04	202.83	32.90
8	Baniachong	Sujatpur	Shutamukha	Fahima Begum	Shotomukha Sotodol Somiti	4/11/2019	5	0.60	319	192.56	196.49	15.09
9	Baniachong	Sujatpur	Shutamukha		Shotomukha Santi Songathon	20/11/2019	5	0.60	202	121.94	76.06	7.24
10	Baniachong	Sujatpur	Shutamukha		Shotomukha Sonar Modina Somiti	20/12/2019	3	0.60	142	85.72	88.74	
11	Baniachong	Sujatpur	Sujatpur	Mina Akter	Sujatpur Ramchandrapur Ujjal Somiti	23/12/2019	3	0.60	448	270.43	164.80	
12	Baniachong	Sujatpur	Sujatpur		Sujatpur Asar Alo Somiti	4/11/2019	6	1.21	495	597.61	659.18	70.02
13	Baniachong	Sujatpur	Sujatpur		Sujatpur Nari Nirapotta Somiti	20/11/2019	4	1.21	320	386.33	418.33	44.67
14	Baniachong	Sujatpur	Sujatpur		Sujatpur Ma Moni Somiti	7/12/2019	3	0.60	201	121.33	69.72	3.74

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15	Islampur	Palbandha	Char Baitkamari	Nashima (VSLA+)	CHAR BAITKAMARI GOLAP VSLA 3	30/10/2019	2	0.60	1,328	801.64	833.03	77.57
16	Islampur	Palbandha	Paschim Sirajabad		Paschim Sirajabad Bokul VSLA 01	18/11/2019	3	0.24	990	239.04	252.93	16.30
17	Islampur	Palbandha	Purba Bahadurpur	Marjia (VSLA+)	Purba Bahadurpur Kathal VSLA 03	27/10/2019	3	0.24	1,210	292.16	258.96	24.15
18	Islampur	Palbandha	Purba Bahadurpur		Purba Bahadurpur Lichu VSLA 04	16/11/2019	3	0.24	1,125	271.64	241.46	16.90
19	Islampur	Goaler Char	Savar Char	Amena Begum	Savar Char Kathal VSLA 03	26/10/2019	7	0.24	1,375	332.01	325.97	32.60
20	Islampur	Goaler Char	Savar Char		Savar Char Anar VSLA 04	31/10/2019	5	0.24	900	217.31	217.31	13.28
21	Islampur	Goaler Char	Savukura	Shorifa Akter	Savukura Lichu VSLA 03	30/10/2019	7	0.36	1,375	498.01	356.15	52.94
22	Islampur	Goaler Char	Savukura		Savukura Jalpai VSLA 04	14/11/2019	5	0.24	1,125	271.64	211.28	15.39
23	Nikli	Karpasha	Badorpur	Sima	Shapla Saving and loan Group Badorpur	27/10/2019	1	0.60	32	19.32	-	1.21
24	Nikli	Karpasha	Goripur		Shapla saving and loan group johandirhati	18/11/2019	10	0.60	143	86.32	78.47	25.35
25	Nikli	Karpasha	Jalalpur		Bely saving and loan group Aglahati	13/11/2019	7	0.60	125	75.46	49.50	8.09
26	Nikli	Karpasha	Karpasha	Rupaly	Golap saving and loan group karpasha	29/12/2019	3	0.60	244	147.29	48.29	2.41
27	Nikli	Dampara	Borkanda	Aklima (VSLA+)	Golapful.va	27/10/2019	4	0.60	135	81.49	76.06	45.27
28	Nikli	Dampara	Noyapara		Shapla.va	17/10/2019	5	0.60	218	131.59	119.16	28.73
29	Nikli	Dampara	Noyapara		Jaba	31/10/2019	2	0.60	25	15.09	-	0.60
30	Nikli	Dampara	PurbaPara		Shapla.va	6/11/2019	4	0.60	226	136.42	150.85	14.43
31	Phulbari	Naodanga	Balatari	Sremoti Chandona Rani (VSLA+)	Akota vsla3 somity	31/10/2019	9	0.36	535	193.77	223.11	29.82
32	Phulbari	Naodanga	Balatari		Balatari jomuna vsla#4	20/12/2019	5	0.24	232	56.02	56.68	4.17

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33	Phulbari	Naodanga	Kurusa Furusa	Most. Dilruba Parvin (VSLA+)	Shimul vsla I somity	28/10/2019	8	0.60	458	276.47	171.13	27.16
34	Phulbari	Naodanga	Purba Phulmati		Padma vsla 4	1/1/2020	4	0.36	212	76.78	79.86	5.01
35	Phulbari	Naodanga	Purba Phulmati		Adorsho vsla 3	24/11/2019	4	1.21	223	269.23	314.38	45.45
36	Phulbari	Shimulbari	Rowsan Shimulbari	Nazmun	Simanto vsla I	28/10/2019	7	0.24	1,375	332.01	329.59	61.27
37	Phulbari	Shimulbari	Rowsan Shimulbari		Khushi vsla 2 somiti	21/11/2019	7	0.60	351	211.88	69.72	18.41
38	Phulbari	Shimulbari	Uttar Sonai Kazi	Rabeya	Akotavsla I	27/10/2019	7	0.60	754	455.15	392.97	(6.34)
39	Phulbari	Shimulbari	Uttar Sonai Kazi		Shotota vsla 2	19/11/2019	5	0.60	408	246.29	278.88	38.45
Total = 39									19,062	8,603.16	7,881.50	845.16

*All the values given in USD\$.

Annex 2: Piloting of Village Agent (VA) Model

1. Summary Description of service model:

Village Savings and Loan Association (VSLA) is a proven financial service model that provides access to finance in rural areas where access to formal financial service is very limited. Very often, though the project is very successful, most of the projects do not sustain, replicable and scalable beyond the project. Not only that, but also sometimes there is issues of cost effectiveness of the project. To mitigate this limitations, in VSLA developed a model which call Village Agent (VA) model. VAs are trained by the project, but paid by the communities for their services. In many cases, VA model is adopted in regards of country and project specific contexts. SHOUHARDO III is currently implementing VSLA that mobilized by the project paid field trainers. However, for the long term sustainability and replication, SHOUHARDO III is planning to test the VA model. The project will mainly build the capacity of the Village Agents so that the VAs are able to identify the community demand, and accordingly provide services at the community level (Train and forming new VSL groups, assisting in conflict resolutions, supply kits, potential linkages with government and private sectors etc.). It is assumed that the VAs will be motivated by the incomes that earned from the groups and in some extend, by the social values and recognition for their services. Since SHOUHARDO III, even Bangladesh context there is no any experience of VA implementation, thus the project is proposing to test in following 3 modalities:

- a) **Village Agent with core VSLA service:** VA will provide exclusively VSLA services i.e group mobilization, training and facilitation and possibly supply of VSL kits.
- b) **Village Agent VSLA service and social messaging:** In addition to core VSLA services, VA will provide social messages to the clients i.e. messages on govt. services...safety net birth reg. weather message.
- c) **Village Agent with core VSLA service + social messaging + economic addition:** In addition to core VSLA services and social messaging, VA will be engage in economic activities i.e. selling seeds, linkage with market actor, paravets etc.

2. Variables to be tested:

Throughout the VA piloting, following variables will be tested and will be tracking and using to decide on viability of the models:

- Payment Variables: Cash VS share method, seasonal variation, Meeting wise payment VS Cycle end payment
- Motivation: Income, Social value and recognition, Family support
- Coverage: Number of VSLAs, Area Coverage, and PEP and Non PEP VSLAs
- VA Service Demand: Type of Meeting

3. Sampling Approach:

The pilots will be done in 4 partners area Two in Char and two haor – Kurigram, Jamalpur, Kishoreganj and Hobiganj district. For three types of village agents consider three unions of one Upazila from each district. Two pre-selected villages from each of the three unions will be considered where VSLA is implemented following new strategy in first cohort. Therefore, for each category there will be 8 village agents in 4 unions of 4 districts; a total of 24 village agents from 24 villages under 12 unions.

Areas of Piloting	HAOR					CHAR				
	IP	District	Upozila	Union	Target VA	IP	District	Upozila	Union	Target VA
Core VSLA service	DAM	Habiganj	xx	xx	2	MJSKS	Kurigram	xx	xx	2
Core VSLA + social messaging			xx	xx	2			xx	xx	2
Core VSLA + Social messaging+ economic service			xx	xx	2			xx	xx	2
Core VSLA service	POPI	Kishoreganj	xx	xx	2	ESDO	Jamalpur	xx	xx	2
Core VSLA + social messaging			xx	xx	2			xx	xx	2
Core VSLA + Social messaging+ economic service			xx	xx	2			xx	xx	2

Figure 1: proposed sampling for VA piloting

The unions to be selected based on the following criteria:

- Unions where FTs are doing VSLA well
- Unions where FTs are willing to volunteer/self-selected and highly motivated to implement VA piloting
- For piloting Village Agent of VSLA facilitation and social messaging consider those unions where government services are available at the remote level
- For piloting village agent with the economic type of activities consider where there are vibrant economic activities like good and diversified agriculture, livestock and fisheries production, good communication and market facilities.
- Strongly demonstrate the VSLA operation during the intensive phase (first 3-5 months). After that, FTs will initiate the VA selection process based on a certain selection criterion. Some of the key criteria to select the potential VAs are:
 - a) Must be a member of existing VSLAs and has a strong interest to become village agent at fee basis;
 - b) Stands out in meetings as a natural motivator, having learned the procedures of VSL quickly and having a respect for disciplined meetings;
 - c) Has sufficient literacy and numeracy (demonstrated);
 - d) Has the energy to facilitate large numbers of VSLAs, and to travel surrounding villages;
 - e) Is always punctual;
 - f) Is known as someone with integrity;
 - g) Must be self-selected, not nominated by the group members;
 - h) Willingness and or ability to use smart phone and technology adoption mentality will be considered as an added advantage.

4. Timeline and staffing:

The village agents will be selected by August 2019 and they will be trained in September 2019. Trained village agents will roll out from October 2019. Their performance will be evaluated from November 2019 and later in each month. Final evaluation of the 3 piloting VA model will be done in February 2019.



Figure 2: Timeline of Village Agent Piloting

In order to regular data collection it needs STREAM base application module development and frequent support needed from M&E team for data entry and analysis.

For final evaluation and monitoring indicators to be set and lead by the Advisor of Access Africa. The Advisor will provide in country support during the pilot assessment. Financial Inclusion team of SHOUHARDO III would support the whole process.

5. Success factors:

The success factors will be followed through the lens of sustainability

- Will the services provided by the program be available to groups without the program?
- How will the quality of the services be guaranteed?
- Are participants able and willing to pay for the services?
- How will they act in the evolving context and challenges?

6. Scale Up Model:

Scale up model will be decided upon the assessment findings and specific recommendations will be done at the end of the piloting. For roll out, assessment findings and recommendations will be followed. Expected roll out of the select VA model is from April 2020. In all the villages' agents will form new VSLAs. During this time the FTs will provide necessary support to VA from backstage.

Annex 3: Data Collection Tool

SHOUHARDO III
Village Agent (VA) Pilot Assessment
Semi-Structured Checklist for Interview with Village Agents (VA)

Introduction: The interviewer will introduce him/ herself to the participant. Before starting the interview, s/he will explain the context (inability to conduct face-to-face interview due to COVID-19 crisis) behind this remote data collection procedure. If requires the interview date and time can be settled down through an earlier phone call. S/he will narrate the objective of this interview and with the participant's consent; h/she will conduct this interview and collect the information.

Objective: The objective of this study is to assess the effectiveness of Village Agent (VA) model under SHOUHARDO III area.

Areas	Question	Responses
Service coverage	Q1. What are the services you offering as a VA? [Examples of five key responsibilities]	Multiple response (based on data collection)
	Q2. What are the services you offering besides savings and loans? Please specify three such services. [Examples of two such services]	
	Q3. How many more groups are you capable of forming and providing quality support?	
	Q4. How many more villages can you cover? (geographically)	
	Q5. Will you be able to sell the VSLA kit box to the new groups?	
	Q6. Are you willing to form groups with non-PEP members?	1) Yes
		2) No
	Q7. How much have the groups agreed to pay you at the end of the first cycle?	
	Q8. Which meeting do you need to facilitate in person? (Multiple response)	1) Savings
		2) Loan
		3) Share out
	Q9. What skills do you need additionally to provide better services to the VSLA? Please name three such skills.	
	Q10. Will you continue this service from 2nd cycle onward when there would be no program monitoring?	1) Yes
		2) No

	Q11. What challenges do you face in providing the services? Please name three.	
Income and motivation	Q12. Do you think the return on savings (amount) will influence groups' decision of procuring VA services in the next cycle?	1) Yes (Proceed to Q11A)
		2) No (Proceed to 12)
	Q12A. If yes, how?	1) Increase service charges
		2) Decrease service charge
		3) No change
	Q13. Have you received non-monetary incentive? (Ex-leadership, build connections, honors, etc.). Please specify three.	1)
		2)
		3)
	Q14. Will you receive support from your family if you need to support more groups? (Gender aspect – opinion from spouse, MIL)	1) Yes
		2) No
For VSLA+	Q15. Have your relations with different financial service provider, development organization improved because of your role as a VA?	1) Yes (Proceed to Q14A)
		2) No
	15A. If yes, please give one example of your recent engagement with them.	
	Q16. Apart from being a VA which other community leadership roles do you have? Please name two such roles. (e.g., participating in local <i>shalish</i>)	
	Q17. Has providing social and economic services to VSLA groups had any effect on your service charge?	1) Yes
		2) No
	Q18. Do people give more value to you for provide social services?	1) Yes
		2) No

SHOUHARDO III
Village Agent (VA) Pilot Assessment
Semi-Structured Checklist for Participants Received VA Training

Introduction: The interviewer will introduce him/ herself to the participant. Before starting the interview, s/he will explain the context (inability to conduct face-to-face interview due to COVID-19 crisis) behind this remote data collection procedure. If requires the interview date and time can be settled down through an earlier phone call. S/he will narrate the objective of this interview and with the participant's consent; h/she will conduct this interview and collect the information.

Objective: The objective of this study is to assess the effectiveness of Village Agent (VA) model under SHOUHARDO III area.

Areas	Question	Responses
Training quality	Q1. Have you received any training on facilitating community savings group/VSLA?	1) Yes
		2) No
	Q2. What did you like most about the training? Please name three such things.	1)
		2)
		3)
	Q3. What did you not like about the training? Please name three such things.	1)
		2)
		3)
	Q4. Would you recommend the training for your peers?	1) Yes
		2) No
Engagement in financial inclusion	Q5. Are you engaged in any savings and loans activities?	1) Yes
		2) No
	Q6. Have you formed any VSLA group after receiving the training?	1) Yes
		2) No
	Q6A. If yes, how many groups have you formed?	1) 1
		2) 2
		c) Others (Please specify)
Motivation	Q7. Are you willing to form and facilitate VSLA groups?	1) Yes
		2) No
	Q7A. If no, why not?	
	Q8. What is your motivation to form and facilitate VSLA group?	

SHOUHARDO III
Village Agent (VA) Pilot Assessment
Focus Group Discussion Checklist for VSLA Group Members

Objective: The objective of this study is to assess the effectiveness of Village Agent (VA) model under SHOUHARDO III area.

Areas	Question	Responses
Level of awareness	Q1. What is your understanding of the roles as a VA? Please mention three responsibilities of a VA. (e.g., mobilizing group, facilitating savings meetings, facilitating loan meetings, building capacity of the group members).	
	Q2. Do you consider the current VAs as effective in their roles and duties?	1) Yes (Proceed to Q3)
		2) No (Proceed to Q2A)
	Q2A. If no, what support do they need to be successful in carrying out their responsibilities?	
	Q3. Which meeting requires support from the VA? (Multiple response)	1) Savings
		2) Loan
		3) Share out
		4) None
Collective action/ Social capital	Q4. Do you think that being in the group strengthens connection/bondage with community people?	1) Yes
		2) No
	Q5. Have you taken any action as a group so far?	1) Yes (Proceed to Q5A)
		2) No (Proceed to Q6)
	Q5A. If yes, what was that? Please name one action.	
Willingness to pay	Q6. Who determines the VA's remuneration?	
	Q7. Do you prefer receiving service charge in cash or share-giving method?	1) Share
		2) Cash
		3) In kind (rice, vegetables, maize, egg etc.)
	Q8. How much did the group agree to pay to the VA?	1) BDT 1500
		2) BDT 2000
		3) BDT 2500
		4) Others (please specify)

	Q9. How frequently do you want to pay VAs in future?	1) Monthly
		2) Meeting-wise
		3) Yearly
		4) Others (please specify)
	Q10. Do you keep a record of the contributions?	a) Yes
		b) No
	Q11. Do you think the return on savings (amount) will influence groups' decision of procuring VA services in the next cycle?	1) Yes (Proceed to Q11A)
		2) No (Proceed to Q12)
	Q11A. If yes, how?	1) Increase service charges
		2) Decrease service charge
		3) No change
Community perception on demand	Q12. What are the other services would you recommend for the VA to provide at a fee? Please name two. (e.g., technical suggestions on quality seed, lobbying with UP members for safety nets)	
	Q12A. How much additional amount you would like to pay for those services? (In BDT)	
	Q13. Would you recommend the new groups to buy VSLA kit box?	1) Yes
		2) No
	Q14. Is there a high demand in your community for more groups like yours?	1) Yes
		2) No
	Q15. What changes would you recommend about the VAs' work? Please specify two such works.	
	Q16. What changes would you recommend about the VA selection?	1) Prefer male over females
		2) Prefer younger VAs
		3) Others (Please specify)

SHOUHARDO III
Village Agent (VA) Pilot Assessment
Focus Group Discussion Checklist for Non-Group Members

Introduction: The interviewer will introduce him/ herself to the participant. Before starting the interview, s/he will explain the context (inability to conduct face-to-face interview due to COVID-19 crisis) behind this remote data collection procedure. If requires the interview date and time can be settled down through an earlier phone call. S/he will narrate the objective of this interview and with the participant's consent; h/she will conduct this interview and collect the information.

Objective: The objective of this study is to assess the effectiveness of Village Agent (VA) model under SHOUHARDO III area.

Areas	Question	Responses
Level of awareness	Q1. What do you know about the VA?	
	Q2. What are the roles of a VA according to you? Please name two responsibilities.	
	Q3. Do you know who pays the VA?	1) Yes 2) No
Willingness to form VSLA groups	Q4. Do you know about the Savings Group/VSLA?	1) Yes 2) No
	Q5. Are you keen to form a VSLA group with your peers?	1) Yes 2) No
	Q6. Are you willing to take the service from a VA?	1) Yes 2) No
	Q7. Are you willing to buy the VSLA kit box?	1) Yes 2) No
Willingness to pay	Q8. What are some of the determinants to pay VA's remuneration? Please name two.	
	Q9. Who should determine the service charge?	
	Q10. Are people (in case if you form a group) capable and willing to contribute VA's service charge?	1) Yes 2) No
	Q10A. Are you willing to pay in cash?	1) Yes 2) No
	10B. If yes, how frequently will you do that?	1) Monthly 2) Meeting-wise 3) Yearly 4) Others (Please specify)