

SHOUHARDO III - CARE Bangladesh

Savings practices catapulting rural women toward economic empowerment

Report on capturing the outcomes of *Sanchay Sathi* local service provisioning model and Village Savings and Loans Association (VSLA) in SHOUHARDO III program areas



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August 2022

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"This document is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The Contents are the responsibility of CARE Bangladesh and do not necessarily reflect the views of USAID or the United States."

Design Acknowledgment

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Field Support

We humbly acknowledge the dedication and hard work of all the SHOUHARDO III colleagues involved in the data collection of this report.

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Acronyms

BB- Bangladesh Bank
 CG- Community Groups
 FI- Financial Inclusion
 GoB- Government of Bangladesh
 HH- Household
 IGA- Income-Generating Activities
 LSP – Local Service Providers
 MSR – Micro-seed Retailer
 NFIS-B- National Financial Inclusion Strategy of Bangladesh
 OH – Outcome Harvesting
 PEP – Poor and extreme-poor
 S3X – SHOUHARDO III extension
 SAAO – Sub Assistant Agriculture Officer
 SHOUHARDO – Strengthening Household Ability to Respond to Development Opportunities
 SS- Sanchay Sathi
 VA- Village Agent (previous name of Sanchay Sathi before 2020)
 VSLA – Village Savings and Loan Associations

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Introduction

Financial inclusion is denoted as an effective tool to alleviate poverty by allowing financial access to the poor and marginalized (Islam and Mamun, 2011). United Nations (n.d.a) describes financial access as access to the full range of quality financial services for everyone eligible, in turn increasing financial capability. According to the Global Findex (2021), “Financial services such as payments, savings accounts, and credit are a cornerstone of development.” Islam and Mamun (2011) described financial exclusion as the key driver that limits employment and development opportunities for marginal farmers, landless labors, unorganized enterprises, urban slum dwellers, migrants, senior citizens and women. Around 1.7 billion adults worldwide are affected by financial exclusion which is keeping the poor in developing countries at bay from the formal financial system (UNSGA, n.d.). As mentioned in the Global Findex (2017) report, majority of the financially excluded adults are from rural households that account for around 70% of the global poverty. Although the number of adult financial account (formal, informal, digital) holders have increased in 2021 from 2017, around 1.4 billion adults globally still do not have an account that provide them access to financial services, mainly due to money shortage, inadequate documentation and difficulty to reach the nearest financial institutions (Global Findex, 2021). Inability to be financially included hinders “the people’s ability to earn, protect themselves in times of crisis, and to build for the future” (UNSGA, n.d.). Therefore, financial inclusion is a pressing priority for developing countries to meet the targeted economic growth that connects to the Sustainable Development Goals (SDG) 2017 (Islam and Mamun, 2011; United Nations, n.d.b). As mentioned by the World Bank (2022), financial inclusion is indicated as an enabler for the seven out of the 17 SDGs. Omar and Inaba (2020) discussed in their paper that strong financial inclusion implementation and strategies in developing countries significantly decreases poverty and gaps in income equality. One of their key recommendations include “developing financial services infrastructure and upgrade the financial services network in rural and urban areas.” According to the Global Findex (2021), financial inclusion in developing countries connects financial self-dependency with stronger economic empowerment for women. The same report also highlighted the greater benefits of having their own accounts (mainly savings, and not using a male household head’s account) compared to cash for women around the developing world (The Philippines, India and Kenya). These women later sought employment, had stronger financial control, had increased decision-making power in household matters, and spent the money on nutritious food and goods that catered to their needs.

Financial inclusion has become a crucial development stepping stone for developing countries like Bangladesh that has a large portion of population devoid of basic financial services and institutions (Shirin, 2016). Although Bangladesh has recently seen a spike in digital financial services (such as bKash, Nagad), the number of people having a formal account with bank and other financial institutions are still quite low. Around 31.74% of adult population owned a financial account in 2011 which increased to 48.65% by 2021; the accounts are an overall count of the number of formal bank accounts, Microfinance Institution (MFI) memberships or Mobile Finance Services (MFS) accounts (The World bank, n.d.). Out of this total financial account, 43.36% women have access to a financial account (The World bank, n.d.). The low number of financial account holders are impacting the country’s overall financial inclusion and eradication of poverty agenda and also reflect on the SDG 17. For this, the Government of Bangladesh (GoB) and Bangladesh Bank have been emphasizing on the financial inclusion for the underprivileged, especially the marginalized geographically challenged population. However, the expansion of financial services met with implementation challenges, mainly due to the rate of illiteracy rate of the rural population, high interested rates of loans, and large population living in remote and challenging places Rashid (2020). The National Financial Inclusion Strategy of Bangladesh 2021-2026 (NFIS-B) tried to address these and illustrated a pathway for optimum financial inclusion in Bangladesh by the year 2026. The NFIS-B indicated that transformation of informal sector to formal ones is key to Bangladesh’s sustainable development and financial inclusion is one of the principal enablers for that. This strategy defines approaches to achieve optimum financial inclusion by providing a full spectrum of tailored financial services by a diversity of service providers catering to the needs of the population, especially for the marginalized. The presence of a few Micro Finance Institutions (MFIs) in the rural Bangladesh does not only portray that providing credits to the destitute does not fully recognize the inclusive finance system but also calls for a need for even further tailored system that is relevant to the geographically disadvantaged locations such as chars and haors in Bangladesh. (Ministry of Finance, Government of the People’s Republic of Bangladesh and Bangladesh Bank, 2018). Adhering to this understanding, and with an aim to provide the Poor and Extreme Poor (PEP) participants access to financial

services, CARE Bangladesh navigated the financial inclusion agenda through the Village Savings and Loan Association (VSLA) model through Strengthening Household Ability to Respond to Development Opportunities (SHOUHARDO) III program since 2016.

To simply state, “VSLAs are informal groups that save money together and take small, low-interest loans from those savings”. [CARE](#), as an organization has been working toward empowering women financially through forming Village Savings and Loans Association (VSLA) in their working areas in the developing world. Its famous community-based savings-led financial model VSLA is generally understood to be among the most dignified means of assistance, particularly for women from the PEP households. Through CARE, the VSLAs have been proven to be one of the most powerful and efficient platform that contributes to women’s empowerment and increased control and ownership of their finances in multiple developing countries in the African continent. (CARE, 2022). Due to its multifold success and the positive impacts on the lives of VSLA members in different countries where CARE has the presence, SHOUHARDO III of CARE Bangladesh started implementing VSLA models in its operational areas since the beginning of the program in 2016. To further strengthen the savings practice of women and by women, SHOUHARDO III also introduced the local service provider (LSP) named Sanchay Sathi (SS) to sustain the intervention beyond the program’s timeframe. A locally developed savings agent (Sanchay Sathi), who provides savings and loan related services in exchange of a small fee, is a one-of-a-kind approach. The objective of these approaches is to empower women economically to have long-term impact on the food security status of the destitute. The locally resourced Sanchay Sathis (Savings Agents) are supporting the communities, especially women, in the northern Bangladesh by influencing and motivating them to adopt savings practice which in turn also provide them with loans for emergencies and charities. After having multiple situation assessments of these approaches, it is crucial for the program to reflect on the outcomes and learnings of this model for future adaptations and adjustments. This study report entails the impact and outcome analysis of the Sanchay Sathi (SS) LSP model as of August 2022.

Background

Strengthening Household Ability to Respond to Development Opportunities (SHOUHARDO) III is a Resilience Food Security Activity (RFSA) funded by the United States Government through the United States Agency for International Development/Bureau of Humanitarian Assistance (USAID/BHA), with complementary funding from the Government of Bangladesh (GoB). SHOUHARDO III works at 947 villages in char and haor regions to improve the lives of 725,611 people from 170,298 households (HH). The program seeks to improve access to public and private services for the rural poor while building their resilience. The SHOUHARDO III program, originally from 2016 to 2020, was extended for two years with additional funding to capitalize on and improve the local resources and leadership in order to sustain the interventions that have been in place since 2016. This extension phase (hereinafter as S3X) focuses on two major principles: 1) testing, identifying, and promoting service provision models by the public, private, and community-based organizations and service providers; and 2) mobilizing communities to engage with these service providers to ensure sustained benefit (SHOUHARDO III, CARE Bangladesh, 2022 a). As a result, S3X emphasizes local service provision models to create a broader spectrum of service provision for poor and extreme-poor (PEP) households (HH) to enhance their livelihoods and improve their income. In most of the program areas, the Local Service Providers (LSPs) are at the core of this service provision model and are designed to be implemented in hard-to-reach locations where public and private services are scarce (SHOUHARDO III, CARE Bangladesh, 2022b). SHOUHARDO III selected, trained, and is engaging LSPs from various service provisioning sectors to improve their technical and relevant soft skills and linkage-building capabilities to sustain the program impacts and enable efficient service provisioning by harnessing the local resources. (SHOUHARDO III, CARE Bangladesh, 2022)

Table 1: Number of VSLAs (new and total active) (as of August 2022)

	Adult		Adolescent		Total
	Male	Female	Boy	Girl	
VSLA groups	36	2,329	72	538	2,975
Total members	603	43,427	1,127	8,737	53,894

Table 2: Number of Sanchay Sathi per district			
Region Name	District Name	Gender	Number of SS
Char	Jamalpur	Female	37
Char	Kurigram	Female	88
Char	Sirajganj	Female	31
Char	Gaibandha	Female	76
Char Total			232
Haor	Habiganj	Female	36
Haor	Sunamganj	Female	44
Haor	Kishoreganj	Female	77
Haor	Netrakona	Female	49
Haor Total			206
Grand Total			438

SHOUHARDO III program is successfully implementing the VSLA model since 2019. In order to sustain the VSLA model beyond the program, Sanchay Sathi (previously known as village agent; SS in short) LSP model was introduced in 2019 on pilot basis and in 2020 as first cohort. After analyzing the success of 300 Sanchay Sathi from those phases, an additional 211 Sanchay Sathi were trained in 2021 to implement VSLA in the field as a resource person who will facilitate and form VSLAs in the community in exchange of small fees. All of the Sanchay Sathis receive five days long residential orientation training from the program to start providing services in the community. In the first phases in 2019 and 2020, following the completion of the training, the Sanchay Sathi (SS) were instructed to form at least three new VSLAs in the first year of operation and continue the same afterwards. By observing the success of the first cohort, the second cohort of SS from 2021 were instructed to form two new VSLAs in the

community in the first 3 months of operation. There are a total of 438 SS active in the program areas. The following tables and figures have information on the geographical presence, district-wise presence and group formation.

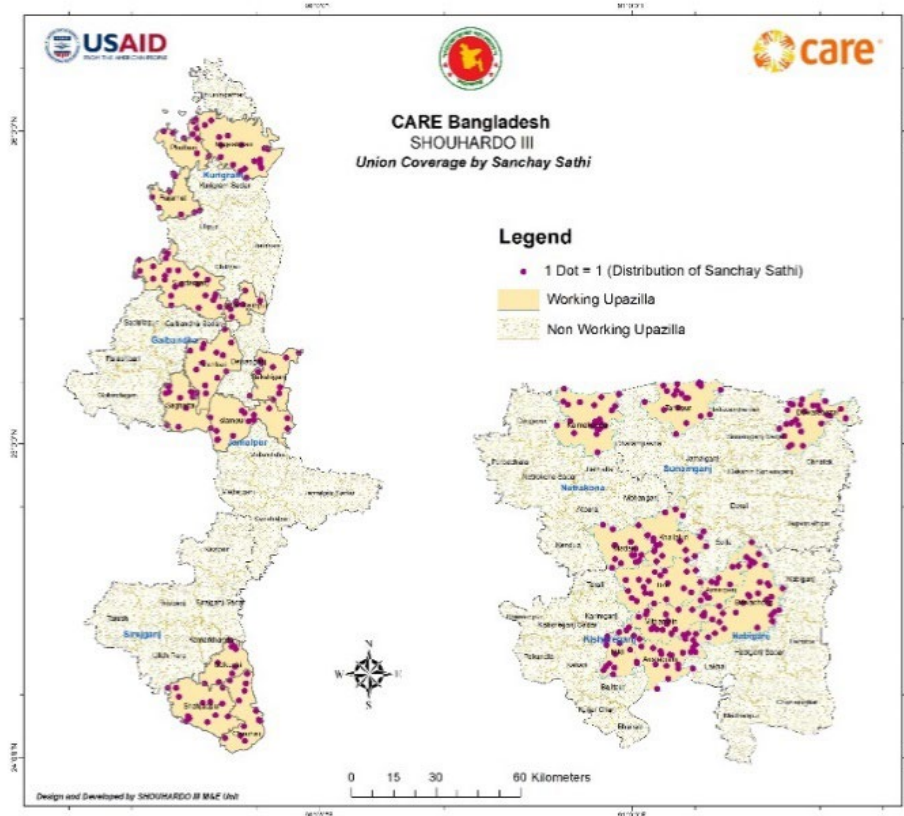


Figure 1: LSP coverage – Sanchay Sathi as of June 2022

Synopsis of Village Agent (VA)/Sanchay Sathi (SS) pilot assessment (SHOUHARDO III, CARE Bangladesh, 2020c)

The Village Agent (VA)/Sanchay Sathi (SS) model was piloted in August 2019- February 2020. Under this pilot, SHOUHARDO III trained 16 SS, who formed 39 VSLAs in eight unions of four districts. This assessment is a situation analysis of that pilot conducted in July 2020 amidst the first initial months of the pandemic. Hence, the data were collected remotely over the phone through in-depth interviews (IDI) and focused-group discussions (FGD). The major objective of this study was to assess the Village Agent pilot implemented by SHOUHARDO III. More specifically, the study aimed -

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

Key findings and recommendation of the Pilot Assessment:

- Income and Motivation: The communities appreciated and respected their works. They developed strong network and interactive relations in the community. The connection between the VAs and other financial service providers seemed to emerge throughout the pilot. Community sought support and information from the VAs. The VAs guided poor women on how to access micro-credit support. Some of the VAs were involved in developing the list of poor and extreme poor population and provided those to different organizations and locally elected officials for them to be able to access relief during the pandemic
- The demand side of the service (Current VSLA members): VA's built awareness on how savings could benefit the VSLA members more in the future, especially during natural disasters, including such pandemics. The group strengthened their social solidarity as they could sit together within a regular interval and share their experiences.
- Challenges experienced by the VAs: Disagreement on the VA's service charges in some cases. Disagreement among members on loan repayment terms. Irregular attendance' of VSLA members in the meeting. Lack of specific location to conduct the VSLA meetings.
- Key recommendations from the Pilot Assessment: The pilot assessment recommended capacity' development by a marketing and sales expert for building the expertise of the VAs. Additional services from the VAs, such as vaccination of poultry/livestock, technical advice on quality seeds, lobbying for safety nets. More details to follow in the findings and discussion section of this report.

Synopsis of quick assessment of Sanchay Sathi in 2022

(Project document: Unpublished)

The objective of this assessment was to explore the current scenario (as of June 2022) of the active SS from a pool of 292. These 292 includes 211 Sanchay Sathi who were trained in second phase and 80 Sanchay Sathi from first phase. The program completed data collection with 288 SS by May 2022.

Key findings:

- The assessment found that 206 out of 288 (71.53%) SS formed two or more VSLAs. A total of 12 out of 288 (4.2%) SS formed groups with adult males from the community.
- Altogether, 223 (77.4%) SS contracted between BDT 1,500 to 1,999 (USD 15.9 to 21.2) mostly. A total of 55 (19%) SS were able to contract above BDT 2,000 (USD 21.2). Twenty SS secured BDT 999 (USD 10.6) and below.
- Among the 288 Sanchay Sathi, 26 (9%) worked in villages outside their own ones.
- Extra Services provided by Sanchay Sathi: Lessons from pilot assessment suggested that, in order to increase SS's acceptance in the community and develop their socio-economic conditions, they should be providing other services to the community. Therefore, a few supplementary activities such as health information service, and

business services were discussed with them. The SS from this assessment provided the following services besides their usual VSLA services:

Table 3: Additional services provided by the SS as of June 2022	
Services	Number of SS providing the services
Vaccination to the poultry	15
Seed selling	29
Health services	81
Selling goods for daily needs	74
Others (Agriculture, Livestock, Tailoring and clothing business, tea stall, bKash etc.)	49

Summary of VSLA operations during January-June, 2022

In the first three months (January-March) of 2022, the program completed the last phase of capacity building of the Sanchay Sathi through refresher training and equipped them with Smartphones to use Sanchay Sathi App for record keeping and calculation, VSLA box¹, videos on the refresher's training in memory card, umbrella and bags. From April to June of 2022, the intervention achieved a record 185 new VSLAs and all formed by the Sanchay Sathi. These groups have 3,261 members, mostly female. Sanchay Sathis also created two new male groups, which is an example of their extraordinary effort to create groups.

VSLAs, until the end of June 2022, generated a total savings of BDT 61.55 million (USD 699,530). In total 2,975 VSLAs are running with 53,894 members ((Male- 603, Female- 43,427, Adolescent boy- 1,127 and Adolescent Girl 8,737). A total of 63 groups completed their share-out process (distributing savings money to group members) during April-June 2022, taking the total number of share-out meetings to 588. The participants invested the money in different income-generating activities, including homestead gardening, rearing poultry and livestock, handicrafts, and grocery businesses.

In mid-June 2022, Sunamganj, Netrokona and Kishoreganj experienced unprecedented flood. VSLAs were proved as an effective tool to meet the emergency needs of flood-affected people. In June, a total of 63 share-out meetings took place during the flood, which provided BDT 5.35 million (USD 60,856) to the 1,260 members of the VSLAs. A member, on average, received BDT 4,500 (USD 48) from their saving during this flood crisis. The money was used to buy emergency food, repairing houses and in some cases to restock the chicken/duck which were washed away during flood.

The program developed and piloted the [Sanchay Sathi app](#)² in Char and Haor region. In June 2022, SHOUHARDO III completed refresher's training for all the remaining Sanchay Sathis. The training resolved the key challenges Sanchay Sathis faced during the formation and maintenance of the VSLAs. In addition, they were taught to form groups and utilize a digital record-keeping system in the Sanchay Sathi App to reduce the meeting duration and ease the share-out process. In this three-day training, they were also trained on other apps like [Bkash](#), [Nagad](#), [Kirshoker Janala](#), [Livestock Diary](#), and [Fosholi](#) which can be very useful to the VSLAs. A total of eight batches with 120 SS of the training were completed by June 2022. In total, 25 batches of refresher's and one-to-one training were completed, where 438 Sanchay Sathi participated in 2022. After the refresher's training, 1,380 VSLA boxes were distributed free of cost among the Sanchay Sathi to motivate them to form new VSLAs. In addition, 3,171 memory cards with training videos of VSLA have been provided to the VSLA groups and Sanchay Sathi so that they can access the resources whenever required for new VSLAs. In addition, 3,171 memory cards with training videos of VSLA have been provided to the VSLA groups and Sanchay Sathi so that they can access the resources whenever required.

¹ A box that VSLA members use to safe-keep their savings

² Sanchay Sathi app is developed with the funding of SHOUHARDO III, CARE Bangladesh and is intended to be used by the Sanchay Sathis to maintain all information in one app. This app is for digital record-keeping of all operations of VSLAs, such as, information on members, share value, loan amount, social welfare fund, loan repayment, service fee of the SS, share-out value and relevant other functions. Often an SS has multiple VSLAs. This app is a one-stop solution to document information in one place. Available in Google Play: <https://play.google.com/store/apps/details?id=com.shomity.rsa&hl=en&gl=BD>

Objective

Key objective: The study aims to capture the high-performing and moderately-performing factors of the Sanchay Sathi local service provider (LSP) model, drawing lessons from the outcome harvesting approach and reflecting on the sustainability strategies in the SHOUHARDO III areas.

Specific objectives:

1. Capture the change factors behind high-performing and moderately-performing LSPs and their performances in their working areas
2. Document the existing challenges/barriers of the scaled-up LSP models and suggest measures to improve with reference to the high-performing ones
3. Reflect on the sustainability of LSP beyond the Program operation and timeframe

Methodology

The initial plan for this study was to follow the outcome harvesting (OH) methodology to identify, describe, and analyze the outcomes (INTRAC, 2017; Kotwani, 2022) obtained by the Sanchay Sathi LSP model. OH is a qualitative monitoring tool that delves deeper into understanding how “to retrospectively identify emergent impact by collecting examples of what has changed in “behavior writ large” (actions, relationships, policies, practices) and then work backwards to determine whether, and how, an intervention has contributed to these changes.” For the current study, the approach was later adapted to a qualitative documentation of SS performances, challenges and sustainability factors of the SS LSP model from the perspective of the SS, VSLA members, key informants and program staff. The OH method was later converted into qualitative documentation as defining the outcomes met with challenges due to ongoing internal databank update.

This current study included a qualitative approach with semi-structured interview with a total of 61 respondents (See Table 4 for details). The study randomly selected 16 Sanchay Sathi for in-depth interview (IDI) from the internal database. This resulted in selecting 14 SS from first cohort and two SS from second cohort for the IDI interview.

Table 4: Summary of interviews	
Interview type	Interviews conducted
IDI with Sanchay Sathi	16
FGD with 33 VSLA members	4
KII with stakeholders	8
KII with SHOUHARDO III colleagues	6
Total interviews	34

Focused group discussion (FGD) with 33 VSLA members from four representative villages (Jamalpur and Sirajganj from char region; Habiganj and Sunamganj from haor region) reflected the community perception and received feedback from the service recipients (see table 5). All adult women members were selected for the FGDs as adult female VSLAs are the highest in numbers and receiving the most services from the SS. It is in the best interest of the program to capture the perception and feedback from adult female VSLA members to feed into the operation of adult male, adolescent boys and adolescent girls’ VSLA to make them more effective in the future. Key informant interviews (KII) with village development committee (VDC) leaders, local government officials (union parishad, family planning, youth development, gono unnoyon-public development), and other local NGO provided an insight into the impact of SS and VSLA models in SHOUHARDO III areas. This study also conducted KII with SHOUHARDO III colleagues to capture the journey of Sanchay Sathi model and VSLA process. The researchers took written informed consent and assent form with all the respondents as the interviews were conducted in-person. The team followed all COVID-19 health and safety protocols according to the Government of Bangladesh and CARE Bangladesh policy. The analysis of this study followed a qualitative narrative discussion with a connection to social capital theory. This report ends with a note on sustainability prospect of the SS and VSLA model within and beyond program timeframe.

Table 5: Details of FGD with Adult Women VSLA members

Region	District	Upazilla	Union	Village	FGD	Respondent
Haor	Sunamganj	Dowarabazar	Laksmipur	Matgown	1	8
	Habiganj	Ajmiriganj	Jalsuka	Uttar Attpara	1	9
Char	Sirajganj	Belkuchi	Daulotpur	Tayashia	1	8
	Jamalpur	Bakshiganj	Sadhur Para	Purba Kamalerbati	1	8

Findings

1) Understanding of Sanchay Sathi and VSLA

It is important at this stage of the program that the understanding of LSP model of Sanchay Sathi and the savings intervention of the VSLAs by the program participants aligns with the program objectives and outcomes. Since three stages of trainings were given to the SS and it has been almost around three years this model is active, the understanding should be clear by all parties. This study revealed that 100% the interviewed SS, VSLA members and stakeholders have the knowledge of SS model, VSLA interventions and possible ways to sustain them in the future.

Understanding of the LSPs (Sanchay Sathi):

According to the understanding of the SS, a Sanchay Sathi is a savings leader of the community who is socially well recognized and is selected for their acceptance and reach in the community. She forms savings groups, called the VSLAs and sees that they are managed well with transparency until the share-out. She assists the community with savings and loan options through forming and maintaining these groups. Apart from these two basic functions, the VSLAs also have a social welfare fund that the SS actively maintains to help people in need during disasters. The SS Jesmin from Gaibandha shared, “*Sanchay Sathi is one of a kind leader; she assists savings groups. She motivates the saving attitude of women in the villages.*”

The VSLAs are formed with 15-25 members consisting usually of women; but recently men’s VSLAs are also forming although low in number. The VSLAs accumulate savings in the forms of share; the share amount is decided based on the affordability of the members starting from BDT 20 to 100 (USD 0.21- 1.07)³. Each member can save 1-5 shares in each fortnight savings date, and can take out loans against their accumulated savings. Share money is distributed among members after 12 months. Following that, either the VSLAs unanimously decide to start another 12-month cycle or discontinue. SS Mukta from Habiganj stated, “*VSLA is an English word. It can be called ‘Grameen Sanchay Reen Songha’ in Bangla. By VSLA, I understand that it is an association where people deposit savings. People get benefitted by the savings and loan options, and Sanchay Sathis get benefitted through earning service fees.*”

Understanding of the community (VSLA members):

The FGDs conducted in four program villages with active VSLA members gave an insight on their understanding of the SS model and VSLAs. The VSLA members in the FGDs responded that the SS is a person who convinced and motivated them toward savings. They also shared that the SS assists them in taking out loans from the groups, and in operating the VSLA as well as providing advices using mobile apps on agriculture ([Fosholi](#)), livestock ([livestock diary](#)), health ([Maya apa](#), [DaktarBhai](#)) and other relevant apps. An FGD participant, RASNA, from Habiganj shared, “*We have a VSLA group consisting of 21 members. We regularly save money by purchasing share in the group meetings. We sit every fortnightly. We deposit our money into the VSLA box that we bought. We provide loans to our members as well. Our SS is running the group tasks very smoothly.*”

About 75% of the FGD respondents were part of a VSLA that was in its second or more cycle; meaning they have successfully completed at least one share-out cycle. The remaining 25% of the FGD respondents were recruited in the first cycle of their VSLAs. As per the information from the members, the VSLA structure strictly follows the program mandated structure of having one president, one box keeper, one information keeper and two money

³ This range is shared by the 16 SS through IDIs

counters. Additionally, there are three key keepers whose presence is mandatory to open the VSLA box. These management committee is elected by the VSLA members from within their own groups. An FGD participant, Ambiya, from Habiganj shared, “We have elected a management committee consisting of 5 group members. These people are our neighbors and we know them very well. This committee operates the VSLA with the support of Sanchay Sathi Narvin.” In each of the savings meeting, shares are bought that range from BDT 50 to 500⁴ each (USD 0.53 to 5.32). Share calculations are decided by the VSLA members according to everyone’s affordability. One member can save up to five shares per meeting which provides everyone with the opportunity to have shares and avoid saturation. The members keep record of all the share and loan information in a registry book. There are a total of 24 meetings for the 12-month cycle of each VSLA. Each fortnight one meeting is dedicated toward share purchase and another is dedicated toward loans. As shared by the FGD respondents, loans are taken out comfortably by more than 50% of the members of their VSLAs. The interest is 5% per month and repayment time is 3 months. If anyone misses the installment, an additional late fee of BDT 5 (USD 0.053) is charged per month. The respondents in Sirajganj FGD shared, “More than 70% of our members have taken out a loan in the past year to survive the COVID-related issues (shortage of cash). Everyone was able to repay and some are still repaying as the interest rate is not heavy on us.”

Apart from share and loan discussion, the VSLA meetings are also utilized as a platform to discuss social and communal issues such as domestic violence, dowry, child marriage, mental abuse and other relevant topics. The FGD respondents from Sunamganj shared, “We found out that we have some time after discussing the savings and management tasks...so we talked about ways to stop child marriage, theft prevention awareness and the evils of open defecation in many of our meetings.”

2) Importance of savings in rural Bangladesh

The community usually missed out on understanding the importance of savings and its long-term benefits before VSLAs and SS, as per the respondents. In the program villages that have VSLAs, program participants are more inclined toward the groups with an incentive of savings than the community groups. This is a positive sign that people are more interested in saving their money no matter how little the amount is; on the other hand, it is also a challenge for the community groups to sustain in the future because the savings or monetary incentive is not there. People from villages that have no VSLA presence have also shown interest in forming VSLAs according to the FGD and SS respondents. They believe that the practice and attitude of savings has improved lives of women in their villages in numerous ways.

For rural women, savings is a catalyst for women empowerment

The key women empowerment elements observed through this study on the VSLA formation are the access to funds in emergencies, women being able to spend money on their own, taking out loan when women/ their families needed it, group cohesion within the VSLAs and SS being locally resourced women who are driving the VSLAs along with motivating the participants to improve savings attitude.

All of the (100%) 16 interviewed SS believe that savings is a life-saver during emergencies (such as disasters, shocks), and women are greatly helped with savings. The respondents from Sirajganj FGD shared, “Saving groups are an important element in disaster response. We can help others from our welfare fund...the community relies on us to some extent when they are struggling.” There is a lack of resources available for women to save their money, either it is the lack of information on where to save, or the stigma of microfinance companies exploiting the women for the little money they have. Depending on husbands or other members of the family (especially the men) was the only source of money for many rural women, which has improved since the SS model was initiated and VSLAs started to form. The VSLAs are empowering women in terms of having access to funds to spend in emergencies, for family, children, and even on themselves to buy things they love. The savings money and contribution in family expenditure (after share-outs) has improved the women’s status within the family as well; as they are included in major family decisions such as buying cows or other livestock, selling produces, children’s education and other matters. The women also used the savings and share-out money to invest in IGAs such as tailoring, and buying sewing machines. An SS Shilpi from Netrokona shared, “Savings makes future...rural women invest the savings money for income generating options, such

⁴ This is the range shared in four FGDs and does not represent overall range of share value.

as, duck/chicken/goat/cow rearing and agriculture. They reinvest in medium and big income businesses such as grocery shops, clothing, leasing lands and other options. When women start to manage their own money, they gain respect in their families and communities.”

“Saving money is helpful for us (rural women) in many ways. We can get profit from saving regularly. If we save BDT 100-200 (USD 1.06-2.13) per month, it will help us manage any future shocks (fire, theft, death of family member, accidents, crop damage, flood, and surge of COVID infection) that we might face. We can also help others (such as pregnant women, sick, very needy people) cope with any shocks using our welfare fund. We can meet our emergency family needs by taking out loans if there comes a time when we do not have cash available to us, especially during the rainy season when there is no agricultural work. So, we try to buy more shares from the VSLAs. Sanchay Sathi motivated us to save in the group. Program staff from SHOUHARDO also motivated us to save more. They come to our meetings every now and then to emphasize on the importance of savings.”
- Respondents from Habiganj FGD

Men in the families are less burdened to be the only source of income for their families where the rural women are VSLA members in SHOUHARDO III villages. The VSLA women acquired ownership of their money through VSLAs by observing and being a part of the group management system. This ownership translates into making decisions of the spending of their own saved money or the loan they take out from VSLAs. An SS Rashida from Sirajganj shared, “Savings is important for the rural women because they are often neglected in the family and society. They have no freedom of expenditure as well as access to decision-making in the family. Having money at hand and spending after family needs contributed in mending these gaps.”

This study revealed that the activities in the VSLAs improved the group cohesion, networking, roles within the families and social capital of rural women. VSLAs are a platform where they discuss their financial issues and find a solution to them. The members also utilize the VSLA meetings to discuss any business-related topics with the SS as they respect the SS (also a businesswoman) who is providing her services through VSLA management. A local businesswoman (SS in this study) turned out to be a strong social capital for other women in her community. The intra-group support available for the members within the groups is also a source of social capital for rural women. The discussions do not only end with business discussions only but also cover other topics of health, agriculture, and domestic issues (such as violence or contradictions). VSLAs became a platform where social issues were discussed followed by the discussion and tasks on savings and loans. This is deemed as a powerful combination by the SS as they could observe changes in multiple groups, they formed over the past two and a half years. In addition, the respondents from Jamalpur FGD expressed, “This saving group helps us in different ways, especially as we are rural women. We have a strong bond within the VSLA. Seeing our strong bond and regular meetings have helped other women in the community positively change their mindset on savings and realize its importance. They already saw (this was her second VSLA cycle) that even after being poor, we can take out loans easily from this group when we needed money...which was immensely difficult or not possible from other sources. By observing the faith that we have in each other and other group activities, women in our and neighboring villages, along with men, also are showing interest to form VSLAs of their own.”

Comparative advantages of VSLAs over MFIs

In terms of loan-taking, women are often neglected by the Micro Finance Institutes (MFI)s in the rural area because they ask for a small amount and barely manage to have a guarantor, as per the FGD respondents. In emergencies, women do not have access to emergency funds, which is often not a big amount. Even though some women take out loans from the local MFIs or NGOs, that entails a high-interest rate which makes the repayment difficult. The

Md. Abdul Ahad (Upazila Youth Development Officer from Netrokona) shared, “I have visited many of the VSLA meetings in our village. Communities greatly benefit from the services provided by Sanchay Sathis. When people are seeking loans from MFIs or other NGOs, they have to repay that with high rate of interest within strict rules and regulations. If one fails to repay the loan instalments, the MFIs or NGOs pressure them to meet the amount. VSLAs and SS in this case provides some sort of flexibility for the ones seeking loans. If anyone cannot repay the instalments on time, all the respective VSLA members discuss the issues the loan recipient is facing and take a collective decision on what to do or fix the next date keeping in mind not to add more burden to the loan-taker.”

VSLAs provide a safe-space for these women to ask for a loan, no matter how small the amount is, and take care of their and their family's emergency needs. The interest rate is at 5%, which is affordable compared to other loan-granting authorities. The loan-takers also do not have to go through extensive and lengthy processes because they are already a part of the VSLAs. The social welfare fund is built on this principle that it is meant for women in dire need. The respondents from Habiganj FGD shared, *"We can take out loans from our group. If we take a loan from another organization, we have to give high interest. In any emergency requirement, we could also help our neighbors with the money from the welfare fund of the group. We can contribute to our family as well as face any shocks financially in the family. Even other women of the community are becoming interested in VSLA day by day. They like it very much for its easy accessibility. For example, we helped one neighbor by giving BDT 300 (USD 3.2) at the funeral of her husband."* Upon asking the VSLA (FGD) members on taking out loans from other MFIs of NGOs, they shared that there is CCD⁵, BRAC⁶, and ASA who have loan options for however the process requires a lot of documents, collateral, membership fees and references/guarantor. An FGD participant, Josna, from Sunamganj said, *"NGOs charge higher interest than our VSLA group for any kind of loans. Their savings system is not like ours... they have microfinance system. A membership fee and mandatory timely meeting attendance are needed along with a recommendation to apply for a loan. Our VSLA group is better in this regard. We can take out a loan from VSLA on time when we need them without having to go through all this. It is easily accessible by the members... We have an ownership of the VSLA operations."* Regular saving has become a habit for VSLA women (including the SS) because the women are able to spend the money any time they want. Savings in a group is much more profitable because money can be deposited according to the members' ability, loans can be taken out on time according to their needs, the poor can be helped with welfare fund, and at the end of the year, equal amount of profits are made.

Impact of VSLA on Sanchay Sathis

As per the program mandate, the SS were chosen from the active members of VSLAs. Hence, all of the SS respondents in this study were a previously a member of VSLA before becoming an SS, and currently are members of other VSLAs apart from the ones they are managing. This entails that the all of the SS have first-hand experience on the benefits and challenges of VSLAs, and immediate and long-term implications of savings. However, similar to most of the VSLA members they motivated, three out of 16 (18%) SS respondents did not trust VSLA at the beginning because it involved saving money in an unfamiliar environment. Later when program staff convinced them (meeting them regularly, discussing the benefits of sharing and the use of saved money, utilized then-current members to talk to potential members, inviting them at the community leaders' meeting to discuss) to try VSLA on a trial basis, it led to their first share-out making them believe in the system. Two cohorts of SS received residential training from SHOUHARDO III which boosted their confidence in forming new groups. They understood the nuances of investing money in VSLA and were able to connect with similar people in their communities in order to convince them to use this platform for saving. The support provided by SHOUHARDO III drove the rural women to take part in VSLAs in the program areas, from which some became SS who led forming other VSLAs. From members to becoming savings leaders in their communities, these women (SS) further bolstered the group cohesion and networking by actively engaging the VSLA members (majority are women) to attend meetings regularly, grow a habit to save money through VSLAs, motivate other non-VSLA women toward savings, seek loans in emergencies and contribute financially in families. This study found that six out of 16 (37.5%) SS respondents shared that they were eager to start saving money with VSLAs as they have seen other people (then VSLA members) in the community getting benefitted from it. These SS were also looking for a way to save money and trusted SHOUHARDO III hence was excited to be a part of the VSLAs. This reflects on the program's strong and effective approach at the village-level implementation through highly engaged program staff; their plan to constantly motivate and show real-life examples was working (mentioned above). The same plan also worked later when the SS started to motivate women (also men in some cases) to start saving using VSLA platform. The SS were able to share their own experience of VSLA and convince people to become members of the new VSLAs they wanted to form. By empowering the SS, the program in turn empowered the community women toward having ownership of the money they saved. An SS, Narbin, from Habiganj shared, *"For me, it is impossible to save money without a group. Banks have rules and regulations of management, and the process is difficult to understand. So VSLA is very important to me. I am separated (Divorced) from my*

⁵ Centre for Collective Development

⁶ Bangladesh Rural Advancement Committee

husband and live with my father's family. I have a child. Saving money is my lifeline to secure my child's future. SHOUHARDO staff motivated me to save money and I inspire others to save money by becoming a Sanchay Sathi." Being an SS and part of the VSLAs for around two years contributed in improving the recognition and popularity in the community, as discussed by SS Rena from Kishoreganj. Her networking, and in turn social capital, has grown as she knows more people than she did before being a part of the VSLAs. SS Shilpi Rani from Netrakona shared, "It is important for me, because, I am saving money which is being reinvested for big income sources (homestead vegetables cultivation, duck/chicken/cow rearing) and generating other income sources. It is a good thing. If I continue it (savings) properly, I will make money and can contribute more to my family expenditure even more. It became a part of my life because it brings income for me, I can spend time staying at home, I can mix with our neighbors and have a good connection with them...it (VSLA) is a good activity, it has a good group management system, other members of the groups can also have savings...this really inspired me. SHOUHARDO program staff, VSLA group members and my family, especially my husband motivated me into becoming an SS and continue my savings practice with my current VSLA."

The importance of savings is not only bound to financial empowerment for rural women but also is a catalyst toward women empowerment as well through the SS themselves and the improved financial agency of women.

3) Current scenario of the Sanchay Sathis and VSLAs

(Income from VSLA, groups formed, other sources of income, services, investments)

Currently there are a total of 483 active SS who received a refreshers' training in 2022. This study randomly selected from the program database and interviewed 16 SS, of which 14 are from first cohort and two are from second cohort. The SS from the second cohort have their first cycle of VSLAs and did not have any share-out as of yet; hence their income is not mentioned in this section. Both of them have formed two VSLAs each with an agreed service fee of BDT 1,500 (USD 15.9) to be given at the share-out meeting after the 12-month cycle.

The table below describes the current scenario of the 16 interviewed SS. Notably, nine out of 13 SS (who has ongoing income from VSLAs) are earning more as an LSP than other income sources.

Table 6: Current scenario of the Sanchay Sathis from this study

Name	Area	Tenure of work as SS (Month)	Number of VSLA formed (total 76)	Avg. Days require to form each VSLA	Total Income as LSP (BDT) (as per share-outs)	Sources of other income	Average Monthly income from other sources (BDT)
Hasna	Gaibandha	3	2	9		None.	
Jesmin	Gaibandha	4	2	15		Cow, goat, duck and hen rearing	3,000
Mukta	Habiganj	13	4	18	1,500	Selling mobile minute cards, mobile internet packs, cow rearing	500
Narbin	Habiganj	12	5	18	5,500	Selling mobile minute cards, cosmetics and baby dresses, tailoring, embroidery	5,500
Nasima	Jamalpur	36	6	12	9,000	Poultry and livestock rearing, selling different seeds	1,100
Shamima	Jamalpur	36	5	18	7,500	Poultry and livestock rearing	1,200
Rena	Kishoreganj	18	7	28	10,500	Selling eggs, readymade dresses and fabric, tailoring	10,500
Roksana	Kishoreganj	20	7	60	5,200	Sewing and selling yarn buttons. Have a small business of selling plastic goods which started with LRA ⁷ support.	Did not share
Konika	Kurigram	24	5	30	2,000	Tailoring, rearing cows, goats and chickens	3,500
Rabeya	Kurigram	24	5	30	1,000	Rearing goats and chickens	1,500

⁷ Livelihood rehabilitation assistance (LRA) to the Deep Haor and Remote Char participants by the program

Mala	Netrakona	18	4	45	3,000	Rearing poultry and goats	1,000
Shilpi	Netrakona	24	2	30	3,000	homestead vegetable cultivation, rearing duck/chicken/cow	1,200
Moyna	Sirajganj	24	6	30	6,000	spinner/yarn work	1,000
Rashida	Sirajganj	18	4	10	4,500	Rearing cows and goats, tailoring and selling self-made Nakshi Katha	6,000
Jahanara	Sunamganj	24	8	22	2,500	Rearing goats, selling cosmetics and working as a vaccinator	6,000
Shahanaz	Sunamganj	24	4	22	6,000	She is also working as a health worker with BRAC, assisting PCSBAs at the nearest Community Clinic and house to house for safe delivery, working as a vaccinator.	2,500

The SS respondents in this study formed a total of 76 VSLAs in their overall tenure since 2019. Two out of the 16 Sanchay Sathis (SS) from the second cohort did not have any income from VSLAs. The remaining one SS did not feel comfortable mentioning the income amount she earned from other sources. In addition to this, one and three adult male VSLA groups were formed by SS Narbin and SS Mukta respectively from Habiganj. Another adult male VSLA group was formed by SS Jahanara from Sunamganj. SS Konika and SS Rabeya each formed one adolescent girls' VSLA group in Kurigram. According to the SS (IDI), the adult female VSLA members are engaged in homemaking, homestead gardening/vegetable sales, eggs and poultry sales, cow/goat/chicken/duck rearing, tailoring, handicrafts, day labor, agriculture/sharecroppers, spinning/ yarn work and other IGAs in their groups. The adult male VSLA members are mostly engaged in farming and as day laborers. From the FGDs, the respondents are VSLA members for 15 months to 4 years. Majority has multiple years' exposure to VSLAs and SS model.

It is important to note that, the program set a target for the first cohort SS to form at least three VSLAs in a year, and for the second cohort SS to form at least two VSLAs in the first three months. From Table 6, it is seen that six out of 16 (37.5%) SS achieved more than 100%, and five out of 16 (31.3%) SS achieved more than 80% of group formation target set by the program. SHOUHARDO III program staff Md. Abul Hossain shared, "The second SS cohort's VSLA formation target was set after observing the successes of the pilot and first cohort of SS. Some of the high achieving SS could form more than 10 VSLAs within two years of starting their services."

Services offered and the process of forming VSLAs by the SS

As described by the SS and VSLA members through the interviews and discussions of this study, the following services are provided by the SS:

- Forming new VSLAs
- Assisting to form VSLA management committees and finalizing their responsibilities
- Conducting training sessions on group operations
- Conducting group meetings regularly and motivating members for full attendance
- Assisting in regular deposit of savings
- Assisting with box purchase and maintenance
- Assisting in loan-taking
- Motivating group members on savings and loan utility
- Assisting in record-keeping
- Assisting in utilizing the Sanchay Sathi app. Five out of 16 SS mentioned using the app for VSLA management
- Providing on-demand savings-related and financial counselling through phone or in-person (as SS is always nearby because they are from the same village)
- Others-

- Advising the members on general health issues (such as cold fever, nutritious food, safe drinking water, hygienic toilets, family planning) by using Maya apa app
- Spreading awareness on COVID-19, and encouraging the members for COVID-19 vaccination. Also encouraging for vaccination of poultry and livestock
- Providing pesticide advisories using Krishoker Janala app
- Providing solutions to agricultural issues along with advice (such as pest control, diseases management, linkage with private and public sectors) using smartphone provided by the SHOUHARDO III program.

SS Rena from Kishoreganj shared, *“Other than the savings services, I shared information about quality seeds and where to get them. I received this information about a local seed seller (MSR) from SHOUHARDO staff. I also advised the participants to visit the doctors if they are sick.”* All of the FGD respondents were pleased with the services provided by their SS. They also mentioned that since the SS were from the same village as them, they felt they could rely on the SS for timely advice related to not only saving but also income options, businesses and other pressing issues (such as agriculture and health). The respondents from Jamalpur FGD shared, *“We know our SS from before as she was involved in various activities of SHOUHARDO program. She has diversified knowledge on many social issues (such as health related information, evils of child marriage, and vegetable gardening) apart from savings and VSLA. She shares various information with us in the meetings after the VSLA operations are completed for that day”*

Nurun Nehar, a SHOUHARDO III staff from Gaibandha shared, *“The Sanchay Sathis offer additional services or supports to the community besides navigating their savings groups. They sometimes take women to the community clinics or hospitals when they are sick, help developing linkage with the local government to access Social Safety Net Programs (such as VGD, VGF card for women), and disseminate DRR messages. The Sanchay Sathis do not get paid for offering these additional services...rather they do them voluntarily for humanitarian reasons.”*

The SS shared their mobile phone numbers in the VSLAs which the members can use anytime to communicate. The SS also communicate through phone and motivate the VSLA members to increase their share amount or buy more shares as it will result into more profit and improve the savings habit of the community. Additionally, the SS visit the VSLA members at their houses to discuss and motivate about saving and investing more. The constant motivation by a woman to other woman in the villages has increased representation of women in business. The respondents from Habiganj FGD echoed with the Jamalpur FGD respondents, *“Our village is situated at the bank of Kushiara river. Inhabitants from other areas of the riverbank are also interested to be a VSLA member by seeing the success of our group. We can now utilize cash into savings and take out loans. Sanchay Sathi insisted us to do invest in rearing livestock and poultry by taking out loans from the VSLAs. She always discusses some social issues at the end of our meetings which support us in our family dynamic. Our respect within the family increased because we now have ownership of some amount of money and have knowledge of many topics. The VSLA members (women) are now conducting a few meetings and discussing their concerns and demands... We talk to each other (group members, neighbours, community) more than before being a part of VSLAs. We try to always wash our hands along with our children’s hands after defecation, before eating, and after work to avoid diarrhoea. We do not defecate openly now. We raise our homestead before flood. We take services from the apps through Sanchay Sathi’s phone. All of these are the result of the active discussion we have in each of the meetings.”*

The FGD participants (SS) explained the group formation process as designed by the program and ways they mix it with their personal knowledge, capacity and networking. As the SS shared, the program selects the SS as a first step and they receive five days long residential training on VSLA formation and management from SHOUHARDO III. Later, the SS select their working areas in consultation with the program staff. The next steps of this process as stated by the SS are as below.

1. Establishment of communication with the VDC president (or other prominent community leaders) seeking help to create a new group. If they agree, the date for the preliminary meeting is discussed along with a list of potential members is produced who might be interested about being a part of the VSLA.
2. VDC president, SS and program staff mobilize the villagers and conduct door-to-door visits with the potential VSLA members. They decide on a preliminary meeting date to introduce or discuss the formation of new VSLA groups. SHOUHARDO III staff introduces the SS in that meeting. SS Mala from Netrokona

shared, “Since the SS is from the same village, it is easier to introduce us in the community as they know us from before. The community also accepts us easily with the help of SHOUHARDO staff.”

3. In the preliminary meeting, the SS, VDC president and SHOUHARDO staff sit with the potential VSLA members (program participants) and talk about VSLA, and motivate the poor and extreme poor women in the village to form VSLA groups. The SS explains to them what will happen if they save and what are the benefits of savings (profit, loss, loan, and its use income-generating activities). SS Konika shared, “If I somehow cannot convince the members to form a new VSLA, the program staff, and elite person from our village arrange additional meeting to counsel people about benefits of savings. We encourage the members to visit other VSLA group meetings and sometimes share stories of VSLA members who got benefitted by this process.” The respondents from Habiganj FGD shared, “Initially we were worried about our money security. We are poor...any amount of money is a big deal for us. Some of the members in the first meeting did not agree to give our money to others even if it was for savings. Our SS explained to us why saving was important for us, especially for women. When we need some money or a loan to meet some family emergencies such as children's medical costs, we (women) do not have or get anything on time from other people. Rural women usually stay within their communities and so when there is a sudden need of money, they do not have the cash and often are unable to go outside their villages to find some money or loan. Rural men usually move to other places for work and can manage emergency money. This is why we agreed with SS...rural women's confidence grows by savings.” The strong counselling and convincing make the member believe in the SS with their money that will be saved for their future benefits. SS Mukta from Habiganj echoed with the FGD respondents from Habiganj, “I have to convince the members by saying that I am ensuring them about the security of the money. There will be three locks and keys for the box. Three VSLA members will keep the keys, and one member will keep the box. So no one can open the box without the presence of these four people along with the VSLA management committee. I could convince the member who were worried about their money security and later formed a VSLA with them. I had to work hard in those initial days. It took almost 15-20 days for this initial process.”
4. In the preliminary meeting, the first date of the VSLA meeting is fixed with the members.
5. In the first meeting, the executive committee of the VSLA is formed through election.
6. After forming the committee, the constitution, share price, social welfare fund, record-keeping, meeting dates, and other relevant tasks and action points are discussed and finalized. In this stage, SS also finalizes her service fee through written contract; the service fee will be provided at the share-out meeting. The respondents of Sirajganj FGD shared, “In the first ever meeting of our VSLA, we discussed the goals and objectives of the saving group in detail. We need a leader to conduct everything smoothly and our SS is helping us with that greatly.”
7. The SS buys VSLA box with the first deposit of savings from the members.
8. The SS conducts regular meetings as agreed by all members.

Income, control over earnings and recognition of Sanchay Sathis

In this study, the income of SS means the service fee that the SS receive at the share-out meetings. This takes place at the end of each VSLA cycle and occurs once a year for one VSLA cycle. The program intended that the SS negotiate and fix BDT 1,500 (USD 15.9) as their service fee per VSLA which is the case seen through this study in 14 out of 16 (87.5%) of cases. One SS received BDT 1,000 (USD 10.6) and another received BDT 2,000 (USD 21.2) in one of their share-out meetings. This range of service fee is satisfactory to 81.3% as only three out of 16 (18.7%) SS felt that the income was not satisfying because the amount is small and received only once a year and that too at the end of the VSLA cycle.

Albeit a small amount, the income is helping the SS in IGA, within their families and communities. About 50% (eight out of 16) of SS shared that by contributing financially in the family expenses they are more included in the decision-making in various family matters, especially by their husbands, compared to before becoming an SS. Their respect has improved within the families and community. SS Mukta from Habiganj shared, “My family was very helpful when I was forming the VSLAs. My husband also communicated with and counselled the men in our village on my behalf...He asked them to talk to their wives in joining my VSLA. In our community, we are like family who respect each other. I am their younger brother's wife. I talk to them with respect. Although some of the people were concerned in the beginning about how this model will work. I had to work twice as hard in those days to convince and motivate them. I too

have family chores and have to manage them on the VSLA meeting days. Being an SS allows me to take care of the chores as well as invest my time and money in income generating options such as cow rearing. I am contributing to my family expenses with the little income I gather. I mostly spend my income after my children's meals and studies. Seeing this, the community respect me more than before. A lot of people know me now. Their confidence in me grew even more after receiving a smart phone from SHOUHARDO program. Villagers ask me for suggestions related to health and agriculture by seeing that I can get information through my smart phone." Another SS Moyna from Sirajganj shared, "Before becoming a Sanchay Sathi, my husband never shared anything with me in the family regarding any activity but now everyone shares, such as purchase of nutritious baby food, purchase of goats and daily expenses of the family."

The income and savings leadership of the SS and VSLA women, respectively, in the villages is inspiring other women to come forward and follow in their footsteps in doing something on their own. All of the FGD respondents shared that by seeing their support system, bonding and the reliability that they have on the SS, even the non-program women participants, and sometimes the men, are inquiring about joining or forming their own 'savings box and group'. Momota, an FGD respondent from Sirajganj, shared, "I am proud that I am part of our VSLA...it has helped me when I was in dire need of money. During COVID period when my family had no work, I took out a loan from our VSLA and spent it on family necessities. I got the loan quickly on time and I did not need a guarantor. A lot of our neighbors (who were not VSLA members) were struggling to manage a loan from the local MFLs and NGOs during the pandemic as they also had no money at hand. Their loan requests were either not granted or took a long time."

"My husband is also happy as I am helping him with family expenditures. Ultimately my dignity has increased in the family. I am known to all in my community. Local people honor me. Recently I received a smart mobile phone, a bag, and an umbrella from the program. I can also provide services from mobile apps. People are giving importance that their SS received a smart phone from the program which improves her status in society." - SS Nasima from Jamalpur

Six out of 16 (37.5%) SS shared that, as they had the ownership of the money and freedom to spend money where they wanted, they invested their money for their children's education, nutritious food purchase, various family expenses and on something of their choice (such as cosmetics, jewellery, cloths). Spending money on non-essential and something of the women's choice is an example of expansion of agency of women on the control of money. As per the FGDs, rural women are the responsible people for fulfilling their duties toward their husbands, in-laws, children and other household matter. Buying something for their own whims is deemed as luxury to many women as their thoughts are crowded with meeting the bare essential needs. The SS model and VSLAs are providing an opportunity to these women to fulfil their wishes by providing them with extra money through service fee and savings; even though it is once a year for one VSLA.

Livelihood diversification from the money obtained from share-out/ service fee by Sanchay Sathi

The SS are responsible for forming VSLAs in their villages. However, they are also members of VSLAs that they themselves did not form. This rule was imposed by the program to avoid any biases or discrimination across the VSLAs. George Nokrek (SHOUHARDO III staff) shared, "The 'Sanchay Sathis' are encouraged to be a member of other VSLAs in their villages. The program wanted to promote the benefits of savings at all levels hence it was important that SS also were receiving the benefits of VSLA membership. It helped strengthen the members' trust in SS when they first approached to form VSLAs."

Apart from this, 12 out of 16 (75%) SS invested their service fee into buying livestock and poultry. Altogether, 14 out of 16 (87.5%) SS invested the money in an income-generating option. Particularly, this is the money they could spend on their own accord. The decision-making and ownership of such expenditures and purchases is what SHOUHARDO III was intending to get through their sustainability approach. Few details of investment of 16 SS are as follows-

- Nine out of 16 bought livestock for business
- Two out of 16 bought poultry for business
- One person invested in both livestock and poultry
- Two out of 16 invested in tailoring business by buying sewing machine and clothes
- One SS leased a land for farming

- One SS spent for child's medical treatment
- One SS spent on daughter's wedding

It is evident from the findings that the SS are expanding their income options with the service fee received through forming and maintaining the VSLAs and money generating from savings from their own VSLA memberships. These two sources of money is crucial for these women to maintain being an earner in the families and within their respective communities. These sources are also directly engaged with the SS who have the control of expenditure resulting into ownership of the money, regardless the amount. Even during the flood and lockdowns during COVID-19, these SS utilized the money to meet their family's needs (through share-out or loans) and also helped other people in the community (from social welfare fund) to survive and recover from the crises⁸. SHOUHRDO III's aim for women to have economic empowerment through sustainable financial inclusion and VSLAs are doing a justice to this cause. Diversification of livelihoods for rural women paves the way for having multiple available income options. If these women face challenges with one option, they now have the knowledge, network and confidence to seek other income option and in most of the cases, have multiple options. This increases the financial contribution of women in their families and also provides the opportunity to actively plan the business or income option they want to pursue. To support the business ventures further, the program provides multi-level support to the participants through business and skills training, one-on-one counselling, on-the-job training, market orientation, and linkage with public-private entities. All these lessons, training and practices are being imprinted on the minds of the SS who are gaining skills to continue their approach toward livelihood diversification and have the strength to graduate from being PEP population; even beyond the program timeframe.

"I know everyone in the area...after I started working as a Sanchay Sathi, I started receiving more orders for my tailoring business than ever before. In one of the meetings after we were done with the VSLA tasks, I showed them my tailoring skills and some products I made. Seems like they really liked it. I also sell shoes and a variety of plastic items through a small wholesale business in the meetings sometimes. Currently, my monthly income is BDT 6,000 (USD). Being a Sanchay Sathi has really boosted my income...more than I imagined."

- SS Roksana from Kishoreganj

Utilizing savings money by VSLA members (FGD respondents)

The members of VSLAs in this study shared that they spent most of their share-out money in buying livestock or poultry and materials for homestead gardening. Some of them also shared that they invested the share-out money in preparing for the disaster response (flood). The respondents from Sunamganj FGD shared, *"There was water everywhere (during flood) last year (2021). Some of us raised our homestead with the money we received from previous VSLA. We also bought and stored some dry food, and matchboxes before the flood. We still had some money left to spend on family needs during the surge of COVID infections."* The VSLA members mainly invested their share-out money in-

- Disaster preparation
- Buying and rearing livestock and poultry
- Buying fertilizer, seeds, pesticides and leasing land for homestead gardening and farming
- Family expenses
- Children's' education

Steps taken by the Sanchay Sathis to increase income

Majority (10 out of 16) if the interview SS in this study formed new VSLAs to increase their income. SS Rena from Kishoreganj is denoted as one of the high performing SS by the program staff in the region. She formed seven VSLA groups in 18 months of operation. A few of the SS have expanded their operation in other nearby villages along with having multiple VSLA in their own village.

The SS are also utilizing the VSLAs to promote their businesses and sell products such as mobile phone minute cards, baby's dresses, cosmetics, seeds, eggs, Nakshi Katha, or produces (homegrown vegetables). SS Rashida from Sirajganj

⁸ Check out the video on VSLA women helping other women in the community during the pandemic: <https://www.youtube.com/watch?v=cjif41Z2Q4Y>

shared, “I have four VSLAs. I am also a member of a VSLA where I save my money. From my previous share-out, I spent my money on cow feed. I have a handicraft business where I make Nakshi Katha. I take the products (Nakshi Katha) to my VSLAs to show them my work and ask them to promote it to others in the village.”

4) Changes after forming VSLAs

Through field observation and findings from this study, several intended and unintended positive changes were observed with the SS and their working communities after the SS and VSLA model were introduced. The changes are noted as shared experiences from the SS, VSLA members and key informants present in the VSLA villages as of April 2022. The 16 SS in this study shared their changes after being part of the LSP model as follows-

Table 7: Increased capability / improved skills of SS as per their interviews		
Increased / Improved	Out of 16	Percentage
Skills to motivate others on savings	13	81.3%
Skills to motivate others on other miscellaneous things than savings	4	25%
Family support to work outside home and importance within family	9	56.3%
Respect in society	9	56.3%
Income	13	81.3%
Interpersonal skills with community members	16	100%

Interpersonal skills, networking and in turn, social capital of rural women is positively changing through the VSLA platforms. SS Mala from Netrokona shared, “Through the VSLA meetings, women of the village are meeting twice a month. This allows them to be in close-contact with each other. They share their thoughts and emotions with each other which makes their relationships strong.” The simple nature of regular meetings and interdependency are flourishing the trusts of VSLA members with each other and on the SS. The soft skills improvements in SS are also helping them boost their confidence to grow more professionally, form more VSLAs and improve the savings and financial practice of the overall women of the communities. The SS and the members are also investing their share-out money in income generating option (sometimes in more than one, see Table 7) which is contributing to the livelihood diversification quotient of the program’s approach. The reliability of the VSLA members on the VSLA in emergency (medical, accidents, theft of assets, shortage of cash), shocks and disasters has proven to be a strong benefit by the FGD respondents.

This study revealed that 13 out of 16 (81.3%) SS confirmed to have confidence in forming and maintaining VSLAs in future when SHOUHARDO III phases out from their villages in the future. Their stance is that they are not worried about the program’s absence in their villages, rather they will miss the support from and connection with program staff. SS Mala from Netrokona thinks she can now run the VSLAs individually. SS Narbin from Habiganj, who is also recognized for her higher level of performance as an SS by the program, shared, “I now have experience in forming five VSLAs in a year. I am confident that I will be able to form new groups on my own along with motivating the women to have savings, negotiating my fees, finalizing the share amount, and maintaining the regular group activities. I believe I can do this without SHOUHARDO’s or anyone else’s help. The women in my village have that much respect for me after seeing my performance.” The SS expressed that it would be helpful for them to sustain in the future if the program provides refreshers’ training of negotiation and introduce the SS in new communities, even the non-program villages. It will help them to establish linkage with local elites or community leaders. The SS also shared that before the program phases out, it will greatly help them if the program staff assist in linking with private organizations for additional income options. If they encounter any problem, the SS shared that they will get in touch with the VDC or UP to find a solution. They also expressed that their relationship with the SHOUHARDO program staff is not something that will go away with the program. SS Moyna from Sirajganj shares, “In case I face any problems in group formation or with service fee, I hope FT brothers and sisters will assist me finding a solution through phone calls even after the program goes away.”

5) Support from SHOUHARDO III

One of the crucial drivers behind the motivation of SS to form new VSLAs has been the support they received and continues to receive from SHOUHARDO III staff throughout the VSLA formation process. SHOUHARDO III staff are given a module⁹ in Bangla that has step-by-step process of supporting SS in forming VSLAs. From the program perspective, there are four stages of forming a VSLA. SHOUHARDO III staff are instructed to shadow the SS in the first two stages and decrease engagement to give promote and provide ownership of the VSLA management to the SS in the last two stages. The SS model is intended to be a sustainable LSP model as from field observation and data from this current study witnessed that so far in the VSLAs that had a share-out, the SS were able to conduct meetings with minimal or no help from the SHOUHARDO III staff after the first few meetings at the beginning of new VSLAs. SS Konika from Kurigram shared, *“SHOUHARDO program has been like a roof over my head while I became a Sanchay Sathi. After I was selected and received the training, the program staff helped me in reaching out to the VDC president, selecting VSLA members, naming the group, learning group management techniques, monitoring the group’s register and motivating me to continue forming new VSLAs. I have formed four adult females and one adolescent girls’ VSLA in the last two years.”* The motivation techniques applied on the SS are also a learning curve for them which they further use to motivate the community in forming new VSLAs.

All of the four FGDs shared that the main motivation behind them joining savings group was driven by their SS and SHOUHARDO III staff. The SS were from their villages, for which they felt secure with their money even though some had doubts. Reassuring that the money will be handled by the VSLA members and the SS motivated the community to be part of the VSLAs. The SS and program staff also shared inspiring stories of other VSLAs to motivate the community to adopt the practice of saving. Respondents from Habiganj FGD shared, *“Our SS Narbin and SHOUHARDO’s Rafiqul Bhai both have motivated us toward savings practice. They encouraged us to form a VSLA. Talked to us about the importance of savings and doing it in a group. Our families also cooperated when we formed the group.”* One Habiganj FGD participant Erono added, *“Narbin sat together with us by calling a meeting. She wanted to form a VSLA group. She told us it will be very helpful to us as well as meet our family needs. She said that VSLA group members can get a loan three times against their savings with the interest rate of 5%. There will be a provision of a fine for late repayment if someone does not repay the loan within three months. She is the reason we could save some money that we never thought we could. Usually when we have some money at hand we spend it to buy many things...not necessarily it is always to meet the essential needs. Sometime we spend some extra money to buy the children some knickknacks or something that my husband or mother-in-law wanted to eat. When we are setting aside money as savings regularly every month, we realize we too can have savings.”* Seeing the success of the VSLAs in Purba Kamalerbati village of Sadhur Para Union, Bakshiganj, Jamalpur, a few people (who were not part of any VSLA) contacted the respective SS Shamima, requesting to get involved in the existing VSLAs. Since the VSLAs were already in motion, SS Shamima consulted with SHOUHARDO staff and the people who requested on the feasibility of forming a new VSLA. Eventually a new VSLA was formed with the people who showed interest on their own. One respondent, Aklima, from Jamalpur FGD shared, *“Some of us were observing the nearby VSLAs and contacted Shamima (SS) to get included in those. But she told us that the member quota was almost full and offered to form a new VSLA with us. She discussed with us one-to-one and prepared a list of members with interested women. Afterwards she arranged a meeting to discuss VSLA operations with us. She also discussed with some of our husbands as a few women requested since the money usually comes from the husbands. Shamima worked hard to start our VSLA. We are almost half year into the VSLA.”*

SHOUHARDO III staff provide multilayered support to the SS and VSLA to propel the financial inclusion model into a sustainable approach. The maximum support is provided at the initial two stages of developing the SS and starting a new VSLA. In the figure below, the support structure is illustrated where the darker color denotes the heaviest of support provided by SHOUHARDO to the SS toward a lighter color where minimal or no support is required for the SS to maintain the VSLA until the share-out. The activities under each stage is taken from the Bangla module developed by the program for the staff. The SHOUHARDO III staff are present in the first six VSLA meetings and then gradually let the SS take the lead. From then onwards, SHOUHARDO III’s aim is to assist the SS in a limited

⁹ Confidential document



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manner so the group management and VSLA procedures can be done by the SS and the respective VSLA smoothly without program's help.

SHOUHARDO III's Support Mechanism

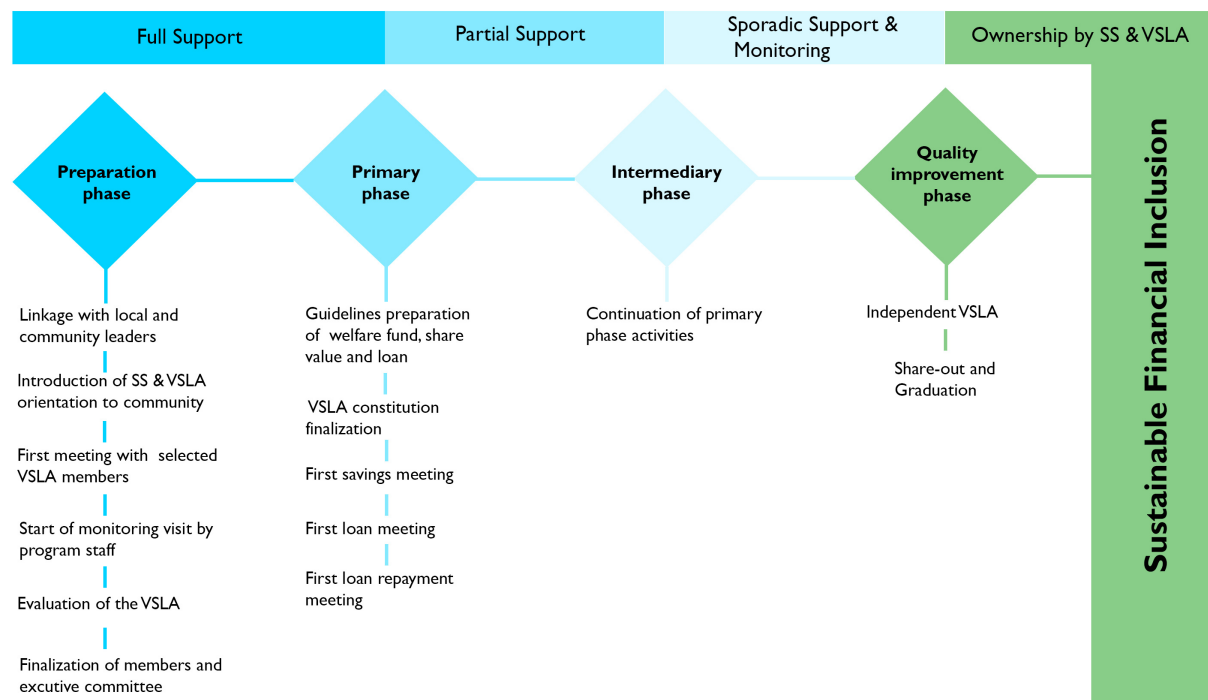


Diagram 1: Support mechanism of SHOUHARDO III and Sanchay Sathis within the phases in forming VSLAs

Explanation: The intensity of blue color depicts the support provided by SHOUHARDO III.

Darker blue means full support; the more to the right with lighter blue means the support from SHOUHARDO III is gradually decreasing and SS is taking the lead with their VSLAs. Green means SS has ownership of the VSLAs without program's help

6) Sustainability of SS and VSLA model

The VSLA and SS model received positive remarks from the communities that it will sustain for a long time, even beyond the program timeline due to its connection with monetary benefits, especially for the rural women. The SS respondents in this study expressed that they are strongly confident to continue what they have learnt from the program and keep on forming new VSLAs in the future; even branch out from their current villages to other nearby ones. This confidence comes from the skills the SS gained through the intervention by the program that built and improved their connections, networks and recognition from the communities. The SS are at the forefront of providing access to small-scale savings and loans (especially for rural adult women) which is also positively impacting VSLA members' confidence and control over finances. The VSLA members treat the SS as their savings leader to whom they can also reach out to for advices on many other things apart from savings and loans, such as, business plan, income opportunities, domestic situation, health issues, and many more. The SS Jesmin Akter from Gaibandha cheerfully expressed, "People in my village call me a VIP¹⁰ and a leader. They reach out to me whenever they need. I have shared my phone number with them to call me anytime. I feel proud and happy to help people in my village."

The contagious confidence is rippling through the VSLAs and drawing attention of the non-VSLA-members and non-program-participants as they also want to be a part of the community-led savings groups. The sustainability agenda

¹⁰ Very important person

of the program is already observable through these interests and requests that the program field-level staff are receiving to form new VSLAs where these people can be included. Shafi Kamal, a SHOUHARDO III staff from Habiganj shared, *"We have 28 SS in our village who formed a total of 81 VSLAs since 2019. This impressed a lot of people inside and in the neighboring villages where wither VSLAs were not present or the village was not enlisted for SHOUAHRDO. VSLAs are now very well knows in the communities. People rely on VSLAs when they need to take out a loan more than the MFIs. Even our government has recognized four of the SS by granting them the Joyeeta award last year (2021)."*

The SS have also confirmed that the people outside the VSLAs and program have sought their help to establish VSLAs with them. The program aims to empower the SS and the community by forming and managing their own VSLAs. The SS expressed that although there might be initial void of support that they were receiving from SHOUAHRDO III, it will be manageable as they know each other in their respective communities and because of the evident successes of already existing or shared-out VSLAs. SS Moyna from Sirajganj stated, *"I am not worried if SHOUHARDO closes down and not be there in the future. We all are here...we will run the VSLAs with everyone's support and engagement just like SHOUHARDO taught us. We trust each other... We need the VSLA to thrive."* Upon probing about ways to continue their VSLA functioning, the VSLA members from Jamalpur FGD responded, *"This group will continue regardless of SHOUAHRDO. Our SS has increased her number of groups by forming new groups over the past few years (since 2020). A lot of people from our village are enthused to get involved with such activities (savings and loans). Even people from our neighboring villages called our SS to form new VSLA groups. Our SS is so proactive that we have not faced any difficulties yet."* The key informants in this study expressed their willingness to support the SS with forming and maintaining VSLAs when the program phases out. The VDC leaders are optimistic to utilize the skills the SS gained while being a part of SHOUAHRDO III and channel their efforts in supporting the SS with their services to the villagers. Laily Begum, a Union Parishad (UP) member from Uttar Sharmara, Bagarchar, Bakshiganj, Jamalpur shared, *"As a UP member, I will discuss the VSLA activities in the regular UP meetings. I am positive that all of the UP members will help Sanchay Sathis by providing access to community-level meetings where they can discuss the opportunities and benefits of VSLAs. I believe if a large number of people get involved in the VSLAs, the Sanchay Sathi model will sustain."*

7) Challenges

In this study, the top two common challenges were found to be managing the money to buy the VSLA box and to fix the service fee for the SS. Another common challenge was that the people did not trust the SS and VSLA processes with their money when forming a new group.

These challenges were overcome with the active approach from the program. To mitigate the challenge of buying the VSLA boxes, the program staff connected the SS with the manufacturers in the nearby markets. However, the money required for the boxes was supposed to be collected from the VSLA members which cannot be done before forming the VSLA officially. At this point, the SS would have to spend her own money to book the manufacturer to start making the boxes, which many times the SS did not have on them. It takes around BDT 1,000 to 1,500 (USD 10.6 to 15.9) to make one box. To solve this obstacle, the program decided to give one free box to the SS to form their very first group, and walk them through the process of ordering the box on their own. This turned out to be an effective way as the SS took the initiative to order VSLA boxes for the next VSLAs they formed either by negotiating with the members to pay for the box earlier than usual or spending their own money. George Nokrek (SHOUHARDO III staff) shared, *"Purchasing the VSLA box met with some manufacturing and outsourcing challenges. Since the box needed to be bought before any of the share meetings were held, it was challenging to convince the VSLA members to pay upfront. The SS also hesitated in some cases where they had to spend their own money to kick-start the formation process of new VSLA. The program mitigated this by giving them their very first box as a complimentary one. This was also done to motivate the SS to follow the program staff around in order to understand the process to order the manufacture of the box. Another issue arose when the box makers were situated in the cities that were far from the villages the SS worked in. The program also managed this by improving the connection of SS and the box makers so the SS can order new boxes through phone and can pick up when it is ready...for this at least one commute was reduced to and fro."*

One of the recurring challenged mentioned in this study was the determination of the SS's service fee that had difficulties at the beginning. Many VSLA members thought that BDT 1,500 (USD 15.9) was too high for to be paid to the SS for only managing a savings group. Another challenge was similar to this one- the members initially was

worried about the security of their money. Some of the SS engaged the local elites to convince the VSLA members to agree to the service fee. Some SS negotiated with their members saying that they were giving their time in the groups for one year and they deserve the compensation. Others sought support from the VDCs and SHOUHARDO staff to talk to the members to agree to the service fee by arranging a meeting with everyone.

Other challenges include-

- Low attendance in the first few meetings. However, as more time went by and seeing the benefits of savings the regular VSLA members were getting, the irregular members also started to attend regularly. In some cases, VDCs motivated them to join the meetings regularly by telling them the benefits of savings and sharing success stories from other VSLAs.
- In some cases the community did not want women to come to the VSLA meetings as they thought attending the meetings will make them not do domestic chores. They also did not have any interest in savings. The SS went door-to-door with some local elites, VDCs and program staff to motivate the members in joining the VSLAs in the community. SS Shahanaz from Sunamganj shared, *“When I first tried to form a VSLA with women, their husbands talked down on me and prevented me to form VSLA group. They were not interested in letting their wives go out and miss chores. Later I arranged a meeting with all of the husbands and discussed the benefits of VSLAs. VDC president and program staff were also present in that meeting. Only after that I was able to form my first VSLA with the women in my village.”*
- On the flipside, SS being a woman also had its nuances. Respondents from Habiganj FGD shared, *“Initially we faced some barriers from our families while receiving the SS’s service. They thought since SS is a woman she might not be able to give time to manage a group that involves money. She might prioritise family responsibilities and chores so those people were worried about their future savings. We did not understand how VSLA worked so we could not decide at first. Even our family members were in confusion.”*
- Some of the members did not repay the loans on time, as a result, some others tried to follow the footsteps of that member and created a chaos among members. The SS discussed this within the members and everyone pitched in with giving them additional time to repay.
- Troubles with male VSLAs: while forming adult male VSLAs, since the SS are women, there were some challenges stated by some. SS Jahanara from Sunamganj shared, *“When I first tried to form adult male VSLA group, they were not listening to me properly and was rather dominating over me by interrupting me. I patiently listened to them but conveyed my messages anyway. Eventually they agreed and formed the VSLA.”* The men were difficult to find during the day as they were engaged in agriculture or day labor work. SS Mukta from Habiganj shared, *“I have four VSLA groups. Of them, one female and three male groups. I faced slight difficulties in running the male VSLA groups during the day. They work as farmers or day laborers. So I have to give time in the evening to conduct the meetings with them.”*

Addressing challenges found in pilot study

(SHOUHARDO III, CARE Bangladesh, 2020c)

The support provided by SHOUHARDO III field colleagues are the key drivers of SS model being a one of the most flourishing one. The initial stages of VSLA formation were found to be challenging in the pilot assessment study:

- Reluctance to purchase the kit box by members
 - Solution: the program connected the SS with the box manufacturer after giving them one free box for their very first group. The money required was collected from the first share-buying meeting of the VSLAs
- Disagreement on the SS’s service charges
 - Solution: the program produced a contract in Bengali that the SS and her VSLA need to sign after deciding on the fees unanimously
- Disagreement among members on loan repayment terms
 - Solution: SS took the initiative to counsel the members to repay on time. At times, program staff also engaged in the discussion.

- Irregular attendance' of VSLA members in the meeting
 - Solution: SS, with the help of SHOUHARDO III staff, visited the members from door-to-door and motivated them to attend the meeting. Where necessary, they also spoke to the family members or husbands of female members for further convincing.
- Lack of specific location to conduct the VSLA meetings
 - Solution: the program engaged the local elites and community leaders (such as VDC leaders) to discuss and fix a place of meeting with the SS and the VSLA members.

SHOUHARDO III addressed these challenges by producing a module for the program staff in Bengali to guide them on each step of the SS selection and VSLA formation. This module also has documents related to the contract between SS and VSLA members on the fees the SS will get after share-out. This module has an easy-to-understand instruction in local language (Bengali) that not only helped the program colleagues but also helped SS in convincing and selecting VSLA members by engaging the influential community members/ leaders to form new VSLAs. The module is a great tool for the colleague to emphasize on the points or turn of events where the SS will need the most or least support. The support system from field colleagues kick-starts the journey of every new SS and continues until the first four to six meetings. Afterwards, the support gradually turns into monitoring efforts by the program colleagues as the program's intention is to develop sustainable financial inclusion by the SS and her community themselves. This reflects on the coinstantaneous support SHOUHARDO III provided in each of the steps, even for the smallest of tasks that might seem like a regular activity, which in turn built the capacity of the LSP (SS) and motivated them to take the lead on forming and managing new VSLAs, ultimately contributing to the sustainability approach.

Predicted future challenges

These challenges were shared by the study respondents with SHOUHARDO III's phase-out in mind.

- The community do not want to agree to form a new VSLA group because of trust issues with money. They will not want to believe the SS if there is no SHOUHARDO III.
- Issues with buying new VSLA boxes like before.
- Challenge for new group formation in Non-SHOUHARDO III villages and with non-program participants since there is no presence.
- Getting service charge (fee) according to agreement.
- Gaps in support to SS provided by SHOUHARDO III

However, a silver lining from these prediction is that nine out of 16 (56.2%) shared that they have confidence in their skills to maintain the existing VSLAs and form new ones when SHOUHARDO III phases out. This confidence was achieved through skills and refresher's training, on-the-job counselling and hands-on experience given to the SS by SHOUHARDO III staff. All 16 of the SS (100%) shared that they want to keep their existing VSLAs running and will attempt to form new groups despite the challenges that would come their way. The VSLA members have confidence in their SS. SS Rena Kishoreganj shared, *"SHOUHARDO is like a shade over our head. We will continue to work as SHOUHARDO program taught us. If there is no SHOUHARDO III program, we will have some difficulties at first but I will continue my work. When there is no SHOUHARDO III program, I will continue to work with the overall cooperation of the village and my family members."*

Discussion

This study revealed the positive changes and challenges of Sanchay Sathi LSP model and VSLA operations. This section will attempt to connect the impacts of this intervention with the socio-economic empowerment and recognition of rural women in Bangladesh.

Although, this study outlined a method to follow the Outcome Harvesting method; while designing the tools, data collection and analyzing data sets, several indicators arose which compelled the analysis to adopt a narrative approach to describe the current scenario of the Sanchay Sathi model, rather than illustrating the outcome. The first phase of the SS training and intervention saw some fruitful changes that are captured in the pilot assessment in 2020. Another short assessment in 2022 captured the overall positive changes and challenges of first and second phase SS recruits. It is crucial for the program to critically appraise the intended and unintended outcomes with as much details as possible to inform the program so that it can utilize the remaining months to strengthen the sustainability efforts. The high and moderate performance indicators were denoted as the income and groups formed by the SS during the initial conceptualization of the study. However, there is a challenge to capture the monthly income of SS because they get a service fee during the share-out meeting which happens once a year with each of the VSLAs they form. Hence, the indicators to measure the performance of SS were considered the number of groups they formed during the program mandated timeline and whether or not they adhered and achieved the target of earning a service fee of minimum BDT 1,500 (USD 15.9) set by the program. In the first phase where 300 SS were trained in 2019 and 2020, the SS were given a target to form at least three groups in the first year. Thirteen out of 14 (92.9%) SS from the first cohort were able to achieve this 100% and beyond. In the second cohort training in 2021, the SS were given a target to form at least two groups within the first three months (this is based on the experience and observation of the first cohort). Both the two SS from the second cohort in this study has achieved 100%. In terms of having the service fee to be minimum BDT 1,500 (USD 15.9), only one SS in this study received lower fee than that (BDT 1,000; USD 10.6) and one SS received higher (BDT 2,000; USD 21.2). In terms of these revised indicators, the SS LSP model achieved the intended positive outcomes as expected and targeted by SHOUHARDO III.

The impact of this achievement is multifaceted. The groups formation and income (through service fee) impacted the lives of rural women in northern Bangladesh in a various of ways. As per the program's instruction, each SS will need a minimum of 15 members to form one VSLA groups. This means the 16 SS interviewed in this study have included and engaged a minimum of 240 rural women and girls (including one group of adult male) in adopting the savings practice, having improved interconnectedness, trustworthiness, inter-dependency, income- which in turn have improved the social capital and empowerment of women in the rural scenario. Overall, 438 SS have impacted the lives of at least 6,570 rural women in through VSLAs in rural northern Bangladesh.

VSLAs catalyzing improved social capital for rural women

Social capital is a complex theory arising from the social sciences and later adapted by the development and policy sector to analyze the social empowerment of intended populations. It is loosely defined as the benefits gathered and achieved through grouped existence. According to IFRC (n.d.), "social capital is like the glue that holds the communities together." The concept of social capital entails the social relationships with major elements comprising of social networks, public engagement, norms of reciprocity, and trust. "Broadly speaking, it is defined as a collective asset in the form of shared norms, values, beliefs, trust, networks, social relations, and institutions that facilitate cooperation and collective action for mutual benefits." (Bhandari and Yasunobu, 2009)

Additionally, "Social capital is defined as the capital or resources we gain from existing within a social network. It's a concept from social science that's centered on our ability to leverage social connections in order to solve problems, improve well-being, pursue shared objectives, and take collective action," as Shonna (Waters, 2022) described in her

article. According to Machalek and Martin (2015), “Social capital theory contends that social relationships are resources that can lead to the development and accumulation of human capital.”

Through this study, the SS LSP model and VSLA operations follow the social capital theory in the sense that the collective approach toward savings is strengthening the social relationships; which in turn leveraging the rural women’s capacity to diversify their IGA, and empower themselves with the ownership of money. The SS are women leaders in the community who are also representatives of the rural women in the community. In the social capital concept, SS acts as the nucleus of the social networks, who form, and manage the social groups with a defined agenda of savings and loans intended principally for rural women. The women in the groups trust the SS’s decisions, judgement and capability that will benefit them in the future financially. Since SHOUHARDO III has adapted the intervention of SS LSP model in a way that the SS will not only discuss financial matters (savings, loans, funds) but also other social issues (such as health information, child marriage, open defecation, domestic violence). The SS have evolved into not only the savings leader but also leader of information source for the rural women in the community who are part of the VSLA. The program provided all of the SS smart phones with pre-installed apps (described previously in this report) that help the VSLA members seek and received information through the SS. The smart phones are also used to keep digital records of VSLA operations as well. SS Jesmin from Gaibandha expressed “People call me a VIP¹¹ and a leader. They reach out to me whenever they need information or advice. I feel very proud of what I have become through being an SS.” The trust and respect the SS and members have for each other are key elements of social capital that help the groups function effectively (see figure 2). Both the SS and VSLA members have a pre-defined shared agenda of instilling the practice of savings in women and providing women access to savings, loans and self-generated welfare funds through forming groups in close-knitted neighboring communities. The members and SS know each other well as they live in the same village. This study also revealed that the practice of savings has improved the lives of women. The women invested and channeled this money into various IGA that improved their income. SS Roksana from Kishoreganj shared, “I know all the people in the area and the VSLA members. I have a dressmaking business from before (becoming an SS). After starting to work as a Sanchay Sathi, I utilized the spare time in the meetings to promote my business and a few products that I had made. This helped me receive more orders than ever before. In addition to sewing, I also sell shoes and a variety of plastic goods that I collect from a small vendor. At present my monthly income is BDT 5,000 to 6,000 (USD 52.9 to 63.6). Being a Sanchay Sathi has increased my income even more.”

With this added income, the women contributed in their family expenses and gradually gained the respect of their family members which were observed in the interview notes through the improvement of taking part in important decisions of the family (buying food for major meals, children’s educational and medical expense, buying goods for grocery shop, buying sewing machine, buying seeds for homestead gardening), improved relationship and understanding with husbands (helping the wife by convincing men to let their wives be VSLA members, letting the wife attend VSLA meetings, providing the money to deposit as savings), improved networking (women were utilizing the VSLA meeting to bond and connect with other women by sharing their thoughts and emotions), improved ownership of money (women were buying non-essential things that they usually would never buy), improved linkage (women were promoting and selling their businesses and products through VSLA meetings, other LSPs were sometime invited to attend and promote their services, SS were connected to the VDC and UPs with the help of the program which in turn helped raising demands and concerns from the VSLA members). The linkage with other public and private entities for the women have improved through VSLAs as well. The VSLA members from the Habiganj FGD shared, “We both (VSLA and SS) have connections with government officials like Sub Assistant Agriculture Officer (SAAO). We have communication with NGOs. Whenever we require agricultural-related support we communicate with them, sometimes directly or through SS. Other NGOs sometimes communicate with us to promote their services. We are hoping that this communication will continue when SHOUHARDO will phase out.” The role within the families of the SS and VSLA members (women) have improved as observed through the evidences found in this study. SS Moyna from Siranjanj shared, “Before becoming a Sanchay Sathi, my husband never shared anything with me regarding any family matters or activities...but now he does...like what nutritious food to buy for the baby, buying goats, and daily expenses of the family.”

¹¹ Very important person

Women are usually set toward staying at home or in close proximity within it in rural Bangladesh. The power of group (Ahsan and Bushra, 2021) in another study by SHOUHARDO III revealed that, when in group, women feel less left-out or helpless. To be part of a group means not doing many things alone, such as bearing the burden of family responsibilities, shouldering the unpaid care work, struggling with domestic violence, ploughing through shortage of cash and poverty and many other pressing issues. SS Rashida Sirajganj shared, “Women were vulnerable before (becoming VSLA members). Women are gathering at least twice a month together in the VSLA meetings which is increasing our position, power and strength as a group within our village.” In this current study, it was found that women had the relief of having the access to emergency money through loans of social welfare funds of the VSLA. The VSLA members also mentioned that they had the confidence to come out of difficult situation (health issues, accidents, shocks, disaster) because they know they can take financial help from the VSLAs. This shows an increase in the resilience capacity of these women. The assurance of not having to struggle with money is a great example of the strong social support- a key element of strong social capital. In the mid of June 2022, floodwater inundated Sunamganj, Habiganj, Netrokona & Kishoreganj districts, left people without money, shelter, food and all other basic amenities of life. During this flood situation, 63 VSLA groups conducted Share out meetings and 1,260 members received their share-out money amounting of BDT 5.35 million (USD 60,856). On average each member received BDT 4,500 (USD 48) from the share out and used this money for crisis mitigation of food, livestock feed and other essential goods. The money was used to buy emergency food, repair houses and in some cases, restock the chicken/duck that have been washed away during flood. This money protected them from starvation and borrowing money to the moneylenders.

Figure 2 describes the elements of the VSLAs that also helped strengthen the social capital of SHOUHARDO III women participants.



Figure 2: Social capital impacting group functions (Waters, 2022).

The interconnectedness of the SS and VSLA members rendered a strong trust and confidence in each other to continue the VSLAs regardless of SHOUAHRDO III's presence. The program's sustainability agenda intends to achieve the sort of sustainability where the LSP and the members are empowered to drive the VSLA operations themselves; making it fully locally-led development approach (USAID, 2021). SS Moyna, who formed six VSLAs in two years from Sirajganj, stated, “I am not worried if SHOUAHRDO is not here in the future. It has taught what I needed to run the VSLA process smoothly. So what if SHOUHARDO is not there... we all are here. We will uphold the vision of instilling savings practice in all of the women in our community and continue having VSLAs. It is for our own benefit.”

The VSLAs are also a space where the rural women have the chance to learn or improve soft skills to improve their lives. Around 288 SS received the refresher's training in 2022 which comprised of lessons in VSLA formation and operation, motivation and negotiation skills, smart phone usage, VSLA box, and video materials on memory card. A few examples of the improvement of soft skills of the SS are –

- Learning from mistakes: SS Shahanaz from Sunamganj had trouble with her service fee in the share-out meeting of very first VSLA she formed. At the beginning, she and the VSLA members agreed that she will get BDT 1,500 (USD 15.9) at the end of the cycle; but when the time came she only received BDT 800 (USD 8.5). She lamented, *“I had a verbal agreement with the members that I will receive BDT 1,500 from them when the VSLA complete 12 months. But they gave me BDT 800. I was frustrated. I thought that the verbal agreement was enough. But it was not. I learned from that experience and from the next groups I formed, I had written agreement with the group about my fees. SHOUHARDO staff helped me write the written agreement.”*
- Improved negotiation skills: SS Mukta from Habiganj was having trouble convincing the members at the initial meeting to fix her service fee. She remembered the negotiation technique she learned in the training provided by SHOUHARDO III. The members were saying that BDT 1,500 (USD 15.9) was too much for them and was asking to fix a lower fee. But Mukta was adamant in convincing them and finally all agreed in written form. Mukta shared, *“I discussed the remuneration issues with the VSLA members. I told them, ‘I will give you my time for one year through different meetings. You have to give me some amount of money from your group in return of my services.’ I also told them to give me the fee from their profits. Initially, they were not willing to agree on BDT 1,500. But after share-out, they saw that this amount was justified and I got BDT 1,500 as per agreement.”*
- Improved confidence: SS Roksana from Kishoreganj is an outstanding SS who formed seven VSLA within a span of 20 months’ operation. However, her story as an SS did not start smoothly. She had fear of mathematics and calculation and was self-doubting her capacity to form and manage VSLAs. Through the on-the-job and constant support from SHOUHARDO III staff and trainings from the program, she overcame those fears and went on achieving more than the program set target of group formation for two years. She shared, *“I was not at all confident about myself and I was afraid if I would be able to live up to the expectations that comes with becoming an SS. With the constant help of SHOUHARDO staff, I formed one VSLA and I saw that my fear went away gradually while interacting with the members. I currently have seven VSLAs running which I formed in 20 months. One of the SHOUHARDO III field staff always helped me forming new groups or whenever I stumbled upon any problems. My skills increased after receiving training (refreshers’ in 2022) from SHOUHARDO Program. Now I can fulfil my duties properly and do no fear any calculations.”*

Social Capital In the case of male VSLAs

The SS in this study formed a total of five¹² adult male VSLA groups (out of the total 76) in their tenure since 2019. The total number of VSLA male groups so far by all of the 483 SS is 62 (33 adult; 29 adolescent) which accounts for 2.5% (out of the total 2,485 VSLAs formed). The male VSLAs are low in number because it was initially SHOUHARDO III’s approach to empower the rural female population with monetary ownership as it has direct and longstanding impact on reduction of poverty. In developing countries like Bangladesh, women who have access to cash tend to have greater domestic autonomy and improved movement access (Wei et al., 2021). Financial inclusion for rural women has direct impact on women’s economic empowerment that caters to increased work opportunities through diverse livelihood options, enhances food security approaches, taps into multiple SDGs, and “strengthens women’s rights and enables them to have control over their lives and exert influence in society” (ILO, 2019). Through this current study, SS have been observed to unfold multiple women’s rights phenomena through economic empowerment, collective savings approach, improved access to emergency funds and investment in multiple earning sources; all of which the rural male population already were benefitting from. Hence during the first cohort of the SS, the male group formation was highlighted secondarily. However, observing the functionality, usefulness and success of the then existing VSLAs, and following receiving numerous demands to open male savings groups by the program participants, the program opted to provide training to the SS to form male VSLAs as well from the second cohort in 2021. Reflecting on this, SHOUHARDO III program staff Md. Abul Hossain shared, *“After receiving loads of request from the program participants, and keeping in mind the male engagement toward women empowerment,*

¹² One and three by SS Narbin and SS Mukta respectively from Habiganj. Another adult male VSLA group was formed by SS Jahanara from Sunamganj.

SHOUHARDO III decided to promote forming male VSLAs (both adult and adolescent) to the SS. As a result, 70% (43 out of 62) of the male VSLA groups were formed after the second cohort of SS were on-boarded in past one year. Male VSLAs were forming in with first cohort too, but it escalated with the second cohort of SS as we focused on improving the savings practice for all.” In a previous SHOUHARDO III study (Ahsan and Bushra, 2021), it was found that the male community groups (CG) were struggling to continue their regular functions compared to the high-functioning adult female groups. The major buy-in for adult women and adolescent girls to attend CG meetings regularly was to have a platform to stay connected with their peers within the community that serves greater causes like sharing and seeking business advices, having spaces for emotion unburdening, being up-to-date with everyone’s situation, improved linkage with public and private entities, and raising concerns/demand to the local public offices. However, CGs do not offer any monetary benefit to anyone and are solely operational banking on the motivation of the group leaders and members. This was a disadvantage for the male CGs as they struggle to find time to attend meetings regularly because of their nature or work (farming/day labor) or barely consider the CG meetings as platforms for networking because their scope to connect with others already exists within their social circle. On the other hand, although VSLAs provide the benefit or savings and loans, the male program participants still struggled to attend meetings for similar reason related to their work timing. It is immensely important for members to attend all VSLA meetings regularly to function properly; hence forming and continuing male VSLAs still met with challenges even after offering the economic benefits. Due to social norms and deep-rooted patriarchal system, some of the male participants dismissed the SS (since all are women) as they could not believe a woman can lead such groups despite being responsible for domestic chores all day. This disbelief in women by men drove them into not forming VSLAs; even after some of them formed VSLAs, the male members had a dominating approach toward the SS at the beginning. The dominating approach gradually changed toward a cooperative one once they witnessed the SS providing her services regularly and consistently. The motivation to receive loans, and savings money at the end of the VSLA cycle added in the motivation to the existing male VSLA members to continue with their VSLA operations.

Conclusion

It is evident that the financial inclusion drive by SHOUHARDO III through informal settings of VSLA and SS model approach are proving to be beneficial to the socio- economic empowerment of rural women. The program has also started to expand the VSLA operation with the male participants to increase the impact of the savings practice with an aim to reduce poverty through financial ownership. Connecting with the NFIS-B (Ministry of Finance, Government of the People's Republic of Bangladesh and Bangladesh Bank, 2018) and SDG agenda, the VSLAs are providing a gateway for the destitute and geographically remote inhabitants with a solution to save their money. Although the VSLAs are not recognized as formal financial structure by the Government of Bangladesh (Ministry of Finance, Government of the People's Republic of Bangladesh and Bangladesh Bank, 2018), but they are still one of the backbones of the group member’s economic empowerment.

The dual impact of the VSLA and Sanchay Sathi model on the rural women of northern Bangladesh is crucial to the overall economic empowerment of women in the long run. The SS themselves are navigating their income sources through multiple channels besides the service fees they receive as part of the VSLA formation and maintenance process. The VSLA members utilize their savings and the option to take out loan to have ownership of cash and access to emergency funds to withstand different shocks. The autonomy of spending their money, regardless of the amount, is proving to go a long way for these women as they have improved status and respect within the families and communities for being a financial contributor. SHOUHARDO III molded the VSLA and SS models in a way that toward the end of one cycle of VSLA, they can independently arrange their meetings and make decisions collectively with the help of only the SS. In numerous times, this resulted in forming addition cycles of the same VSLAs. By seeing the benefits of the VSLAs, there are requests from the villagers to form new groups with them. All of these adheres to the sustainability target of the program as SHOUHARDO III aims to make the financial inclusion easily accessible to the PEP in order for them to have enough cash at hand that they can invest in improving the food security status of their households. This model is being observed to be one of the successful one across countries where CARE has a global presence as well as in Bangladesh.

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