



Savings Groups Empower Women During Crises

Protracted violence, climate change and other crises have been forcing people in South Sudan to flee their homes. Currently over 2.2 million South Sudanese fled their country, while an estimated 2 million are internally displaced. For 2020 more than 8.9 million people are estimated to be in need of humanitarian assistance, 24% of them are women. Around the world, women and girls are disproportionately affected by crises. Gender inequalities mean that women are the most excluded and most vulnerable and cannot access even the most basic services.

Without access to education, training, or the ability to save money, it is almost impossible for women to lift themselves out of poverty. As a result, South Sudan 4 out of 5 women lives under the poverty line.

As part of a transitional aid project funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), Welthungerhilfe is promoting women's cooperation and the establishment of so-called Village Saving and Loan Associations (VSLA). Because we are convinced that by strengthening women's economic empowerment and independence, we can strengthen their ability and resilience to prepare for, respond to, and recover from crises.

In Rubkona and Guit counties in South Sudan's Unity State, an area regularly plagued by flooding and inter-communal violence and home to hundreds of thousands of internally displaced people, we show women the benefits of working together and how they can save and invest small amounts of money efficiently as a group.

Elisabeth, Nyamot and Nyalena are originally from Dingding, a village in Rubkona country. The three of them have been running their own businesses: Tea shops, restaurants, and stores where people

can buy the basic necessities of life. However, they have never worked together as a group or saved their income in a proper way. *"In our village, there was a traditional form of saving, the sunduk, but there was no proper documentation of savings, and savings were not divided fairly. At some point, we businesswomen held a meeting to find a solution. We realized that we needed to start our own savings group, but we didn't know how to begin,"* says Nyamot. The 45 years old woman runs her own tea shop.

Welthungerhilfe supported the women in their idea to work and save together. In addition to Elisabeth, Veronica, Nyamot and Nyalena, 21 other women, all running their own small businesses, were invited to attend a training session where they learned the basics of running a VSLA group, thus increasing their financial literacy and independency. Participants learned how to properly document savings, make loans, keep accounts, and set the terms for giving shares. Former VSLAs established under the previous and ongoing project shown women's improved access to credits,



increased financial literacy, and business management skills, enabling them to grow and expand their businesses and earn an income. In addition, VSLAs help women exercise their leadership skills at the individual, business, household, and community levels.

"In addition to learning how to manage our savings and loans, we have also learned a lot about leadership, roles and responsibilities. We have now elected a group leader, money counter, key holder, treasurer and secretary. Everything is really professional and fair now," says 42 years old Elisabeth. She serves traditional food in her small restaurant.



VSLAs are a type of savings group that are local, managed by group members, sustainable, safe, and yield high profits. A typical VSLA group consists of 20 to 25 women and is an effective way to help even the poorest households manage their money more efficiently and avoid going into debt. Groups elect their management and other key positions. Members can apply to the group for a loan, which is approved or rejected after collective deliberation based on rules and regulations. Loans borrowed must be repaid within four weeks with an interest rate from 15 – 25% of the loan taken. The interest is added to the group's loan fund. A cycle usually runs for a period of 9-12 months.

"We started meeting regularly and in an organized way, not only to decide on weekly savings amounts and loan disbursements. We also used our meetings to address problems and conflicts within our group and community. My job as a group leader is to solve problems and keep us together," explains 35 years old Nyalena. She was entrusted with the task of leading the VSLA group. *"Within 9 months, we were able to save 1,650,000 SSP (the equivalent of \$4,125). We held a meeting and discussed what we could do with the money. Some plans were to buy a motorcycle for the group. This would allow us to get around by ourselves, but we could also earn extra money by lending the motorcycle. Another idea was to take the money to a bank to benefit from the interest. But the flood has changed everything!,"* says Nyalena.



Last year, South Sudan was hit by the worst flooding in 60 years. 80% of Unity State was submerged. Many areas are still under water, including the village of the four women. Thousands of people were forced to flee to higher ground, leaving everything behind. The four women suffered the same fate. They had to leave their homes and businesses behind and could only take with them what they could carry through the meter-high water.

"It was very difficult for us. The water came so fast. We had no time to prepare, it destroyed our tukulus, our shops, just everything. I could only save a few cups and kitchen utensils, the rest I had to leave behind or got lost on the way to Rubkona," explains Nyamot.

"The money we saved helped us to cope with this crisis. We were able to buy food, clothes and plastic sheets to build a shelter. Most of our 25 group members are even starting up their businesses here in Rubkona. It is a challenge, but we will not be discouraged!," adds Elisabeth.

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The women were able to save their saving box, that Welthungerhilfe provides for each VSLA, from the water and are determined to continue the business and the savings group. Even though it is a setback, they have experienced firsthand how important and beneficial a VSLA group is. Thanks to their share out in November last year, just when their village was submerged by water, they were able to cope with the situation much better than they would have without their savings. The savings not only allowed them to cover their basic needs, but also helped them resume their business and generate income during a humanitarian crisis.

“Our priority is to continue with the savings group. We still have savings in our box. Once the water recedes, we will return to our village and rebuild our business. This business is the backbone of our life. We will not give up our business, we will work hard until we succeed,” Nyading adds.

VSLAs not only bring economic benefits to women in poor communities, and crises; they are the gateway to broader social change and women’s empowerment. In communities affected by drought, floods, or other crises, women establishing VSLAs improved their food security and income.

SINCE 2014, WELTHUNGERHILFE HAS BEEN SUPPORTING THE ESTABLISHMENT ALMOST 200 VSLAS IN SOUTH SUDAN – AT LEAST 50% OF ITS MEMBERS ARE WOMEN! ANOTHER 100 SAVINGS GROUPS WILL BE FORMED IN THE SCOPE OF ONGOING PROJECTS.

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Captions

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42 years old Elisabeth invested her savings in opening a new restaurant. Not her original plan, yet the restaurant helps her, in the midst of a human crisis, to continue earning money and thus provide for her family. Rubkona, Unity State Jan 2022

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Members of the Village Saving and Loan Association (VSLA). Rubkona, Unity State Jan 2022

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Top photo

Nyalena Wang (35), Elisabeth Nyadiang (42), Veronica Nyadiang (43), Nyamot Ruach (45) are 4 of 25 women who have joined together to form a VSLA. Rubkona, Unity State Jan 2022

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Middle photo

35 years old Nyalena was elected by the members of VSLA to lead the group. She has been given the responsible and challenging task of leading and keeping the women together. Rubkona, Unity State Jan 2022

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Bottom photo

45 years Nyamot is not discouraged! She used the money she could save to open a new tea shop in Rubkona. Rubkona, Unity State Jan 2022

