

Summary of Conclusions and Recommendations
Resiliency Learning Report for POWER/PROFIR Africa – Burundi/Ethiopia 2017

Context/Shocks	<ol style="list-style-type: none"> SH-C1: The economic impact a shock has on a HH or community is dependent on its type, duration and intensity. The impact of contemporaneous shocks can exacerbate and magnify their individual impacts. SH-C2: Understanding the type, duration and intensity of a shock is critical to understanding the ways and means the VSLA methodology contributes to resiliency against those shocks. SH-C3: The VSLA model, on its own, cannot build all of the necessary capacities for HH resiliency. It stands as an important component of a component of a larger system of support as demonstrated by its highly complementary value to Ethiopia’s safety net programme and Burundi’s public school system. SH-C4: Illness and death of a family member is the number one idiosyncratic shock to a HH.
Learning Area	
Coping Mechanisms	<p>CM-C1: The quality and quantity of coping mechanisms/options to anticipate adapt and absorb covariant and idiosyncratic shocks are greater for VSLA members than non-members.</p> <p>CM-C2: The specific impact of shocks on HHs, and its capacity to recover from these shocks is individualized and is related to the number, quality and correct application of coping mechanisms (strategies/tools) available to resolve the unique economic needs of that HH. This is highly individualized and there are no cookie-cutter solutions.</p> <p>CM-C3: The strength of the VSLA method is that it builds capacity of the HH to accurately select a response that is appropriate to the HHs unique needs and specific to the type (intensity, duration, frequency) of shock.</p>
Consumption	<p>CON-C1: Consumption adjustment can be an effective coping mechanism to absorb the impact of the shock during crises.</p> <p>CON-C2: Women VSLA members tend to make better HH financial managers, making better choices than non-member women and men regarding which consumption item are adjusted down (or up) and how (see also Coping Mechanisms, particularly the discussion on education).</p> <p>CON-C3: Anecdotal evidence suggests that VSLA financial management training, and understanding long term HH cash flow is critical to making informed consumption adjustments/reallocations during times of crises.</p>
VSLA Elements and Resiliency	VE-C1: VSLA is a system of support; each element is purposively and strategically linked to other elements to optimize the impact. The strength of the VSLA to promote HH and group resiliency is dependent on the degree of trust/social interaction within the group, especially during periods of crises/stress.
VSLA Training	VT-C1: Health and sanitation is a priority for training amongst VSLA members due to the devastation death and illness, an idiosyncratic shock, can have on the HH. This training, as well as training (IGA, financial management, group governance) provided under the VSLA methodology, are critical to building HH capacity to anticipate, absorb and adapt to economic stress brought on by environmental and social shocks.
VSLA Savings	<p>S-C1: Savings are viewed as critical to HH income smoothing. This perception continues during periods of crises with some groups adjusting the minimum share contribution (often down, but sometimes up) (See also analysis and conclusions under VSLA Methodology Adaptations).</p> <p>S-C2: Saving and borrowing are somewhat interchangeable tools to income smoothing, particularly during times of crisis. How savings at share-out is used is dependent on the economic status and immediate needs of the HH at the end of the savings cycle (share-out).</p>
VSLA Loans	<p>L-C1: Loans and savings are interchangeable during times of crises but are typically used to either buy productive assets or working capital to support productive assets.</p> <p>L-C2: The quality and type of loans available to VSLA members is better than for non-members, particularly when the non-member’s HH is in economic crises.</p>
VSLA IGA and Income	<p>IGA-C1: Developing and implementing new IGAs can be an excellent strategy to increasing HH income diversity and contribute to increased resiliency (adapt, absorb, anticipate) to shocks.</p> <p>IGA-C2: IGAs can contribute to increased agency for women (WEE) during times of crises.</p> <p>IGA-C3: To optimize the use of IGAs as an income diversification strategy to build resiliency, activities must be selected carefully, giving due consideration to market conditions, market size, the number of players, price fluctuations, etc. and the impact environmental and political shocks will have on these parameters.</p>
VSLA Social Fund	SF-C1: The social fund finances income gaps caused by idiosyncratic shocks; death in a family, unexpected expenses (health issues), etc. The peace of mind it offers HHs is critical and enables them to accept risks in other areas of their income generating activities including farming.
VSLA Method Adaptations	VMA-C1: Predictability of services and support trumps ad hoc innovation in the VSLA methodology. There remains opportunity for planned innovations – through Community Action Planning for example.
Summary Findings / Conclusions – Gender and WEE only	<ol style="list-style-type: none"> In general, the perception amongst the FG participants is that male-headed households fare better during shocks than female-headed households, most of who are widowed. Their capacity to weather and quickly recover from shocks is dependent, in part, on the inheritance/assets that are transferred to them (or not transferred to another male family member) from their deceased husbands. Women typically make better HH financial managers, thinking long term and making good consumption adjustment/allocation choices, particularly during times of shock or stress. By extension, then, increased women’s economic empowerment within the HH will have an important impact on the overall resiliency of that HH. Additionally, patriarchal societies such as those in Ethiopia and Burundi can limit the long terms benefits and capacity of girls and women to absorb, adapt and anticipate shocks as part of their participation in VSLAs. The support they received from the VSLA and the assets they accrue (savings, IGA livestock, etc.) remain the property of the household and under the control of its head. For girls that get married or attend school elsewhere, the assets/savings they have accrued through the VSLA/IGA remains with the ancestral home. Adding the pressure to engage in IGAs as other agricultural income sources fail, can add to already impossible pressures on women’s time and their triple burden. IGAs, however, are critical to resiliency and there is evidence that HHs adjust the gender-based norms related to division of HH duties. Women in Ethiopia eat last, particularly in times of shock, there may be little or no food left to eat which impacts a woman’s energy and capacity for work (IGA, farming, etc.). Women’s agency within the HH increases as a consequence of the increasing relative contribution of their IGAs to the HH income.

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	7. The Joint Agency consolidated gender analysis report for the Ethiopian Drought Response ¹ corroborates with many of the gender differences we identified under this learning.
Major Conclusions	<ol style="list-style-type: none"> 1. We find that there is sufficient evidence from the data collected during this learning exercise to support the notion or hypothesis that the VSLA methodology does contribute to increased capacity of very poor households to anticipate, absorb, adapt and perhaps transform covariant (and idiosyncratic) shocks² and the associated economic stress. 2. We also find that the VSLA model puts in place a strong foundation of broad services, training and association to support HHs as they manage their unique challenges brought on by covariant or idiosyncratic shocks. The strength of the VLSA approach is that it focuses on building capacity within HHs to independently manage their economic difficulties and not to provide a standardized, cookie-cutter fix to economic vulnerability. 3. It is also clear that, while the VSLA model is an important component to building resiliency, it cannot stand alone nor is it designed to. Its value as a platform for agriculture extension and other support services that contribute to resiliency cannot be understated. 4. CARE possesses a treasure trove of data about its VSLA members that may be underutilized. The data system may, however, be more complicated/ambitious than it needs to be.
Major Recommendations	<ol style="list-style-type: none"> 1. CARE must continue to identify and pursue partnership and alliances with other local and international organizations and assistance program that undertake work that complements and leverages the strengths of the VSLA methodology but does not overlap with what the VSLA does. Good examples of this are the PSNP/POWER/FSF+ program in Ethiopia and the growing relationship with KCB in Burundi. 2. Training that builds capacity during and between shocks to undertake regular and frequent risk analysis at the HH and VSLA level should be incorporated into the VSLA methodology; allowing more precise adjustments to features of the VSLA, including IGAs to meet the emerging risks and opportunities. 3. Through the VSLA methodology, selection, planning and management of IGAs (and other HH level income diversification strategies) should consider economic diversification at the VSLA and community levels as well. This would include promoting or educating VSLA members on non-traditional IGAs for generating income. These could be incorporated into a Community Action Planning process that is easily integrated into the VSLA methodology. 4. Develop, test and integrate a set of tools into the VSLA methodology that specifically support modifications to its application during times of crises. These include templates and methodologies for developing community action plans, risk assessment tools, preparedness assessment tools, contingency planning, etc. 5. The fervent commitment to saving by the very poor, particularly during crises/shocks, should be carefully monitored. This is particularly true for women within the HH as their commitment to ensuring a better future for their children could lead to saving at the expense of their health and well-being. 6. Consider assessing the data management system to determine what data is needed. There is a tremendous amount of extremely valuable data on the MIS, but this may be lost among other, non-essential data. Also, consider updating the data that is collected to include measurements of resiliency.

¹ Joint Agency. July 2016. Consolidated Gender Analysis for the Ethiopian Drought Response. CARE/Oxfam/Humanitarian Aid and Civil Protection. p.7.

² Covariant shocks are events that affect groups of people such as communities, regions or states; idiosyncratic shocks are events that affect individual or households.