

FINANCIAL ACTION
LEARNING SYSTEM
IN VILLAGE
SAVINGS AND LOAN
ASSOCIATION

ONLINE SHARING SESSION –
INNOVATIONS : 14 APRIL 2022

Presentation By Lydia Ameh





WHAT IS
FINANCIAL
ACTION
LEARNING
SYSTEM
(FALS)?

“... a client-led methodology which brings women, youth and men clients and financial service providers (FSPs) together as partners in developing and delivering empowering and financially sustainable products and services”

L. Mayoux



Consortium of Oxfam Novib and Hivos with YMCA under E@S” with a grant from IFAD to strengthen the capacities of YMCA to implement FALS in Nasarawa Eggon LGA . The purpose of this process was to make innovation available at the ELC level so that clients (among which also IFAD Project) have a place where they can learn this innovation.

Entry point for FALS in YMCA



New VSLAs have been used as entry point for FALS to strengthening their capacity. It is a way of attracting participants to learn visual and participatory financial planning and management skills, making VSLA activities more participatory for YMCA it was an existing VSLA.

Some key
motivation
for
integrating
FALS into
VSLAs for
YMCA

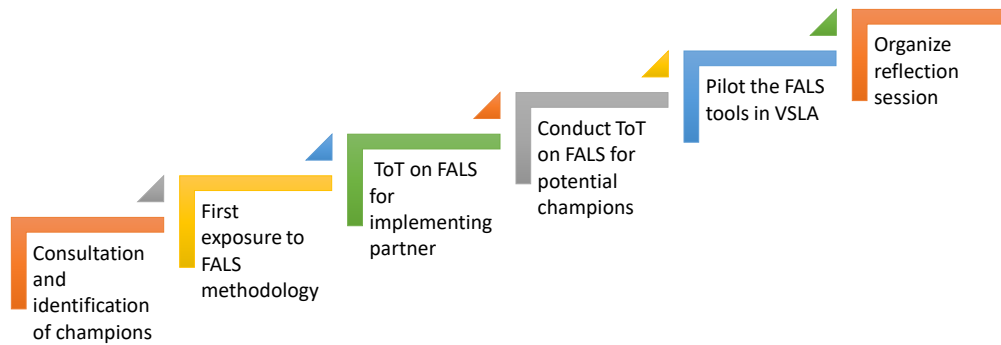
- Create trusting relationship and collaborations among VSLA members
- Improve financial planning skills among VSLA
- Strengthen joint financial decisions in households
- Improving counting system accessible for people who do not know how to read and write.



Stakeholders


- Champions/or community members
- Implementing organizations/or project team.
- Local government authority
- FALS/or GALS Expert

The process of adaptation






What is
different
from the
traditional
FALS
process?

- It focuses on VSLA rather microfinance institutions
 - It instills financial analysis and planning skills to VSLAs members
 - Increase social cohesion by building trust among VSLA members
 - Strengthens the integration of gender as a key element in rural finance programs
 - FALS in VSLA is an amazing social innovation in that, the tools were adapted to VSLA context
- 

When you apply FALS to VSLAs you empower clients, but your clients are VSLAs members



Basic FALS Tools

- Vision Journey
 - Happy Family Tree
 - Financial Empowerment Map
 - Business Challenge Action Tree
 - Financial Management Calendar
- 



Adapted
Vision
Journey

Step 1: Vision- Emphasis is placed on business visions. The vision is quantified in terms of financial cost: how much it will cost to motivate and inspire them to strategically save, use loans and other financial resources wisely.

Step 2: Current situation- Quantification of the current situation to help proper planning by ascertaining what they have currently

Step 3: Opportunities and challenges- The opportunities and challenges are identified based on the seasons in each quarter of the year

Step 4 Target and milestones- Milestones and target are also quantified and the amount it worth. The three milestones are drawn in in blue color

Step 5: Action Plan- Actions symbols are drawn in blue

Step 6: Track- Tracking is done by ringing in:

- Red those things achieved
- Blue those things that really do not work out and cannot recover. This could be represented with alternative actions
- Green those things that were planned but not yet achieved.

Adapted Happy Family Tree



Step 1: Trunk: who is in the household?

Step 2 Roots: who contributes what work? -The rootlet for income activities is divided and placed in the following: order rainy season, dry season and regular with monetary value indicated at each point to provide a roadmap for calculating the total income and which activity generates more income. In this case all income generated from the activities identified and estimated realistically.

Step 3: branches: who gets what fruits?- Personal expenditure is sub-categorized into business in line with the seasons and then self. The expenditures are assessed in relation to the income generated. Expenditures for business comes first before expenditures on self. The inclusion of business expenditure is to assess if they are making profit or if one business is funding another. The same applies to the middle branch.

Step 4 Forces: What is pushing the tree

Step 5: Assessment: Does the Tree Balance?

Step 6: Action Commitments

Financial Management Calendar



Step 2 Multilane Framework, calendar, and target: This includes the activities, calendar. Here the calendar is divided into four months. This is because VSLA generally, have a minimum loan term of four weeks and, a maximum loan term of twelve weeks in this case the calendar is divided into four signifying the months.



Some
changes
already
observed

Improved financial management and, analytical skills needed to apply/or use loans among VSLA

Informed decision and timely repayment of loan thereby strengthening group cohesion

VSLA making proper assessment before loans are approved.

Increase use of loans as capital for investment

Improved level of trust among Household / VSLAs members due to improve financial record

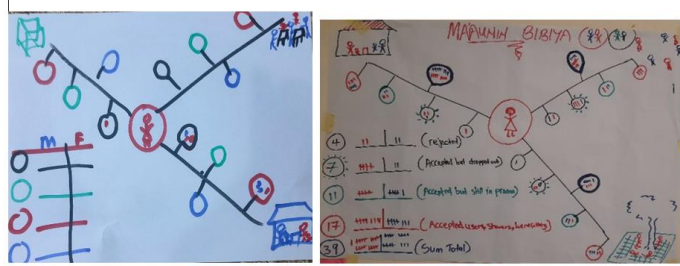
Improved gender relations among spouses

How are progress or success tracked?

- Visible changes/or progress are tracked in original diagram in participants notebooks
- Champions create series of videos using phone
- Photos of participants, examples of champions' evidence-based progress, and quotes including observations.
- MEL monitoring template in line with implement partners' indicators

The actions or changes achieved can be ringed in red circles, the green color can be used for those in progress while blue color as things they are unable to achieve and will not.

Tracking Financial Empowerment Map




The success of the methodology can also be assessed by examining how individual champions have implemented their financial empowerment map. Different colours are used in the fruits to particularly identify sex and age disaggregation. In YMCA the participants were advised to do a monthly tracking which are aggregated at the end of each quarter.



Global
platform and
ELCs-
opportunity
for FALS

The existence of ELC is an effective channel for coordination and, a platform to drive sustainability and scaling of FALS in VSLA to other locations beyond in YMCA because:

- VSLAs have developed a good number of FALS champions
 - The availability of success stories, photos, and short videos will not only stimulate reflection but learning and sharing with other future participants
- 

Pictures from the Field



Questions

