

Kenya's Water Towers Protection and Climate Change Mitigation and Adaptation (WaTER) Programme

Component 4: Science to Inform Design of Community-Level Actions
and Policy Decisions

INCEPTION REPORT

Establish One Village Savings and Loans Associations (VSLA)
in Mt. Elgon and in Cherengany Hills ecosystems

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(KEFRI)

TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS	3
1.0 INTRODUCTION	4
1.1 About the WaTER Towers Project.....	4
1.2 Objectives of the Consultancy	4
1.3 Scope and Coverage of the Consultancy.....	4
1.4 Expected Outputs of the Consultancy	5
2.0 BACKGROUND AND RATIONALE.....	6
2.1 Context of the Village Savings and Loans Associations (VSLAs).....	6
2.2 Principles of VSLAs	7
2.3 Benefits of VSLAs	8
2.4 Lessons and emerging trends in establishment of VSLAs	8
2.5 Sustainability of VSLAs	9
3.0 METHODOLOGY	10
3.1 Our methodology.....	10
Phase 1: Inception And Mobilization	10
Phase 2: VSLA Formation, Coaching and Mentoring	13
Phase 3: VSLA Monitoring, Evaluation and Graduation.....	15
3.2 Project Management and Timing	16
4.0 WORK PLAN	17
5.0 PERSONNEL FOR THE CONSULTANCY	18
APPENDICES	19
Appendix 1: List of Participants in the Inception and planning meeting.....	19
Appendix 2: General outline of the VSLA’s Constitution	21

ACRONYMS AND ABBREVIATIONS

CAT	Capacity Assessment Tool
CBTs	Community Based Trainers
CFAs	Community Forest Associations
SACAs	Saving and Credit Associations
SACCO	Savings and Credit Cooperative Society
ToT	Trainers of Trainers
VSLA	Village Savings and Loans Associations
WRUA	Water Resource Users Associations

1.0 INTRODUCTION

1.1 About the WaTER Towers Project

The Kenya Water Towers Protection and Climate Change Mitigation and Adaptation (WaTER) programme is a 5-year programme funded by the European Union and being implemented by several agencies-KEFRI, KWS, KFS and the Ministry of Environment and Natural Resources. The overall project development objective is to contribute to poverty reduction and sustainable livelihoods by applying scientific principles to inform design of community level actions and national policy decisions on rehabilitation and conservation of Cherangany and Mt. Elgon water towers. The programme aims to achieve this through four key components namely:

- i) Component 1: Programme management, Systems and Capacity:
- ii) Component 2: Enhanced Management Frameworks:
- iii) Component 3: Landscape Engagement:
- iv) Component 4: Science to inform design of community-level actions and policy decisions:

KEFRI is the lead implementer in ***component 4: Science to inform design of community level actions and policy decisions with overall goal to provide evidence-based identification and targeting of interventions and policy decision***. This entails the use of scientific data to inform and influence actions from the various actors on ecosystem management. One of the key result areas in this component is establishment of nature based enterprises (NBEs) with special focus on women, youth and people with disabilities. Under this result area, the programme will undertake capacity building of selected groups, establishment of village saving associations and nature based enterprises, mentorship and establishment of market linkages for the nature based enterprises formed among other activities.

Access to financial services is one of the decisive factors in eliminating poverty and fostering local development. This is because one of key challenges to rural based small business enterprises is access to finances and credit. The Village Savings and Loans Association (VSLAs) is an effective micro-finance model that facilitates access to finance while socially empowering poor and vulnerable members of a community. The WaTER Towers Project has identified VSLAs as one of the approaches to supporting the local communities in accessing finances for their enterprises as well as addressing their household needs. The programme aims to establish 2 VSLAs in Mt. Elgon and Cherangany Hills.

McKinee Consulting have been contracted to facilitate the establishment of the two VSLAs, one in each of the two ecosystems. .

1.2 Objectives of the Consultancy

The main objective of this consultancy is to map out existing and operational groups in the two ecosystems that can adopt the VSLA concept, build their capacity and operationalize one VSLA per ecosystem. In selecting the most appropriate and suitable group, priority should be given to groups with a mix of women, youth and people with disabilities. The VSLAs will aim at encouraging small business enterprises or operators to make savings and benefit through access to credit from the group which will eventually lead to improved community livelihoods.

1.3 Scope and Coverage of the Consultancy

The establishment of the two VSLAs will cover the Mt. Elgon and Cherangany Hills ecosystems which cover 11 counties- Busia, Kisumu, Siaya, Bungoma and Trans-Nzoia in Mt Elgon and Elgey Marakwet, Pokot West, Uasin Gishu, Kakamega, Vihiga and Nandi in Cherangany.. The focus will be on existing and operational groups that are composed of women, youth and people with disabilities. The specific tasks in this assignment include:

- i) Prepare for an inception and planning meeting with the WaTER project team to familiarize and get acquainted with the project, after which an inception report will be developed and submitted to WaTER project for approval;
- ii) Undertake a thorough desk review on VSLAs and develop a criteria for assessment of existing groups, selection, recruitment and mobilization of the selected groups in each ecosystem;
- iii) Identify community/youth/women/CFAs/WRUAHs groups that are already existing to work with in each ecosystem (special consideration should be made to special groups);
- iv) Undertake capacity assessment of the selected groups on their ability to form and sustain a VSLA model. This will be done through Focus Group Discussions;
- v) Develop a Capacity building strategy for the VSLAs and organize trainings on standard operational procedures for successful VSLAs;
- vi) Procure VSLA tool kits and demonstrate to the groups how to use them;
- vii) Support in registration of the VSLAs to ensure compliance with all legal considerations and requirements in establishing a VSLA;
- viii) Develop a final report on the progress of the VSLA accompanied by the registration documents of the VSLA

1.4 Expected Outputs of the Consultancy

The assignment is expected to take a total of 51 days which is approximately two and a half months.

In delivering the assignment, the following are the expected outputs:

- i) Inception report defining the methodology, approach and work plan;
- ii) Capacity and readiness assessment;
- iii) VSLA Training Manual with the respective modules based on best practices;
- iv) Two fully registered, trained and operational VSLAs (one in each ecosystem accompanied by VSLA bylaws, certificate of registration and minutes or notes of meetings and leaders);
- i) Final Assignment Report;

2.0 BACKGROUND AND RATIONALE

2.1 Context of the Village Savings and Loans Associations (VSLAs)

Access to finance and credit has been a major challenge to nature-based businesses and the community enterprises at large. This has led to vulnerability to livelihood shocks for many households in communities. There are other local factors that have contributed largely to pervasive poverty. These include: financial resources to cushion the families against external shocks, lack of secure places to save and lack trust and social cohesion within local communities¹. These have also been identified as the key factors affecting communities that live adjacent to the Mt. Elgon and Cherangany ecosystems. The Village Savings and Loans Association (VSLAs) model has been instrumental in many countries in filling the above gap. This model was developed by CARE International in the early 1991 in Maradi, Niger for illiterate and extremely poor rural women, and has since been used in over 21 countries in Africa, Asia and Latin America².

VSLAs are grounded on a simple principle of a village or community group pooling their savings by buying shares in the group, and on putting an agreed amount of money, they qualify for a loan to either open a business or meet their needs. The loan is repaid with interest after a short duration of time and the interest is later shared out among all the members at the end of the cycle. The group can also establish a social fund which is interest free.

The VSLA methodology has its own strengths and weaknesses. That explains why it also complements the existing MFIs. Among the identified strengths and weakness include:

Strengths of the VSLA methodology	Limitations of the VSLA methodology
<ul style="list-style-type: none"> • VSLA members work with their assets and not with loan liabilities (debts) because it is based only on savings. This increases their livelihood security and reduces their exposure to risks. • Interest earned on loans goes to the Association which increases the amount of investment capital available to the community. • Financial services (including a limited level of insurance) are offered in the participants' village/neighbourhood and managed by the participants themselves. • Transactions are quick, simple and transparent. • Systems of accounting are secure, clear and simple. • Using lock-boxes or lockable canvas pouches ensures that transactions are confined to meetings of the entire Association and that money is safe. • The distribution system allows participants to acquire useful lump sums of capital at a predictable time that can be invested in longer-term activities or meet large, predictable expenses. • Attractive to women. These associations allow for an increase in women's social capital and accumulation of female-controlled semi-liquid property, such as small livestock and household goods 	<ul style="list-style-type: none"> • The amount of money available for loans is small, especially at the beginning of the operating cycle. It is limited by the participants' capacity to save: some consider this an advantage because it prevents over-borrowing, especially in the early stages of an Association's life. • The short loan period that is normal during the first few cycles limits investment in long-term activities and fixed-asset investment. • Loan funds are not always available at appropriate times. • The Associations that choose to distribute all of their savings at the 'Share-out/end of cycle' are obliged to start saving again, and, once again, have little capital available for loans for several months.

¹ Mercy Cops. Overview of the Village Savings and Loans Association (VSLA) Program in Central African Republic.

² Kaberia, D., & Allport, R., June 2011, Good Practice Principles in Village Community Banking (VICOPA) and Village Savings and Loans Associations (VSLAs) in the drylands of the Horn of Africa.

2.2 Principles of VSLAs

There are key principles that govern the success of a Village Savings and Loans Association. These principles are like critical success factors as they ensure the efficient operation and sustainability of a VSLA. They include:

- a) **Principle 1:** Associations are autonomous and self-managing. Only technical assistance should be provided through the community based trainers. This promotes self-reliance and long term sustainability.
- b) **Principle 2:** VSLAs are made up of 10 to 30 self-selected members. This makes the association big enough to create a useful pool of capital and small enough to keep meetings manageable.
- c) **Principle 3:** Membership is open to women and men (depending on program set-up). In mixed VSLA groups, at least three of the five elected committee members are female. Members who hold public office are not eligible for committee positions.
- d) **Principle 4:** Members save money through the purchase of one to five shares. The value of a share is set by the group at a level that allows the poorest members to buy at least one share at every meeting. However, the value of a share should not be set so low that five shares will not be sufficient to satisfy the savings objectives of the majority. The value of a share can always be increased or decreased at the start of a new cycle. The number of shares that can be purchased per session should also be set. This is normally 5 shares but it can be changed to 3 where there is a concern about elite dominance. Share purchase should be recorded in individual passbooks using a simple system that is easy for illiterate people to understand the amount of money that they have saved.
- e) **Principle 5:** Savings are invested in a loan fund from which members can borrow, repaying with an added service charge. The group decides the percentage rate of the service charge, which can range from 5 percent to 20 percent.
- f) **Principle 6:** Groups create a social fund through an additional contribution of equal size. The social fund, kept separate from the loan fund, provides small grants for emergency assistance such as funeral expenses.
- g) **Principle 7:** Associations meet weekly, fortnightly or every four weeks during the first cycle, as agreed by members. The frequency can change for future cycles when the VSLAs become independent, if members so desire.
- h) **Principle 8:** All transactions are carried out at meetings in front of all the members of the association to ensure transparency and accountability. To guarantee that transactions do not take place outside the regular meetings, and prevent unauthorised cash movement and record tampering, the group uses a lockable cash box. Three keepers are selected to hold the keys to the cash box. The group should agree the amount of money that is safe to hold in the cash box and agree on an alternative mechanism to store money should it exceed this limit.
- i) **Principle 9:** All members have a passbook to track individual savings and loan information. Groups that have literate members have a central register for aggregated group level information.
- j) **Principle 10:** The VSLA cycle is time-bound. At the end of an agreed period (usually between 9 and 12 months), the accumulated savings and service-charge earnings are shared out proportionally to the amount that each member has saved throughout the cycle. After the share-out, members who do not want to stay in the group may leave and new members may be invited to join. When a new cycle begins, members can agree to change the value of the standard share.

2.3 Benefits of VSLAs

The main purpose of a VSLA is to provide simple savings and loans services to its members that may not have access to any formal financial services. VSLAs are more attractive to the communities because they offer interest on savings and provide micro-insurance and loans in useful and varying amounts—usually in excess of the borrower’s savings. This has allowed the members to meet their small, short-term financial needs for income generating activities, social obligations and emergencies without having to borrow from a money lender or rely on their relatives. In countries and communities where the VSLAs have been implemented successfully, they have increased the diversification of income, increasing the confidence of community members to engage in businesses (through the business skills gained) as well as confidence to engage in meetings and other community activities³. They have also provided cheap credit facilities for sudden emergencies to the members and also social welfare through the social fund that provides small but important grants to members in distress. VSLAs have been complementary to the MFIs where they exist. Thus, members of a VSLAs can also be members of an MFI and vice versa.

2.4 Lessons and emerging trends in establishment of VSLAs

The various groups’ savings and loans concepts have developed over the past 25 years into fairly standardized methodology with continuous improvement. In Kenya, the VSLAs are referred to as Village Community Banking (VICOBA) while in Uganda, it is called Village Savings and Loans Associations (VSLA). Table banking in Kenya has also improved from the VSLA concept and is popular in rural areas. It is important to note that various lessons have been drawn from establishment of VSLAs in various regions. There has also been emerging trends in improving the VSLA concept. These include:

- Additional training of groups in financial literacy and business development skills has been useful in complimenting the VSLA approach. This has been because of the high illiteracy rates and lack of skills and knowledge in personal financial management and business/entrepreneurship.
- The emergence of mobile and internet banking has provided an alternative to safe keeping of the groups’ funds. For example, in Kenya, mobile banking provides an alternative through pay bill numbers as a way of depositing cash safely compared to the traditional cash box. This is especially in the event that the group is contributing large amounts of money. Studies in Western Kenya has shown the mobile banking has become attractive to the group banking methodologies since most members already have MPESA accounts.
- Most groups involved in savings and loans activities have transitioned into Savings and Credit Associations (SACAs) which are bigger and have more capacity to transition into full SACCOs. This is an opportunity for VSLAs to further grow their savings and loans capacities.
- The challenge of having no money at the start of a cycle and inability to take larger loans due to the small repayment period (usually 3 months) has led to new trends. This include linkage of the VSLAs with formal financial institutions for example MFIs and banks. The VSLAs will then be allowed to open bank accounts with local banks which allows them to secure their funds from theft and this increased security motivates them to save more. Thus, the VSLAs can approve bigger loans with longer repayment periods which means the members can invest in long term opportunities.

³ CARE International Ethiopia, 2009, Participatory Impact Assessment of Women’s Income Generating Groups under CARE interventions in Borena, Ethiopia.

2.5 Sustainability of VSLAs

The success and sustainability of a VSLA is grounded on its simplicity and responsiveness which makes it easy to understand and replicate. The linking of VSLAs with readily available community based facilitators or mentors has also ensured that there is a ready source of advice, refresher training and mentor in the well trained community based trainers. The idea is to ensure there is always ready and continued technical support of the groups in the community.

Studies in Uganda and Kenya where VSLAs have been implemented have shown that the responsiveness of these associations ensures that they can survive in any environment or settings- extremely poor and low literacy- while their low overhead costs in operations ensure they remain profitable and financially sustainable. The studies have shown that 95-100% of groups have remained operational way after the programmes that facilitated their formation have left.

3.0 METHODOLOGY

3.1 Our methodology

Establishment of fully operational and successful VSLAs is a continuous process that takes time. Being cognisant of that fact, we designed a 3-phased methodology with specific activities and to achieve it. Our methodology is as summarized in figure 1.

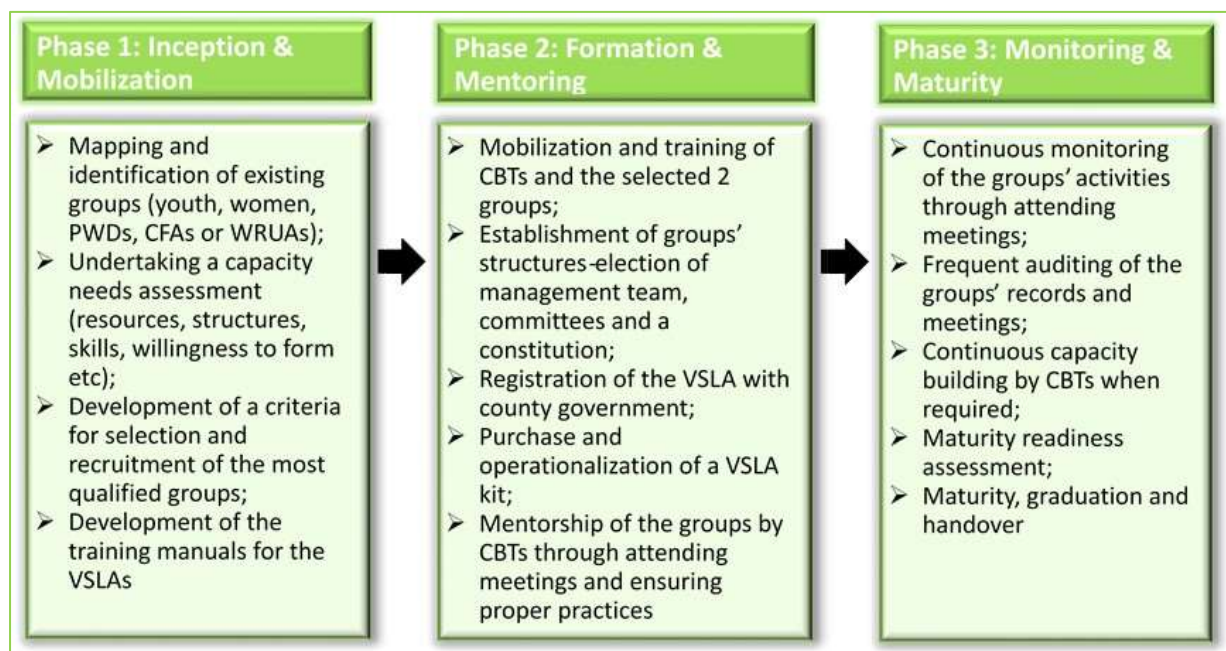


Figure 1: Summary of the methodology for establishing VSLAs

This methodology is further detailed as follows:

Phase 1: Inception And Mobilization

This is the first phase of the process of establishing the Village Savings and Loans Associations (VSLAs). It entails several key activities which include:

Activity 1: Planning and inception meeting with KEFRI-WaTER Towers Project team

The main objective of this activity is mainly to create a common understanding of the objectives of the assignment and come to consensus on the work plan, deliverables and roles of the client and consultant. This meeting was held on **16th April 2018 at the KEFRI headquarters at Muguga (Appendix 1 has the list of participants)**. During the meeting, the following were achieved:

- i) Building consensus on the objectives of the assignment;
- ii) Harmonizing the consultants understanding and approach to the assignment and KEFRI's expectations.
- iii) Discussing the necessary logistical arrangements regarding execution of the assignment, including working out the time frame for the assignment and possible field itinerary.
- iv) Collecting available literature and documentation from KEFRI WaTER project team;

Further to this activity is the development of an inception report. This report details the agreed upon approach and methodology, the work plan, consulting team and expected challenges in the assignment.

Output:

- ✓ **A detailed inception report**

Activity 2: Mapping and Identification of existing and qualified groups

This activity will entail coming up with the most suitable, viable and qualified groups to be supported in adopting the VSLA concept. A thorough desk review will be done as part of this activity to draw critical lessons and best practices from past programmes on VSLAs⁴, facilitate the development of a clear and inclusive criteria for selecting the most appropriate and qualified groups as well as identifying the mapped groups by the WaTER Towers Project⁵.

Among the criteria to be used to identify the groups include not limited to:

- i) They must be within a radius of 5 kilometres from the Cherangany and Mt. Elgon's forests/ecosystems;
- ii) The group members must be from the same village of vicinity;
- iii) The groups must have been existing before;
- iv) The groups must have a representation of women, youth and people with disabilities;
- v) The groups must be willing and ready to adopt the VSLA model;
- vi) The groups must consist of 10-30 members (the fewer the better for cohesion and ease of formation);

Once the criteria has been developed and agreed upon with the KEFRI WaTER Towers Project team, we shall embark on reviewing the baseline report on VSLAs that identified potential groups that the project can work with. We shall draw at least 2 or 3 groups from the report and assess their capacity using the criteria.

The desk review in this activity will also enable us to develop a capacity assessment tool to assess the capacity of the selected 2 groups in terms of facilities, equipment, skills, willingness and readiness to adopt the concept, literacy levels, and management structures among other aspects.

Outputs:

- ✓ **A group selection criteria;**
- ✓ **List of mapped groups to be subjected to the assessment**

Activity 3: Undertaking a Capacity needs assessment

This activity will aim at assessing whether the mapped out and selected two groups have the adequate capacity and most importantly, whether they are ready and willing to adopt a VSLA model. This will be guided by a well-developed Capacity Assessment Tool (CAT) which will be developed based on the desk review undertaken in the previous activity.

The capacity assessment report will inform the finalization of the training manual. Based on the findings, we shall be able to determine whether there is need for additional modules that are specific to their capacity gaps, the type of training methodologies based on the profiles of the group members as well as whether the groups actually want and are ready to adopt the model.

Outputs:

- ✓ **A Capacity and Readiness Assessment Report**

⁴ From other reports on VSLAs especially from CARE International who have undertaken numerous programmes on VSLAs in Kenya, Uganda and over 21 other countries globally.

⁵ Based on the Baseline Survey Report on Village Savings and Loans Associations (VSLAs) conducted under the Project in 2016.

Activity 4: Development of VSLAs training manual and programme

We shall develop the VSLA training manual based on the best practices and standard training modules from past successful projects and programmes globally. This will be identified through desk reviews as well as the capacity and readiness assessment. There however, exists standard modules for training of VSLAs. These will form the core of the training manual and will entail eight (8) key modules:

- **Module 1:** Groups, Leadership and Elections
- **Module 2:** Insurance Fund, Savings and Credit Policies
- **Module 3:** Development of the VSLA constitution
- **Module 4:** Record Keeping and How to Manage a Meeting
- **Module 5:** First Savings Meeting
- **Module 6:** First Loan Disbursement
- **Module 7:** First Loan Repayment
- **Module 8:** End of Cycle Share out (Action Audit)

The eight modules with their specific training content are summarized in Figure 2.

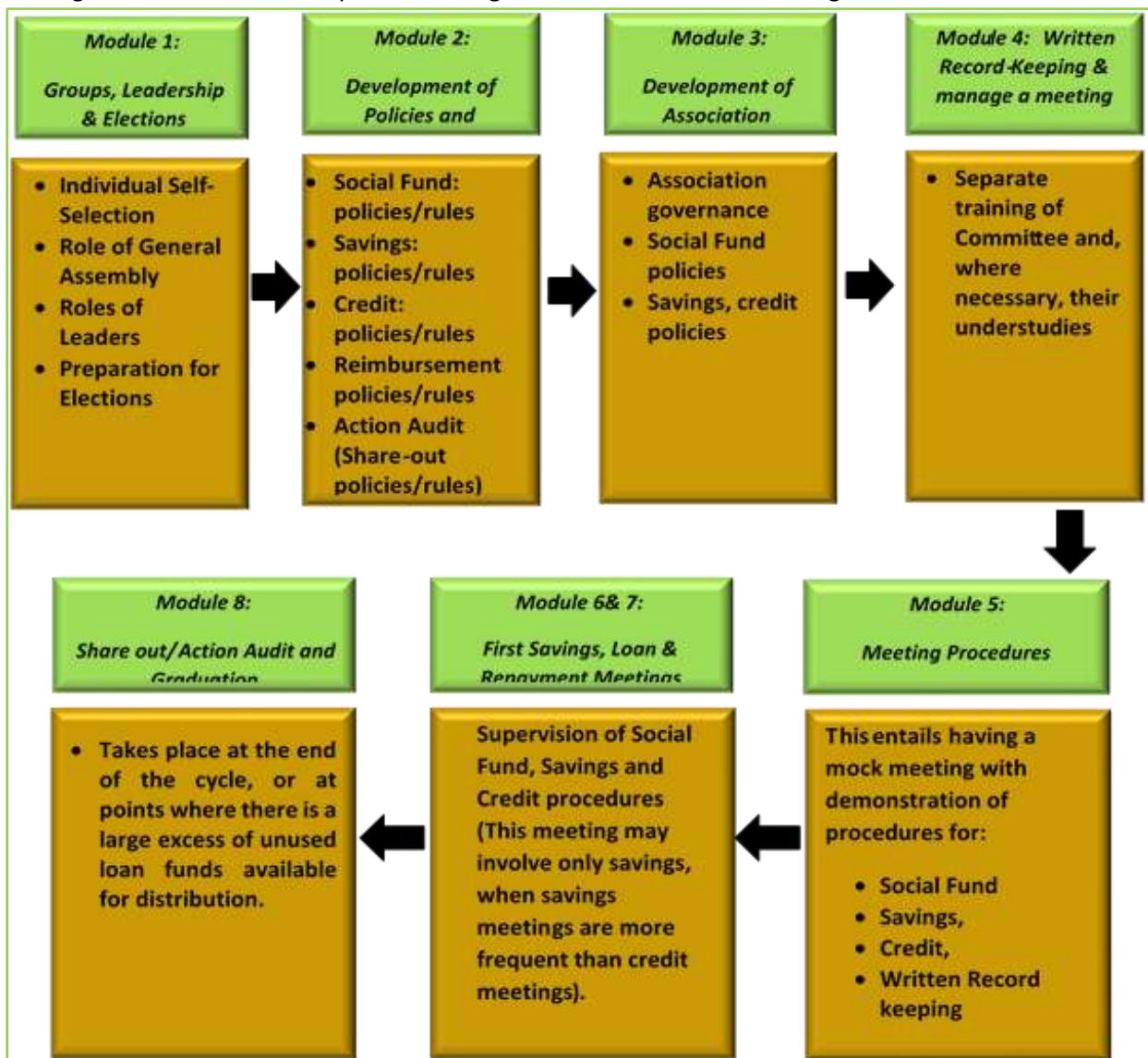


Figure 2: Summary of the VSLA modules with specific content for training

The modules (1-7) will take between 6-7 weeks with the last module being undertaken once the groups is fully operational and have adequate savings (well after 6 months).

Phase 2: VSLA Formation, Coaching and Mentoring

This is the second phase of the establishment process and it will entail the actual formation and establishment of the Association. The activities involved in this phase will entail:

Activity 1: Mobilization and training of Community Based Trainers

The success of any community driven development project or initiative is highly dependent on the support and buy-in received from the respective communities. As such, there is need to have preliminary meetings with the local community leaders and administration to orient them to the initiative, its governance and benefits to the members and community at large. Their approval and blessings are critical to the formation of the associations. Meetings will be held with the county ministry of social services, the chiefs and local elders of the relevant communities to seek their buy-in. the proceedings of the meeting will be recorded and signed by the members present.

Based on best practices, the use of Village agents or Community Based Trainers has been a critical success factor in establishing VSLAs. This is because it ensures that even after the project has ended, there is a pool of skilled trainers within the village or community who can offer guidance, advisory or capacity building to the formed associations or willing community groups. Thus, we shall recruit and mobilize two CBTs through the KEFRI WaTER Towers Project team in the two regions. They shall be thoroughly trained through a Trainers of Trainers (ToT) approach to ensure they are adequately equipped with knowledge and skills on VSLAs.

The trained CBTs or village agents will then be utilized to train the two associations with the technical assistance of the McKinee Consulting team. This is purposively to ensure that the association appreciates the CBTs skills, they know them and also to mitigate against any possible language barrier.

The associations will be trained using adult training methodologies that are based on experiential learning as shown in figure 3.

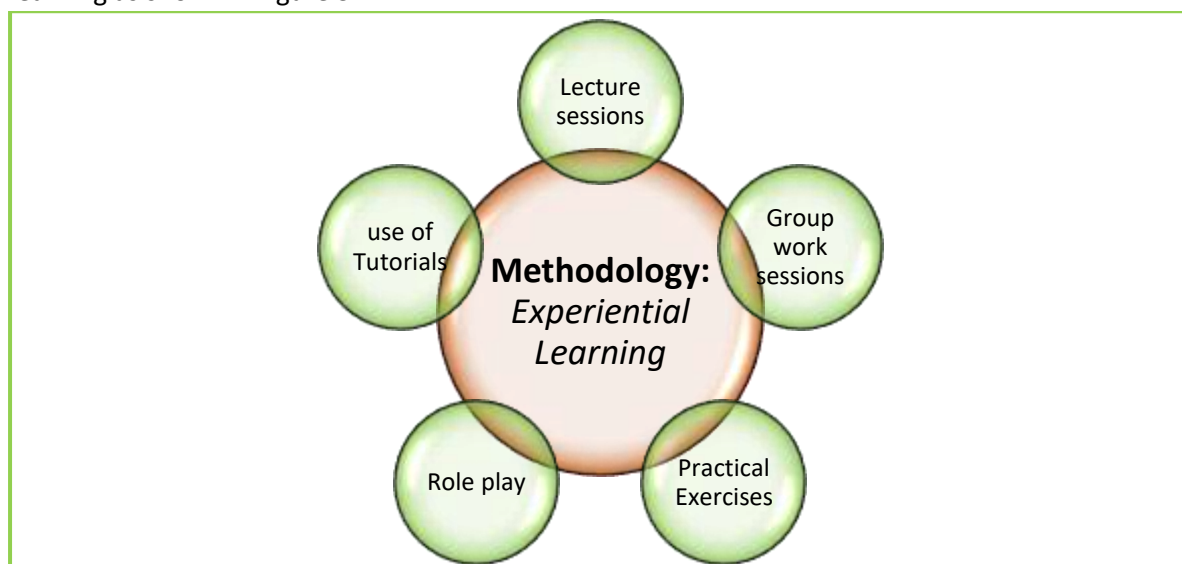


Figure 3: Tactics and methodology for capacity building of VSLAs

The proposed eight modules will take a maximum of 6 days to fully train the VSLAs. The last module on action audit will be done after a month or two after the complete formation.

Activity 2: Association formation and structures setting

This activity will entail two key aspects: formation of the structures of the VSLAs and establishing the legal status of the VSLA as required by the law.

The governance of VSLAs is key to its sustainability. Thus, the VSLAs will be guided to elect their officials and a special committee to address loan requests and other related issues. The Association will be governed by a maximum of 5 officials (management) of which 3 must be either women or youth. The officials will include:

- i) A chair person;
- ii) A treasurer;
- iii) A secretary;
- iv) A records keeper;
- v) Money counter

Additionally, the association will also elect a management committee that should enforce the decisions made by the management team. The team guided by the consultant will define the roles and responsibilities of each management member and the management committee.

In addition, the VSLA's Constitution will be developed and validated by the Association members. This is critical in legally establishing the Association as well as guiding the procedures of the VSLA (**Appendix 2 has an outline of the Constitution**).

Outputs:

- **Governance Structure with the names of the elected officials**
- **A Final VSLA Constitution**

Activity 3: Registration and establishment of the VSLA

After developing the governance structures and the Constitution, the VSLA will then be registered with the County Ministry of Social Services as it is the fastest and most viable registration given the timelines. Registration with the County Government gives the VSLA a legal identity.

With continued growth, the CBTs can support willing associations to transform to either SACAs or their SACCOs if possible.

Outputs:

- **Registration Certificate from the County Government**

Activity 4: Operationalization of the VSLA Kit or any convenient alternative

This activity will be done practically with the support of the CBTs. It will entail practically demonstrating how the VSLA kit works and the responsibility of each of the members and management officials elected. The VSLA kit consists of a lockable cash box, three quality padlocks each with two keys, record keeping book, 30 share pass books, a ruler, an association stamp and ink pad, two pens, two pencils, eraser, a calculator and plastic bowls.

Full operationalization of the kit will entail the CBTs joining the members in meetings and practically demonstrating to them how to utilize contribute their savings, buy shares, and record the shares and savings on their pass books as well as the main record keeping book.

The group may also explore other convenient and safer methods of saving including mobile money or banking after becoming fully conversant with the VSLA concept and being fully operational.

Outputs:

- **Meeting proceedings reports**

Activity 5: Coaching and mentorship of the Associations

Coaching and mentorship are critical aspects of the VSLA establishment process. This is because they play a huge role in managing the change and enhancing the governance, culture, management and commitment of the association and its members

Coaching will involve helping the association members to remove obstacles to optimal progress of the association, development and performance, and focusing on accelerated learning based upon the achievement of specific outcomes of the VSLA. It is facilitated learning that takes place in a fixed-term programme with regular scheduled sessions to achieve specific outcomes. This will be undertaken through the well trained CBTs.

Mentorship on the other hand will entail provision of expertise, advisory and knowledge to the association members as they proceed with operations in the VSLA. We shall structure contact sessions that will be ad hoc. Mentorship will also entail developing (hard) skills through individual or group sessions which will be tailored to the association's emerging needs.

Phase 3: VSLA Monitoring, Evaluation and Graduation

This will be the final phase of the establishment process and will entail monitoring and auditing of the records for members and the Associations, provision of additional capacity building if needed, undertaking a readiness evaluation and finally maturing the association and handing it over to KEFRI WaTER Towers Project Team. This phase will commence once the Associations are fully operational.

Activity 1: Continuous monitoring of activities and frequent auditing of association's records

This activity will be undertaken by the CBTs who will join the groups in their weekly or biweekly meetings to ensure that the members of the Association are participating actively, that they are respecting the rules and regulations and that they are adhering to the savings and loans policies, procedures and conditions and they are keeping accurate records.

In the event that the CBTs find that there is a gap in any of the areas, additional training will be undertaken to the group to enhance their understanding.

As the Association continues to mature, the CBTs will make fewer monitoring visits and will only intervene where there are conflicts, confusion or where necessary. This is to ensure that the Association becomes purely self-operational.

Outputs:

- **Monitoring reports**

Activity 2: Maturity readiness assessment

Before handing over the Association to the project, it is important to undertake an evaluation that measures how ready the Association and its members are for graduation. The evaluation seeks to understand the level of maturity of the VSLA with respect to the operations, record keeping, running of meeting and savings and loans disbursement. This evaluation will determine whether the VSLA is ready for graduation or there is any need for additional training.

Outputs:

- **Maturity Readiness Evaluation report**

Activity 3: Maturity, graduation and handover

Maturity of the Association is characterised by the Association running with minimal supervision while undertaking all the activities with minimal conflicts and errors. The evaluation will also provide the level of maturity of the Association. This activity will also entail holding a ceremony to mark the transition of the Association to full independence. It will also serve as a debrief and handover of the Association to KEFRI WaTER Towers Project by the consultants.

3.2 Project Management and Timing

Our project management approach focuses on delivering project outputs that are on time and to specification. Within our approach, repeatable processes and scalable project tools are employed to ensure that all of the work tasks are defined, all resources are appropriately allocated, communications are planned and distributed, risks are mitigated, change is managed and benefits are realized.

We will provide KEFRI with regular and continuous feedback throughout the process. In this regard, we will synchronize our reporting with the agreed timelines in relation to the various phases. This will ensure that any problems arising are dealt with and reported immediately. We will work with your project team in coordination with relevant department through the appointed team leader of the working team.

4.0 WORK PLAN

Activities	Duration in Months/Weeks										
	Time in Months	Month 1				Month 2				Month 3	
	Time in Weeks	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10
Phase 1: Planning and Inception											
1.1 Planning, Mobilization and Inception meetings											
1.2 Development of the inception report											
Inception Report		★									
Phase 2: Preparatory and Mobilization Phase											
2.1 Creating Awareness and Communication on VSLAs											
2.2 Profiling and mobilization of potential groups											
List of shortlisted potential groups			★								
Capacity Assessment Report			★								
Phase 3: Association formation and capacity building											
3.1 Association formation and training needs assessment											
3.1.1 Training Needs Assessment											
3.1.2 Development of a Training Curriculum											
3.1.3 Training of selected VSLAs											
3.1.4 Guidance in Running first meetings											
3.1.5 Guidance in operations and records keeping											
Training Needs Assessment Report									★		
Training Curriculum and Program									★		
Training Reports									★		
3.2 Development of the Constitution and approval											
3.3 Setting up of governance and operations structure											
3.4 Registration of the VSLAs with the County											
Approved Constitution and Elected Officials									★		
Registration Certificate from the County									★		
Phase 4: Monitoring, mentoring and Maturity of the Association											
4.1 Monitoring of the VSLAs meetings and records											
4.2 Auditing of records and operations of the VSLAs											
4.3 Readiness assessment											
VSLAs Progress Reporting											★
Phase 5: Handover, close-out and debrief											
5.1 Presentation of Final reports for validation											★
5.2 Review all the outstanding obligations											★


5.0 PERSONNEL FOR THE CONSULTANCY

Our key personnel have adequate experience in business planning, financial management of formal financial institutions, training in rural savings and credit groups and product development among other skills.

No	Name	Qualifications	Areas of Expertise	Proposed Role
1.	David Murage	M.B.A in Strategic Management; Bachelor of Cooperative Business (Finance option); SACCO Certified Professional	Business planning and management, strategic planning and management, Management of MFIs, SACCOs and FSAs, training and capacity building, table banking, Establishment SACCOs, MFIs, VSLAs and FSAs	Team Leader- Business Planning and Financial Sector Expert
2.	David Geita	M.B. A in Finance Option; B.Ed Arts; Certified Product Development and Credit specialist	Financial and market training, research and product development for MFIs and SACCOs, table banking, financial product roll-out and financial literacy trainer	Financial literacy and governance trainer for SACCOs, MFIs and FSAs
3.	George Gikunju	MSc in Economics (on-going); BSc in Social statistics Chartered Financial Analyst (CFA)	Financial Planning, Economics and micro finance trainer. Financial literacy and products trainer	Financial Literacy and management Trainer


APPENDICES

Appendix 1: List of Participants in the Inception and planning meeting



Kenya Forestry Research Institute (KEFRI)

Water Towers Protection and Climate Change Mitigation and Adaptation (WaTER) Programme:
Science to Inform Design of Community-Level Actions and Policy Decisions (Component 4) Project



European Union (EU)

ATTENDANCE FORM

PLACE OF VISIT: ...
ACTIVITY: ...

NO.	DATE	NAME	E-mail	ORGANISATION	MOBILE NUMBER	SIGNATURE
1	16-4-2018	David Mwangi	dmwangi@kefri.org	MCL	072242327	[Signature]
2	16-4-2018	Juchie Monda	mondaj@kefri.org	MCL	072242313	[Signature]
3	16/4/2018	Betty Chebet	betbet@kefri.org	MCL	072275328	[Signature]
4	16/4/2018	James Muriu	jamuriu@kefri.org	MCL	072242313	[Signature]
5	16/4/2018	Bernard Omondi	beromondi@kefri.org	MCL	072242313	[Signature]
6	16/4/2018	Grace Githinji	gracegithinji@kefri.org	MCL	072242313	[Signature]
7	16/4/2018	Joseph Githinji	josephgithinji@kefri.org	MCL	072242313	[Signature]
8	16/4/2018	Paul Omondi	paolomon@kefri.org	MCL	072242313	[Signature]
9	16/4/2018	Phyllis Ombaka	phyllisombaka@kefri.org	MCL	072242313	[Signature]
10	16/4/18	Thuy Ombaka	thuyombaka@kefri.org	MCL	072242313	[Signature]
11	16/4/18	Leloy Nereah	leloy@kefri.org	MCL	072242313	[Signature]
12	16/4/18	Jane Nyuguna	jane@kefri.org	MCL	072242313	[Signature]
13	16/4/2018	Kise Ombaka	kiseombaka@kefri.org	MCL	072242313	[Signature]
14	2018/4/16	Leah Ombaka	leahombaka@kefri.org	MCL	072242313	[Signature]

Confirmed by: Date: Signature:



Kenya Forestry Research Institute (KEFRI)

Water Towers Protection and Climate Change Mitigation and Adaptation (WaTER) Programme:
Science to Inform Design of Community-Level Actions and Policy Decisions (Component 4) Project



European Union (EU)

ATTENDANCE FORM

PLACE OF VISIT: KEFRI HQS - COPAR ACTIVITY: Inception meeting

NO.	DATE	NAME	E-mail	ORGANISATION	MOBILE NUMBER	SIGNATURE
15	16/4/2018	Betty Priscy Njoki	betprissy@yahoo.com	KEFRI	07223620453	<i>[Signature]</i>
16	16/4/2018	Harphingway Wraya	Wraya@kefri.org	KEFRI	0722 522027	<i>[Signature]</i>
17	16/4/2018	George Odhiambo	g.odhiambo@kefri.org	KEFRI	0722989982	<i>[Signature]</i>

Confirmed by: Date: Signature:

Appendix 2: General outline of the VSLA's Constitution

I. BASIC INFORMATION ON THE ASSOCIATION

- Name of the Association?
- What is the address of the Association?
- On what date was the Association formed?
- Date of registration, if any?

II. OBJECTIVE OF THE ASSOCIATION

- What is the reason for the Association to exist?
- What services will the Association provide to its members in order to achieve this objective?

III. MEMBERSHIP TO THE ASSOCIATION?

- Upper age limit?
- Lower age limit?
- Gender?
- Residence?
- Common bond?
- Running a business or not?
- Reputation?

IV. COMPOSITION OF THE MANAGEMENT COMMITTEE

- Chairperson
- Secretary
- Treasurer
- Money Counters

V. ELECTION PROCEDURES

- How many terms can any one person serve on the Management Committee
- How often will elections be held
- What is the minimum number of members who must be present to hold an election?
- Will the election procedure use a system that allows everyone's vote to be secret, or will it be carried out using a show of hands?
- What is the minimum number of people that must stand for each position?
- Should a member be proposed for office by another member before being put forward for election?

VI. REMOVAL OF OFFICERS FROM THEIR POSITION BETWEEN ELECTIONS

- Any member of the General Assembly can call for a vote of no confidence in a member of the Management Committee. If the vote is passed by a majority of the members the member must step down from the Management Committee and another member be elected to the same position.

VII. MEETINGS

- How often will the Association meet to mobilise savings?
- How often will the Association meet to disburse loans?
- How long will the cycle of meetings continue before the Association shares out its assets (cash on hand)?

VIII. MEMBERS LEAVING THE ASSOCIATION

- If a member leaves the Association because they have no alternative (such as if they marry and move away) how will the Association calculate how much they must be paid?
- If a person leaves the Association before the end of the cycle for no good reason, except their preference to leave, how will the Association calculate how much they must be paid?
- If a person is expelled from the Association for failing to make regular savings deposits, how will the Association calculate how much they must be paid
- If a person is expelled from the Association for failing to repay a loan, how will the Association calculate how much they must be paid?

IX. EXPULSION FROM THE ASSOCIATION

- For what reasons should a person be expelled from the Association?

X. DEATH OF A MEMBER

- If a member dies how will the Association calculate how much money should be given to their heirs?

XI. FINES

The following table lists the fines that can be charged for offences committed by members.

Offence	Fine Amount (KShs)
Non-attendance at a meeting for personal reasons	
Late to meetings	
Not memorising Association rules as required by the Chairperson	
Failure to make minimum Share/Savings deposit	
Chatting through the proceedings	
Showing disrespect to Association officers or members of the General	
Not remembering decisions and activities of the preceding meeting	
Non-execution of role by a member of the Management Committee	
Late deposit or loan reimbursement	

XII. AMENDMENTS TO THE CONSTITUTION

- How many members must agree (as a number) before the constitution can be amended?
- Who can propose an amendment to the Constitution?