

Please scroll down to read more about our Village Savings programme in Budaka District, Eastern Uganda.

Budaka District is a rural area which has a fast-growing population, currently around 220,000, of whom almost 40% are under the age of nine, and 65% under the age of 20. Around half live in deep poverty (according to the UN measure of less than \$1.90 per day).

Although originally a fertile area, there are now serious signs of soil degradation in the district. Crop yields are falling, and with a rapidly expanding population, food insecurity is widespread. Other challenges for villagers in this area include lack safe water and of sanitation facilities. Poor housing is also a problem, with 99% of people 'not in decent homes' according to the most recent census, and around one in five in a temporary dwelling. Our three new programmes link together to tackle these issues.

Village savings and loan groups (VSL).

This is a simple but very powerful programme which aims to increase households' income and resilience, and also build greater resilience through co-operation in the local community. The programme helps members to work together, combining their small savings to make a viable amount for one member to then borrow, get started in a micro business and then repay with interest. This larger sum is then loaned out to another member and so on. Micro businesses such as frying chips by the roadside or hawking second hand clothes are very sought after, as most households survive on subsistence farming and very little else.

Everyone benefits from earning interest on their savings, even if they don't wish to borrow, so this encourages the savings pot to grow. Groups are self-selecting and choose their own officers; members trust and support each other, vetting and advising on each other's business ideas. Cash is kept in a strong-box with three key holders, chosen by the group, for security.

After 12 months, the accumulated savings are distributed back to the members in proportion to the total savings each person puts in. Some may use their savings for school fees, improving household diets, or enhancing or starting a micro business. After this "share out" the group can start a new savings cycle. Some groups are composed of women only and some are mixed groups.

All participants in our goat programme are also enrolled in one of these Village Savings and Loan groups. This supports them as they work to build better livelihoods through goat breeding.

All members of new groups receive training, with additional training given to the group's officers once these are chosen. Ongoing supervision and support will be provided for two years from the group's start, with special attention paid to how to do the end of year share-out.