



MNSSP Review Brief – Village Savings and Loans Programme Stakeholder Review

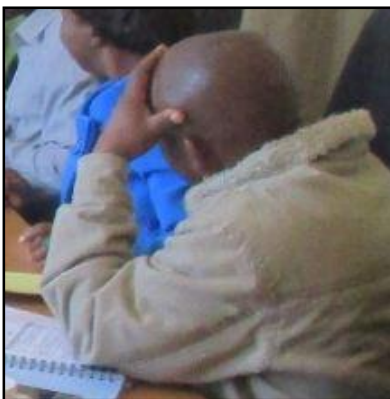


What is the most important or interesting fact about VSL?

- Grassroots level empowerment of the poor and vulnerable
- Inclusion of women and the vulnerable into VSL groups
- Best way of promoting a savings culture among the poor
- VSL has led to increased incomes and improved self-reliance

What are the successes of VSL programmes over the last years?

- Charitable community programmes initiated by VSL groups and cooperatives
- Increases in savings of group members
- Increased incomes through small business and investments
- Widespread adoption and popularity of the VSL methodology
- Economic and social empowerment of participants



What are the issues that did not go well?

- Lack of training for VSL groups
- Lack of coordination among implementers
- Lack of linkage with MFIs
- Lack of cooperation amongst implementers
- Poor quality training provided to some groups

How do you feel about the programme's future? Are you pessimistic or optimistic?

- Passionate and confident about VSL's future
- Optimistic that VSL remain a key programme
- VSL has a huge future due to its positive impact on the economy and lots of money has been made available
- Sustainability is guaranteed by programme design but challenges lie ahead



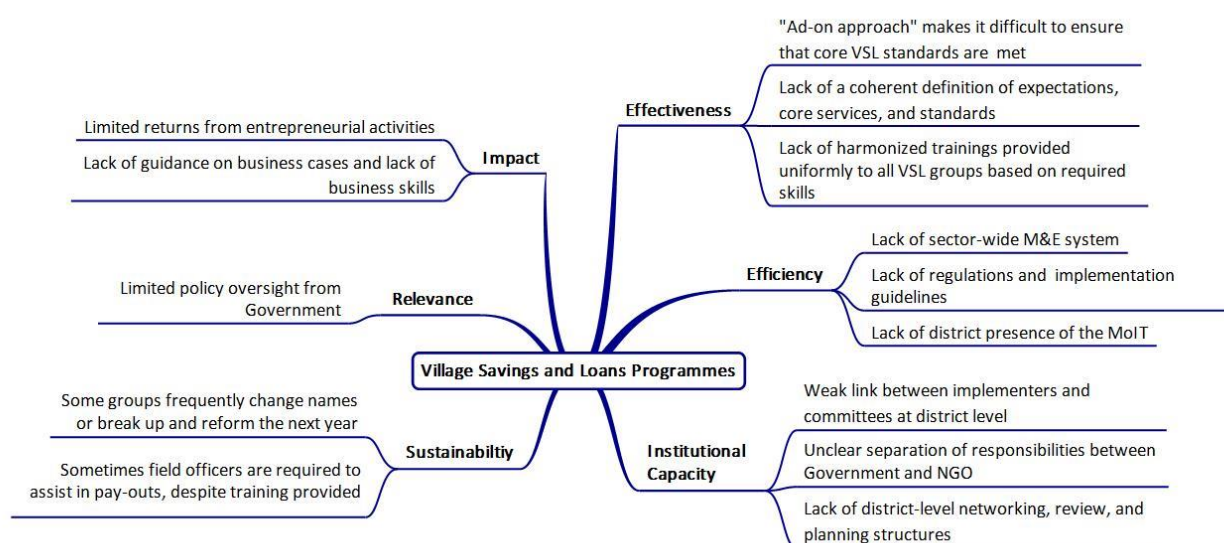


MNSSP Review Brief – Village Savings and Loans Programme Stakeholder Review

This brief summarizes key discussion points and recommendations made at the MNSSP Review workshop on Public Works Programmes, held at Crossroads hotel on the 10th of May 2016 in Lilongwe.

The purpose of the workshop was to evaluate the progress made by Village Savings and Loans Programmes against the MNSSP results matrix and facilitate a critical discussion amongst programme implementers on the relevance, effectiveness, efficiency, institutional capacity, and sustainability of micro-finance programmes under the MNSSP.

Summary of key challenges observed



Traffic Light Evaluation of Village Savings and Loans Programmes: Strategic outcomes

Strategic interventions, indicators, baseline values and targets for VS&L							
Outcomes	Indicator	Baseline	Source	Target	2016	Source	Comments
Strategic Outcome 1: Increased Household Incomes							
Promotion of savings	% of persons above 18 years who are members of VSL groups	75% of adult population save at home	FINSCOP Malawi, 2008	60% of adult home savers start participating in VSL and financial services	43%	Finscope Survey 2014	<p>26 percent of adults still save at home</p> <p>Stakeholder comments: The lack of good baseline and current data makes it difficult to accurately assess the extent of home saving (as opposed to VSL-based saving). It should not be assumed that anyone who is not engaged in VSL groups is saving at home. How to treat people saving both at home and in a VSL group or who save in multiple groups is unclear.</p> <p>It was noted that while VSL is present in all districts, there is considerable heterogeneity in terms of the scope and relative importance of home- and VSL-based saving.</p> <p>It was noted that the VSL model has been adopted by some groups even without VSL implementer involvement, leading to a spread of the model that exceeds the size of the official program.</p>



Total volume of savings accumulated by VSL members	TBC	Baseline required	Increase the total volume of savings by VSL members by 200%		VSL mapping report (MoFEPD, Care)	<p>The baseline is not available but nationwide VSL mapping found that accumulated savings are over MK 3 billion</p> <p>Stakeholder comments: Since not all VSL implementers participated in the VSL mapping exercise, the total amount could be in excess of the MK 3 billion.</p>
Proportion of VSL groups whose investment earn a return above 60%	TBC	Baseline required	TBC	0	Care MIS	<p>Care MIS reported 51 percent as the highest return</p> <p>Stakeholder comments: The generally low profitability of many agricultural activities limits the profits of VSL groups. This can lead to disappointment of group members if VSL does not provide the income boost they expected. -VSL implementers could think about promoting measures to improve farmers' profits, potentially through improved business training.</p>

1) How relevant are Village Savings and Loans Programmes?

Malawi's rural economies are characterized by long time spans between input and output of the agricultural production, uncertainty and weather dependency. In this context, the ability to smooth consumption, access credit, and employ risk coping strategies is vital.

There have been significant increases in access to financial services through the growth of the microfinance industry that, however, often underserve rural communities. Gaps are often filled by community level arrangements, such as VLS groups, which are groups of people pooling their savings and use them as a source of lending funds

VSL groups combine a variety of services normally provided by the formal financial market, including savings accounts, access to loans, and insurance (social fund). Access to credit is also important for non-agricultural businesses and the diversification of income generating activities. Through the facilitation of savings, VSL enables resilience in the form of precautionary savings for emergency expenditures

Evidence discussed by stakeholders

Access to financial services	55% of Malawians are 'financially excluded' and MFI tend to serve urban and peri-urban communities. VSL provide reliable and affordable financial services to the poor in rural communities.
Access to credit	Given Malawi's agricultural economy, having access to credit at specific times of the year can have significant impact on food security and poverty.
Entrepreneurship	VSL groups enable participants to access credit for small investments towards improved productivity, income and the diversification livelihoods
Investments in increased productivity	Require resources, which can take long to accumulate. VSL participation can provide such resources more efficiently
Diversification of income sources	Given the declining yields and volatility of agricultural activities, there is a need for Malawians to diversify income generating activities, access to credit provided through VSL groups can support that
Business skills and opportunities	A key success factor of VSL is the ability of participants to invest savings successfully and at a sufficient profit



Key questions on the relevance of VSL

- **Is VSL a social protection intervention? If yes, which kind?**
- **a) Community based savings and insurance policies**
 - This would imply that VLS groups are largely self-sustaining and, aside from regulation and ensuring favorable conditions, require only limited from the Government and donors
- **b) Social assistance programme, with active government engagement**
 - This would imply that there is a larger role for the Government and donors to play and, potentially, utilize public funds to support VSL as a social assistance interventions that is structured around savings groups
- In what terms should Government support be provided?

Stakeholder discussion

With respect to the Government's role in the provision of VSL, stakeholders agreed that it should focus on promoting VSL in general (although it should not push for specific players, such as COMSIP). Stakeholders argued that the main role of the Government's involvement in VSL should be to provide appropriate regulations, national best practice guidelines and monitor whether implementers are adhering to harmonized practices.

VSL provision was not seen as the type social programme that transfers cash or in-kind resources to beneficiaries but rather a structured provision of trainings and support services based on community groups. This view of VSL implies very limited room for Government interventions, beyond establishing an adequate framework.

Government should lead by providing standards for data collection and monitoring and evaluation systems, as well as facilitate regular data exchange among implementers and between implementers and the government.

There was a strong consensus that Government's role in the provision of VSL should be indirect and focused on providing a conducive environment and guidelines. Government should not be directly involved in the provision of VSL and should not subsidize loans or artificially lower interest rates in another way.

Stakeholder recommendations

- 1) **Develop VSL implementation guidelines and harmonize VSL implementation:** Develop clear implementation guidelines applied to all organizations including provisions for capacity building, monitoring and evaluation systems, information sharing agreements (reporting requirements to relevant national/district authorities).

2) What is the impact of Village Savings and Loans Programmes?

Few rigorous impact evaluations have been conducted on VSL and little is known about their impact on welfare. Literature suggests a number of ways through which financial access and VSL participation can impact welfare:

- I. VSL enables households to smooth consumption over the agricultural season, either via savings or access to credit;
- II. VSL groups often provide simple insurance products (mainly against illness and death) and thus functions as risk coping device, which can encourage households to discard inefficient ex-ante coping strategies, such as low risk-low return activities;
- III. Participation can improve social capital among members by enhancing trust, information flows and joint decision making, creating an environment conducive to economic activities;
- IV. Through savings and credit, VSL can facilitate a diversification of income generating activities.



Evidence discussed by stakeholders

Food security	Evidence suggests that food security, as measured by number of meals per day, significantly improved in treatment villages.
Poverty	Evidence of significant increases in total household consumption.
Income generating activities	Evidence of improved income generating activities as indicated by households holding significantly larger savings in VSL.
Improved agricultural productivity	Evidence suggests that savings are primarily invested in agriculture and the evaluation finds a significant increases in the use of fertilizer and irrigation, followed by an increase in the value of maize sold.
Income and entrepreneurship	No increased income from entrepreneurial activities. Evidence does not suggest significant increases in income generated through entrepreneurship.
Improved housing	Number of rooms per dwelling of participants increased by 0.16 on average.
Assets	Increases in household assets.

Key questions on the impact of VSL

- **Limited returns from entrepreneurship:** Limited evidence suggests that participants do not have increased incomes based on entrepreneurial activities
 - How can participants be better prepared to successfully invest savings and manage a successful business?
 - How to improve sustainability of returns to investments?
- **Improvements in agricultural productivity and output:** Are there ways to further support agricultural productivity improvements?
 - Are there any complementary interventions that could support these improvements?
- **Improved food security:** Often, improvements in food security do not necessarily lead to improvements in nutrition
 - Are there complementary interventions that could facilitate improved nutrition?
- **Role of the Government:** What is the role of the Government in improving impacts of VSL?

Stakeholder discussion

Stakeholders recognized that VSL groups often enjoy limited returns from entrepreneurial activities and non-agricultural investments. The discussion turned to the question how VSL participants can be better prepared to successfully invest savings and loans received through VSL groups.

It was suggested that VSL programs should provide more guidance on specific business cases in the future. There is a need for an accurate, evidence-based assessment of the cost and possible profits of investments available to VSL groups. Implementers could then provide guidance on which investment projects are sensible options. However, it was cautioned that business diversity should not be forgotten. It already happens that groups in certain areas all opt for the same investments or business ideas, thus creating an oversupply of specific businesses, which reduces overall profitability.

An assessment of possible business strategies should thus not only explore the cost and profits of existing businesses. It should also examine which businesses are currently not present but could provide sizeable returns. Community-level knowledge should be incorporated into the process. This could be done through village meetings, during which demand for certain businesses could be determined. VSL group members should be trained in identifying viable business ideas.

Stakeholder recommendations

- 1) **Provide guidance on business cases:** VSL implementers to undertake an evidence-based assessment of the cost and possible profits of investments available to VSL groups. VSL group members should be trained in identifying viable business ideas.
- 2) **Strengthen capacity building:** Implementers to develop a sector-wide capacity building curriculum with skills development components such as literacy, accounting, and business



3) How effective are Village Savings and Loans Programmes?

Evidence discussed by stakeholders

A 'service' delivery perspective

Coverage	67 implementation organizations with 37,461 groups and 610,596 members. North (78,068 members), Central (333,624), South (198,886).
Business skills	Lack of business skills of VSL members sometimes leads to defaults, late loan repayments and limits impacts of methodology.
Lending modalities	Inflation and interest rates are high, potentially making it difficult for beneficiaries to repay loans.
Complimentary funding	COMSIP combines VLS approach with financing of investments.
Literacy	Low literacy levels affect the quality implementation through poor record keeping and limited understanding of the methodology by beneficiaries.
Capacity challenges	Limited financial management competences and inadequate training results in some groups charging high interest rates, lending to non-members and are unable to share out savings independently.

Key questions on the effectiveness of VSL

- **Coverage:** Who are the beneficiaries of VSL programmes? Is there a demand for a scale-up?
- **Beneficiary profile:** VSL require a minimum of social capital, savings, literacy and numeracy. Does this prevent the most vulnerable from participating?
- **Quality of the portfolio:** Is money reimbursed fully and on time? Are there challenges with the management of the savings?
- **Lending modalities:** Are there challenges with respect to the lending modalities?
 - Is there a role for the Government in, for instance, managing risk, reducing interest rates or subsidizing participation for certain categories?
- **Inadequate business skills:** How can beneficiaries' entrepreneurial and business management skills be improved in order to create sustainable impacts?
- **Capacity challenges:** How can members' understanding of the methodology be improved?
- **Low literacy levels:** Can VSL participants be linked to adult literacy programmes?
- **Complimentary funding:** Should the COMSIP approach of 'outside' funding be extended to other implementers?

Stakeholder discussion

It was observed that many VSL implementers use the VSL methodology as one component of larger multi-sector programmes. Stakeholders agreed that the multidimensional approach of many organizations implementing VSL makes it difficult to ensure that core expectations and standards of the VSL approach (the affordable provision of savings and loans to enable entrepreneurial activity) are fulfilled by all implementers, even those which use VSL only as one tool among many others.

Stakeholders suggested that there is a need to define expectations, core services, and standards of VSL in Malawi. These core services and standards need to define the basic services provided through the VSL approach and should be harmonized across the sector. This package should include a core cycle of trainings provided uniformly to all VSL groups based on a set of required skills, such as literacy, business, and accounting skills. This should represent the minimum of knowledge needed to productively make use of VSL programs.

Stakeholders further suggested that a manual for the provision of such a training cycle would need to be accompanied by a set of indicators to assess whether groups have actually acquired these core skills. The manual could include pointers to viable business ideas and an explanation of basic business practices. It has been observed that groups with business training perform better than groups without it.

It was agreed that the cost per group member of providing VSL needs to be quantified. The cost of providing certain training measure also needs to be evaluated, so training selection can become more efficient. This costing of VSL



provision should go hand-in-hand with the suggested development of a sector-wide implementation guideline and capacity building curriculum.

Stakeholders suggested that it would be worthwhile to undertake a study to assess the added value of complimentary funding, similar to what COMSIP does. The study should assess the capacity of groups to successfully develop larger business cases, define targeting parameters for groups capable of taking on complementary funding, as well as the appropriate funding size.

It was suggested that unconditional start-up funding should not be provided and complementary funding should be conditional on VSL groups saving money themselves, or perhaps even on reaching a certain saving goal before any complimentary funding is made available. Grants for training or large-business formation (which COMSIP provides already) could be considered, however.

Due to sometimes limited investment opportunities and/or business ideas, excess funds can be a problem. Every member of a VSL group is required to, at least once in a cycle, take out a loan and invest the group's savings. These "forced loans" can lead to some group members incurring an individual loss for the benefit of the group, which is not the aim of VSL. Lacking lucrative investment opportunities but being required to borrow and invest, some group members cover the group's interest by borrowing or selling assets.

Stakeholders recognized this challenge but no concrete solution were suggested. One idea was that linkages to micro-finance institutions (MFI), which pay interest on savings could be useful in this context. This link could also promote the idea that saving itself (even without investing the funds) is already valuable.

Several groups include clauses in their constitution limiting the maximum amount of shares which can be purchased per week. This is restrictive for beneficiaries who would prefer to save more, who then spread their resources over several groups. This could lead them to overstretch themselves, although the communal nature of VSL should prevent this. Usually, groups are aware of the activities of their members and can assess whether a new member can shoulder required contributions. Some group constitutions contain clauses explicitly prohibiting membership in other groups.

It was further noted that regulating and harmonizing the training of VSL group trainers and field officers is important to ensure that all groups benefit from the same high quality training and acquire relevant skills. Reporting on their activities should also be coordinated and harmonized.

Since the cost of providing VSL services is lower in more densely populated areas, implementers might be drawn towards those. It was agreed that, while efficiency in program provision is important, sparsely populated areas must not be left behind.

Stakeholder recommendations

- 1) **Define expectations, core services, and standards of VSL in Malawi:** These core services and standards need to define the basic services provided through the VSL approach and should be harmonized across the sector.
- 2) **Develop a harmonized VSL capacity building package:** It should be based on a core cycle of trainings provided uniformly to all VSL groups to ensure required skills, such as literacy, business, and accounting skills.
- 3) **Develop and mainstream staff training requirements:** Develop and mainstream regulations and guidelines for the training of VSL group trainers and field officers
- 4) **Assess the possibility of introducing complementary funding to VSL groups**
- 5) **Develop a strategy on how VSL outreach to remote areas**



4) How efficient are Village Savings and Loans Programmes?

Evidence discussed by stakeholders

A 'systems' perspective

Information management systems	Few implementers use the standard VSL MIS and there is currently no harmonized method of tracking quantity and quality of service delivery and measuring of standard set of indicators. Half of all implementation organizations indicated that they use the standard VSL MIS. However, 41% of those were unable to track Portfolio at Risk for their groups and 43% were unable to track loan utilization.
Regulation	Lack of regulatory framework on VSL implementation in Malawi, which is problematic, especially when conflicts between members arise.

Key questions on the efficiency of VSL

- **Cost of implementation:** What are the required set-up and support costs of VSL implementation?
 - Beyond the initial set-up costs and trainings, do VSL group require further support?
- **Fragmented and inefficient information management systems:** Should all implementers switch to the standard VSL MIS?
- **Currently there exists no substantive regulation of the VSL sector:** Is this a problem?
 - If yes, how can the sector be better regulated and Government policy leadership be improved?
- **Ministerial anchor:** Given the pro-poor focus of VSL, is the MoIT the more appropriate institutional anchor for VLS programmes?

Stakeholder discussion

Currently, there is no sector-wide M&E system in place that can inform policy makers and implementers about the performance of the sector. Monitoring and evaluation systems and data collection systems should be developed and harmonized across implementers. Some of the indicators for the MNSSP results matrix could not be assessed since no data were available. This was identified as an area for improvement.

With respect to the Government's role in VSL, stakeholders agreed that it should focus on promoting VSL in general (although it should not push for specific players, such as COMSIP). Stakeholders argued that the main role of the Government's involvement in VSL should be to provide appropriate regulations, national best practice guidelines and monitor whether all implementers are adhering to harmonized practices.

Government should further lead by providing standards for data collection and monitoring and evaluation systems, as well as facilitate regular data exchange among implementers and between implementers and the government

The Ministry of Industry and Trade (MoIT) was absent from VSL working group meetings. It is not clear that it is the best ministerial anchor for the VSL program. MoIT was initially chosen as the ministerial anchor for VSL as it oversees all cooperatives, in to which VSL groups can be 'graduated'. However, the MoIT has no strong presence in the districts, which is crucial for VSL implementers. The Ministry of Gender, Children, Disability and Social Welfare (MoGCDSW) oversees COMSIP groups and more broadly community development, and has a strong presence in the districts. Moving VSL under the auspices of the MoGCDSW may be advisable.

Recommendations

- 1) **Develop a sector-wide M&E system:** Ensure that all implementers comply with reporting requirement, ideally through a sector-wide M&E system
- 2) **Institutional anchor:** Consider whether the VSL would be placed under the auspices of the MoGCDSW



5) What is the institutional capacity of Village Savings and Loans Programme implementers?

Evidence discussed by stakeholders

Leadership and management	Inadequate leadership and management competences, weak political ownership, commitment and support at all levels.	
Policy, strategy and legislation	Limited awareness and knowledge of relevant policies (MDGS, NSSP, etc.), absence of sub-programme strategic plan, fragmented operational guidelines at all levels.	
Institutional framework and coordination mechanisms	Fragmented implementation	Implementers use different VSL approaches, which confuse communities, especially where there are numerous implementers.
	Lack of coordination	Poor coordination, lack of collaboration, and the absence of joint work plans at all level leads to overlaps, competition, dual memberships.
	Lack of joint planning	Absence of policy planning and review dialogue forum
	Limited district collaboration	Implementers often do not collaborate closely with community development officers at district level.
Information systems	Weak IT-based planning capacity, fragmented data and information management systems, inadequate IT infrastructure, heavy reliance on manual records, and untimely reporting.	
Physical resources	Inadequate physical resources of coordinating structures, delays in procurement and maintenance processes at all levels. Multiple users of available resources and limited operational resources for frontline staff including village agents at district level.	
Human resources	Inadequate staffing levels and high workloads due to vacancies, inadequate skills, absence of integrated HRD strategy at national levels. Inadequate frontline staffing levels, inadequate competences in finance, entrepreneurship and technology, inadequate training for staff, inadequate training for beneficiary groups on business enterprise at district and community levels.	

Key questions on the institutional capacity of VSL

- **Lack of coordination and collaboration:** How can coordination and collaboration between implementers be improved?
 - What institutional arrangements need to be established to facilitate this process?
- **Lack of harmonization:** How can VSL implementation be harmonized?
- **Limited collaboration with local government:** How can implementers and community development officers improve collaboration?
- **Government support:** What should the role of the Government be in the implementation of VSL?
- **Inadequate staffing levels:** How can staffing levels be improved?
- **Inadequate skill levels and competences:** How can implementers be better trained in financial management and business skills?
- **Operational support infrastructure:** What is the necessary investment cost of putting in place adequate operational support infrastructure is in place?

Stakeholder discussion

Stakeholders recognized that the link between implementers and responsible committees at district level is currently not very strong and some implementers work without supervision from district officials. It was suggested that a framework needs to be created for implementers to be placed more firmly under Government oversight, in particular with respect to data sharing and adherence to guidelines.

Stakeholder noted a high turnover rate of field officers, which is inefficient and requires frequent re-training of staff. It was considered important to reduce staff turnover in the future.

VSL provision has two main staffing streams: Government and implementing NGOs. It was suggested that there needs to be more clarity as to the exact roles for each set of stakeholders. The group suggest the following separation of



responsibilities: NGOs set up and train groups, while the Government provides standards and monitors adherence to those. Such systems would also facilitate handover once NGOs pull out after having set up VSL in a given area.

District authorities should promote or provide district-level networking, review, and planning structures to improve communication among implementers and between implementers and Government.

Recommendations

- 1) **Develop a guideline detailing a clear roles and responsibilities between Government and NGO implementers**
- 2) **Develop a framework for Government oversight:** This framework should include data sharing arrangements, national and district level coordination and planning structures, and harmonized implementation guidelines.

6) How sustainable are Village Savings and Loans Programmes?

Evidence discussed by stakeholders

Donor dependency	The implementation of VSL programmes is heavily dependent on donors, NGOs, and the LDF (for COMSIP)
Sustainability concerns	Current levels of donor funding raise sustainability concerns. Government contribution to the VSL programmes is mainly on non-financial terms, leaving the programme vulnerable to changes in donor priorities
Implementation cost	What is the cost associated with implementing VLS? Is the financial contribution necessary for the savings schemes to be viable or is it only needed to maintain infrastructure?
Fragmented system	High levels of donor funding leads to a fragmented system: Limited Government leadership results in a fragmented and uncoordinated, which leads to confusion and duplication, undermining effectiveness

Key questions on the sustainability of VSL

- **Role of the Government:** What role should the Government play with respect to VSL?
 - Should the Government play a regulatory role?
 - Ensure the financial sustainability of VSL schemes?
 - Work on improving conditions and outreach?
 - Actively implement VSL schemes?
- **Limited financial sustainability:** Are there any reforms that could make the programme more financially sustainable and attractive to Government?
- **Graduation into cooperatives:** How can MoIT capacity to graduate VSL groups into cooperatives be improved?

Stakeholder discussion

Occasionally, groups are reported to simply change names or break up and reform the next year (unclear why). Some beneficiaries also migrate across groups or join and leave groups frequently.

It should be noted that both behaviors could be sensible strategies, for example as group members graduate and move on to join a new group with other, wealthier members. However, if group formation or cross-group migration is driven by short-term motivations, this could threaten the sustainability of VSL. Implementers should thus promote a long-term focus among group members.

Properly trained VSL groups should not require any further financial support or assistance with share-out or the day-to-day running of the group's funds. Stakeholders suggested that there should at least one group member that is able to oversee the share-out process. Ideally, once group training is completed, field officers should not have to be present to ensure share-out functions as intended.



In reality, however, this is not always the case and stakeholders reported that sometimes field officers are required to assist. A proposed solution to this capacity challenges was to sequence group training and to discuss share-out procedures close to the end of the financial year, so they are present in members' minds when share-out happens.

It was suggested that for some VSL groups it would be beneficial to formalize their group into a cooperation, which would allow them to receive loans from MFI. However, it was stressed that this is a delicate process and requires a serious assessment of a group's capacity. Further thinking should be done how this 'graduation process' can be facilitated to be a benefit of group members, while minimizing risks.

As discussed earlier, stakeholders saw the role of the Government in the provision of VSL as limited to providing and enforcing an adequate regulatory framework and guidelines, as well as providing policy guidance.

Stakeholder recommendations

- 1) Rethink the approach, content, and sequencing of training provided to groups on the VSL methodology to reduce need for field officers to return to facilitate pay-outs
- 2) Develop a 'graduation strategy' to facilitate the formalization of VSL groups, where appropriate, into cooperatives

Traffic Light Evaluation of Village Savings and Loans Programmes: Strategic interventions, outcomes, and activities

Strategic interventions, indicators, baseline values and targets for VS&L							
Intervention	Indicator	Baseline	Source	Target	2016	Source	Comments
Strategic Outcome 3: Enhanced Agricultural Production							
Promote investment in agricultural production	Number of VSL members with cement maize silos	660 (2009)	ASWAp	1800 cement maize silos constructed by VSL farm families	TBC		
Promotion of agricultural diversification	Proportion of VSL farming families consuming dietary diversification	15% (2009)	ASWAp	55% of VSL farm families consuming dietary diversification	TBC		Stakeholder comments: -Dietary diversification is a focus of some, but not all VSL implementers. -COMSIP is part of an as-yet unassessed project combining dietary diversification and VSL, funded by the World Bank. -Even without explicitly aiming at diversification, VSL can have an impact on it. Group members discuss dietary issues and learn from each other. Some members join groups with the express goal of improving their family's nutrition. Farmer groups tend to invest in cash crops (soy beans, sunflowers or ground nuts) instead of maize, which tends to diversify their diet if they consume some of their produce themselves. -This is somewhat counteracted by the Farming Input Subsidy Programme's (FISP) focus on subsidizing maize. -A central issue is the lack of good data on nutritional changes over time, which makes the actual impact of VSL on dietary diversification hard to assess. -Retaining diversification as part of a core VSL package was seen as promising, even though the core tool should not be overburdened. Especially as part of a long-term strategy to reduce vulnerability to climate



								shocks, VSL can and should play a role in promoting diversification along with other MNSSP programs.
	Number of food crops grown by VSL households increased from 1 to at least 2 by 2016.	1 (2009)	ASWAp	3 different food crops grown by VSL farming hhs	TBC			