

**VILLAGE SAVINGS, LOANS ASSOCIATION PROJECTS AND COMMUNITY
EMPOWERMENT
A SURVEY ON WVR PROJECT IN UMUCYO AREA DEVELOPMENT PROGRAMME
IN KARONGI DISTRICT**

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ABSTRACT

This research focused on examining the contribution of Village Savings and Loans Associations (VSLAs) project on community empowerment in Umucyo Area Development. This model of project called VSLAs has been initiated by Care International and World Vision Rwanda (WVR) is applying the model with the purpose of creating self-reliable and auto financing capacities among poor families from Umucyo Area Development programme. VSLAs project members have been able to mobilize their own savings and run income generating activities to satisfy their basic needs without relying on external support and then enjoy the empowerment and sustainability of VSLAs project interventions. The results from both secondary and primary data show that VSLAs are contributing to Umucyo community empowerment as 25 VSLAs were able to mobilize overall Rwf 6,989,105 of savings among themselves and Rwf 3,202,902 were given as credits to VSLAs members. Among 100 respondents only 30 % and 16 % were able to save money and acquired loans respectively from financial institutions; while after joining VSLAs 100% and 84% of respondents have savings in bank accounts and received loans respectively. The research also shows 28% of respondents started income generating activities and 20 %, started income generation activities and pay health insurance for their families and 10 paid school fees for their children. From this situation, we can conclude a significant correlation exists between VSLAs and community empowerment as Pearson $r= 0.909$. The research recommend WVR to mobilize more community members to form and work in VSLAs as the project model has received only 854 people in a community with more than a total population of 20,000, carry out coaching activities towards already existing VSLAs members as these savings groups are young in this community and link 7% of VSLAs members that are not able to read and write to any available adult literacy programme in this community.