



Women's Savings and Credit Associations

In Gaza and the West Bank, IFAD gave women a unique opportunity to start their own businesses by setting up a series of Savings and Credit Associations and providing business skills training.

In the 20 months that followed the beginning of the *intifada* (uprising) in September 2000, poverty in Gaza and the West Bank increased by at least 45 per cent, living conditions deteriorated, and unemployment more than tripled. In order to restore the living conditions and livelihood opportunities of rural communities, IFAD launched the Rehabilitation and Development Project – the second phase of the earlier Relief and Development Programme. An innovative element of this project was the Women's Livelihood Support component, which aimed to empower women by setting up Savings and Credit Associations (SCAs) with the support of the Palestinian Agricultural Relief Committees (PARC). These "village banks" provided women with access to credit and other services, thus paving the way for them to establish their own businesses. In addition, the financial, administrative and organizational training offered by the women's Business Service Centers allowed women to expand the range of their activities.

Country:

Gaza and the West Bank

Direct Beneficiaries:

Rural households headed by women

Results:

- By December 2008, 12 women's SCAs were legally registered as savings and credit cooperatives and are members of the Union of Cooperative Associations for Savings and Credit.
- The Union represents 176 locations and villages and includes 7,383 members, for a total amount of over US\$2.6 million in savings and shares, and a total current portfolio of over US\$3.1 million; since 2000, the overall credit portfolio has reached over US\$10.1 million.

Main Lessons:

- Training in financial, administrative and organizational work procedures, and training in business development and entrepreneurship, are essential complementary activities whenever credit is being provided to people who previously had no access to it.
- Although women may be reluctant to use formal credit institutions and lack collateral, they will actively participate in peer cooperative associations that include savings and credit schemes.



BASIC INFO

Sources:

Five Year Strategic Plan for the Network of Saving and Credit Association in Gaza and the West Bank (IFAD, 2005)

Project Name:

Rehabilitation and Development Project

Project Starting Date:

2002

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WEB PAGES

IFAD operations in NENA and CEN:

<http://www.ifad.org/operations/projects/regions/pn/index.htm>

IFAD learning notes:

<http://www.ifad.org/rural/learningnotes/index.htm>

IFAD case studies:

<http://rpr.ifad.org/node/174>

(username and password: "guest")

Background

The Palestinian people living in Gaza and the West Bank have experienced a rapid and devastating deterioration in their economic condition since the tightening of the border closure policy, following the beginning of the *intifada* in September 2000. Living standards have fallen sharply and the incidence of poverty increased rapidly.

The death, detention or unemployment of men breadwinners required women to assume more responsibility for earning income to sustain the family. At the same time, women were affected by the closure since it reduced their access to social infrastructures such as health and maternity services, and water supply. As a result, some 30 per cent of households headed by women were below the poverty line, as compared to 22 per cent of households headed by men.

In March 2003, IFAD launched the Rehabilitation and Development Project, the second phase of the Relief and Development Programme (1994-2005). The project aimed to improve the living conditions and livelihood opportunities of rural communities, and especially of women.

Women's Livelihood Support and the "Village Bank" Concept

The project's main objectives were to meet the immediate needs of the designated rural communities and to contribute to their longer-term development. These objectives were to be achieved by: 1) restoring access to essential social and physical infrastructure and services; 2) providing employment to meet immediate income needs; and 3) promoting access by the communities, and women in particular, to the necessary resources (financial, technical, managerial) to improve their income-earning opportunities.

A key element of the project was the Women's Livelihood Support component, which was implemented by the Palestinian Agricultural Relief Committees (PARC) – a non-profit organization that has for many

years played a pioneering role in providing development services in the agricultural sector and rural areas. Through this component, the project helped consolidate and expand women's Savings and Credit Associations (SCAs), a sort of "village bank" that provides women with access to credit and other services to establish or expand businesses. The management of income-generating projects by the women automatically empowers them within the family, and marketing relationships with other members offer additional opportunities for empowerment.

Providing a Legal Umbrella through a Union

The savings and credit programme started in 1999, but work on preparing entrepreneurs had already begun in 1996 through a business incubator centre set up in Jericho by PARC in collaboration with AIDOS (*Associazione Italiana Donne per lo Sviluppo*).

Twelve SCAs were created in Bethlehem, Hebron, Jenin, Jericho, Jerusalem, Nablus, Qalqilia, Ramallah, Salfeet, Tubas and Tulkarm, in addition to one SCA in the Gaza Strip with two branches. They were legally registered as savings and credit cooperatives by the Ministry of Labour. To ensure that the SCAs have adequate resources for on-lending to their members, they have access to loans, first, on an interest-free basis from the project and, second, on commercial terms by linking with a commercial bank for bulk loans.

In 2005, a Union of Cooperative Associations for Savings and Credit was established and registered in order to support and provide a legal umbrella for the registered SCAs in Gaza and the West Bank. In order to ensure transparency with respect to the undertakings of the 12 SCAs and the Union, an annual financial balance sheet has been put in place. The document is audited and certified by the Ministry of Labour and accredited by the General Assembly.

Vital Training Support

Consultancy and on-the-job-training visits were conducted by the Union's staff to cover issues concerning the financial, administrative and organizational work procedures of the SCAs. Workshops were also conducted in all governorates on bookkeeping and financial procedures for the SCAs' financial statements and by-laws. The extent of these services emerges from the following picture:

- Training was provided to treasurers and their assistants and was conducted in 176 locations benefiting 465 members.
- A total of 24 workshops were conducted by the Union's team.
- Individual business plans for each SCA were developed.
- A total of 24 training courses were offered in loan management, financial analysis and delinquency management benefiting 320 members at 172 locations – the course improved the treasurers' performance in loan distribution, risk reduction and repayment audit.
- A total of 21 exchange visits were organized in 162 locations with the participation of 1,470 women among the groups at the governorate level, with the aim to develop the performance of the SCAs, to exchange know-how, and to encourage new ideas among the members.

The project is currently being replicated among farmer cooperatives in Gaza and the West Bank and, recently, the SCAs have been working to establish a Palestinian banking institution that is regarded as the first step towards a "bank for the poor".

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