

## **Impact of Integrated Village Saving and Loan Program: Empirical Evidences from the Northern Part of Ethiopia**

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The ‘minimalist’ approach that once dominated microfinance outreach in the past is now a fading memory. A growing number of studies are suggesting a more ‘integrative’ approach to support the marginalized and ultra-poor households. This study highlights the impact of the integrated programs- Village Saving and Loan (VSL) and Productive Safety Net Programs (PSNP) - in Sekota district, Northern Ethiopia. Endogenous Switching Regression model is fitted to minimize threats of self-selection bias, unobserved characteristics and heterogeneity effect. The result reveals that self-selected participant in the integrated program has a significant and positive impact on monthly consumption expenditure compared with the random participants and non-participants.

**Keywords:** Endogenous switching regression, Heterogeneity effect, Productive Safety Net Programme, Self-selection bias