



Savings Groups: Designing for Impact

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Workshop objectives

- Equip participants to identify strategies for best utilizing savings group programming to contribute to region, country or program goals.
- Equip participants to analyze appropriate opportunities for linkages in savings group programming.
- Equip participants to define appropriate monitoring and evaluation elements for savings groups.

Target groups,
vulnerabilities &
protection

Sustainability

Workshop Map

Linkages &
add-ons

Monitoring,
evaluation & the
evidence base

Target groups,
vulnerabilities &
protection

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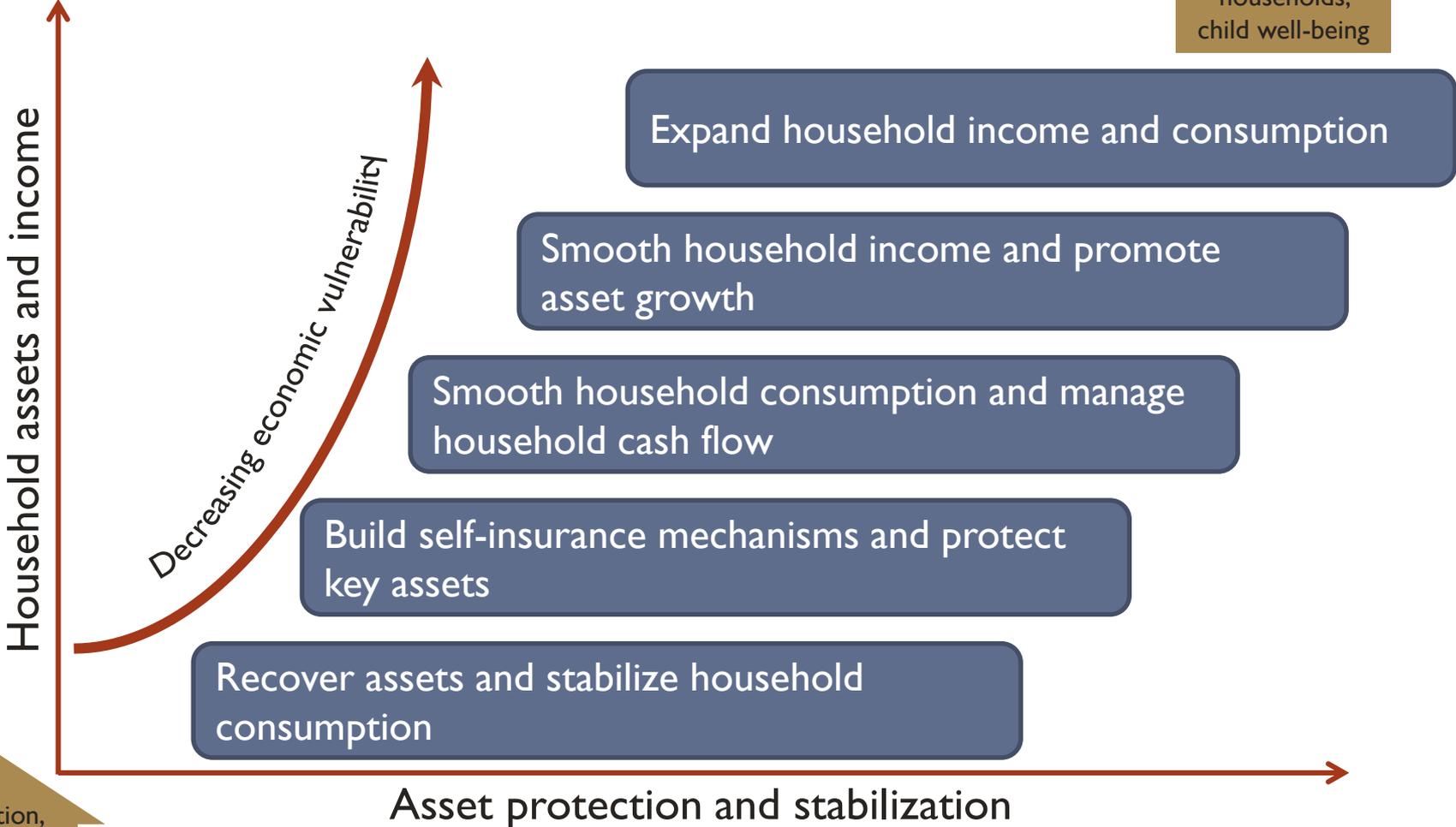
How does participation in savings groups enhance OVC well-being?

Getting to know each other

- What is your name?
- What is the name of your organization?
- Why are you interested in learning more about savings group programming?

Economic-strengthening pathway

Secure and resilient households, child well-being



Destitution, households and children in distress

Adapted from Jason Wolfe and Colleen Green (2012)

Economic Well-Being and ES Category

<i>Households that are ...</i>	<i>Are ready for livelihood ...</i>	<i>Which includes strategies to ...</i>	
Prepared to grow (somewhat vulnerable)	PROMOTION	Grow income and expenses	 Enterprise Development
Struggling to make ends meet (very vulnerable)	PROTECTION	Match income to expenses	 Money Management
In destitution (most vulnerable)	PROVISION	Meet basic needs	 Consumption Support

Adapted from LIFT and PEPFAR

What are savings groups?

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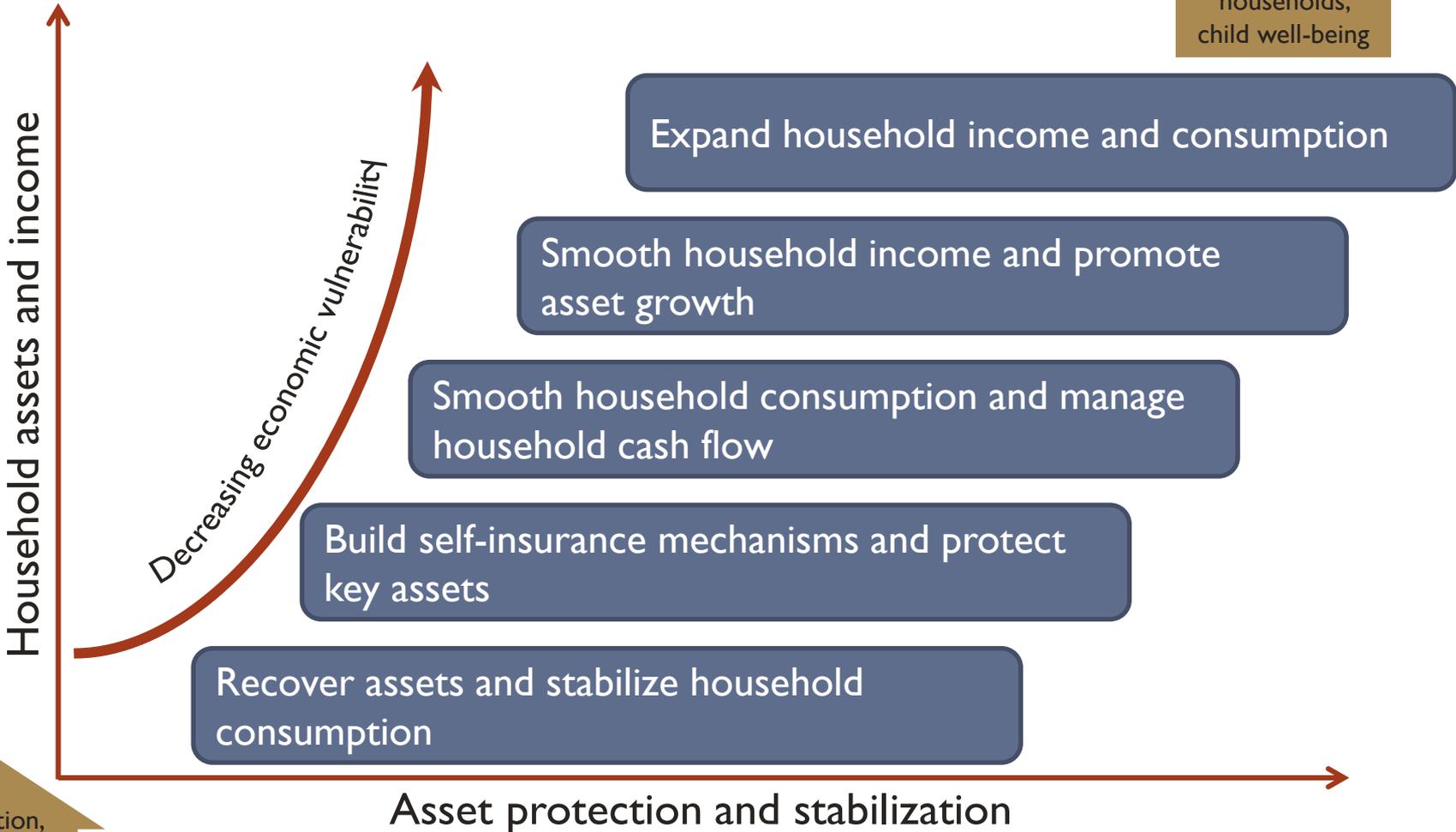
Here is a short video on savings groups:

<https://www.youtube.com/watch?v=lvfhGMS5yIA>

Some common terms

- ROSCA (Rotating Savings and Credit Association)
- ASCA (Accumulating Savings and Credit Association)
- SHG (Self-Help Group)
- VSLA (Village Savings and Loan Association, CARE)
- SILC (Savings And Internal Lending Community, CRS)
- SfC (Saving for Change, FFH, Oxfam, Strømme)

Economic-strengthening pathway



Adapted from Jason Wolfe and Colleen Green (2012)



Take a moment to reflect on the beneficiaries of your programs:

- Who are they?
- What challenges do they face?
- What resources do they have?

VC



SG

VC



Caregivers



SG

Target groups,
vulnerabilities &
protection

Sustainability

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How does participation in SGs enhance OVC well-being?

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Theory of Change

What is a Theory of Change?

- Expresses a causal pathway for change.
- Focuses on assumptions about how change happens.
- Tests assumptions through project design and monitoring & evaluation.
- Focuses on how change happens.

Theory of Change

Logical Framework (Logframe)

Describes how and why you think change happens

Describes how program activities will lead to outputs, outcomes and goals

Encompasses a wide range of social actors

Tends to be restricted to key partners

Focuses on how change happens

Focuses on completing activities to enable results

Is a tool for program design and evaluation

Is a tool for project monitoring

Uses and builds evidence to prove key assumptions

References risks and assumptions, but does not focus on these

Impact Group

Impact Goal

Preconditions or
Outcomes

Preconditions or
Outcomes

Intervention

Intervention

Intervention



Expected Outcomes of Savings Groups

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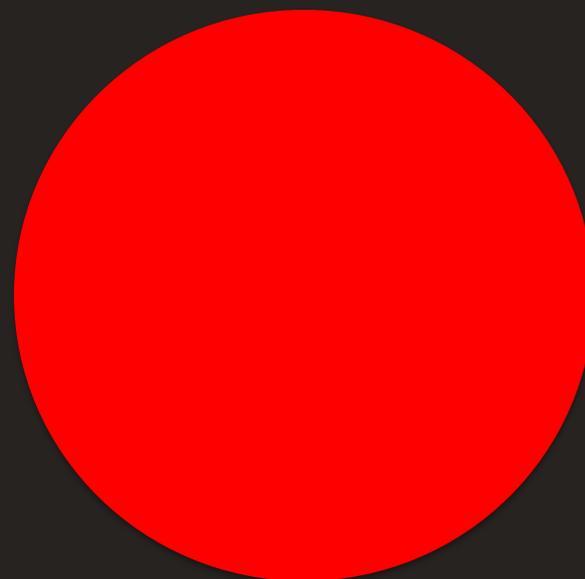
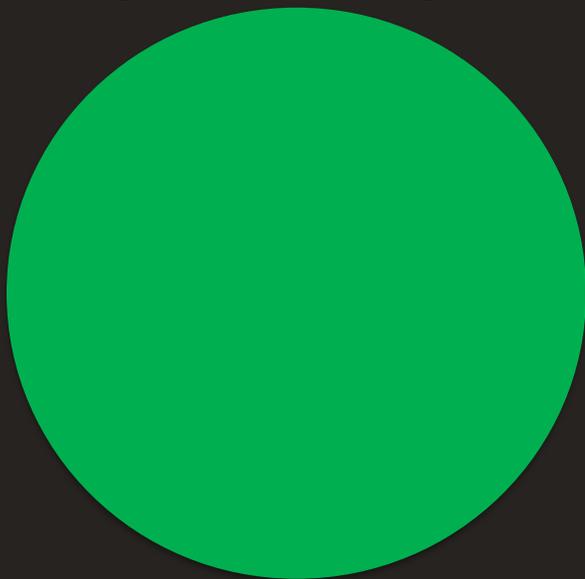
Group work

1. Youth
2. Adolescent girls
3. Primary caregivers of OVC
4. Children

What are the expected outcomes for your group from their participation in savings groups?

Limitations and challenges of savings groups

- GREEN = Most Important for your Theory of Change
- RED = Most difficult to achieve



Group work: Challenges of achieving desired outcomes

In your groups, respond to the following question:

I. Why are these outcomes difficult to achieve?

Write your responses on a flip chart and be prepared to present them to the group.

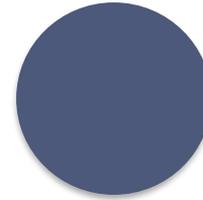
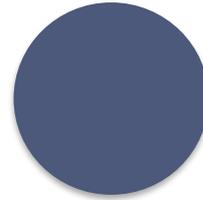
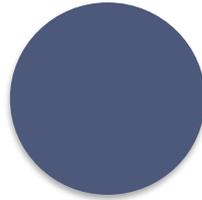
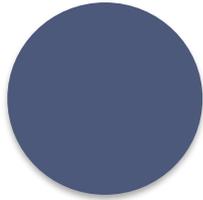
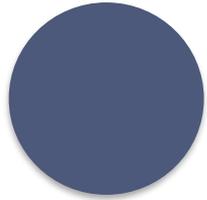


Barriers to Participation

Hire staff /
recruit
volunteers

Community
sensitization
meetings

Groups
start
financial
activities



Train staff /
volunteers

Savings
group starts
meeting

Additional
activities
are added

Ask: Who, where, when, how much, with whose permission?

Group work

1. Youth
2. Adolescent girls
3. Primary caregivers of OVC
4. Children

1. Discuss barriers to participation in savings groups for your target population.
2. Prepare a 2-minute role-play that shows the barriers that your population may face in participating in savings groups.



Youth



Adolescent girls



Primary caregivers



Children

Group work: Enabling participation

In your groups:

1. Discuss recommendations on savings group program modifications to better meet the needs of your target population.
2. Prepare to report back on modifications.

Target groups,
vulnerabilities &
protection

Sustainability

Workshop Map

Linkages & add-
ons

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Theory of Change

Group work: Linkages and add-ons

For your target group, discuss how to answer the following:

- Which add-on is appropriate for your group? Why?

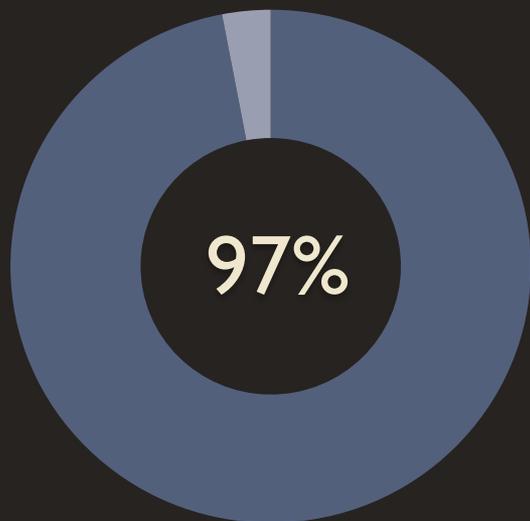
Write your responses on a flip chart and be prepared to present them to the group.



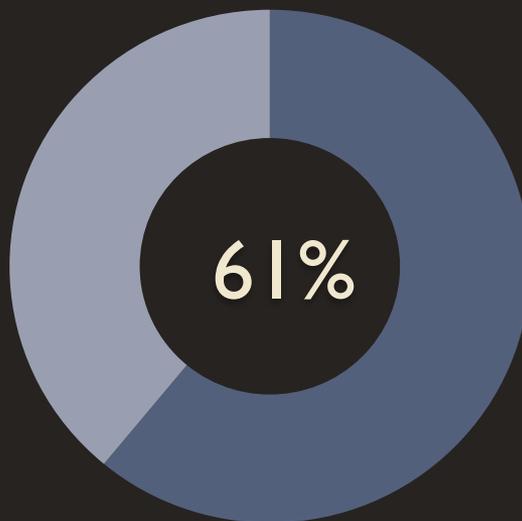
Linking Savings Groups to Formal Financial Services

Why do savings groups want bank accounts?

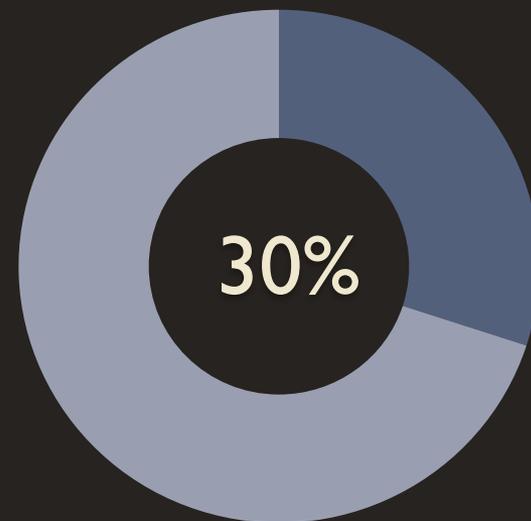
Safety of Savings



Access to Credit



Build Financial History



Research Brief: Practices & Possibilities in Savings Groups
The MasterCard Foundation

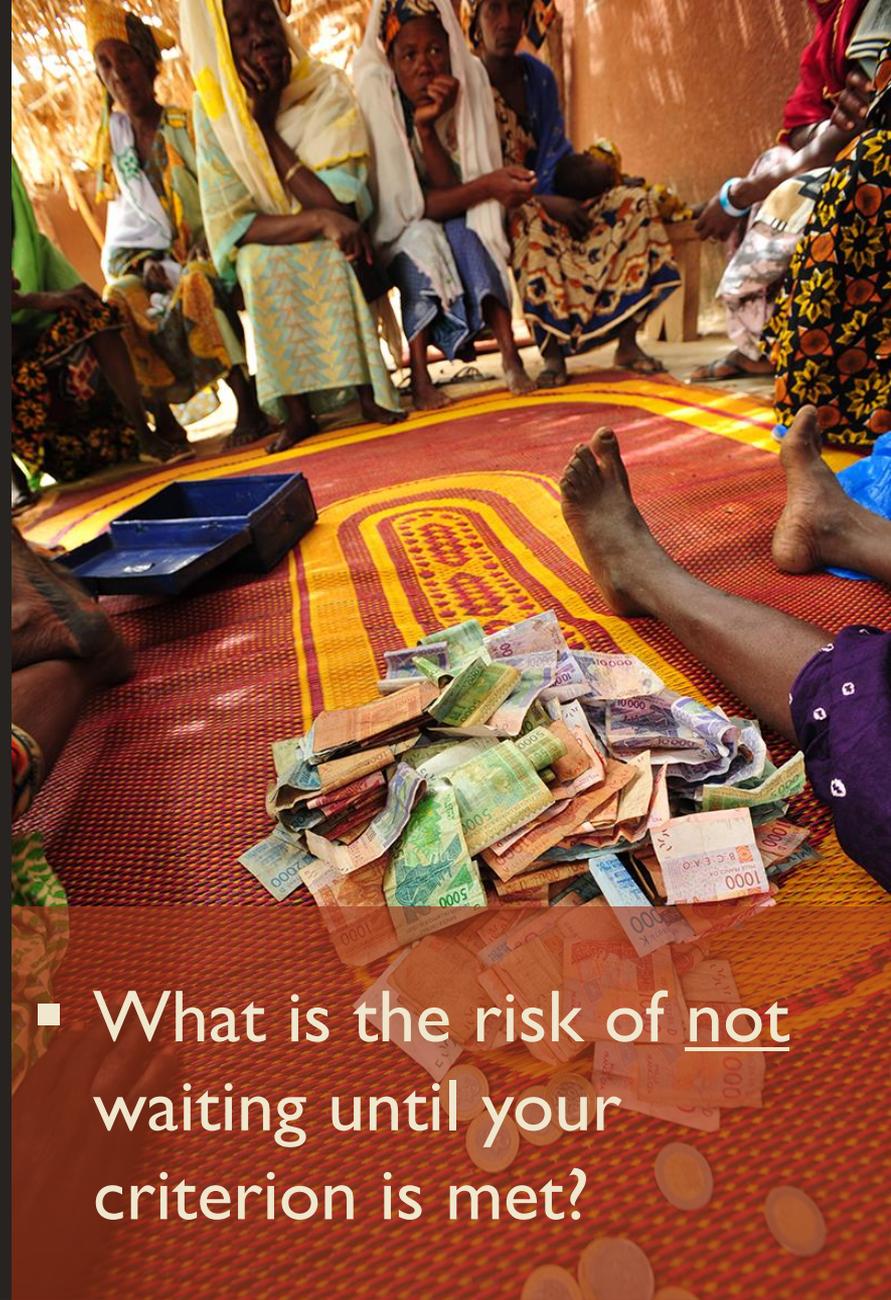
When should savings groups link?

1. When they experience periods of excess cash
2. When they are mature
3. When they can function independently
4. When they can function transparently



When should savings groups link?

1. When they experience periods of excess cash
2. When they are mature
3. When they can function independently
4. When they can function transparently



- What is the risk of not waiting until your criterion is met?



Delivering Additional Services

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3 models of integration

Unified

- Same organization
- Same service-delivery staff
- Same end user

Parallel

- Same organization
- Different service-delivery staff
- Same end user

Linked

- Different organizations
- Different service-delivery staff
- Same end users

Group work: Risks of layering add-ons

Pros and cons discuss together:

- What is one piece of advice you would give in order to achieve success with the type of linkage described in your statement?

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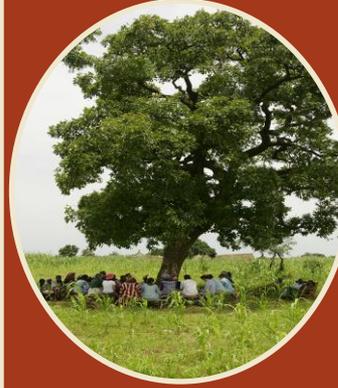
Knowledge
and Skills



Process



Groups



Access to
Groups



Access to
Appropriate
Financial
Services



Dynamic Ladies Savings Group

- Formed 2 years ago by a staff member of a local community-based organization.
- Made a handful of loans to non-members, some of which have not yet been repaid.
- Continued to meet, but less regularly now—approximately once a month.
- Field agent who initially formed the group visited the village monthly to work with other savings groups; assisted the management committee in organizing meetings.
- Members have not saved for 9 months and is unable to lend to members.

Bright Futures Savings Group

- Formed by a village agent 3 years ago.
- VA assisted in first end-of-cycle share out; all members decided to remain in the savings group and to increase the savings amount.
- Continued to meet weekly but have not had another share out.
- Made many changes to constitution—members think they may have made some mistakes, including lending to members who have not repaid loans and allowing committee members to stand for re-election.
- Wanted to have additional training to strengthen the group, but the village agent moved.

All Our Sons and Daughters Savings Group

- Formed 2 years ago by a village agent who has since moved away.
- VA assisted in first end-of-cycle share out; all members decided to stay in the savings group.
- Made changes to their internal rules in 2nd cycle, including increasing the savings amount and starting a social fund.
- Each change was voted on by all members; rules are written in a notebook and available for any member to read at any meeting.
- Members are happy with group but a small number want higher loans than are available from the group.

Target groups,
vulnerabilities &
protection

Sustainability

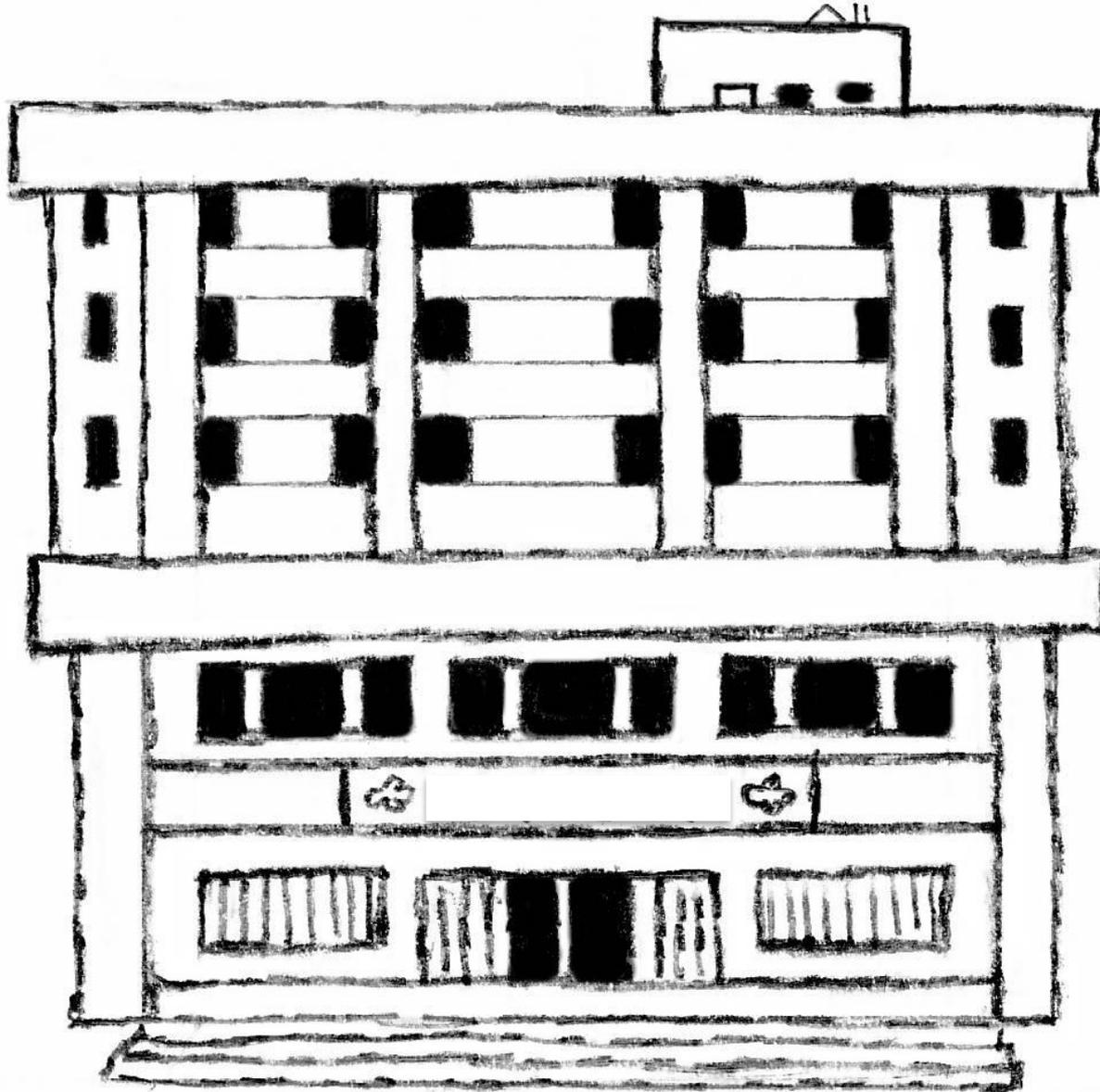
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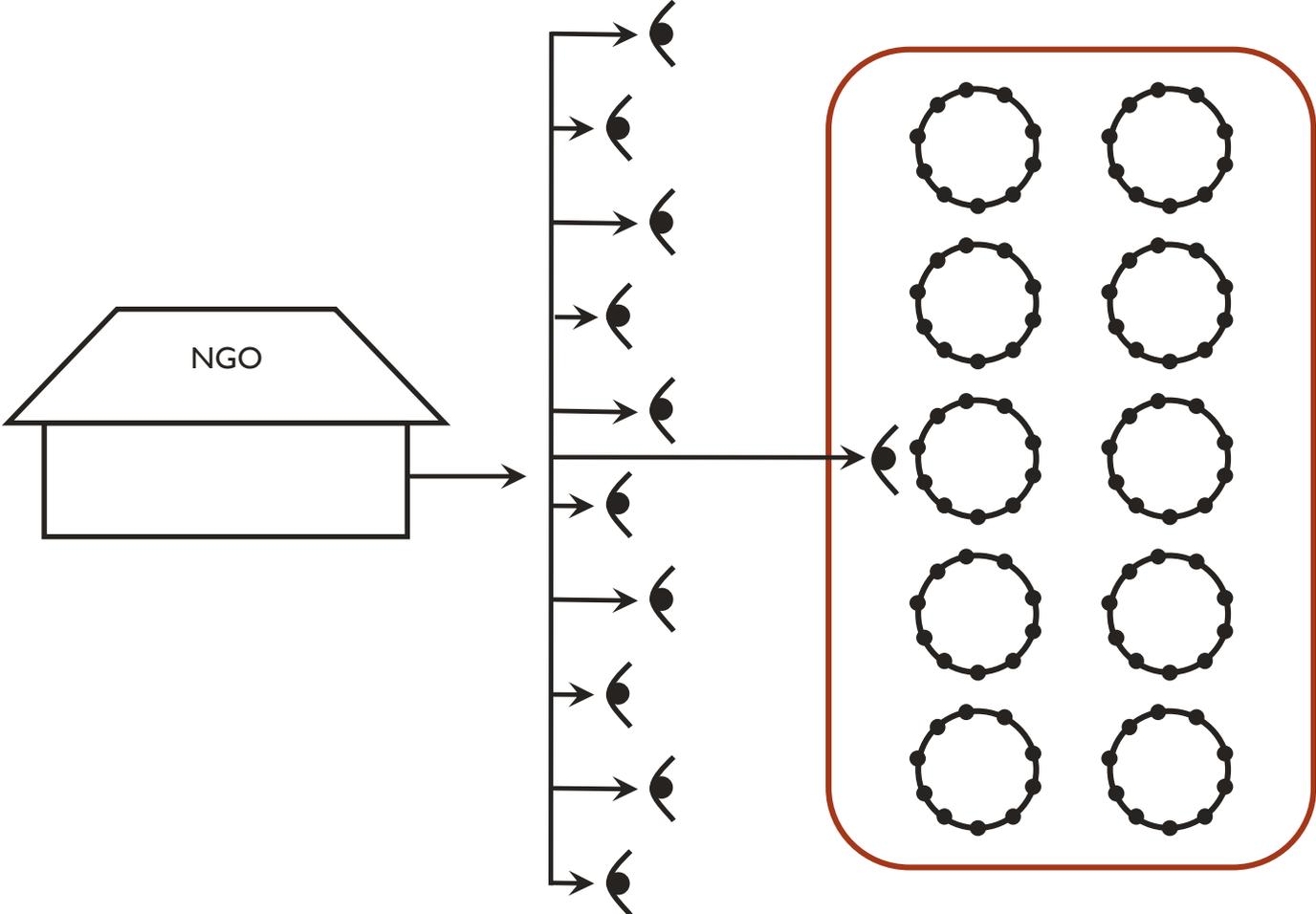
Monitoring,
evaluation & the
evidence base

Theory of Change

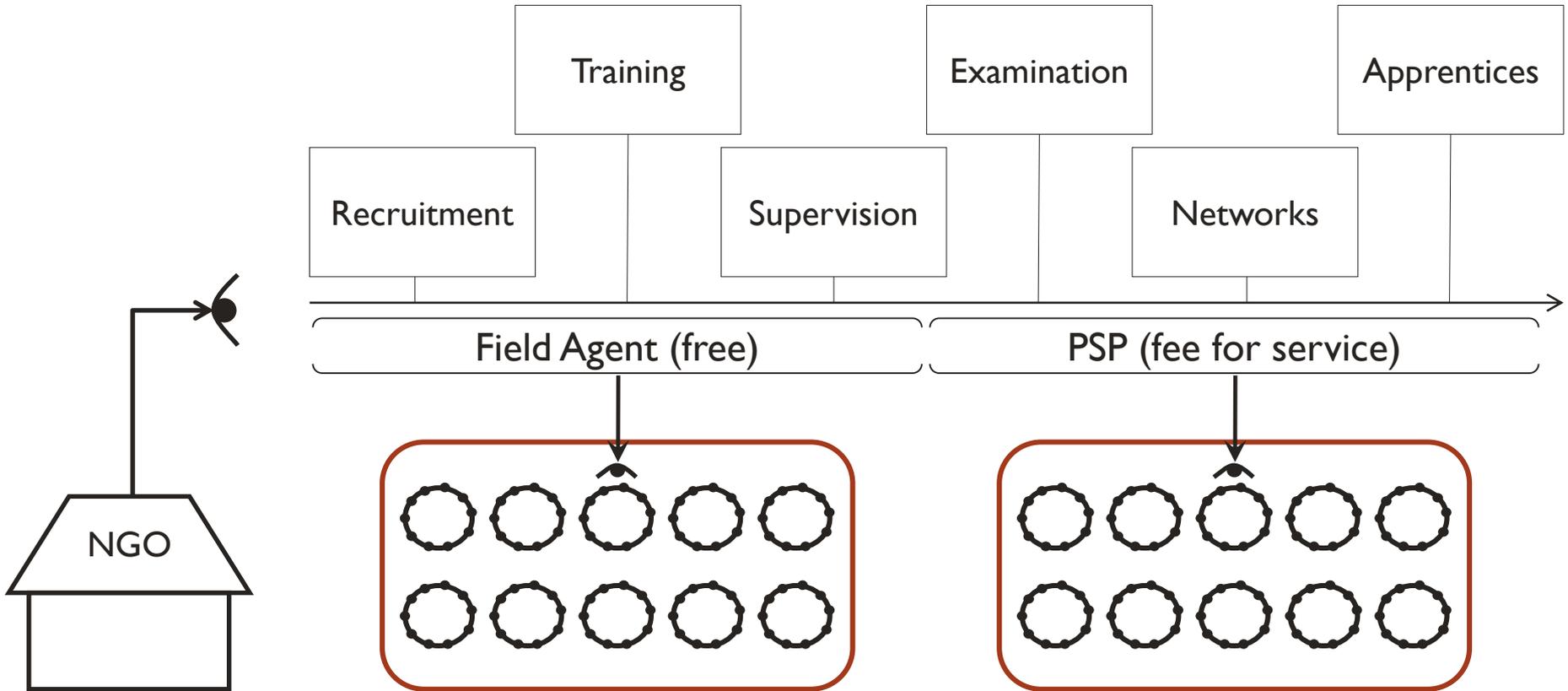




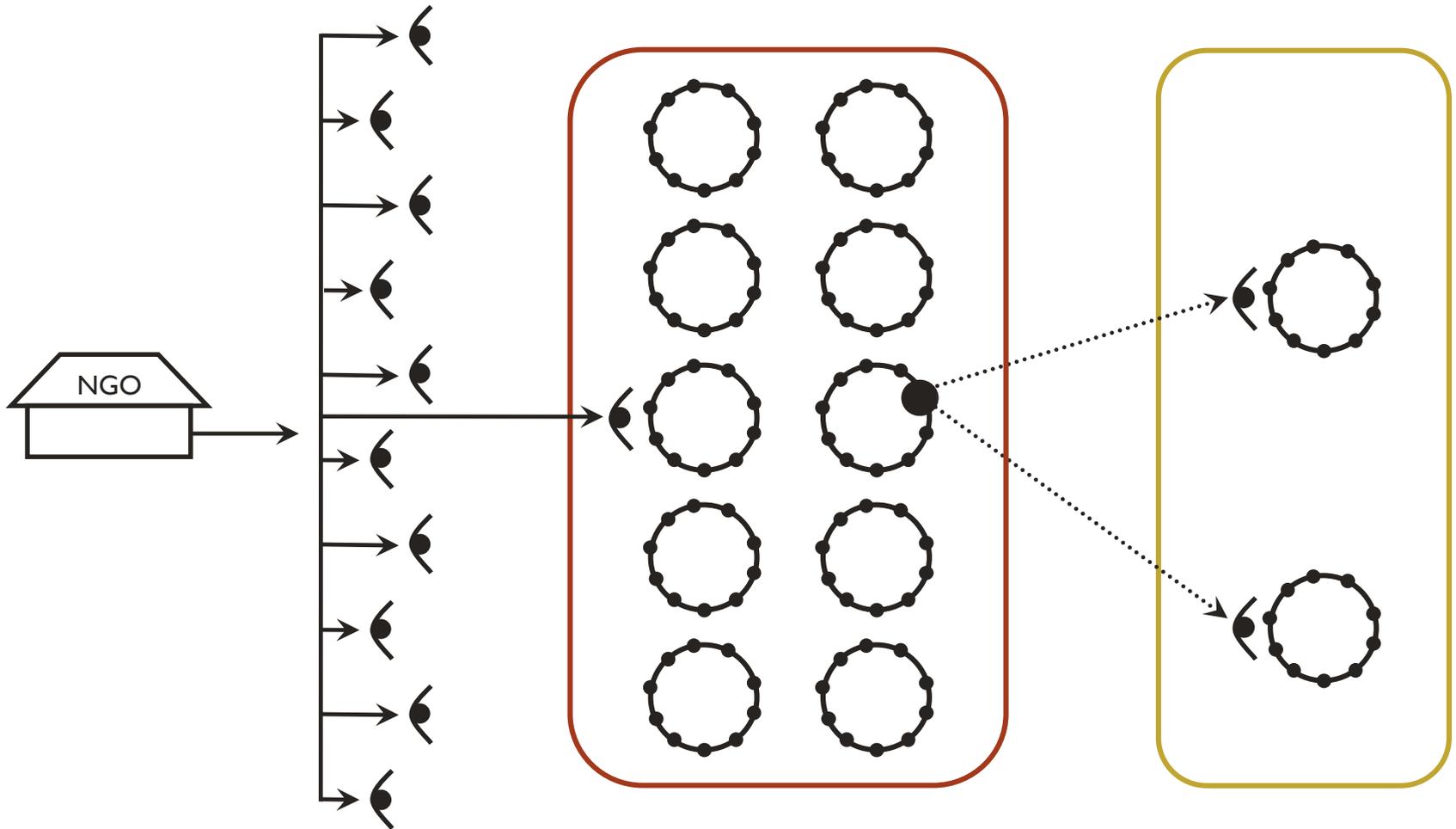
“Traditional” approach



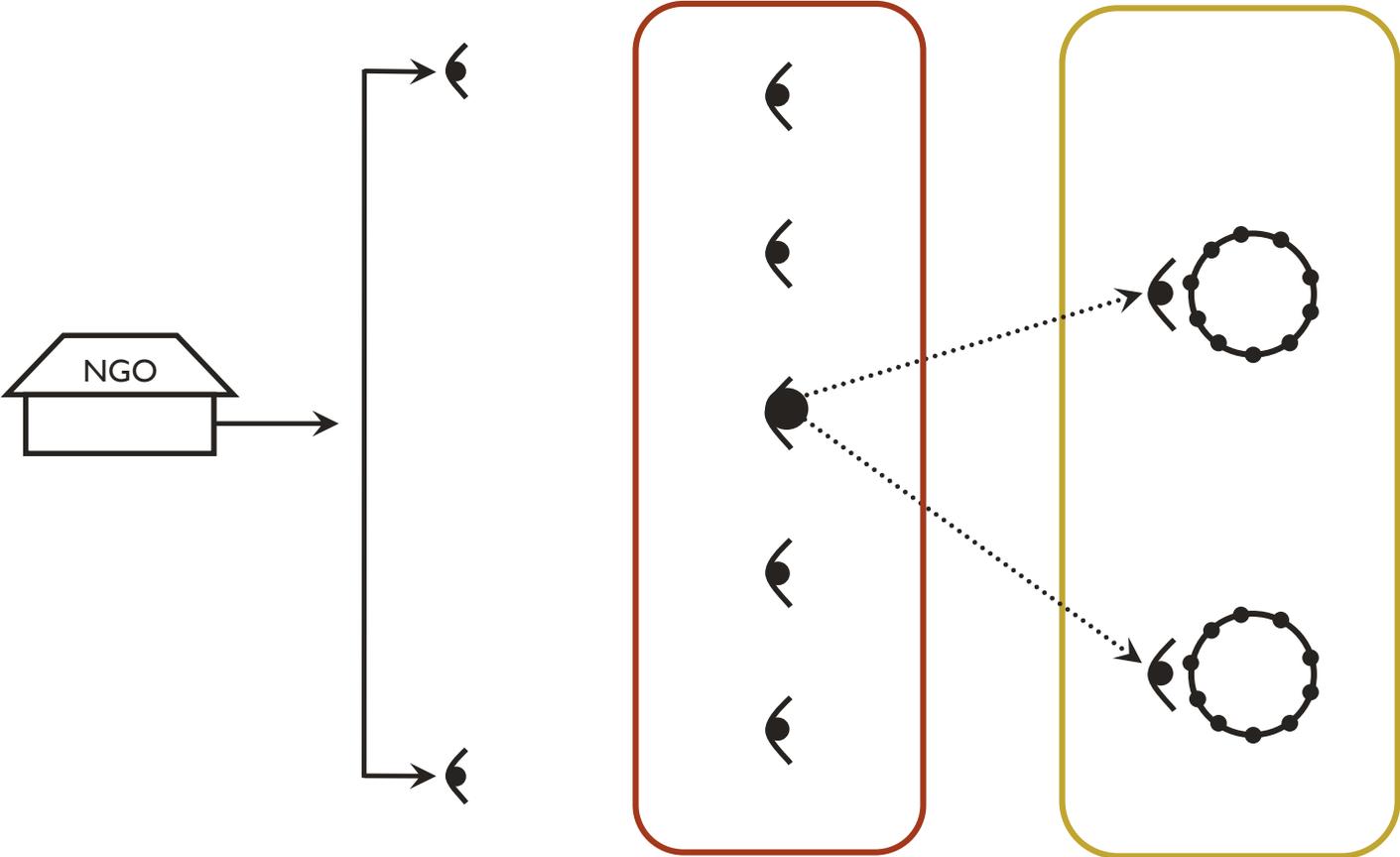
PSP approach (CRS)



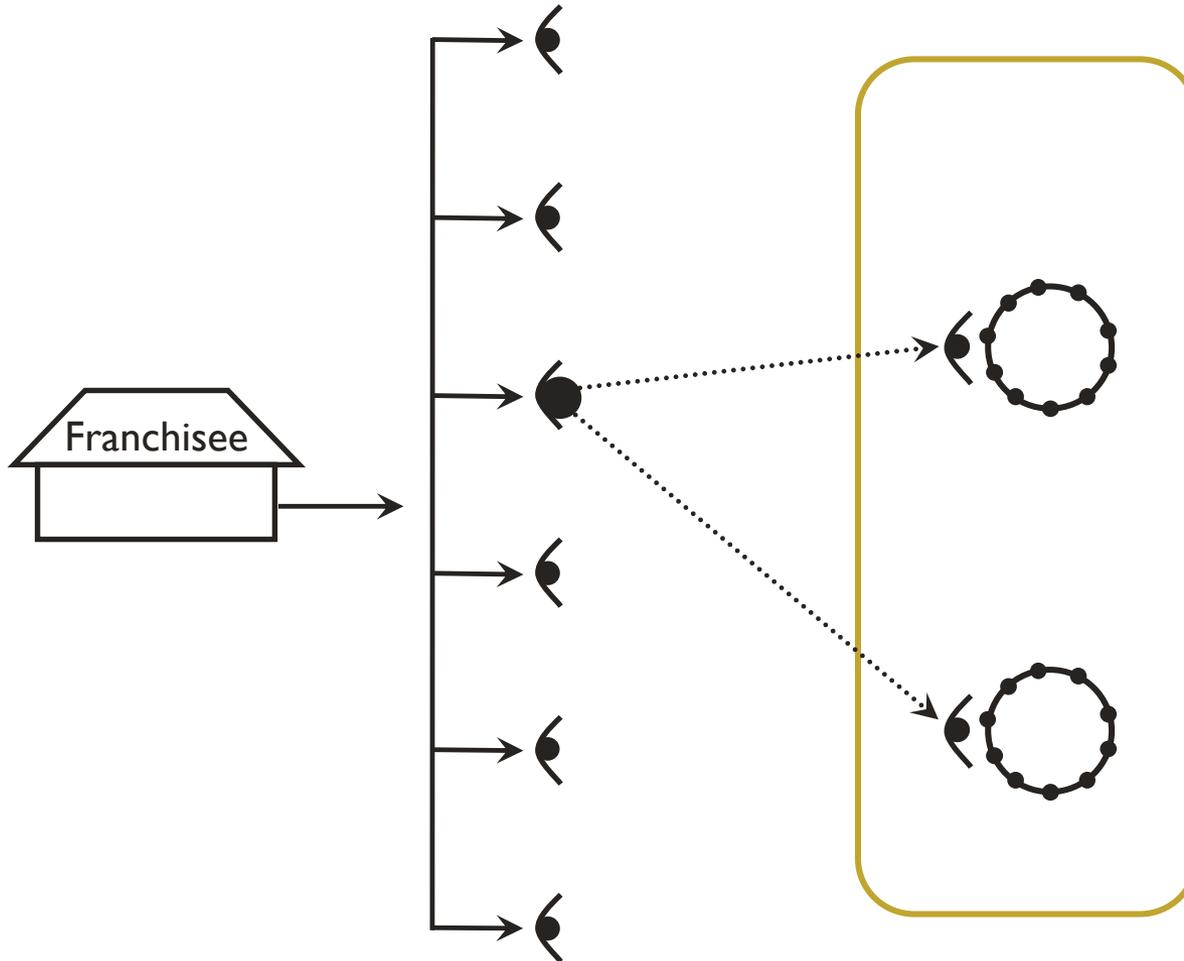
Replicator approach (FFH)



Community agent approach (FFH)



Franchisee approach (CARE)



Traditional Approach

Private Service Provider

Replicator

Franchise Model

Community Agent

Building the sustainability of communities' access to savings groups



Group work: Service-delivery models

Group 1

- You have committed to reaching a large number of caregivers in communities where there is high interest in SGs. Your program also incorporates business skills education.

Group 2

- You have committed to reaching large numbers of young people. Your program also incorporates life skills education.

Group 3

- You have committed to reaching very vulnerable and isolated households. Your program includes also integrating health and social services.

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Theory of Change

Universal Program Quality Guidelines

1. Design the program with clear outreach and quality objectives that align all stakeholders with the desired outcomes
2. Know the groups you intend to serve, including the most vulnerable, and take appropriate actions to reach them
3. Select, train, manage and monitor trainers in a manner that recognizes their essential contribution to the program
4. Promote a tested savings group model and instill in members an understanding and respect for that model's procedures

Universal Program Quality Guidelines

5. If choosing to combine savings group with other activities, do so in a safe and responsible manner that respects the autonomy of the group members to make their own decisions
6. Inform savings group members about the risks and opportunities of entering into a relationship with a formal financial institution and empower them to make their own choices
7. Consistently monitor and evaluate program performance
8. Design the program with a clear exit strategy that leaves in place post-program structures for expansion of services and ongoing support

Universal Program Quality Guidelines

- How do the Guidelines promote safe savings groups?
- What are the risks of programming that does not respect the Guidelines?



What would you add to the Universal Program Quality Guidelines for your organization?

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protection

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Key Performance Ratios

1. Attendance rate
2. Member retention rate per cycle
3. Savings as percentage of loans outstanding
4. Savings per member, as percentage of GNI/capita
5. Percentage of members with loans outstanding
6. Loans past due, as percentage of loans outstanding
7. Average annualized return on assets

Attendance rate	96.7%
Member retention rate per cycle	98.5%
Savings as percentage of loans outstanding	80.4%
Savings per member, as percentage of GNI/capita	2.3%
Percentage of members with loans outstanding	78.5%
Loans past due, as percentage of loans outstanding	0.1%
Average annualized return on assets	73.1%

< 1 year

> 1 year

Attendance rate	96.7%	86.7%
Member retention rate per cycle	98.5%	83.2%
Savings as percentage of loans outstanding	80.4%	83.8%
Savings per member, as percentage of GNI/capita	2.3%	5.6%
Percentage of members with loans outstanding	78.5%	69.5%
Loans past due, as percentage of loans outstanding	0.1%	1.2%
Average annualized return on assets	73.1%	70.1%

< 1 year

> 1 year

< 1 year

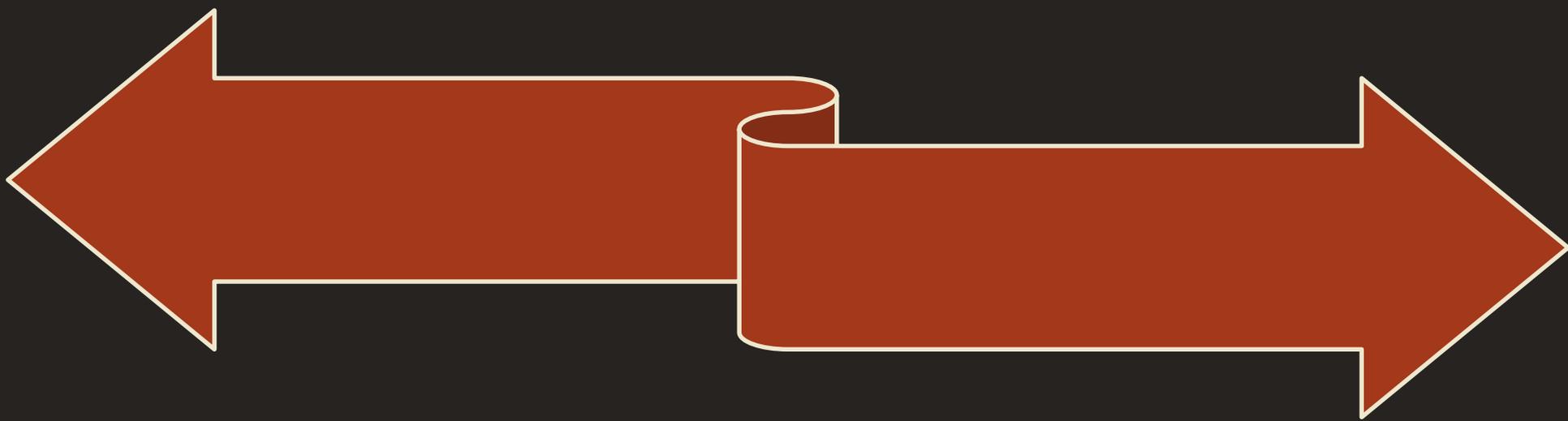
Attendance rate	96.7%	86.7%	88.9%
Member retention rate per cycle	98.5%	83.2%	81.7%%
Savings as percentage of loans outstanding	80.4%	83.8%	102.0%
Savings per member, as percentage of GNI/capita	2.3%	5.6%	1.9%
Percentage of members with loans outstanding	78.5%	69.5%	62.9%
Loans past due, as percentage of loans outstanding	0.1%	1.2%	2.3%
Average annualized return on assets	73.1%	70.1%	40.9%

	< 1 year	> 1 year	< 1 year	< 1 year
Attendance rate	96.7%	86.7%	88.9%	96.5%
Member retention rate per cycle	98.5%	83.2%	81.7%%	99.5%
Savings as percentage of loans outstanding	80.4%	83.8%	102.0%	96.3%
Savings per member, as percentage of GNI/capita	2.3%	5.6%	1.9%	6.1%
Percentage of members with loans outstanding	78.5%	69.5%	62.9%	54.3%
Loans past due, as percentage of loans outstanding	0.1%	1.2%	2.3%	0.0%
Average annualized return on assets	73.1%	70.1%	40.9%	43.5%



Reviewing the Evidence Base

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Field experience / anecdotes

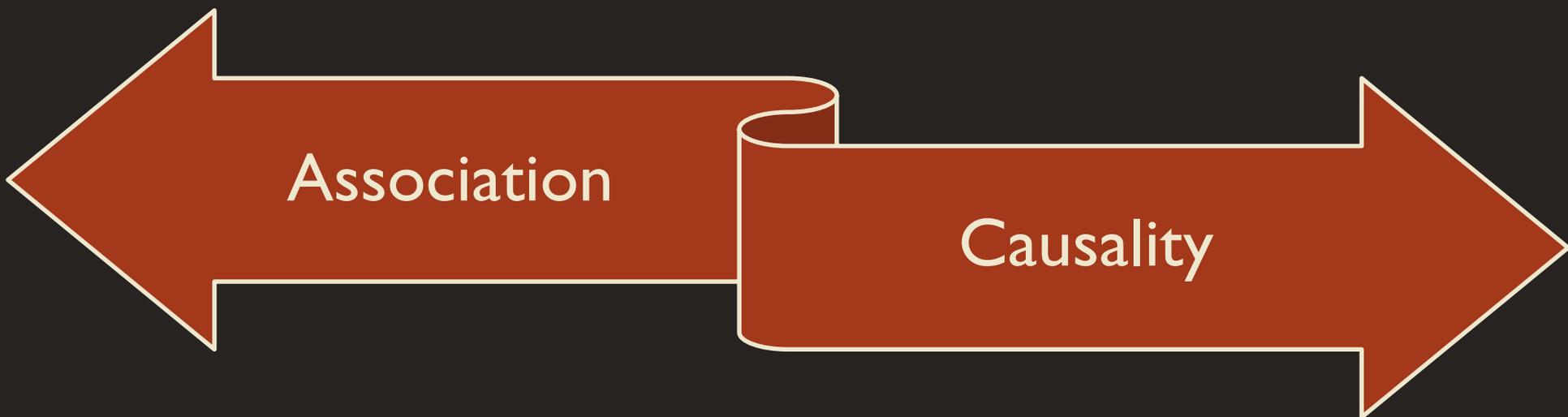
Interviews, case studies

Client surveys

Quasi-experimental with non-randomized
comparison group

Randomized control trials (RCTs)

Source: *Savings Groups at the Frontier*, edited by Candace Nelson, 2013



Association

Causality

Field experience / anecdotes

Interviews, case studies

Client surveys

Quasi-experimental with non-randomized
comparison group

Randomized control trials (RCTs)

Source: *Savings Groups at the Frontier*, edited by Candace Nelson, 2013

Savings groups have emerged as the most 'popular and durable' of the community-based models reaching the poor.

Literature Review: *Community-Based Microfinance for Orphans and Vulnerable Children*
International Rescue Committee

But how do we know
whether they will work in
our programs?

Group work: Discuss

- Which outcomes have the strongest evidence base.
- Which outcomes have the weakest evidence base.
- Note any difference for savings groups for caregivers versus savings groups for vulnerable children (if any).

Savings Groups Engaging Child Caregivers

Outcomes	Evidence base
Increase household savings	Strong
Increase household assets	Medium
Increase household food security	Strong
Alleviate poverty	Medium
Improve health	Medium
Improve educational attainment	Medium
Increase child labor	Weak

Savings Groups Engaging Children and Youth

Outcomes	Evidence base
Increase savings	Medium
Increase assets	Medium
Improve health	Medium
Social empowerment	Medium
Increase household food security	Weak
Improve educational attainment	Weak

Target groups,
vulnerabilities &
protection

Sustainability

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Theory of Change

Cause → Effect

Actions lead to
Outcomes

If I do _____,
then _____ will
happen.

Group work: Causal links in the TOC

- Identify key cause-effect relationships in your TOC
- Take the most important relationship and review it for completeness

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Group work: Cause and effect in your TOC

- Clearly write the causes and effects in your TOC
- Choose one hypothesis to test in order to test the overall TOC
- Answer the questions:
 - What data would you need to test this cause and effect?
 - Where could you get the data?

Group work: Revising your TOC

- Agree on key changes you feel need to be made to the TOC to reflect what you have learned about the role and potential of savings groups
- Agree to any modifications to the savings group programming (often in the pathways) that would advance the TOC
- Clarify your rationale for these changes

Acknowledgement

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