Savings Groups: Designing for Impact
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.
Workshop Map

- Target groups, vulnerabilities & protection
- Sustainability
- Linkages & add-ons
- Monitoring, evaluation & the evidence base
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

- Expand household income and consumption
- Smooth household income and promote asset growth
- Smooth household consumption and manage household cash flow
- Build self-insurance mechanisms and protect key assets
- Recover assets and stabilize household consumption

Destitution, households and children in distress

Secure and resilient households, child well-being

Adapted from Jason Wolfe and Colleen Green (2012)
# Economic Well-Being and ES Category

<table>
<thead>
<tr>
<th>Households that are . . .</th>
<th>Are ready for livelihood . . .</th>
<th>Which includes strategies to . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepared to grow (somewhat vulnerable)</td>
<td>PROMOTION</td>
<td>Grow income and expenses</td>
</tr>
<tr>
<td>Struggling to make ends meet (very vulnerable)</td>
<td>PROTECTION</td>
<td>Match income to expenses</td>
</tr>
<tr>
<td>In destitution (most vulnerable)</td>
<td>PROVISION</td>
<td>Meet basic needs</td>
</tr>
</tbody>
</table>

Adapted from LIFT and PEPFAR
What are savings groups?
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

- Recover assets and stabilize household consumption
- Build self-insurance mechanisms and protect key assets
- Smooth household income and promote asset growth
- Smooth household consumption and manage household cash flow
- Expand household income and consumption

Secure and resilient households, child well-being

Adapted from Jason Wolfe and Colleen Green (2012)

Destitution, households and children in distress

Asset protection and stabilization

Household assets and income

Decreasing economic vulnerability

Empower households to reduce poverty
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
How does participation in SGs enhance OVC well-being?
Workshop Map

Target groups, vulnerabilities & protection

Sustainability

Linkages & add-ons

Monitoring, evaluation & the evidence base

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**.
<table>
<thead>
<tr>
<th>Theory of Change</th>
<th>Logical Framework (Logframe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describes how and why you think change happens</td>
<td>Describes how program activities will lead to outputs, outcomes and goals</td>
</tr>
<tr>
<td>Encompasses a wide range of social actors</td>
<td>Tends to be restricted to key partners</td>
</tr>
<tr>
<td>Focuses on how change happens</td>
<td>Focuses on completing activities to enable results</td>
</tr>
<tr>
<td>Is a tool for program design and evaluation</td>
<td>Is a tool for project monitoring</td>
</tr>
<tr>
<td>Uses and builds evidence to prove key assumptions</td>
<td>References risks and assumptions, but does not focus on these</td>
</tr>
</tbody>
</table>
Impact Group

Impact Goal

Preconditions or Outcomes

Intervention

Preconditions or Outcomes

Intervention

Preconditions or Outcomes

Intervention
Expected Outcomes of Savings Groups
Group work

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

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

1. 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. 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 of OVC
- Children
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.
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: 97%
Access to Credit: 61%
Build Financial History: 30%

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
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
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?
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 2\textsuperscript{nd} 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.
Workshop Map

Target groups, vulnerabilities & protection

Sustainability

Linkages & add-ons

Monitoring, evaluation & the evidence base

Theory of Change
“Traditional” approach
PSP approach (CRS)

- Recruitment
- Training
- Supervision
- Examination
- Networks
- Apprentices

Field Agent (free) -> PSP (fee for service)
Replicator approach (FFH)
Community agent approach (FFH)
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.
Workshop Map

Target groups, vulnerabilities & protection

Sustainability

Linkages & add-ons

Monitoring, evaluation & the evidence base

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?
Workshop Map

Target groups, vulnerabilities & protection

Sustainability

Linkages & add-ons

Monitoring, evaluation & the evidence base

Theory of Change
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
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<th>Value</th>
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<tr>
<td>Member retention rate per cycle</td>
<td>98.5%</td>
</tr>
<tr>
<td>Savings as percentage of loans outstanding</td>
<td>80.4%</td>
</tr>
<tr>
<td>Savings per member, as percentage of GNI/capita</td>
<td>2.3%</td>
</tr>
<tr>
<td>Percentage of members with loans outstanding</td>
<td>78.5%</td>
</tr>
<tr>
<td>Loans past due, as percentage of loans outstanding</td>
<td>0.1%</td>
</tr>
<tr>
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<tr>
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<td>&lt; 1 year</td>
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Reviewing the Evidence Base
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

- Field experience / anecdotes
- Interviews, case studies
- Client surveys
- Quasi-experimental with non-randomized comparison group
- Randomized control trials (RCTs)

Causality

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

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Evidence base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase household savings</td>
<td>Strong</td>
</tr>
<tr>
<td>Increase household assets</td>
<td>Medium</td>
</tr>
<tr>
<td>Increase household food security</td>
<td>Strong</td>
</tr>
<tr>
<td>Alleviate poverty</td>
<td>Medium</td>
</tr>
<tr>
<td>Improve health</td>
<td>Medium</td>
</tr>
<tr>
<td>Improve educational attainment</td>
<td>Medium</td>
</tr>
<tr>
<td>Increase child labor</td>
<td>Weak</td>
</tr>
</tbody>
</table>
## Savings Groups Engaging Children and Youth

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Evidence base</th>
</tr>
</thead>
<tbody>
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<td>Increase savings</td>
<td>Medium</td>
</tr>
<tr>
<td>Increase assets</td>
<td>Medium</td>
</tr>
<tr>
<td>Improve health</td>
<td>Medium</td>
</tr>
<tr>
<td>Social empowerment</td>
<td>Medium</td>
</tr>
<tr>
<td>Increase household food security</td>
<td>Weak</td>
</tr>
<tr>
<td>Improve educational attainment</td>
<td>Weak</td>
</tr>
</tbody>
</table>
Workshop Map

- Target groups, vulnerabilities & protection
- Sustainability
- Linkages & add-ons
- Monitoring, evaluation & the evidence base

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
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

This training was produced under United States Agency for International Development (USAID) Cooperative Agreement No. AID-OAA-LA-13-00001 and was made possible by the generous support of the American people through USAID and the United States President’s Emergency Plan for AIDS Relief. The contents are the responsibility of FHI 360 and Grameen Foundation and do not necessarily reflect the views of USAID or the United States Government.
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