

Conference Summary

SG 2013 SAVINGS GROUPS CONFERENCE: Expanding Financial Inclusion and Development

March 4-5, 2013, Sheraton Pentagon City Hotel, Arlington, VA.

Organized by

Oxfam, AGA KHAN Foundation, CARE, CRS, Freedom from Hunger, Plan, USAID, CGAP, SEEP,

Sponsored by

Bill & Melinda Gates Foundation, The MasterCard Foundation

Conference Report Submitted by

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Summary

This is the second world conference on savings groups that takes place every two years since 2011. Over 200 people from major international and local NGOs, academics, donor agencies like Bill & Melinda Gates Foundation, CGAP, IDB, and MasterCards were present. Most of them were from Africa, USA & Canada with a handful of people from Asia and Latin America. The issues dealt with during the conference include how the savings groups can work as a platform for health, education, agriculture and clean energy and how savings groups can fit into a variety of population like women, disabilities, ultra poor, disaster and conflict areas, youth, HIV-affected communities. Financial inclusion and linking with mobile technology as well as how to reduce the cost of delivery for the sustainability drew a lot of attention reflecting shifted donor interests. The upcoming agenda announced was “50 by 2020”, having savings groups reach 50 million by 2020. Currently it is reported that there are 7 million worldwide trained by savings groups methodology.

Financial Inclusion: Efforts to link savings groups with formal financial sector like banks or cooperatives are being made 1) to ensure the security of the fund, particularly near at the end of the cycle, 2) to access to larger loans, and 3) to have a long term savings. However whether to be linked or not should be left on the hands of the groups. Also it is important not to desert the core principle of savings groups while it is linked to the formal sectors.

Mobile banking: Many groups prefer mobile banking for the security of the funds. A country like Kenya, where M-PESA plays a significant role, mobile banking is working well. However it should be noted that this requires a good deal of trainings, especially when the members are not literate.

Attendance issue: Member attendance in the meeting has been one of the biggest challenges in the groups in the Dominican Republic. Both in Kenya and in Colombia, group attendance usually reach 100%. In Kenya, most members are eager to get loan, and without attending the meeting it is impossible to get the loan. In Colombia, there is a group of expert who dedicates in monitoring and evaluation making sure the quality of the group, so if members do not display due diligence, usually they are thrown out of the group.

Networking among groups: Plan Tanzania is trying to connect different VSLAs to create more fund. This movement requires a good deal of coordination and so far has produced interesting results. However Hugh Allen, founder of VSLAs is still skeptical about this kind of efforts.

Sustainability: Sustainability is one of the vital issues of the conference. CRS is working to create a Private Service Provider system in which a good number of people are trained to provide their service while earning their income. Sandra Darville from IDB emphasized that savings groups should find ways to minimize its cost for replication and for that to happen, the role of government is important. While in Africa, the cost of replication per person could be reduced up to \$ 5, Hugh Allen believes that this is an exception. The optimum cost usually should be no less than \$20. Meanwhile, groups in Colombia find it hard to reduce the cost, which ranges between \$50-\$100 per person. Alexia from CGAP is looking for ways to connect savings groups with the social protection program like Conditional Cash Transfers (CCTs) so that government can be involved in promoting savings groups in larger scale.

Impact study: focus on investment: According to Kathleen Odell, the impact of savings groups and credit groups in terms of livelihoods do not display any significant difference. This is in part because 1) the Randomized control trial does not measure the change in behavior and mindset, 2) the business the savings groups get involved are the same kind of business credit groups' are involved; small petty businesses with strong competition without seizable profit. It should be noted, however, there is a fundamental difference between SGs and CGs: the presence of debt. For savings groups to bring true and measurable impact in the lives of the people involved, however, the strategy should be shifted by giving more emphasis to investing. Small business should be seen as part of financial education, not as an end goal to reach. With bigger picture in mind, people will use the SGs and small businesses as stepping stones for future investment, eventually finding their own strategy to move forward and bring the measurable change in their lives.

Reducing replicating cost vs Quality training: It was noted that both in CARE, Kenya and IED, Colombia, the implementing agencies avoid a direct training and focus on more management. The training work has been shifted to franchise groups, church groups, and schools among others to reduce the cost of replication. CRS is working hard to train private service providers for the sustainability. While it is important to reduce the cost of training for massive replication by being flexible, there are certain principles that cannot be negotiated, since if not well managed, savings groups can cause harm: people can distort the methodology and create undesirable result. That's why it is important to keep quality of training.

Lessons Learned

For me it was a great experience to have participated in the event like this despite my limited English. It taught me we should not place any barriers in our lives. I learned a lot. I came back with many good ideas that I am ready to put into practice. For example, what VITAL in Colombia does with youth groups is quite interesting. In collaboration with education sector, they promote financial education in the classrooms where they focus on nurturing savings culture as well as the skills for the life among youth. **-Jenny Rodriguez, Plan International**

The event was very instructive and I learned a lot about savings groups under the context of global microfinance. My main interest included savings groups as a means to connect the poorest people to the formal sector, reduction of operating costs using the VSLA and CRS PSP model, and how the savings groups can be scalable and cost effective, among others. I particularly liked the session with Alexia Latortur from CGAP about how important working with the poor. Working with the poor for me is a tremendous work and I am pleased to be with Esperanza International contributing on the mission. I hope that the Latin America and Caribbean can be active part of this great movement. As people living in the Latin America and the Caribbean, we can take advantage of our geographical location and hold a similar event here. For that to happen, I am willing to provide my support to push this movement forward within the region through the coordination of the savings and loan groups in the Dominican Republic and Haiti. **- Caribert Toussaint, Esperanza International**

Inspiring and thought provoking event. It was great to meet the faces who are in the forefront of the movement of savings group including Hugh Allen, Paul Rippey, Marcia Odell and Jeff Ashe as well as the representatives of major NGOs like CARE, Plan, CRS, and World Vision. As far as savings groups are concerned, Africa is the most developed region. In Africa a lot of interesting experiments are going on that include how to reduce the delivery cost, how to link SGs with formal financial sector and mobile technology, among others. My three takeaways are; **1) Savings groups are all about attention.** For the SGs to be successful, for the members to get out of poverty, appropriate attention seems like a key. Marcia Odell from Pact-Worth called it "Hawthorne effect". She said how Appreciative Inquiry that was integrated into savings groups methodology in Nepal made the program be sustainable after 8 years of abandonment. Achyut Hari Aryal from Development Management Institute Bangladesh said how the weekly self-help group meetings helped the ultra poor who are not only vulnerable economically but socially, gain enough confidence to save whatever amount and get integrated into social activity in 1 year. Alexia Lotourte in her "graduation approach", a pilot implemented in 8 countries for the ultra poor, mentioned the importance of ongoing support followed by consumption support, savings, skill trainings and asset transfer for the ultra poor to graduate from their poverty. What is the best attention, however, may differ depending on the group. **2) The SAVIX, simple tool for monitoring and evaluation** presented by VSLA was inspiring. As terms like measuring and results are increasingly important in the development sector, how to use a tool like SAVIX well will ensure and determine the quality of savings groups. That said, I do agree with Larry Leed in focusing our evaluation whether the program brought a positive change in people's lives. For that to happen, indicators that reflect the genuine improvement in an individual's life should be developed. **3) Colombia is a pioneer in linking savings groups with government program.** While there is little presence of Latin American groups, I was impressed by the growth of VITAL, the agency promoting savings groups in Colombia. For the last 4 years VITAL has grown up so much developing sophisticated management system and trying out many innovative replication strategies. VITAL is collaborating with government agencies, which I find meaningful because both IDB and CGAP emphasized on the importance of working along with government. It should be noted that local governments were under represented in the conference. For the savings groups to accomplish its goals of 50 by 2020, it seems inevitable to invite more and more governments to join the movement. **-Jong-Hyon Shin, SGP/ART/UNDP**

Opening

Ray Offenheiser, President of Oxfam America opened the conference acknowledging the different agencies for their complementarity and cooperation.

Lauren Hendricks, Executive Director of Access Africa of CARE USA said that there are 7 million people 300,000 groups saving \$220 million reaching 4% of total population in Mali and 3% in Rwanda and 2.8 % in Uganda. Savings groups is an entry point to financial inclusion reaching some of the poorest population in the country. Statistics say that asset and income increased, as well as spending on child education increased by 76% in Tanzania. In Uganda consumption rose from 1.3 meal to 3.2 meals a day and 73% of women said that they could solve their household problem and feel more empowered. The sustainability of group reaches 94% in Mali for the last 5 years. SG is just beginning. Platform for other initiatives and interventions like the provision of health insurance.

CARE is targeting 50 million by the year 2020. The number of SG will have increased from 300,000 to 2,500,000 based on average of 20 members per group.

Roger Vorhees, Gates Foundation: Gates Foundation is a "Big uncle" of SG movement. Promised to keep supporting.

Savings groups and financial inclusion: An Overview

Alexia Latortue, CGAP: People need a suite of financial services. With demographics changing (people older) and fewer children, we will have more elderly in the future. Demand for long term savings for pension will be huge. We need a full ecosystem of providers (reference to the New Microfinance Handbook). No one financial service provider type is the optimal provider to all levels.

When savings are offered well, the demand is huge. We saw that in DRC, and we saw it during the financial crisis. New savings accounts outpaced other accounts. Findex study of World Bank: 22% of adults report saving in financial institution. Most people with formal accounts don't use them. We need to understand the interplay between formal and informal services. Mobile accounts growing fast. 54% of Mpesa users save or withhold their funds. Things are evolving in terms of the kinds of institution that can offer savings. No one player can do it all. Partnerships are good.

We need medium and longterm savings. Should we view savings groups as a stepping Stone to other services or are they legitimate in their own right? They are legitimate, but not enough themselves. We should understand people's preferences. We have to be able to test and retest our assumptions. We should not be arrogant as to think we have found the magic bullet. How do we evaluate the impact of a variety of services? Simple solution is a nice thing (simplicity)

Michael Kaddu, Barclays Bank:

The process of linkage of savings groups to Banks is not straightforward. Even in small villages in Uganda there are a lot of regulations to take into account. Not all groups have to be linked. Some are doing very well on their own. Groups should be given the choice.

What do SG members want? They want security of their funds (recognition), a bank account, to Access credit. The needs and wants are evolving. They are not static. Everyone has his or her own aspirations. Any financial institution has to consider this. We must evolve with our clients. Savings groups are not just for the poor. SG have a very important place in the financial sector. The linkage is a choice and should only happen if it is not going to destroy the principles of the savings groups.

Barclay bank provides following services to savings groups 1) open bank account at no cost 2) Minimum balance 0 3) monthly interest for savings provided. Motivation of Barclay is seek to contribute to community growth and leave communities better than we found them while meeting citizenship agenda. We are not linking for profit, but sustainable solution will eventually come win win situation.

Mobile banking illiteracy should be preceded.

Empowering study with person who understand their financial life. Bank community members, core.

Nelly Otieno, CARE Kenya: More financial should be brought in. What do women need for financial inclusion?

Financial services for what? Funds management very important. Security of box concern & important. How secure? We need more, way forward. Appropriate product, flexible, role of technology, Mobile technology, Cashless transaction, Fund management, Savings security *linkage with bank) 3 people should have key pin numbers, demand for SG high. 50 M is not a challenge. Hit and run No. Impact important. Bigger loan, next stage, financial education, what are the needs of these women? Not benefit but living

The security of box is the concern of many savings groups. Financial inclusion should play a role in ensuring the security of box. About 70% of women in groups have a mobile phone. So how do we include technology as infrastructure for our methodologies? Mobile technology, cashless transaction, is making linkages easier. In Kenya there is microfinance in almost every village. This is because of mobile technology. For savings groups, we have 3 persons with 3 pin numbers to ensure the security of the fund. This became possible thanks to our advocacy work.

We need to light the fire. CARE worked with the SGs, Banks, and network service providers. This led to product design that took all perspective into account. CARE invited Banks to the villages to increase competition among the Banks. When the Banks saw that the groups were keeping balance sheets, they believed that they could work with the groups. One of the bank products were even named by one of the groups. Reaching 50 million people is not the challenge, Hit and run should not happen. The challenge is to bring impact in the lives of women involved.

Sacco (Savings and Credit Co-operative Society) in Kenya are credit unions and can be formal or informal. Whether you

have SACCO or MFIs, SGs are working extremely well alongside. In SACCOs, savings are not regular, so there is a high drop out rate from the informal SACCO to the SGs.

Empowerment comes with the person truly understanding their cash flow and their financial lives. We have to be careful to say that one service is better than others. We have to look at the appropriateness of the service. CARE brought mobile technology to the SG/Bank linkage and had a curriculum to educate women on this technology. Linkages are part of financial inclusion, but it is only a part: we must also consider other services. SG, Credit, Formal sector need to work together.

THEMATIC PROGRAMMING SESSION

IMPORTANCE OF MONITORING

John Schiller, Global Advisor for Savings groups, Plan International

Hugh Allen, Founder, VSLA Associate

- High returns, declining cost, 95% long term survival
- Increasing member investment effectiveness of community based trainers when paid by SG.
- Significantly out perform paid staff.
- Return rate of Youth group (15-24) as good as adult group, which attracted attention of donors to help raise fund
- Group evaluation tool much used for monitoring to measure group quality and rate performance

Group Evaluation Tool (from vsla.net)

Topic Title	Topic Question
Attendance	Did at least 80% of the members attend the meeting?
Non-Committee Keyholders	Were the keys held by three members who were not on the committee?
Beginning balances	Did members recall Loan Fund and Social Fund balances?
Savings orderly	Were the savings procedures orderly and complete?
Savings record accuracy	Were passbook savings records complete and accurate?
Lending orderly	Were the lending procedures orderly and consistent?
Loan record accuracy	Were passbook loan records complete and accurate?
Meeting procedures	Did the group and the management committee follow standard procedures?
Ending balances	Did the Secretary announce ending balances in Loan Fund & Social Fund?
Use of passbooks	Were passbooks the primary record of transactions?
Chairperson effectiveness	Did the Chairperson lead the group effectively?
Secretary effectiveness	Did the Secretary perform his/her role effectively?
Money counter effectiveness	Did the Money Counters perform their roles effectively?
Constitution	Did the members and managers display knowledge of the constitution?
Member participation	Were members engaged in all aspects of the meeting?

The SAVIX is a reporting system (thesavix.org) that provides transparent and standardized data on community-managed microfinance. Developed 4 years ago with funding from Gates Foundation, the SAVIX collects and validates financial and operational data from more than 70,000 savings groups and 163 projects, promoted by 6 facilitating agencies in 22 countries of 2 million people in the developing world.

- In SAVIX, there is distinction between trained group and active group
- Reporting improves program performance. From April 2013, any organization can upload their data at thesavix.org
- Taking into consideration of the international overhead, the training cost per member assisted (CPM) cannot go further down than \$15~16. CPM \$5 is an unattainable number. CPM will have varying cost, beginning high and the end low.
- CPM is the least meaningful figure for USAID
- Monitoring tool is a burden or additional burden to the field staff.
- Data quality is important. To make sure the collection of quality data, VSLA provides a paid service on quality rating system.
- The data can be shared with the group so that group makes efforts to improve their quality.

MOBILE BANKING

More mobile money accounts than regular bank accounts. Brick and mortar infrastructure is unlikely to reach the unbanked.

Mobile services are a solution. Cashless society in Kenya : Efficiency and security of funds *simple, fast, and secure. MPesa can sign up for a products through Equity Bank. Transactions could happen even in the most remote areas. Transactions during a meeting or before or after. The account allowed to deposit excess savings. CARE 76 groups opened a savings account with a Vodacom/Mpesa agent. MPesa in Tanzania has 4.5 million people using mobile wallets; moving 1.6 trillion shillings across their network. This is a lot of people and a lot of money.

The core competency of Vodacom is distribution and branding. Going to the savings base is a new area for Vodacom. They are looking for the business case, but are not focused on profits; they are focused on acquisition of clients.

Vodacom is looking into savings and insurance products--have delivered funeral insurance. Vodacom is looking at implementing credit scoring statistics for their clients. They are working with the central bank to make this data available to the Central Bank and move toward the formalization of savings.

Vodacom linking to 6 banks in Tanzania to formalize savings. Mobile banking is trying to make Access to money easier. Trying to facilitate the allocation of money for future usage.

Barriers to mobile banking: Illiteracy, fear of technology, lack of perceived need, resistance from husbands of the women in the savings groups.

There is a growth potential of women mobile operators with TIGO to encourage entrepreneurship:

Advantages of mobile services: Convenience, reliability, security and privacy, Huge market opportunity.

Mobile banking however needs training on how to use, how to train mobile service providers, linkages with Banks are necessary. You have to have a plan for outreach for training and for reaching scale.

1. We should have a clear understanding of what we want the mobile savings products to deliver: do we want members to earn interest on their savings through mobile money, do we want them to have a safe place to save, do we want them to have easy access to savings?
2. We need to align our goals-facilitating agencies, donors, mobile operators, all need to have an understanding of where they want to go and share this goal
3. Women have barriers to using mobile technology. This points to a need for partnerships among the different actors to move things forward. Training is also very important, not only in terms of how to use mobile money, but also in terms of what this service means for them.

GROUP FORMATION

Let groups spread spontaneously and organically vs No, they need adequate training on-goingly

SfC: spontaneously, procedure drift. Replicator model (pictorial guide and certificate).

Structured replication vs organic replication

	Structured Replication	Organic Replication
Take up	40%	33%
Value of livestock	\$91	\$79
Cost to train a replicator	\$50	
Cost of replication	C40/household	60% of 19000 groups

Given the negligible cost evidence justifies a structured replication strategy.

Significant impact. Clear and unambiguous case in favor of structured replication.

Replicators are volunteers. Some go outside of their villages and some do not.

Operators earn money through transaction. Savings are more stagnant. So the business case is not about profits.

Best model to assure services after the end of the Project.

Advantage of donor funds to be able to create something sustainable. Services are for fees...!

PSP (Private Service Provider: Fee for service) vs FA (Field Agents: Stipend and monthly targets during their training)

PSP: More scattered productivity vs FA: Even productivity

Rigorous selection (important to select charismatic salesman. CRS helps publicize their services so that they are known to the community and so that the community knows they are expected to pay. Private Service Providers (PSP) form a network to improve their work and to make their charges uniform and to become more efficient. The PSP looks among their

groups to find apprentices. They enlist and recruit apprentices.

Ideal PSP: Late 20 or 40, 50 year old. Enough education but not too much. Finished primary or secondary education long ago from the area established. Experience in community mobilization, selling or runs his/her business. Knows local leaders. Educated but not too much. Born in the community. Flexible job, not an 9 to 5 office worker. Farmer with a part time job is ideal. Not a person who moves from project to project. Once recruited, the PSP is trained as an independent service provider 1) technical preparation 2) market preparation. CRS helps them to figure out pricing structure. During 7-9 months they should form 6 groups. A bicycle is given to saturate the nearby community. Groups are formed under supervision and right from the beginning, they are paid on a performance basis. Pricing structure fee structure help out the other group

There are 682 PSPs, 7-8 supervisors in Africa. Over 70% have received some fees from groups. Average earnings are USD40 per month. In a study of PSP vs FA in Kenya, Tanzania and Uganda, Kenyan did better than the others. Cultural influence. Group pay 5% of a group minimum saving contribution.

During training PSP charge per session, some per module, some flat fee for the whole training. When they are supporting the groups, they charge on monthly basis or per visit. PSP become a strong force with a strong voice to talk to the community.

Informal coordination meetings among agencies to avoid overlap, so that CRS chooses areas where no other agencies have been

Savings Groups: Documented Impacts and Lessons Learned

Presentation: Kathleen Odell, Ph.D. from Dominican University, IL.

The result of randomized control trial of Microcredit and Savings groups on quality of lives are almost similar.

Wealthier group join SG first

There is no impact on community level.

To maintain control group is very hard.

The study looks at the outreach, impact, and programming questions. One of the biggest challenges in assessing the impact of any intervention is assessing the effects of the program itself vs. Effects that are brought about by the context the program operates in.

Randomized Control Trials are conducted in collaboration with 4 agencies:

CARE Ghana Malawi and Uganda 200-400 villages in each country as the sample size.

Oxfam Mali assigned 500 villages to receive SfC or not and compare the effects.

CRS Kenya, Tanzania and Uganda and the PSP

IRC 70 grupos in child welfare.

Finding 1) Mali 81% SfC are poor

Finding 2) Take up rates are between 20- 30% of villages, Control area: 2-8%

Finding 3) Oxfam: Women, socially active and hold leadership positions business,

CRS: more literate, wealthier, who have never had a business

Findings 4) PSP are more entrepreneurial, higher savings balances, higher return on savings, bigger loans

Poverty outreach was the same between the PSP groups and traditional trainer supported groups.

Findings 5) Areas with structured replication there was a higher take up rate.

Theory of change

1-2 years: Increased savings, credits, resilience, decision making,

2+: Increased business ownership, profit, household expenditure.

Did RCT match their theories of change?

1. Increased use of financial services (savings, credit)
2. Bundling of additional services is effective (i.e. more knowledge of malaria)
3. Mixed results in asset ownership (dependant on country and program)
4. Mixed results in business investment, empowerment, food security
5. Some positive impacts on education enrollment/expenditure (but barely statistically significant)

The time frame for these studies are short (2 years) so it is not surprising that the more long term expected results from the theories of change are not yet showing up strongly.

GATES: although wealthier members tend to join first, the poorer members join eventually. Much stronger results with a longer time frame.

Does the group continue after 4-5 cycles? Nelly Meso Level Study Kenya

Impact on Economic and social institutions: Groups improved women's ability to engage in a range of institutions including markets, households and governance. New female layer of authority.

Created culture of borrowing in groups to fuel high returns on deposits.

Multiple membership raise concern of systemic risks if people borrow from one to pay back their loans to another.

New arrangements > links with SACCOs and clusters of groups.

Flexible liquidity of SGs increases income security and mitigate the damaging impact of ad hoc needs for lump sums.

Benefits: improved conjugal relations, reduced dependence on casual labor and low-return sale of assets, especially livestock.

IRC created VSL for survivors of sexual violence in DRC.

What changed most in your life due to VSLA?

-Able to pay for school fees for children.

-Purchasing better clothes and medicine

-Food security.

Mental health symptoms. VSLA participants mental health symptoms improved mostly in anxiety.

We see the economic impact in this RCT and other studies.

Financial resources. Psychological impact, however they give shareout to their husbands.

Living room conversation with donors

Participants: Larry Reed, Salah Gass of Gates Foundation, Pabhat Labh of MasterCard Foundation, Jason Wolfe of USAID, and Sandra Durville, Inter American Development Bank

Why involved in SG?

Gates: SG reach the poorest and wanted to learn, and make a big investment in the story.

IDB: We had focus on microfinance, but we knew that MFI does not reach the whole population.

USAID: a way to strengthen Enterprise for microenterprise office and a way to reduce vulnerability.

MASTER CARDS: SG reach the poorest hard to reach. Good way to bring people into formal financial services.

Less money from Gates for SGs why? Commitment is there. We still try to follow the principle "We go where others don't" Our strategy is to move from cash to digital form. Leverage SGs to get financial services out to people.

Linkages, Use as a platform, collecting data is a key. Financial history and electronic data can be helpful for a SG member to have access to bank loans and financial history can work to trace history, which is empowering.

USAID: orphans and vulnerable for SGs. SGs are all over USAID. CRS's fee for service (Private Service Provider) model is tremendous. How do we monitor, supervise?

Larry: I applaud you for the cross-sectoral approach. Is this spreading to other parts of USAID?

IDB: We are looking more and more at governments being the implementer. Like CCTs, the government needs to know that the impact is strong. We just need to convince the government to look at impact. We want sustainability in scale, retain good practice over time. We want to create groups without assistance at minimum cost.

Mastercards: Linkages important when we talk about savings groups and it is multi-dimensional.

You have the demand side, the supply side and the interface of where supply meets demand.

In Rwanda, CARE has been doing linkages for a while. In India, SHG have been linked to Banks for years.

Linkage to enhance financial experience, and safeguard the importance of social capital.

Linkage should be a choice of the member.

What more need to be done?

USAID: I am happy that USAID is mainstreaming SG in short time. More research is needed to truly understand the impacts (well being behavior health status) in the long term.

MasterCards: Governments are recognizing savings groups like Rwanda. More local identity and ownership as well as more collaboration is needed.

IDB: consistent metrics to measure progress of savings groups with a focus on gender disaggregated data.

Gates: look at the role of technology. Data standardization should be a priority and that this data should be used to engage the private sector to support savings groups. We need to find out how to better use the SAVIX data to empower group.

Audience: I am not concerned about the cost per person of spreading this methodology, especially when we know that this is self-replicating and that it can serve as the base for other interventions. I would like to challenge the donors to look at the aid effectiveness of this methodology. Let's not stop at 50 million outreach in a world of 7 billion! Let's continue funding these groups! Even at \$330 or \$40, a good savings group is still a developmental bargain.

Why evidence based grant making? Lots of evidence that we don't have yet.

The representative from the MIF states that this will not result in a less risky approach; in the same way, the Gates Foundation doesn't shy away from failures and likes to be transparent about what doesn't work. The Gates foundation is constantly encouraged to take risks because it is a learning organization.

What do we want to see in 5 years? What's the challenge to that?

IDB: Social safety net, cost effectiveness grant making, aid effectiveness, sustainability question

How do we get cost down? Mobile model only after we do that aid effectiveness

Savings more important. Evidence by grant making

Gates: WE should have luxury of taking risks, encourage taking risks, The more data the better.

Opportunities and Challenges of Integrated Programming

Bill Grant

How can we continue to innovate and leverage the groups?

How can we keep the activities complimentary?

How do we keep it scaled to members' capacity?

We can't push them to grow too quickly?

DAI: Can SG be a driver of rural development?

Strong local group is important for market development and value chain approach.

What makes them strong? It is an internal governance.

Many programs push too much too quickly.

USAID: PEPFAR (US President's Emergency Plan for AIDS Relief) looks at SGs as clear delivery channels and efficient platforms. SGs improve living conditions at the household level, but how do we know that women benefit from them or that kids receive their medicines or go to school?

Three types of families

- 1) Families in destitution
- 2) Families struggling to make ends meet > TARGET POPULATION
- 3) Families prepared to grow

They need different types of programming. Families in destitution needs consumption support, but those struggling to make ends meet can be a good candidates for savings groups. For families prepared to grow, income promotion is needed including financial inclusion. Segment targeted intervention

PACT in TZ = integrated WORTH to meet the needs of caregivers with vulnerable children in TZ.

Literacy, gender based violence education and general good parenting.

Improved health status, improved shelter and care

The caregivers are motivated by the vision of a future for their children and themselves.

Support groups for HIV turned into SGs have not worked well. The principle of self-selection may not always be well applied.

Replicability of those additional activities? Field agent carry on to train members as they create new groups. Local

partners leverage groups for additional trainings.
Complexity reduces replicability.

4 books to each adult literacy and numeracy. Takes 3 months for 1st book but we are still adapting it in different contexts.
Women are more literate although savings are a bit less.
Literacy is a key component of empowering women.

SG as a platform for health.

Family insurance Project in Pakistan was not working as intended. Did not cover costs and generated moral hazards.
SG formed and invited to participate in midwife services. Midwives trained through program.

The burden of health financing not fall too heavily on SGs. First and foremost they need to be SGs but they can be an excellent platform for health initiatives.

Should SGs charge interest on loans given for social or health funds?

Special population: Mothers in Egypt Plan: groups decided that they had the capabilities of expanding and creating their own nonprofit.

VSLA UGANDA healing and integrating community following 23 years of war.

Psychological group activities to help with recovery from trauma.

Social cohesion created. War victims are empowered and accepted through VSLA.

In Malawi, all VSLAs are registered with a gov. Finance ministry.

In Egypt, meeting in group was illegal. Thanks to Plan's advocacy and groups can meet.

In Uganda Ministry of Gender and Development regulates the VSLAs

SG is an entry point for additional training. Complexity reduces replicability.

Goal setting, budgeting, financial education are important.

Development is a choice. Group might not need to be linked but there might be possibility.

Growth National Trust.

Importance of collective learning.

OTHER CONVERSATION

Marcia Odell on Appreciative Inquiry

Hawthorne Effect: Improvement of behavior or productivity by enhanced attention.

Let people come with their own conclusion. "Tell me more about that"

When encountering problem, it is better to ask the group: what is advantage or disadvantage?

People love their own idea.

3 magic questions

1) What is the most empowering and most exciting experience that you ever had when you were saving? Share story and dream.

2) What does even make them better look like?

Tell about your experience on savings. All come together, save, transparent and respect.

3) How do we get there? "We are gonna do savings groups!"

Sharon D'Onofrio: What is the key takeaway? What's the question do you have?

Short meeting with Mabel Guevara, Jenny Rodriguez, Caribert Toussaint

Mabel's suggestion for hosting an online forum in the Dominican Republic with following themes.

1) How SG can serve as a spring board for other activities?

2) How can SG be linked with formal financial sector?

3) How can we make sure the security of the box?

Jong and Mabel will host this first online forum during April. Meanwhile we noticed that the SAVIX data is not coherent with the data we have in the field. We will be working to gather the data to be incorporated into the system.

Input Marketing Association (stella.tungaraza@plan-international.org) is a confederation of 5-6 VSLA groups. Through this structure, a group can have better and more access to loan. IMA central committee is similar to the normal VSLA group: they elect their representatives, buy shares, attend the general yearly meeting. IMA has several committee

including economic and savings and loans, agricultural marketing, health, and social.
 What's next? Once group mature, they need more and more loans.
 More solidarity of 5-6 groups, 3000 individual groups

IMA Central Committee: Once groups mature, they need more and more loans. The size of loan can exceed more than 3 times of the savings. The size of loan is determined by the % of the last year's share out.
 IMA meets once a month, purchase share, borrow and keep on behalf of members (money are almost always kept in bank, but most of money are distributed as loan). Since there are more than 50 people in IMA, small committee meeting is held separately. Out of 76 IMAs 622 IMAS are linked to former financial institutions. Often IMA work for advocacy.

Nelly Otieno, CARE Kenya

Savings cycle is 6 months with a monthly meeting. The attendance is 100% because of the interest in loan.
 Kenya started savings groups project in 2004 with funding from USAID. In 5 years, 10,260 group formed.
 With the launch of 2008 FSD Kenya, there was modification in delivery channel. First time at a global level.
 FSD Kenya tried out three replication models: Franchise, Faith based, Direct Community Based Trainers, but now mostly the replication is happening through franchise and faith based organization reducing the training cost per person to US\$9.7.
 FSD Kenya no longer use the service of community based trainers.

FSD Kenya made 130,000 join the savings groups during 3 years. There are 700,000 in total in Kenya.
 By making noise as a group, they were able to convince Orange to allow the use of 3 different pin codes for an account.

Savings Groups and the Ultra-Poor

To work with ultra poor, government involvement is critical through social protection program like CCTs.
 However, it should have exit strategy. World Bank is expanding savings.

Hawthorn effect: In Bangladesh, self help group made by ultra poor meets on a weekly basis and save. They save on a voluntary basis. Ultra poor are vulnerable not only economically but socially, but in 1 year they start integrating to social activities and continue meeting and saving whatever amount. Within 1 year, 3 joined MFIs. Negotiated and got money for ultra poor.

The graduation approach (www.graduation.cgap.org): Targeting, consumption support, saving-skill training-asset transfer (match livelihood, individual capacity & interest), coaching on-going support. Mandatory savings groups in Ethiopia showed better result in savings.

10 pilots in 8 countries (Haiti-Fonkoje leading implementing agency, Honduras, Peru, India, Pakistan, Yemen led by government) with the duration of 24-36 month: 1 person household targeted

Indicator for graduation: Food secure? Increase in income? Diversified source? Loan increase? School attendance?
 Participant more confident Vision plan for the future?

RCT compared how they would have changed in the absence of the program? vs How have their lives changed?
 Result of RCT: RCT Food consumption went up but no increase in consumption in Honduras.

Larry Leed

1. The sense that I am part of something bigger is palpable. Putting these goals are important. Change the poverty around the world, I am part of something bigger. Keeping it growing.

2. Caution with number. People used to pursue reaching 100 Million credits. Are they better off now? Pushed hard to reach, but there are people who have been harmed. With credit program there is same poverty and same more poverty. Be open about your problem. Always good story hides problem.

3. Find ways of counting impact. Was the life of the poor improved? Design, connect, and seek rigorous improvement of client life.

4. How can this keep going without money? I want to see the movement keep growing. How can we reach more poor? Take insight from the 12 step movement of Alcoholic Anonymous whose self-replicating group expansion costs less and most fascinating. AA are all supported by contribution of weekly meeting. They saw that they had solution set up centers around the world. "This thing should be self sustaining. Money will spoil it."-Rockefeller

Rockefeller saw that money will kill the movement and will not let the groups grow. SG can be spread without money only when the people see the potential of it. No donors. This is fire. Taking off. No one owns fire. Fire in rural areas. Take call in the fire. Finds another fire. Any fire is the product of many previous fires. Keep the fire going. Fire warms up, cook food and dry engine. Cover in areas we aren't present now. But What's idea? Advocacy among donors.

Advocacy among donors youth savings groups tool for all developing group. More evidence, research, documentation needed. Sharing that with others expanding diversity of people. Advocacy to get this into agenda. Investing fund SG should contribute to the wholeness of the group.

Jeff Ashe

Personal reflection. No idea back then this is going to be the basis of the movement. 20 years is not that secret.

Responsibility each one spreading ideas through 12 steps.

160,000 Niger relaxing among ideas double. We have capacity tool. MIS SAVIX Demonstrated impact.

Goal>: 50M by 2020.

188 pages what we found from our experiences. SG shows resilience against coup or drought compared to control group.

Food security improved in SG although poverty reduction is similar to credit program.

What's next? To combine SG with health, education, agriculture, and put that into practice.

Building a vision for the future of savings groups

World café

3 round conversation 20m each

Different question for each round move to a different table at the end. Table host stays

Dialogue capture, connect create ideas and harvest collective wisdom

Rules: Contribute, have fun, speak with your mind and heart, focus, slow down, link, listen to understanding, play, drink, doodle to think,

Q1. What is your vision of what life could be like in the cities and towns of the developing world?

Q2. How SG can help achieve your vision?

Q3 What are your unique contributions to help spread savings groups?

What contribution can I make as an individual?

Mobilize savings groups globally

Change UNDP Policy on revolving fund

Financial literacy tool,

Use churches as a platform to create more savings groups

Bring SG to many countries

Long term research

30 other agencies that will carry the propagation of this idea.

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“We shall not cease from exploration,
 And the end of all our exploring
 will be to arrive where we started
 And know the place for the first time.”
 T.S. Eliot

“Let each man pass his day in that endeavor wherein his gift is greatest”
