

MicroLead Webinar #8

Engaging with Savings Groups
facilitated, spontaneous and
combination

Our panel



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Ask a question



The control panel is a floating window with a title bar containing 'File View Help' and a globe icon. It features a vertical toolbar on the left with icons for audio, questions, chat, and hand raising. The main area is divided into sections: '+ Audio' (expanded), '- Questions' (collapsed), a text input field with the placeholder '[Enter a question for staff]', and a 'Send' button. At the bottom, it displays the webinar title 'Rehearsal MLE webinar 4', the ID 'Webinar ID: 120-287-171', and the 'GoToWebinar' logo.



Agenda

15 min ➤ Quick overview of SGs and linkage

➤ Introduction to the projects:

1. CARE
2. WOCCU
3. UGAFODE

20 min Insights from the three programs

15 min Q&A

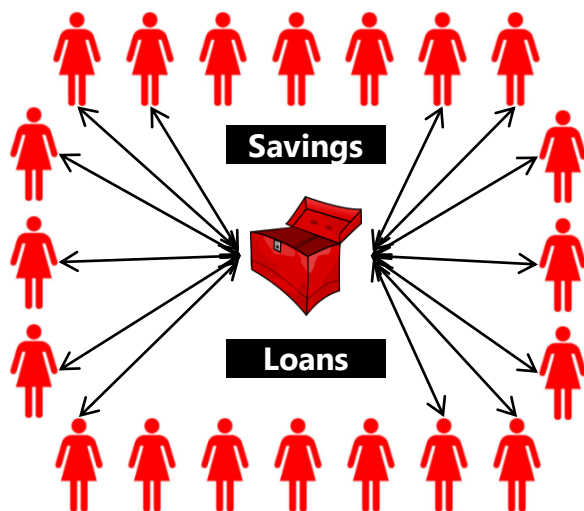
Quick overview of SGs and linkage



- SGs are informal groups of (predominantly) women that come together on a weekly basis to save together and lend their internally generated savings to group members. The groups elect leaders, decide on what interest rate to charge members on loans, and share out each year. SGs allow 'last mile' financial service provision
- Linking SGs to formal financial service providers allow groups to securely store their savings (currently held by a group member in a lock box) and can expose SG members to formal institutions and their additional services (use of agents, financial education on FSP products, credit once SG is mature enough)

Quick overview of SGs and linkage

Savings Group



How It Works

1. Groups of 15 to 30 people who meet on a weekly basis and save into a loan fund.
2. The fund is used to support loans within the savings group as needed, with the loan interest used to provide a return on the invested savings.
3. SGs elect their own leaders and decide on the interest rate democratically.
4. At the end of a set cycle (typically 9-12 months), the savings, with accumulated interest, is "shared out" proportionately and a new cycle begins.

Linkage of SGs to formal financial services

- Linking SGs to formal financial services provides security for the funds.
- SGs can also make additional interest on their funds.
- SGs can benefit from additional services of the FSP such as insurance, loans, investments, payment and transfer services etc.
- SGs will also form part of the number of people who are financially included.



- CARE: partner FSP is Fidelity Bank; target is 72,500 people in northern Ghana organized into groups with 1,200 SGs, 30,000 (41.4%) of them to be linked; 147 SGs, 5,000 members (12.25%) linked to date
- 549 existing SGs out of 1,200 target carried over
- 557 new SGs formed out of 1,700 target
- 510 SGs received financial literacy training

- WOCCU Rwanda: project outcome is to strengthen 90 Umurenge SACCOs and consolidate them into regional SACCOs; SG linkages was not a part of original project design but as savings and membership were analysed, we learned that SGs have been linking spontaneously to the U_SACCOs
- As of June 2015, SGs hold 31,329 active savings accounts out of 389,785 active savings accounts with U_SACCOs, or 8% of total savings accounts, with groups consisting of 5-500 people
- SGs have a balance of \$ 6.8 million in Savings or 28% of U-SACCO total deposits, with an average of \$164 per SG
- SGs hold 7.4% of the total U_SACCO loan portfolio and the average outstanding loan amount per SG is \$1,475



- UGAFODE underwent product research with IDEO.org using a Human Centered Design approach targeting unbanked rural depositors to develop a product that fits in with SG's existing structures
- UGAFODE has reached over 5,000 group members with its GroupSave Product as of September 2015
- Members represent almost 15% of UGAFODE's active depositor base
- Product was originally designed to target INGO savings groups but UGAFODE expanded to other organizations who save collectively such as ROSCAs, drivers associations and churches. (self help groups)
- Key part of linking savings groups with GroupSave accounts has been partnerships with Ugandan Community Based Organizations
- GroupSave's key feature, the AirSave mobile delivery channel, has increased access to savings accounts (real time deposit and withdrawal, check balance, mini statement, and buy airtime)



1. What are the **challenges** you have **faced in implementing** this project and what changes have been introduced to address these challenges?
2. What are you learning about groups and the **type of services they demand**? What enhancements to your products and/or processes have you implemented to meet SG needs?
3. What **product features** have you developed to serve SGs better? And how are INGO-facilitated groups different than the ROSCAs and other types of groups that you are reaching?

Insights: Challenges



- Systems failure
- Network strength
- Breakdown of POS
- Challenges with Agents
- Shortage of linkage materials
- Apathy on the part of VSLAs
- Competition from other NGOs
- Distortion of VSLA methodology by competitors
- Data management etc.

CARE and Fidelity bank are working to address challenges

- Introduction of Mistral
- Card-less operations
- Repackage product
- Organize linkage around urban/peri-urban areas



Q&A

Speaking



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Project Manager



Speaking



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Speaking



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THANK YOU