PAMOJA TUWALEE COMMUNITY SAVINGS GROUP STUDY

A REVIEW OF PRACTICE AND INNOVATIONS IN COMMUNITY SAVINGS GROUPS AIMED AT SUPPORTING MOST VULNERABLE CHILDREN IN TANZANIA

JULY 2014

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A REVIEW OF PRACTICE AND INNOVATIONS IN COMMUNITY SAVINGS GROUPS AIMED AT SUPPORTING MOST VULNERABLE CHILDREN IN TANZANIA

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“The modality of empowering the people to run their own affairs is good; it changes first their minds and second, it enables them to do better because they see the trend of success.”

—Michael Mnana, Village Chairman, Nyashigwe, Mwanza
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ASCA</td>
<td>Accumulating Savings and Credit Association</td>
</tr>
<tr>
<td>CBO</td>
<td>Community-based organization</td>
</tr>
<tr>
<td>CDO</td>
<td>Community Development Officer</td>
</tr>
<tr>
<td>CHF</td>
<td>Community Health Fund</td>
</tr>
<tr>
<td>CRP</td>
<td>Community Resource Person</td>
</tr>
<tr>
<td>CRS</td>
<td>Catholic Relief Services</td>
</tr>
<tr>
<td>CSG</td>
<td>Community savings group (either formal or informal)</td>
</tr>
<tr>
<td>CV</td>
<td>Community Volunteer</td>
</tr>
<tr>
<td>DALDO</td>
<td>District Agriculture and Livestock Development Officer</td>
</tr>
<tr>
<td>DCA</td>
<td>Development Credit Authority</td>
</tr>
<tr>
<td>EEW</td>
<td>Economic Empowerment Worker</td>
</tr>
<tr>
<td>EW</td>
<td>Empowerment Worker</td>
</tr>
<tr>
<td>FFH</td>
<td>Freedom from Hunger</td>
</tr>
<tr>
<td>FGD</td>
<td>focus group discussion</td>
</tr>
<tr>
<td>FSDT</td>
<td>Financial Sector Deepening Trust</td>
</tr>
<tr>
<td>GBV</td>
<td>gender-based violence</td>
</tr>
<tr>
<td>HEA</td>
<td>household economic assessment</td>
</tr>
<tr>
<td>HES</td>
<td>household economic strengthening</td>
</tr>
<tr>
<td>IFG</td>
<td>informal financial group</td>
</tr>
<tr>
<td>IMARISHA</td>
<td>Improving Multisectoral AIDS Responses to Incorporate Economic Strengthening for Households Affected by HIV/AIDS</td>
</tr>
<tr>
<td>INGO</td>
<td>international nongovernmental organization</td>
</tr>
<tr>
<td>IOP</td>
<td>Ilulu Orphans Project</td>
</tr>
<tr>
<td>LIMCA</td>
<td>Livelihood Improvement for Most Vulnerable Children</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>monitoring and evaluation</td>
</tr>
<tr>
<td>m-money</td>
<td>mobile money</td>
</tr>
<tr>
<td>MFI</td>
<td>microfinance institution</td>
</tr>
<tr>
<td>MIS</td>
<td>management information system</td>
</tr>
<tr>
<td>MVC</td>
<td>Most Vulnerable Children</td>
</tr>
<tr>
<td>MVCC</td>
<td>Most Vulnerable Children Committee</td>
</tr>
<tr>
<td>NGO</td>
<td>nongovernmental organization</td>
</tr>
<tr>
<td>OA</td>
<td>Oxfam America</td>
</tr>
<tr>
<td>OVC</td>
<td>Orphans and Vulnerable Children</td>
</tr>
<tr>
<td>PEFPAR</td>
<td>U.S. President’s Emergency Plan for AIDS Relief</td>
</tr>
<tr>
<td>PSP</td>
<td>private service provider</td>
</tr>
<tr>
<td>PT</td>
<td>Pamoja Tuwalee</td>
</tr>
<tr>
<td>RCT</td>
<td>randomized control trial</td>
</tr>
<tr>
<td>ROSCA</td>
<td>Rotating Savings and Credit Association</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>SACCOS</td>
<td>Savings and Credit Cooperative Society</td>
</tr>
<tr>
<td>SAVIX</td>
<td>Savings Group Information Exchange</td>
</tr>
<tr>
<td>SEO</td>
<td>Street Executive Officer</td>
</tr>
<tr>
<td>SILC</td>
<td>Savings and Internal Lending Community</td>
</tr>
<tr>
<td>TACAIDS</td>
<td>Tanzania Commission for AIDS</td>
</tr>
<tr>
<td>TASAF</td>
<td>Tanzania Social Action Fund</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>TSh</td>
<td>Tanzanian shilling</td>
</tr>
<tr>
<td>VEO</td>
<td>Village Executive Officer</td>
</tr>
<tr>
<td>VICOBA</td>
<td>Village Community Bank</td>
</tr>
<tr>
<td>VSLA</td>
<td>Village Savings and Loan Association</td>
</tr>
<tr>
<td>WEI</td>
<td>World Education, Inc.</td>
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</table>
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This study would not have been possible without the engagement, knowledge and commitment of many staff members of Pamoja Tuwalee implementing partners, FHI 360, Africare, Pact and World Education, and DAI IMARISHA. Their dedication to completing the tasks, undertaking data collection, reviewing drafts and providing feedback has been invaluable to finalizing the study. Specifically, the writers would like to thank Daniel Laizer, Victoria Munene, Annamarie Magige, Felician Luchagula, FelistaMandari, Optatus Likwelile and Norbert Massay who were involved in testing the data collection tools; Khalid Mgaramo, Ipyana Mwakasaka, Khadra Jama, Victoria Munene, Norbert Massay, Castor Kalemera, Felician Luchagula, Dickson Mbita, Annamaria Magige and Herbert Mugumya who undertook the data collection including key informant interviews, savings group observations and focus group discussions; Daisy Kisyombe, Todd Malone, Priskila Gobba, Levina Kikoyo, Turphina Matekere, FelistaMandari, Herbert Mugumya, Datus Ng’wanangwa, Conjesta Shao, Lilian Badi, Grace Muro, John Hilary, Collen Masibera, Optatus Likwelile, Linda Madeleka, Hannah Poole, Casimir Chipere, and Mary Mpangalawho reviewed drafts of the study; Kirsten Weeks and Katie Taratus who edited final versions of the study, and Amy Mitchell, Agnes Mwaisaka and Khadra Jama who organized logistics, typed up notes, prepared minutes and kept the paperwork moving forward. A special thanks to Africare, Pact and DAI who provided logistic support, vehicles and drivers for the field visits and to FHI360 and Pact’s regional staff for assisting with the field sites for tool testing. We are grateful to all who supported this initiative. We are especially grateful to USAID for furthering the research on economic strengthening interventions including community savings groups in Tanzania.

Brett Matthews and Colleen Green, DAI
EXECUTIVE SUMMARY

The President’s Emergency Plan for AIDS Relief (PEPFAR) is investing in Most Vulnerable Children (MVC) programming for Tanzania through the Pamoja Tuwalee (PT) program. Four international partners, Africare, FHI 360, Pact, and World Education, Inc. (WEI) are implementing these efforts across Tanzania. In this new program, a key aspect of PEPFAR programming for vulnerable children is household economic strengthening (HES). Improving Multisectoral AIDS Responses to Incorporate Economic Strengthening for Households Affected by HIV/AIDS (IMARISHA), a separate PEPFAR technical assistance project, supports PEPFAR partners, including the Tanzanian Government to improve and strengthen HES. Community savings groups (CSGs) are a critical component of HES efforts in Tanzania. Together, PT partners and IMARISHA sought to better understand how CSGs are working with the most vulnerable. This study is a learning study that reviews PT theories of change, CSG methodologies and experiences in implementing CSGs across Tanzania, and the impacts on vulnerable households and their communities.

This Savings Study was conducted as a learning study with full participation of each PT partner in the design, data collection, and review of study results. The study included eight regions of Tanzania: Kagera, Mara, Arusha, Tanga, Iringa, Morogoro, Dodoma, and Zanzibar (Unguja). Interview and focus group discussion (FGD) tools were tested in two additional locations: Dar es Salaam and Mwanza; 138 separate interviews, observations, and FGDs were conducted with partner staff, sub-partner staff, volunteers, village leaders, caregivers and non-caregivers, and members of savings groups. The sampling for the Savings Study was randomized. More details on Savings Study Terms of Reference (TOR) and the Research Methodology can be found in Appendices 1 and 2.

PT savings groups share a similar design to other CSG models promoted in Tanzania and in other countries. Like other typical CSGs, membership in PT CSGs is self-selecting, and core financial products include savings, loans, and self-insurance. However, PT CSGs have a specific focus on reaching households in which MVC live. They also fuse together savings groups with other types of health and livelihoods training/promotion and life skills improvements.

Each of the CSG programs implemented by PT partners contains certain shared elements of a theory of change in common, specifically:

- Savings groups are an effective and efficient method of delivering financial services, capacity building in financial literacy, and ultimately a sense of self-worth and independence to these vulnerable households.
- Caregivers with very vulnerable children are better able to provide care if they have access to financial services, and if they acquire basic financial literacy skills.
- If Community Volunteers (CVs) have the right capabilities/training and motivation, they can play an effective role in facilitating the sustainable delivery of benefits through savings groups after the project ends.
- CSGs can also provide community leaders (such as Village Executive Officers [VEOs] and Most Vulnerable Children Committees [MVCCs]) with entry points to engage effectively when their support is needed.
- As a result of the preceding points, communities can shift from a “handout” mentality to sustainable local ownership of the challenges faced by MVC households in their midst.
Although there are similarities in the theories of change across PT partners and the range of services they provide to MVC and their households, including savings, there are also differences, which are reflected in the overall implementation methodology and in the design of the CSG model. These differences and the three different models of Savings and Internal Lending Community (SILC), Livelihood Improvement for Most Vulnerable Children (LIMCA), and WORTH are described in further detail in this report.

While not an impact evaluation, the results from the Savings Study illustrate key social, health, and economic impacts as reported by respondents, specifically:

- Increased group solidarity and cohesion to help support school costs.
- Improved business skills and savings habits among participants across groups.
- Increased financial support for MVC in communities, particularly around school attendance.
- Increased financial inclusion for vulnerable households.

While there were identified benefits, there were also identified challenges for CSGs, particularly around:

- Ensuring the participation and benefit of caregivers, particularly when groups were mixed and included wealthier, non-caregivers.
- Repayment and sustained participation was a challenge in some groups.
- MVC Fund or special funds from the savings groups set aside for vulnerable children had mixed results.
- Group structure did not always ensure continued engagement, with some groups going dormant because members did not see the benefit.

Operationally, there were key lessons as well for CSG implementation (each of these is highlighted in further detail in this report):

- Hybridization and cross fertilization of savings groups—Project communities are not new to savings groups; most communities have prior experience with CSGs (current and past) and have individuals with CSG skills and capabilities. This reality leads to grafting of existing practices into PT groups, and can also lead to good practices. The energy behind natural hybridization and cross fertilization has in fact influenced one of the prime partners in this survey, namely WEI. WEI, specifically changed the methodology and rules they used to adopt the good practices found in two models, SILC and WORTH, to form a new model called LIMCA.
- There are tradeoffs of decentralization in CSG management. CSGs are often managed by local sub-partner nongovernmental organizations (NGOs), which allows for more localized management. However knowledge of local partners is varied and dependent on support from the prime partner to ensure targets are met and CSGs are successful.
- The potential impact of volunteer stipends on long-term sustainability was questioned. Compensation for volunteers to provide support and coordinate CSGs varied and raises question of long-term sustainability, particularly if groups come to depend on these volunteers to perform critical functions.
- The engagement of MVCCs in savings group oversight is still challenging and not undertaken in all regions. Implementing partners faced varied experiences in engaging MVCCs in oversight and membership.
Based on the observation and experiences in the study, IMARISHA offers the following recommendations for further CSG engagement:

- Continue to invest in savings groups and financial inclusion for MVC families, while adopting more sustainable practices such as introducing private service provider models to support savings groups on a fee-for-service basis among other innovations.

- Partners should invest more resources in effective monitoring and evaluation (M&E) to ensure savings groups are strong, independent, and successfully retaining vulnerable caregivers.

- Improve risk mitigation measures in CSG governance and management.

- Partners should educate sub-partners and volunteers on lifting restrictions on member participation in multiple groups; this is simply unenforceable.

While this study illustrates some key lessons, it also raises questions and the need for further investigation in the following areas:

- Further refinement of the MVC Fund model through additional piloting to understand potential longer-term benefits for children.

- Deeper exploration of groups that cash out regularly versus those that do not share out—How do these practices contribute to sustainable participation and engagement?

- Tailor a savings platform that allows savings withdrawal for vulnerable households to address immediate needs rather than taking out a loan from the group.

- Given Tanzania Social Action Fund (TASAF)’s cash transfer efforts, it will be important to understand what impact cash transfers will have on CSGs, and to their sustainability over time.
BACKGROUND

When PEPFAR began in 2003, a substantial amount of its support was devoted to providing care worldwide for 16 million Orphans and Vulnerable Children (OVC). Being an emergency response, much of the support provided was a direct subsidy to households in the form of food, clothing, shelter, and other material goods aimed at meeting the immediate needs of children. A few programs experimented with economic interventions focused at the household level, including savings groups. These implementers, CARE International, the Salvation Army, Catholic Relief Services (CRS), to name a few, learned that through a focus on strengthening families as the primary caregivers of OVC child outcomes (school attendance, access to primary health care, enhanced nutrition) could be improved.

Under a new funding authorization in 2010, PEPFAR and USAID awarded new programs to four international nongovernmental organizations (INGOs)—Africare, FHI 360, WEI, and Pact—to support OVC—or as they are known in Tanzania: Most Vulnerable Children (MVC). The five-year program is known collectively as Pamoja Tuwalee (PT), and aims to improve the quality of life and well-being of the nation’s MVC and their households by empowering households and communities to provide comprehensive and sustainable care, support, and protection. Under PT, substantial focus was placed on HES. Since 2011, CSGs have become an important part of the PT program. Using staff members and CVs of local implementing partners, PT partners have adopted CSGs as a way to support MVC and their caregivers, older youths, and MVCC members. While each of the four PT partners operates in different regions of Tanzania and has differing philosophies on savings mobilization as detailed in the Research Findings, all partners have communicated significant achievements in empowering households to change behavior, each using their preferred model.

To support programs implementing HES strategies, USAID also contracted DAI to provide technical assistance to PEPFAR community care program implementers (including PT). The four-year IMARISHA project began in early 2011 and aims to strengthen sustainable economic livelihoods programming, build stronger linkages and alliances, pilot new innovations, enhance the evidence base, and work with the Government of Tanzania to improve their internal coordination and capacity across health and economic disciplines. As a technical assistance provider for PEPFAR, IMARISHA promotes (among other things) the creation of CSGs to support households caring for MVC or those affected by HIV/AIDS. In fact, CSGs have become a central economic strengthening strategy to help MVC households build assets, improve consumption—particularly of nutritious foods, health and education services, increase income, and ultimately, improve their economic resilience.

GUIDANCE FROM PEPFAR


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1 In Tanzania, the term “Most Vulnerable Children (MVC)” is used in lieu of “Orphans and Vulnerable Children (OVC),” highlighting the fact that many children are vulnerable due to their poverty status. It is widely recognized that HIV/AIDS exacerbates the plight of already poor households. In this study, we used the preferred term “MVC,” but where OVC is used, it is in reference only to PEPFAR and U.S. Government programming.

2 Most Vulnerable Children Committees (MVCCs) are voluntary committees that exist at the village, ward, and district levels that help make decisions about identifying and caring for MVC in Tanzania. They are a link between local government structures and support mechanisms and families and community members. They aim to work with government, donor-funded partners, local NGOs, and CBOs to improve the lives of MVC and their families.
Programming and the Guidance for Orphans and Vulnerable Children Programming released in July 2012. The latter notes informal savings groups as a crucial activity under HES, noting that CSGs support family strengthening initiatives by focusing on the family as a holistic unit, rather than singling out the child at risk. By strengthening the economic capabilities of parents and caregivers, HES also helps to break down barriers separating MVC households from access to health, schooling, and other services.

In the HES domain, one of the top three PEPFAR recommended priorities is: “Money management interventions for savings, access to consumer credit, and fostering knowledge and behaviors for better family financial management.”\(^3\) The emphasis on consumer credit and low-risk approaches to income promotion suggests that while savings are a critical HES intervention, the impact of credit is mixed. PEPFAR argues that highly vulnerable families with limited assets may not benefit, or may even be harmed, by emphasis on higher-risk investment or microenterprise credit. There is much evidence from microfinance literature that large, higher-risk loans cut away at sound CSG governance, eroding sustainable delivery of services and other support benefits to members.\(^4\)

PEPFAR adds that “interventions that promote income generation have the weakest evidence base for OVC programming.”\(^5\)

Another key objective of the PT program is community ownership. PEPFAR evidence indicates that “community-based programming helps to reduce stigma and discrimination ….”\(^6\) A community-based approach can address priority issues close to the child and the child’s home, drawing on the strength of local faith-based organizations, community-based organizations (CBOs) and other organizations engaged with the community. While projects addressing the holistic needs of families with MVC could in principle engage in a very large number of interventions, all related and all potentially useful, PEPFAR warns practitioners not to “try to do everything. …such attempts generally lead to poor-quality programming with little depth or sustainable impact.”\(^7\) There are multiple reasons for this, including the necessity of recruiting “experienced and specialized technical expertise” for many aspects of MVC programming.

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\(^3\) PEPFAR, p. 43.  
\(^5\) PEPFAR, p. 39.  
\(^6\) PEPFAR, p. 5.  
\(^7\) PEPFAR, p. 11.
LIVELIHOODS PATHWAY: A FRAMEWORK FOR UNDERSTANDING ECONOMIC STRENGTHENING

In Tanzania, the context for HES programming—including CSGs—is grounded in the Livelihoods Pathway, a model promoted by IMARISHA and adopted by the Government of Tanzania in the National Costed Plan of Action II for Most Vulnerable Children (2013–2017). The Livelihoods Pathway (see figure on page 2) exhibits the steps that vulnerable households take to move from destitution to improved economic and food security and resilience, and the sequencing of those steps. On the bottom rung of the pathway (“acute poverty”) financial services have little impact on vulnerable households. In fact, for these households cash transfers are often an appropriate mechanism to meet basic needs and stabilize food security. Once basic food needs are met and there is less financial pressure on the household, only then can a household consider how to build up savings (assets) so there is something available for future emergencies or investments. Table 1 considers the Livelihoods Pathway through the lens of financial access and services at different points along the Livelihoods Pathway.

TABLE 1: SAVINGS GROUP RELEVANCE TO DIFFERENT GROUPS ALONG THE LIVELIHOODS PATHWAY

<table>
<thead>
<tr>
<th>Rung</th>
<th>Livelihoods Pathway</th>
<th>Financial Services Focus</th>
<th>CSG Member Engagement</th>
<th>PT CSG Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Top</td>
<td>Economic creation and promotion</td>
<td>Widening product scope</td>
<td>Multiple groups plus bank and mobile linkage</td>
<td>Very few PT CSGs are linked to banks/bank services such as agricultural loans</td>
</tr>
<tr>
<td>3</td>
<td>Household production</td>
<td>Quality savings and loans</td>
<td>Member in multiple groups, microentrepreneur</td>
<td>PT CSGs offer loans to members for consumption, but also for small-scale productive needs</td>
</tr>
<tr>
<td>2</td>
<td>Household asset protection/stabilization</td>
<td>Safe, flexible savings</td>
<td>Member, savings account owner and small borrower</td>
<td>PT CSGs offer basic member-focused savings and self-insurance services</td>
</tr>
<tr>
<td>1 Bottom</td>
<td>Acute poverty support/provision</td>
<td>None—Cash transfers (conditional/nonconditional) and in-kind grants</td>
<td>Not applicable</td>
<td>PT CSGs use MVC Funds to support MVC, particularly for school needs</td>
</tr>
</tbody>
</table>

Savings groups are a practical and potentially effective intervention at all of the three higher rungs where households are economically active. However, the types of financial services savings groups must provide, and the degree to which different services are demanded, varies by level. In Tanzania, the financial services delivered by many non-PT savings groups tend to be targeted toward the micro-enterprise/lending component of that segment: the third rung, excluding the more vulnerable populations. PT’s aim has been explicitly with a vulnerable population focus and has even reached those households and their children on the first rung through the use of MVC Funds.

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8 The Livelihoods Pathway is an enhanced version of the Pathway in Wolfe, J. (2009).
METHODOLOGY

Given the context in which PT operates and its nascent beginning in facilitating savings groups to better support MVC households, IMARISHA together with the PT partners aimed to conduct a review of its recent work to inform larger practice in Tanzania. To better understand PT implementing partners’ work in different regions, their utilization of different CSG strategies and their differences in programmatic activities related to savings to ensure expanded outcomes for beneficiaries (for example, combining literacy with savings or linkages with other formal financial institutions), this study (conducted from September 2013–January 2014) aimed to do the following:

- Document nuances and programmatic attributes of the different CSG models employed by PT implementing partners, highlighting best practices in reaching MVC households.
- Illustrate successes and challenges of reaching the most vulnerable households using the CSG model.
- Share and analyze programmatic adaptations that have been adopted to address constraints or challenges in reaching the most vulnerable.
- Provide background on how these savings programs operate in the context of other informal savings programs, such as the widely operating Village Community Bank (VICOBA) model, as well as the challenges this poses for implementers.
- Showcase case studies of successful savings groups, as well as the individual caregivers and families benefiting from savings groups.
- Highlight areas for further research, assessment, or technical assistance.

From inception, the emerging best practice study of the PTCSGs in Tanzania was designed to be a collaborative process led by the PT implementing partners and coordinated by IMARISHA. The methodology for the study was mapped out in a consultative meeting with the four PT partners, IMARISHA, and consultant Brett Matthews (Mathwood Consulting). At the meeting, the partners identified the themes of study, sources of information/data for the study, and regions to be visited for data collection. Each partner also committed to provide resources (for example, transportation, time and travel costs for staff) and technical staff to conduct the field teams. To maximize learning among partner organizations, the field teams were organized such that partner staff involved in the data collection visited and collected data from CSGs not affiliated with their own organization. In fact, the field teams identified themselves as “Pamoja Tuwalee,” dropping their institutional affiliations for the sake of the study.

Given its role as a technical assistance provider for savings to many of the partners, IMARISHA led the effort to organize and manage the process, develop FGD tools and train partner staff on their use, lead the data collection in collaboration with PT partner staff, review and analyze outputs, and compile the draft.

The study site included eight regions of Tanzania: Kagera, Mara, Arusha, Tanga, Iringa, Morogoro, Dodoma, and Zanzibar (Unguja). Interview and FGD tools were tested in two additional locations: Dar es Salaam and Mwanza; 138 separate interviews, observations, and FGDs were conducted with partner staff, sub-partner staff, volunteers, village leaders, caregivers and non-caregivers, and members of saving groups. The sampling for the Savings Study was randomized. CSGs and sub-grantee staff were not given advance notice of the field teams’ arrival in the regions to be visited.
Once they arrived at the locations, the field teams identified the CSGs that were supposed to be meeting that day, selected one randomly, and then made arrangements to visit the group. Spontaneous selection of the groups to be visited was essential to the integrity of the Savings Study because it allowed the field teams to observe the savings groups in their natural environments and not to disrupt the daily lives of the groups more than necessary. More details on Savings Study TOR and the Research Methodology can be found in Appendices 1 and 2.

LIMITATIONS
One of the features of this study—that it is a learning exercise—is also a key limitation of the study. Because PT and IMARISHA staff members (not external researchers) were involved in the data collection, it is not possible to say beyond a reasonable doubt that the study lacks bias; the presence of data collectors also creates biases. That said, data collectors used the same randomized process and questionnaires across all survey regions with the aim of collecting comparable data and also opinions of those involved with or participating in PT CSGs. These opinions may not represent the reality in all savings groups, but are important voices to add to the dialogue from which all can learn. Additionally, the scope of interviews and FGDs was limited: data collection was done in 8 regions of Tanzania (not the 22 regions in which the partners work). Partner CSGs in one region may not be reflective of CSGs in other partner regions.

Additionally, IMARISHA requested costing information from partners. However, due to the receipt of very different information from each of the partners, it was impossible to make an accurate or worthwhile comparison. Separately, it has recently come to light that capturing costing information may lead to confusing and often biased comparisons. One of the principals of the Savings Group Information Exchange (SAVIX), a project funded by the Bill & Melinda Gates Foundation that captures savings group information from more than 110,000 savings groups associated with 250 project in 26 countries, recently noted that “collecting data to determine cost-per-member metrics may not be feasible given the very different criteria used for calculating total costs of a project. Some implementing organizations include INGO overhead at the project, country, and international levels, while some only include partner budgets. Some include impact evaluation costs, while some do not. This leads to misleading and often unfair comparisons between projects.” As such, this information is not included as per the scope of work.

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10Email from Hugh Allen to global microfinance and savings list serv on why the "Cost per member assisted" metric was removed from SAVIX.
PROGRAMMATIC ATTRIBUTES AND OPERATIONS OF PT CSGS

SAVINGS PROGRAM DESIGN AND THEORIES OF CHANGE ACROSS PT

PT savings groups share a similar design to other CSG models promoted in Tanzania and in other countries. Like other typical CSGs, membership in PT CSGs is self-selecting and core financial products include savings, loans, and self-insurance. However, PT CSGs have a specific focus on reaching households in which MVC live. They also fuse together savings groups with other types of livelihoods training/promotion and life skill improvements.

Savings programs that have been designed by PT partners contain certain shared elements of a theory of change in common, specifically:

- Savings groups are an effective and efficient method of delivering financial services, capacity building in financial literacy, and ultimately a sense of self-worth and independence to these vulnerable households.
- Caregivers with very vulnerable children are better able to provide care if they have access to financial services, and if they acquire basic financial literacy skills.
- If CVs have the right capabilities/training and motivations, then they can play an effective role in facilitating the sustainable delivery of benefits through savings groups after the project ends.
- CSGs can also provide community leaders (such as VEOs and MVCCs) with entry points to engage effectively when their support is needed.
- As a result of the preceding points, communities can shift from a “handout” mentality to sustainable local ownership of the challenges faced by MVC households in their midst.

Although there are similarities in the theories of change across PT partners and the range of services they provide to MVC and their households including savings, there are also differences, which are reflected in the overall implementation methodology and in the design of the CSG model. These differences highlight two broad variants within the theory of change. While there are variations within the methodologies as implemented by Africare, WEI, and FHI 360, the SILC and LIMCA models are premised upon building pro-MVC institutions in the village, capable of delivering skills, grants, and financial services to MVC households, whether those households belong to the groups or not. This institution-building focus shifts some of the emphasis from direct impact on the individual caregiver to group performance and sustainability of the savings group. Each of these partners has adopted the “share-out” of savings as a way to reduce the risk of governance problems, and increase member motivation to save as much as possible outside their homes. By contrast, Pact’s WORTH approach centers on the proposition that MVC households face more than economic disadvantage; they face social isolation as well. In contrast to the SILC and LIMCA models, the primary purpose of Pact’s WORTH groups is to empower MVC families socially and economically through interventions that focus on increasing MVC families’ savings and assets, including building resilience against life stressors, and strengthening their sense of social cohesion and their ability to rely on a network of support.
other community members. As a result, WORTH groups are composed almost entirely of members of targeted households. From this platform, literacy, parenting skills, and business and financial skills are being delivered, along with financial services.

The model developed by WEI, LIMCA, reflects the tension between these variants very well, as it inherited both SILC groups and WORTH groups in its field area. Like the SILC groups, the LIMCA model sharesout. But in the WORTH spirit, WEI mandates that a majority of each group must be caregivers. It also stresses literacy and business training based on the WORTH model. The impacts of these core differences on operations and implementation are detailed in Table 2.

\[11\] Pact parenting skills manual includes child protection/GBV, positive disciplining and behavior enforcement, child nutrition, safe motherhood and family planning, and HIV/AIDS prevention.
<table>
<thead>
<tr>
<th>Characteristics</th>
<th>SILC (Savings and Internal Lending Communities)</th>
<th>LIMCA (Livelihoods Improvement for MVC Care)</th>
<th>WORTH</th>
<th>Typical CSG Program in Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Partner</td>
<td>Africare</td>
<td>WEI</td>
<td>Pact</td>
<td></td>
</tr>
<tr>
<td>Geographic coverage</td>
<td>Dodoma, Iringa, Njombe, Singida</td>
<td>Dar Es Salaam, Morogoro, Pwani, Kaskazini Unguja, Mkoa wa Kaskazini</td>
<td>Arusha, Tanga, Kilimanjaro, Manyara</td>
<td>Kagera, Mtwara, Mara, Mbeya, Tabora, Mwanza, Ruvuma, Lindi, Rukwa, Katavi</td>
</tr>
<tr>
<td>Self-selection of members and group size</td>
<td>Yes; 20–30</td>
<td>Yes; 20–30</td>
<td>Yes; 20–25</td>
<td>Yes; 15–30</td>
</tr>
<tr>
<td>Gender distribution</td>
<td>Blended Mix</td>
<td>Minimum 60% women</td>
<td>Separate groups for men and women</td>
<td>Mixed</td>
</tr>
<tr>
<td>Caregivers/non-caregivers in membership</td>
<td>Minimum 60% target</td>
<td>Blended mix</td>
<td>Minimum 60% target</td>
<td>Almost 100% caregivers; some groups for MVCC members</td>
</tr>
<tr>
<td>MVC Fund (funded)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Social Fund (funded)</td>
<td>Yes</td>
<td>Yes</td>
<td>In some WORTH groups</td>
<td>Yes</td>
</tr>
<tr>
<td>Capital (savings) distribution after an average of 9–12 months</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Dividend only distribution</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Blend of additional non-financial product and service support</td>
<td>Gender-based violence (GBV), and health messaging</td>
<td>Child protection, nutrition, health messaging, and psychosocial support</td>
<td>Literacy and business training, child nutrition, health, child protection, HIV/AIDS and GBV messaging, parenting skills</td>
<td>Literacy, household livelihoods projects, record-keeping, management, parenting, GBV, child protection</td>
</tr>
<tr>
<td>Savings Group facilitation</td>
<td>Initial external support/mentoring from CVs</td>
<td>Initial external support/mentoring from Community Resource Persons (CRPs)</td>
<td>Initial external support/mentoring from Economic Empowerment Workers (EEWs) selected through open and competitive process that includes oral and written</td>
<td>Initial support/mentoring by Empowerment Workers (EWs) recruited through participatory process involving Pact, local sub-partner and local officials</td>
</tr>
<tr>
<td></td>
<td>Initial external support/mentoring from CRPs</td>
<td>Initial external support/mentoring from Community Resource Persons (CRPs)</td>
<td>Initial external support/mentoring from Economic Empowerment Workers (EEWs) selected through open and competitive process that includes oral and written</td>
<td>Initial external support from paid/incentive volunteer or staff; trend now to transition from volunteer/staff member to CSG paid village agent/private service</td>
</tr>
</tbody>
</table>
### Characteristics

<table>
<thead>
<tr>
<th>Community Savings Group (CSG) Methodology</th>
<th>SILC (Savings and Internal Lending Communities)</th>
<th>LIMCA (Livelihoods Improvement for MVC Care)</th>
<th>WORTH</th>
<th>Typical CSG Program in Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exercise in collaboration with VEO</td>
<td></td>
<td></td>
<td></td>
<td>Provider</td>
</tr>
<tr>
<td>External facilitator (volunteer/staff) paid for by implementing partner</td>
<td>TSh30,000–50,000/month + bicycle</td>
<td>No stipend but they receive a bicycle; other OVC caretaking volunteers TSh30,000/month—some overlap in population</td>
<td>Have paid a stipend of TSh20,000, but WEI has discontinued this practice.</td>
<td>EW incentives (TSh150,000/month)</td>
</tr>
<tr>
<td>CSG governance/management</td>
<td>5-person governance committee elected by members, including chair, treasurer, secretary, and money counters</td>
<td>5-person governance committee elected by members, including chair, treasurer, secretary, and money counters</td>
<td>4-person management committee elected by members, including chair, treasurer, controller, and secretary</td>
<td>All models; key principles: democratically elected management re-elected annually; many INGOs seek majority women in leadership</td>
</tr>
<tr>
<td>Recordkeeping</td>
<td>CSGs use passbooks and ledgers to account for savings, loan, social, and MVC Fund balances</td>
<td>CSGs use passbooks and ledgers to account for savings, loan, social, and MVC Fund balances</td>
<td>The WORTH manual includes 11 financial records and 3 forms to account for savings, loans, linkages to banks, collateral, and financial statements; WORTH in Tanzania uses 8.</td>
<td>Variations of passbooks and ledgers or passbook-only models</td>
</tr>
<tr>
<td>Existence of cash box</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Use of a management information system (MIS)</td>
<td>Data captured in MS Excel by prime and sub-partners; Some FHI 360 partners are using the VSL Associates MIS</td>
<td>Starting use of VSL Associates MIS</td>
<td>Use the Global MIS, an internal Pact system</td>
<td>VSL Associates MIS is considered the global standard</td>
</tr>
</tbody>
</table>

### Typical CSG Program in Africa

- **External facilitator**
  - (volunteer/staff) paid for by implementing partner: TSh30,000–50,000/month + bicycle
  - No stipend but they receive a bicycle; other OVC caretaking volunteers TSh30,000/month—some overlap in population

- **External facilitator target**
  - 1 CSG
  - 2 CSGs in own community only

- **CSG governance/management**
  - 5-person governance committee elected by members, including chair, treasurer, secretary, and money counters

- **Recordkeeping**
  - CSGs use passbooks and ledgers to account for savings, loan, social, and MVC Fund balances

- **Existence of cash box**
  - Yes

- **Use of a management information system (MIS)**
  - Data captured in MS Excel by prime and sub-partners; Some FHI 360 partners are using the VSL Associates MIS

- **WORTH**
  - Starting use of VSL Associates MIS
  - Use the Global MIS, an internal Pact system

- **Typical CSG Program in Africa**
  - EW incentives (TSh150,000/month)
  - Varies
  - Varies
  - Varies

- **Governance and Management**
  - All models; key principles: democratically elected management re-elected annually; many INGOs seek majority women in leadership

- **Recordkeeping**
  - Variations of passbooks and ledgers or passbook-only models
OPERATIONS AND IMPLEMENTATION: HOW PRACTICE IMPACTS THEORIES OF CHANGE

MEMBER SELECTION/TARGETING

SILC and LIMCA: Africare and WEI set a target of 60 percent caregivers and FHI 360 takes a “community holistic” approach that promotes target group membership without setting a ratio. Since less disadvantaged households often bring more skills and financial capital to groups than more disadvantaged households, these partners reason that mixing the two groups can lead to more sustainable, long-term impact; it also has a role to play in reducing stigma. Geography is frequently cited as a factor that encourages flexibility: to form a group of 20–30 composed of only MVC household members within a small area may be impractical. The typical approach of these partners is to recruit as many caregivers as possible from MVC households within a small, mutually convenient area. Prospective members are then asked to recruit neighbors and friends to join them in the group.

WORTH: Pact targets 100 percent caregivers for its WORTH members. From this platform, literacy, business, financial, and good parenting skills are being delivered along with financial services. As men tend to dominate savings groups, even when they have minority representation, Pact generally does not form mixed-gender groups, instead creating separate WORTH groups for men and women. Pact has also noted that its WORTH groups tend to focus more on the inclusion of women caregivers. For instance, recent research revealed that the death of a female caregiver (mother) had a more statistically significant impact on the child compared to the death of a male caregiver.

Note: All PT partners have also begun allowing MVCC members to join savings groups or to form their own savings groups. See more on MVCCs under Savings Group Linkages.

Statistics as of December 31, 2013 for the PT facilitated CSGs are included in Table 3.

TABLE 3: PT MEMBERSHIP STATISTICS

<table>
<thead>
<tr>
<th>PT Partner</th>
<th>Total MVC Households Involved in CSGs</th>
<th>Total Number of Savings Groups</th>
<th>Total Caregivers, Youths, or MVCC Members Involved in CSGs</th>
<th>Total CSG Members</th>
<th>Aggregate Savings Volume (TSh millions)</th>
<th>Aggregate Savings Volume (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africare</td>
<td>17,656</td>
<td>1,242</td>
<td>17,656</td>
<td>29,748</td>
<td>5,170.4</td>
<td>$3,201,486</td>
</tr>
<tr>
<td>FHI 360</td>
<td>7,611</td>
<td>289</td>
<td>3,955</td>
<td>7,611</td>
<td>716.2</td>
<td>$443,467</td>
</tr>
<tr>
<td>Pact</td>
<td>49,912</td>
<td>3,037</td>
<td>49,912</td>
<td>49,912</td>
<td>2,355.6</td>
<td>$1,458,576</td>
</tr>
<tr>
<td>WEI16</td>
<td>4,897</td>
<td>204</td>
<td>4,897</td>
<td>4,897</td>
<td>269.0</td>
<td>$161,566</td>
</tr>
<tr>
<td>Total, PT</td>
<td>80,076</td>
<td>4,772</td>
<td>80,076</td>
<td>92,168</td>
<td>8,511.2</td>
<td>$5,270,095</td>
</tr>
</tbody>
</table>

12 FHI 360 describes its approach as “community holistic,” with “emphasis on caretaker, volunteers, and MVCC members’ inclusion into SILC activities.” As of December 2013, 32 percent of all SILC members were caregivers.

13 Pact also has some WORTH groups of MVCC members; thus, not all groups are made up of caregivers.

14 Harvard University FXB Center for Health and Human Rights. (n.d.).

15 The exchange rate used is 1.615 Tanzanian shillings to 1 U.S. dollar.

16 Pact data reflects the time period ending September 30, 2013.
FINANCIAL AND NON-FINANCIAL PRODUCTS AND SERVICES

Like other CSGs, the central products of PT CSGs are savings, loans, and self-insurance. In addition, PT CSGs use this platform to offer a blend of non-financial additional support services.

Savings

SILC and LIMCA: The SILC and LIMCA models require weekly contributions of a minimum savings amount as determined by group members (and often denoted as one share) to a maximum of five times the minimum amount (five shares). Members save each week one to five shares. Some groups have also set up voluntary savings where members can save more shares beyond the one to five. This voluntary savings was not observed during the study. These savings groups return substantially all the members’ savings no less than once every nine months to two years. Each of these partners has adopted the savings “shareout” to increase member motivation to save as much as possible outside the home and ultimately gain access to their lump-sum savings. These groups benefit from reduced governance risk because the share-out process serves as an audit of the financial records. This “action audit” is done with the whole group watching and receiving their accumulated savings. This keeps the paperwork that leaders and members must complete simple.

WORTH: The WORTH model also offers both mandatory and voluntary savings, although it does not use the word “share” to describe the minimum savings amount. WORTH is not prescriptive about the minimum or maximum a member must save (for either mandatory or voluntary savings). The primary difference between WORTH and the other models was the frequency by which members can get access to their savings. It is required that WORTH members keep their mandatory savings in the group for three years, unless the member wishes to leave the group; voluntary savings may be withdrawn at any time. The rationale for not cashing out savings is that WORTH group savings will continue to build the pool of saved, accumulated funds for on-lending to its members. These groups pay out only dividends, typically every six months. WORTH CSGs (referred to as “village banking groups” because they do not share out), must complete regular financial statements, usually at the close of the dividend cycle (every six months).

Based on the data received, the study team was unable to learn the average amount that group members save each week across all PT partner CSGs. However, based on the sample interviewed, the range of weekly savings ranged from TSh500–2,500 and the averages of these 20 groups varied from TSh600 per share (Pact) to TSh2,167 per share (Africare) (see Table 4).

**TABLE 4: AVERAGE WEEKLY SAVINGS DEPOSIT ACROSS SAMPLE OF PT PARTNER CSGS**

<table>
<thead>
<tr>
<th>PT Partner/CSG Methodology</th>
<th>Number of Groups Surveyed</th>
<th>Minimum Average Deposit per Member per Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africare/SILC</td>
<td>3</td>
<td>TSh2,167</td>
</tr>
<tr>
<td>FHI 360/SILC</td>
<td>7</td>
<td>TSh800</td>
</tr>
<tr>
<td>Pact/WORTH</td>
<td>5</td>
<td>TSh600</td>
</tr>
<tr>
<td>WEI/LIMCA</td>
<td>5</td>
<td>TSh900</td>
</tr>
</tbody>
</table>

Loans

SILC and LIMCA: In SILC and LIMCA, the constitution defines how much each member can borrow, with the recommendation that members borrow no more than three times the total amount saved to date. Loans are taken for up to three months, with weekly or monthly repayments.

WORTH: WORTH offers loans and allows members to borrow up to five times their accumulated savings. The WORTH model also explicitly states that loans are to be taken for business purposes, not for consumption, which runs counter to the needs of some vulnerable households, particularly at times of the year when school expenses (fees, books, uniforms) are paid and is in conflict with guidance...
offered by PEPFAR. In practice, WORTH members take loans for consumption purposes. They are also encouraged to save (voluntarily) any profit earned from income-generating activities to cover daily household and emergency needs, including children’s education, health, and food expenses. WORTH also has more formalized agreements for borrowing money, namely a loan application and a collateral register in which a member lists personal collateral pledged against the loan.

**Self-Insurance and Contributions for MVC**

**SILC and LIMCA:** Both the SILC and LIMCA models have a funded self-insurance fund called a Social Fund, which provides a loan or grant to a member who experiences an emergency. The rules for this fund are determined by the group in its constitution. In the groups visited, Social Fund contributions averaged between TSh100–600 per week.

Africare, WEI, and FHI 360 have also actively promoted MVC Funds as an explicit feature of their model, and require all savings group members to contribute to it at each meeting; contributions range from TSh100–500 per meeting (Note: Pact also has some smaller percentage of groups with MVC Funds). The MVC Fund is a special internal charity fund set up to support MVC in the community and/or those MVC whose caregiver or parent is a part of the savings group. Typically, the MVC Fund is used to support children with basic needs (shelter, food) and to go to school (uniforms, school materials, sometime school fees).

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**The MVC Fund**

What do PT savings groups use their MVC Funds for, and how often do they use them? Various sub-partners estimate that group MVC Funds contribute between TSh5,000–10,000 annually to each child. Note that these records were taken on two occasions: in November 2013 and January 2014:

- **Tuinuane WORTH group** in Muleba District (Kagera) last disbursed funds to MVC households on July 17, 2013; specifically TSh40,000 for school fees and TSh30,900 for “scholastic materials, sweaters, and shoes for primary school pupils.”
- **Ujamma WORTH group** in Muleba District (Kagera) last disbursed funds to MVC households on September 27, 2013; specifically TSh10,000 for exam fees, and TSh20,000 for “capital for local brew-making whose profit bought scholastic materials.”
- **A WEI LIMCA group** in Tanga Municipal last disbursed on September 10, 2013; the funds were used to buy school uniforms, soap, and scholastic materials.
- **An Africare group** in Mtango village, Mufindi district, Iringa last disbursed from the fund in December 2013. The group “bought school uniforms and paid school fees for two MVC, spending TSh10,000 for each.”
- **A CV with FHI 360 in Magharibi district** reported that MVC disbursements from local groups paid for 150 exercise books, plus school fees for 93 children and uniforms for 80. A SILC group in the same village reported disbursing TSh29,000 on December 28, 2013. “The amount was paid to 2 CVs for MVC support. We don’t know what type of support was provided.”
- **A SILC group formed from an MVCC in Kilosa district, Morogoro** (FHI 360) remarked that “We are not caregivers of MVC, but we are discussing what we can do with the MVC Fund (current balance: TSh31,900). We would like to combine the funds of 7 local SILC groups to support the MVC according to their needs—we are going to consult the village leadership.”

**WORTH:** The majority of Pact’s WORTH groups do not have a funded MVC Fund or a Social Fund; these funds are not promoted as part of the model. However, due to their stricter targeting of just MVC caregivers, WORTH group members have strong social ties and support each other for these types of needed or emergency expenditures. Thus, effectively WORTH groups have unfunded ad hoc MVC and Social Funds. For example, in an interview with a widow/mother of six children in Butiama district, she remarked that “The group has no special emergency fund, but in case of any
emergency, the group members contribute together. For example, one time each member of the group contributed TSh2,000 when I had a family emergency.” This system is based on the same principle as the traditional funeral societies (kuzikanas) found in almost every Tanzanian village. Kuzikanas are support networks that raise money for members affected by a pre-agreed event (in this case, the death of a member). WORTH social (emergency) funds are event-based, which means less risk is involved in storing cash, managing it, and accounting for it.

Table 5 provides a summary of each PT partner’s MVC Funds, the number of groups with MVC Funds, the number of children supported by them, the types of support provided, the amount provided per child, and the percentage of groups with MVC Funds. The table shows how varied this support is. It is not however, encompassing of other support provided by the projects such as non-financial support/training/messaging in nutrition, parenting, GBV and HIV. Note: in-kind material support tends to include: school uniforms, school shoes, supplies/scholastic materials, bus fare, bedding, medications, shelter materials (mattresses, bed sheets, and iron sheets for the roof), and in some instances food. FHI 360 noted that the process for distributing cash or materials varies from savings group to savings group. In most instances, one to three CSG members are selected to buy materials needed by MVC households and to distribute them on behalf of the group; the VEO and ward Community Development Officer (CDO) are usually present. FHI360 ensures that the household signs a form acknowledging receipt of the goods and copies of the form are maintained by both the savings group and with the village authorities. In instances were food is provided, CSGs ensure the food is purchased from group businesses.
### TABLE 5: MVC FUNDS BY PT PARTNER

<table>
<thead>
<tr>
<th>Partner</th>
<th>Region</th>
<th>Number of CSGs with MVC Fund</th>
<th>Number of CSGs in Region</th>
<th>Number of Children Served</th>
<th>Type of Support</th>
<th>Cumulative MVC Funds (TSh)</th>
<th>Cumulative MVC Funds (US$)</th>
<th>Per child Support (TSh)</th>
<th>Per child support (US$)</th>
<th>Percentage of groups with MVC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pact17</td>
<td>Mara</td>
<td>14</td>
<td>538</td>
<td>32</td>
<td>Cash and in-kind</td>
<td>TSh883,000</td>
<td>$547</td>
<td>TSh27,593.75</td>
<td>$17.09</td>
<td>2.6%</td>
</tr>
<tr>
<td>Pact</td>
<td>Kagera</td>
<td>199</td>
<td>694</td>
<td>684</td>
<td>Cash and in-kind</td>
<td>TSh7,522,000</td>
<td>$4,658</td>
<td>TSh10,997.08</td>
<td>$6.81</td>
<td>28.7%</td>
</tr>
<tr>
<td>Pact</td>
<td>Mwanza</td>
<td>7</td>
<td>586</td>
<td>3</td>
<td>Cash and in-kind</td>
<td>TSh144,600</td>
<td>$90</td>
<td>TSh48,200</td>
<td>$29.85</td>
<td>1.2%</td>
</tr>
<tr>
<td>FHI360</td>
<td>Dar es Salaam</td>
<td>76</td>
<td>76</td>
<td>2,960</td>
<td>Cash and in-kind</td>
<td>TSh13,339,050</td>
<td>$8,259</td>
<td>TSh4,506</td>
<td>$2.79</td>
<td>100.0%</td>
</tr>
<tr>
<td>FHI360</td>
<td>Pwani</td>
<td>81</td>
<td>85</td>
<td>1,219</td>
<td>Cash and in-kind</td>
<td>TSh20,896,700</td>
<td>$12,939</td>
<td>TSh17,142</td>
<td>$10.61</td>
<td>95.3%</td>
</tr>
<tr>
<td>FHI360</td>
<td>Morogoro</td>
<td>96</td>
<td>96</td>
<td>641</td>
<td>Cash only</td>
<td>TSh12,861,000</td>
<td>$7,963</td>
<td>TSh20,064</td>
<td>$12.42</td>
<td>100.0%</td>
</tr>
<tr>
<td>FHI360</td>
<td>Zanzibar</td>
<td>37</td>
<td>37</td>
<td>325</td>
<td>Cash only</td>
<td>TSh1,261,700</td>
<td>$781</td>
<td>TSh3,882</td>
<td>$2.40</td>
<td>100.0%</td>
</tr>
<tr>
<td>Africare</td>
<td>Iringa</td>
<td>406</td>
<td>406</td>
<td>1,1232</td>
<td>In-kind materials</td>
<td>TSh141,684,480</td>
<td>$87,730</td>
<td>TSh12,614</td>
<td>$7.81</td>
<td>100.0%</td>
</tr>
<tr>
<td>Africare</td>
<td>Njombe</td>
<td>393</td>
<td>393</td>
<td>6,769</td>
<td>In-kind materials</td>
<td>TSh134,669,130</td>
<td>$83,386</td>
<td>TSh19,895</td>
<td>$12.32</td>
<td>100.0%</td>
</tr>
<tr>
<td>Africare</td>
<td>Dodoma</td>
<td>344</td>
<td>344</td>
<td>5,548</td>
<td>In-kind materials</td>
<td>TSh82,739,890</td>
<td>$51,232</td>
<td>TSh14,913</td>
<td>$9.23</td>
<td>100.0%</td>
</tr>
<tr>
<td>Africare</td>
<td>Singida</td>
<td>166</td>
<td>166</td>
<td>577</td>
<td>In-kind materials</td>
<td>TSh24,214,720</td>
<td>$14,994</td>
<td>TSh41,967</td>
<td>$25.99</td>
<td>100.0%</td>
</tr>
<tr>
<td>WEI</td>
<td>Tanga</td>
<td>84</td>
<td>128</td>
<td>1,593</td>
<td>Cash and in-kind</td>
<td>TSh6,069,687</td>
<td>$3,758</td>
<td>TSh3,810.22</td>
<td>$2.36</td>
<td>65.6%</td>
</tr>
<tr>
<td>WEI</td>
<td>Kilimanjaro</td>
<td>20</td>
<td>44</td>
<td>3,235</td>
<td>Cash and in-kind</td>
<td>TSh775,000</td>
<td>$480</td>
<td>TSh239.57</td>
<td>$0.15</td>
<td>45.5%</td>
</tr>
<tr>
<td>WEI</td>
<td>Arusha</td>
<td>17</td>
<td>26</td>
<td>1,568</td>
<td>Cash and in-kind</td>
<td>TSh1,131,000</td>
<td>$700</td>
<td>TSh721.30</td>
<td>$0.45</td>
<td>65.4%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,819</td>
<td>3,421</td>
<td>29,990</td>
<td>TSh440,216,270</td>
<td>$272,580</td>
<td>TSh20,595</td>
<td>$12.75</td>
<td>53.2%</td>
<td></td>
</tr>
</tbody>
</table>

17 In this table, Pact’s cumulative MVC Funds are slightly understated. It shows the value of materials distributed to MVC; the actual contributions are slightly more and used to cover the costs associated with their distribution.
Non-Financial Products and Services
All PT partners also use the CSGs as a platform to provide other non-financial products and services. They use savings groups as a conduit to train or provide messaging on health and HIV/AIDS, child protection, GBV, parenting, and nutrition. WEI and Pact also use the platform for additional training on literacy and business, key features of the WORTH methodology (and one that LIMCA retained in merging SILC with WORTH to form LIMCA). Sub-partners and CSG members cite strong group cohesion and social bonds as a reason this platform is successful for other non-financial purposes.

SAVINGS GROUP FACILIATION
PT savings groups are facilitated by volunteers managed by local NGOs or sub-partners who are located at the district, ward, and village levels. These sub-partners play a critical role in the success of PT, and of its savings groups. Most sub-partners are local organizations with a regional or sub-regional focus, who were selected based on their strong relationships with the community, their understanding of MVC and HIV, and their relationship with local government. Sub-partners manage the day-to-day tasks of the volunteers and ensure that they are well trained in the methodology, and have the tools they need to manage the groups.

PT partners use volunteers for a variety of activities, including savings group facilitation. These locally recruited volunteers have different names depending on the PT partner: Community Resource Person (CRP) for FHI 360, Empowerment Worker (EW) for Pact, Economic Empowerment Worker (EEW) for WEI, and Community Volunteer (CV) for Africare. Stipends are provided by partners to volunteers as recognition of the time and effort they put into those activities and to cover small expenses, including transport. The amount of stipend or incentive varies greatly from partner to partner:

- FHI 360 does not pay CRPs for savings activities. However, it does pay other community OVC volunteers TSh30,000/month and they may also receive a bicycle at a midpoint, but they are not promised upfront. FHI 360 acknowledges an overlap between its OVC volunteers and its savings group CRPs; FHI 360 CRPs are expected to form at least two CSGs in their community.
- Africare sub-partners provide CVs between TSh30,000 and 50,000/month and provide them with a bicycle; for this work they are expected to create at least one CSG.
- WEI sub-partners used to pay TSh20,000 to EEW volunteers to cover transport to nearby villages, but discontinued the practice; volunteers are expected to form CSGs only in their villages; no bicycle is provided. Volunteer parasocial workers (previously supported by Intrahealth and the Institute for Social Work) also play a role in sensitizing new groups to the LIMCA methodology.
- Pact’s sub-partners provide the largest stipend to volunteer EWs of TSh150,000/month, which covers savings and other MVC services. Pact’s EWs are covering 10–15 CSGs within a ward. The EW is provided with a bicycle to facilitate transport within the ward.

PT partners currently pay substantially different amounts to CVs to facilitate savings groups and this may create a substantial challenge when the program phases out and when groups are no longer supported or mentored.

Sub-partner management also requires extensive time and capacity building. All the partners have invested substantial resources in their local partners to enable them to deliver services (including the creation/mentoring of CSGs). For example, Pact implements a Comprehensive Institutional Strengthening Plan, where it capacitates local sub-partners in different areas, including operations management, finance, grants and compliance, programs (including economic strengthening and savings), human resources, and M&E. Local sub-partners gain the knowledge, experience, and later
recognition, which then allow them to also tap other donor funding separate of Pact and USAID. Substantial effort has been made to help many of these local organizations shift from the distribution mentality of PEPFAR 1 to the service delivery mentality of PEPFAR 2, and not without challenges. “There has been a paradigm shift from the previous handout models to self-sufficiency. Some grantees have transformed their operation model from simply being a means for handouts to service delivery. Some are still struggling, while the ones who have been unable to make the change are no longer partnered with Africare.”

A Pact EW from Kagera who has formed seven savings groups comments on the challenges of start-up and attitude of MVCCs and the surrounding community: “Getting community members to establish savings groups was difficult since their mindsets were strongly inclined to receipt of direct support (handouts) from World Vision and the former OVC project (Jali Watoto). Caregivers were asking what they would get if they mobilized themselves to form groups. Training materials provided to me helped me to effectively sensitize caregivers and therefore change their attitude.”

Sub-partner management for savings requires “a lot of oversight and capacity building, but it’s extremely efficient compared to the alternative of direct implementation.” The most important costs relate to training sub-partners in the savings methodology, monitoring their work, and ensuring that they are able to manage data collection. And while having a local partner generates considerable efficiencies, it also puts a premium on strong technical capabilities and active management at the partner level. Effective savings group monitoring requires unannounced visits to CSGs, since CRPs or EWs can easily divert PT staff from poorly performing groups when visits are announced in advance. Some sub-partners suggest that quality monitoring is more an exercise in building the capacity to monitor, particularly among MVCCs and/or their own staff.

Table 6 compares data on implementation for eight sub-partners interviewed. MVC caregivers vary widely as a percent of total CSG members, as does group size. Another wide variation is in the span of responsibility of individual volunteers, which ranges from responsibility for 2 CSGs in the case of the Afya Women’s Group (an Africare sub-partner in Iringa) to 11 CSGs in the case of MAPEC (a Pact sub-partner in Kagera).

**TABLE 6: SNAPSHOT OF A SAMPLE OF SUB-PARTNERS (SELF-DISCLOSED)**

<table>
<thead>
<tr>
<th>Partner</th>
<th>Sub-Partner (n=8)</th>
<th>Region (n=7)</th>
<th>Total Groups</th>
<th>Members per Group</th>
<th>% Caregiver Members</th>
<th>Groups per EW/CRP</th>
<th>EW/CRP Individual Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>N/A</td>
<td>N/A</td>
<td>840</td>
<td>22</td>
<td>69%</td>
<td>6</td>
<td>N/A</td>
</tr>
<tr>
<td>PACT</td>
<td>Anglican Church of Tanzania</td>
<td>Mara</td>
<td>289</td>
<td>14</td>
<td>59%</td>
<td>8</td>
<td>10–15 total</td>
</tr>
<tr>
<td>PACT</td>
<td>MAPEC</td>
<td>Kagera</td>
<td>226</td>
<td>18</td>
<td>96%</td>
<td>11</td>
<td>10–15 total</td>
</tr>
<tr>
<td>Africare</td>
<td>Afya Women Group</td>
<td>Iringa</td>
<td>56</td>
<td>27</td>
<td>80%</td>
<td>7</td>
<td>3/quarter</td>
</tr>
<tr>
<td>Africare</td>
<td>Unwema Group</td>
<td>Dodoma</td>
<td>65</td>
<td>27</td>
<td>60%</td>
<td>3</td>
<td>3/quarter</td>
</tr>
<tr>
<td>FHI360</td>
<td>HACOCA</td>
<td>Morogoro</td>
<td>29</td>
<td>22</td>
<td>8%</td>
<td>2</td>
<td>3 total</td>
</tr>
<tr>
<td>FHI360</td>
<td>Faraja Trust Fund</td>
<td>Morogoro</td>
<td>22</td>
<td>26</td>
<td>34%</td>
<td>4</td>
<td>2/quarter</td>
</tr>
</tbody>
</table>

18 Interview with Herbert Mugumya, former Chief of Party, Africare.
19 Interview with Todd Malone, Chief of Party, Pact.
20 Interviewed sub-partners were those who support the CSGs visited by the research team during field visits. Partners varied in the number of sub-partners they have contracted; hence the number of sub-partners interviewed varied.
GOVERNANCE AND MANAGEMENT

Governance Structure
All the CSGs have similar governance structures, and in the savings groups observed for this study, all had a majority of women in leadership roles. Another key component of CSG governance is the institutionalization of an “action audit” process to ensure both transparency and accountability of funds to group members.

SILC and LIMCA: SILC and LIMCA have five member management structures that manage day-to-day savings group transactions. The management includes a chair, treasurer, secretary, and two money counters; LIMCA also includes a disciplinary person who ensures group members conform to the rules. SILC and LIMCA mandate that the majority of management committee members are women to encourage new leadership opportunities and ensure women’s engagement in decisionmaking. Members of the management committee are elected by the savings group, often by secret ballot, and should be re-elected each year.

WORTH: WORTH has a four-member management structure, including a chair, treasurer, secretary, and controller. Members of the management committee are elected by the savings group through secret ballotelections every two years.

In practice, in all PT groups, management committee members often serve repeat terms, which can sometimes cause friction with other group members. A sub-partner of Africare noted that governance was a major constraint on outreach. “Some groups have leaders who are not trusted, which make some members hesitate to buy shares.” She adds that they are often “not following well on the SILC methodology.”

Recordkeeping and Use of Management Information
SILC and LIMCA: SILC and LIMCA CSGs keep two primary records: passbooks, which record member savings; and loans and ledgers, which record these transactions, as well as contributions to the social, MVC, and other development funds, fines, voluntary savings (optional), cash book, and a statement of group net worth.

WORTH: The WORTH methodology uses eight financial records/forms, including: attendance register, savings and loan passbook, savings and loan journals, a summary transaction sheet, a cash book, a financial statement, a balance sheet, and a loan and collateral agreement form. The financial statement, balance sheet, and loan statistics, which are created at the end of a dividend cycle (after six

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21 Interview with Justine Mhanga, Project Coordinator, Ilulu Orphans Project.
months), were not observed by the team. In the Tanzanian context, the WORTH model utilizes more complex rules and recordkeeping than the other PT models.

The quality of the data collected depends on the quality of monitoring. Both FHI 360 and WEI are making serious efforts to introduce a modified VSL Associates MIS—the benchmark for data collection among international organizations that supports the creation of CSGs. However, progress is slow, due to both limited software management capabilities among sub-partner staff and capability gaps of the sort that motivated the Anglican Church of Tanzania to comment that most of the data collected in the field is “irrelevant” because of the “open-endedness of the forms.” Pact has been using a Global MIS developed by Pact for use in Pact CSGs globally; this system has been used for other Pact CSG programs in Tanzania since 2006.  

CSG Registration

The registration of savings groups with local governments is occurring across most PT partners, although registration is typically encouraged of more mature savings groups (those groups that have been in existence for one year or more); both Africare and FHI360 encourage the registration of “graduated” groups that have completed one cycle. Registration is facilitated by the CRP in collaboration with the Ward CDO, but how groups are registered varies by locality; some groups are registered as “Saving Groups” others as “CBOs.” Typically, groups are required to submit a written constitution, have a letter of introduction addressed to the District Executive Director from the village leader, and submit a fee of between TSh10,000 and 30,000. The fee covers registration and the printing of a certificate. For WEI the endorsement of the CSG by the WEO/SEO is the first step in work with them to legally register groups.

Pact views CSG registration as a potential exit strategy, and insists its sub-partners work with local government to understand and support CSGs. Both Pact and WEI note their belief that group registration opens the doors for a number of opportunities, including legal recognition, access to support funds or loans from government to start income generation or advanced farming projects and better access to market opportunities and agricultural inputs. Also, registered groups are easily linked to different learning opportunities, like national summits. Pact has recently registered 50 groups in Mbeya region, and is in the process of registering 218 groups in three districts of Kagera region. Africare and FHI 360 have also registered groups in Mufindi and Kilolo in Iringa region, in Wang‘ing’ombe in Njombe, and in Dodoma Dar es Salaam and Pwani regions.

SAVINGS GROUP LINKAGES

The PT partners, and their sub-partners, are engaged in a variety of linkages to other programs, institutions, and government departments and agencies that are shaping project interventions.

Most Vulnerable Children Committees (MVCCs)

MVCCs are one of the most important linkages for PT savings groups, because of the volunteer role they play in identifying and ensuring that the needs of vulnerable children in the community are being met. As a result of this role, PT partners have engaged MVCCs in both an oversight role and as members of CSGs. Pact, for example, has encouraged MVCC members to form their own savings groups, which they view as an incentive and encouragement to MVCC members. Africare, FHI360, and WEI also encourage MVCCs to join caregiver or mixed CSGs; all PT partners note that MVCC members get access to the knowledge of CSG volunteers and also experience the direct benefits of CSGs. Africare noted that MVCC member engagement in CSGs has helped improve the uptake of

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22 Email exchange with Victorian Munene, April 28, 2014.
MVC Funds as an important feature of savings groups; in Central Zone this engagement saw the size of MVC Funds increase from 3% to 6% percent of total accumulated savings. As of March 2014, Pact had 565 MVCC members (out of 3,505 in all its regions) engaged in WORTH groups. Similarly, Africare partners in Iringa and Njombe had enrolled more than half (54% percent) of the MVCC members in Kilolo, Mufindi, and Wang’ing’ombe districts in SILC groups; FHI 360 has engaged approximately 405 MVCC members in its savings groups; WEI has 39.

**NGOs**

The Ilulu Orphans Project (IOP) is building the capacity of SILC groups to increase agricultural productivity and to access agricultural inputs in collaboration with Cheetah Development, another local NGO that focuses largely on market-led business strategies in agricultural production, processing, and sales to improve income. IOP also helps MVC households access CAMFED scholarships for girls to attend secondary school.\(^\text{23}\)

**Financial Institutions**

Before PT, there were some efforts to link MVC households to microfinance institutions (MFIs), such as PRIDE and FINCA, which were unsuccessful because MVC households were mostly below the economic level of the MFI target market. Efforts to link individuals to MFIs are no longer active, however, efforts are being made to link groups to MFIs and other financial institutions.

<table>
<thead>
<tr>
<th>Focus: MAPEC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MAPEC</strong> is a sub-partner of Pact.</td>
</tr>
<tr>
<td><strong>Does your CSG program link with other programs, partners, institutions, or initiatives? If so, which ones?</strong></td>
</tr>
<tr>
<td>Yes. We promote linkages with Kagera Sugar Company, World Vision Tanzania, and HUYAWA Missenyi. MAPEC is currently preparing a proposal to submit to Kagera Sugar for funding of Community Health Fund (CHF) cards for MVC. The company has expressed its willingness to provide support. MVC are also linked with World Vision and HUYAWA Missenyi for services such as school uniforms, scholastic materials, etc.</td>
</tr>
<tr>
<td><strong>Does the program link with any financial institutions?</strong></td>
</tr>
<tr>
<td>Yes. In August 2013, MAPEC submitted to the National Microfinance Bank a proposal for funding of CHF cards for MVC. The bank verbally promised to support them, though officially has not confirmed.</td>
</tr>
<tr>
<td><strong>Is your CSG program linked to the government staff or activities? If yes, how does your CSG program engage any of the following or other government offices/entities? (TASAF, Tanzania Commission for AIDS [TACAIDS], DCDO’s Office, Kilimo Kwanza, or other programs?)</strong></td>
</tr>
<tr>
<td>MAPEC works closely with Missenyi District Council through their technical officers in the area of agricultural extension, who provide support to WORTH groups.</td>
</tr>
<tr>
<td><strong>What other institutional partnerships have you found highly useful?</strong></td>
</tr>
<tr>
<td>MAPEC is implementing a Malaria project funded by Johns Hopkins University from which MVC directly benefit.</td>
</tr>
</tbody>
</table>

Most PT implementing partners have not set up linkages to financial institutions, which is appropriate given the level of household vulnerability. One exception is Faraja Trust Fund, an FHI 360 sub-partner based in Morogoro, which is encouraging groups to open savings accounts with banks; to date no groups have borrowed yet. This is partly due to the remoteness of many communities served. Also, MVC groups have a smaller demand for loans than other CSGs. However, groups with surplus capital in their boxes should consider opening savings accounts, especially if they are based in urban or peri-urban areas.

\(^{23}\)CAMFED is the London-Based Campaign for Female Education.
Afya Women’s Group has linked to Mufindi Community Bank (MUCOBA), but the linkage appears to be primarily confined to loans; at the time of data collection, only one loan had been issued. Again, this highlights the disconnect between access to formal loan products and household vulnerability.

**Government**

The prime partners all work in some form with the district and sub-district CDOs, and most sub-partners arrange for their groups to be registered with the district CDO. The very existence of groups creates a channel for distribution of government services. “The government is a key stakeholder in the district. At times, the government gets funds for channeling to the community. If there is a group, it is easy for the group to get access to these funds.”

For example, several sub-partners report that their beneficiary households have received support from TASAF II for various economic strengthening activities, including chicken-raising, bee-keeping, and dairy goats. Some sub-partners have also been able to secure exemptions from secondary school fees for MVC. WEI also noted that it was able to link its savings groups with District Agriculture and Livestock Development Officers (DALDOs). DALDOs have their own budgets, and in some cases have earmarked agricultural inputs (seeds) for MVC caregivers who are members of LIMCA groups.

Pact has noted the support of local government in Karagwe District, which provided TSh5 million for a revolving fund for WORTH groups in the area; and Muleba district, which provided TSh10 million for a goat banking program for MVC and elderly households.

Similar linkages are happening at the village level. PT partners also work with village governments, engaging them to encourage other community members to financially support MVC in the community or to help improve community-based structures that support them. Michael Mnana, chairman of Nyashigwe village in Mwanza, reports that “Every quarter the members of the village government contribute TSh500 to the MVC Fund. Each household in the village contributes TSh500 to the fund each quarter. Sometimes we approach different groups—not just WORTH, but SAFEO [a local CSG variant] and upatu groups to contribute. One group called Maendeleo contributed bags of cement for renovation of a classroom.”

Africare has an ambitious, longer-term vision concerning linkage to the government. “The government has pledged to have social welfare officers in each district who will be responsible for working on the needs of MVC households. While these positions have been created, there isn’t any funding for these officers. As CSGs become more well-established, the village volunteers can potentially become social welfare officers due to their expertise in providing services to MVC households.”

While the government requirement that social welfare officers have completed at least Standard 7 will be a barrier in many cases, a lower cadre of social welfare assistant officers has been created and may offer a potential opportunity for those with less education.

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24 Interview with Priskila Gobba, Chief of Party, FHI 360.
25 Interview with Michael Mnana during field testing of study tools.
26 Interview with Herbert Mugumya, former Chief of Party, Africare
MVC CSGS: BENEFITS AND CHALLENGES

SOCIAL, HEALTH, AND ECONOMIC IMPACTS
Almost everyone interviewed—including all the village leaders—agreed that more children are going to school, and spending more time there, due to the CSGs. Member purchases, and increased spending power, are changing families’ lives. CSG members’ testimonies below reflect increased expenditures in education and health, increased food security and asset ownership, and improved resilience for household and communities.

Education and health benefits—Group solidarity experienced from participation in a savings group has had an impact: groups help their members pay school costs (fees, uniforms, books) from the Social Fund, from an MVC Fund or from a special collection:

- A married mother with five dependents in Kaskuzini B (Unguja, Zanzibar) is a member of both a SILC savings group, and a Village Savings and Loan Association (VSLA) that she joined earlier. She says that due to her savings groups, “My children are in school. I am able to pay their school fees, and buy exercise books and other scholastic materials.”

- VEO Rajabu Wanyamale in Kongwa says, “Through the CSG here, MVC and caregivers have saved for school fees and thus reduced the burden to the government.” The Street Executive Officer (SEO) in Tanga City agrees, “LIMCA is helping the government because it makes people work on their own.”

- An EEW in Korogwe, Tanga speaks for many when she says, “The number of meals to children has increased. School attendance has increased.”

- A caregiver in Bukoki, Kagera commented, “I wanted to take my kid to school, but I did not have any money to do so. After joining the group, this was very easy as the moment I asked my group members they provided me with the loan and I managed to send the kid to school.”

- One VEO reported that CSG members in his village watch the children closely, and follow up when they are not attending school or facing problems there. This has thereby indirectly promoted greater community engagement around MVC and their educational attainment.
Promoting Birth Registration and Education Through LIMCA

The Juhudi LIMCA group meets in Gereza East village, in Kagunda ward, Korogwe Rural. Until recently, many of the children supported by the Juhudi group members did not have birth certificates, so were unable to access free healthcare through the Health Fee Exemption, secure their civic rights, open a bank account, take out loans, or receive protection against underage abuses such as child labor and child marriage.

"We just didn’t know the importance of having a birth certificate," explains Aziza Athumani, one of more than 15 women who are members of the Juhudi LIMCA group. "We were given those little pink birth reports after giving birth, and we never bothered to go to register our children for birth certificates. We never thought it was really necessary."

The women said that they had never tried to register their children for birth certificates because they believed the authorities would reject their applications. Representatives from TEWOREC, a WEI sub-partner in Korogwe Rural, sat down with the group members and discussed the importance of having birth certificates and encouraged the group members to apply.

Today, all the members of the Juhudi LIMCA group have successfully applied for and received birth certificates for their children. "They [TEWOREC representatives] told us birth certificates help in school registration and even in getting loans for higher education once our children complete secondary school," Aziza continued. "But, most importantly, it is an identity as a Tanzanian citizen."

Above: Juhudi LIMCA group members holding their children’s birth certificates.

Right: Children of the Juhudi LIMCA group members hold up their newly acquired birth certificates.
A House of Her Own

Bi Amina Bundala lives in Shakani Shehia in West District of Unguja in Zanzibar with her three children, Edward John Masanja (17), Amina Saleh Othman (13), and Juma Salehe Othman (4). Divorced by her husband six years ago, Bi Amina became the sole supporter of herself and her children, and earned income through subsistence farming and small businesses. She worked intensely just to meet her family’s basic needs and dreamed of increasing her income to one day own a decent house.

In July 2012, Bi Amina heard about the SILC initiative promoted by the PT program in Shakani Shehia during a community sensitization meeting. Bi Amina left the meeting inspired by the way SILC groups operate compared to other savings and lending groups; she could accumulate capital, maintain her business, care for her three children, and benefit from the collective profit upon graduation.

After the sensitization meeting, Bi Amina joined the Mwanzo Mgumu SILC group facilitated by the PT program and soon took a loan to boost her businesses. “I started to borrow from the group and invest into my diverse businesses of buying and selling clothes, keeping chickens, and selling vegetables and other crops in order to diversify my income sources and earn more money to meet the basic needs of my family and continue with construction of my house.”

Like many small entrepreneurs, Bi Amina rarely keeps records of her business transactions and was unsure of her exact income levels and cash flow when interviewed by the program focal person. She did, however, recall some key figures and historic events, saying “When I joined the SILC group, my new house was at the foundation stage, but following rapid business expansion fueled by SILC, I managed to buy building blocks and put up the structure out of the earned profit. Also I roofed my house with corrugated iron sheets using the TSh680,000 share-out amount which I got from my group upon graduation.” She further added that “This process was not easy, but with self-determination, I made it…. I will encourage other people to join SILC groups and I never regret the decision I made one year ago since I now reap the fruits of my efforts.”

Before joining SILC group: July 2012. After joining SILC group: July 2013.
Economic benefits—Almost everyone agrees that business skills are improving among group members, and as a result of this improvement, group members are earning more money and saving more money in their groups. This study found abundant evidence that well-run savings groups motivate members to develop a “savings habit,” which encourages ongoing participation and sustainability:

- A separated mother of seven dependents recently received TSh360,000 from her SILC group at its cash-out ceremony, “Which I spent on purchasing cement blocks for constructing a new three-bedroom house.”

- In Bukoki, Kagera region, a WORTH member noted, “In the group, we are more organized and we are thinking of future plans for our development, for example, we are starting to construct a fish pond for fish farming and also group farm for bananas.”

- A single mother, caregiver to four dependents and member of the village MVCC in Morogoro Town bought land and learned to cultivate sunflowers through her SILC group. She feels pressure to save in her group, but adds, “This pressure is good, because saving so much leads to an increase of interest that increases the amount I earn at graduation.”

- A mother and caregiver of three MVC in Karatu district, Arusha comments that her savings discipline has improved due to her participation in her LIMCA group. She has learned to make handbags in the group, and adds that “business skills training and exchange of ideas in our group have helped to strengthen my strategies.”

- A caregiver in Butiama district remarks that an important impact of WORTH membership has been to motivate her and other members to “…make more effective use of our time. For example, we are doing other activities like gardening during the dry season.”
Using Savings to Become a Municipal Service Provider

The Mali Hai Group, a savings group created by the Africare sub-partner, Allamano Centre, in Iringa, was formed by 16 caregivers (12 women and 4 men) who wanted to improve their household income to meet the basic needs of the children in their care. In June 2013, the Mali Hai Group cashed out after a nine-month cycle with a plan to set up a garbage collection business as a source of income for the group. With guidance from the Ward Executive Officer, the Mali Hai Group used their start-up capital of TSh360,000 to begin thrice-weekly garbage collection from households and businesses. The group charges TSh300 for residential collection and TSh500 for business premises per annum. Recognizing that the garbage collection by Mali Hai Group helps control outbreaks of cholera and diarrheal disease, the Iringa Municipal Council donated three wheelbarrows to the group, and in August 2013 paid TSh500,000 to the Mali Hai Group’s capital fund.

In September 2013, the Mali Hai Group earned enough profit from its garbage-collection business to construct its own office and purchase additional equipment, including boots, wheelbarrows, rakes, brooms, and shovels to work more effectively.

Through their caregivers’ involvement in the Mali Hai Group, 13 MVC have benefited directly from the increased income and improved standard of living. The group has also supported 10 MVC with the purchase of scholastic materials.

Left: Mali Hai Group members conducting a meeting in their office. Right: Mali Hai Group members collecting waste on one of the streets in Mkwawa ward.
Social benefits—Within the sampled CSGs, various group projects are underway designed to address the communities’ needs, improving resiliency with livelihoods projects like cassava farms or community projects like children’s clubs. These motivations apply to CVs as well as to members, and there is evidence that many volunteers sign up to support MVC in their community. Most groups are composed predominantly of women, and many implementing organizations cite improvements in women’s roles and decision-making authority that result from their improved financial position.

- “Women now have been valued by increased household incomes and participate in household decision making. Men and women now discuss income earned by both men and women.”

- One EW from Musoma Municipal noted that one of the important changes from participation in WORTH has been that “Women become courageous and stand against GBV in the community.”

- One EEW from WEI working in Karatu district, Arusha, says, “I joined the project in order to sensitize community members to serve their MVC. And to acquire caretaking skills that can help my children, too.” Another EEW from Korogwe, Tanga, adds “The services will be sustainable, because support comes from members’ money. What is needed is to look for how more members will be engaged.”

- In her first seven months as a WORTH member, a widowed mother of six in Butiama district, Mara, has been able to buy a new mattress for her children. They are sleeping better, and their attendance and performance at school have improved.

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27 Interview with Jayna Hassan, Faraja Trust Fund (Morogoro).
Using Savings to Build a New Life: The Story of Monica Sindai

Monica Sindai lives in Bukima, Mara, with her five children. Before her husband's death, she relied solely on his income to support their family. When her husband became ill and ultimately died, she found herself with no means to provide for the most basic needs of her family. She was unable to pay for food, clothing, or rent and eventually moved into her brother's home. Monica expected her brother to care for her family financially as her late husband did, but he already had his own family to support. "It was hell," she explains. "Sometimes I would hear people whispering and think that they were talking about me. I would see my brother or sister-in-law a little bit angry and think that I was the cause."

Tired of asking her brother for money for food, clothing, and school fees without contributing in return, Monica wanted to earn her own income. "One day, I decided to have a little chat with a shopkeeper nearby. I asked the man to lend me one teaspoon of spinach seeds. It only cost TSh200, but I didn't have that kind of money. The man agreed, and luckily I had land where I planted the seeds," she said.

Monica sold the spinach leaves that she grew from the seeds and, with her new income, repaid the shopkeeper his TSh200 and purchased additional seeds for TSh1,000. Monica joined a WORTH savings group and used a loan to increase her spinach production and start selling tomatoes and sardines as well. As her business expanded, Monica used her new income and WORTH loans to finance the construction of a four-room house of her own.

Today Monica lives in that house with her children, who are happy to attend school and are better able to concentrate on their studies. Her daughter has completed form four and plans to attend college, and her son is in form four. She continues to work in her garden and fish businesses, and is a loyal member of her savings group.
Financial inclusion—Significant financial inclusion is taking place through PT, as evidenced in Table 7. Recognizing that Savings Study participants included only households engaged in informal savings groups, the sample still shows higher rates of financial inclusion in other areas when compared to the IMARISHA household economic assessment (HEA) baseline and to the 2013 FinScope Tanzania study of financial inclusion. Specifically, the Savings Study noted higher rates of inclusion with semi-formal financial institutions—a critical step to eventually accessing formal financial institutions in the long term.

PT CSGs reach a population that was previously excluded from financial services. Exclusion still continues from formal financial services; 4 of the 15 groups sampled across the country do not have a single member with a bank, Savings and Credit Cooperative Society (SACCOs) or MFI account. The two bright spots in the study were mobile money (m-money) accounts and participation in other CSGs, both of which were reaching into almost every group. The uptick in use of m-money mirrors recent findings from the FinScope 2013 survey in which m-money use by the general population has surged substantially since the FinScope 2007 survey. Also, participation in other CSGs enhances financial inclusion.

<table>
<thead>
<tr>
<th>TABLE 7: ACCESS TO FINANCIAL SERVICES—COMPARISONS FROM PT 2011 IMARISHA HEA AND FINSCOPE2013</th>
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<tr>
<td>Provide care to one or more MVC in the household</td>
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<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>40%</td>
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<tr>
<td>Financially excluded</td>
</tr>
<tr>
<td>Participation in Informalsavings groups</td>
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<tr>
<td>Non-bank formal financial services</td>
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<td>Formal financial services/bank</td>
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CHALLENGES

PARTICIPATION BY THE MOST VULNERABLE
Some MVC households have difficulty participating in the CSGs. Practitioners commonly cite households that are very poor, headed by women or orphans, affected by HIV or disability, and do not have surplus funds to put aside in savings. CVs encourage these vulnerable households to participate by drawing on examples of households in a similar condition that are making savings groups work for

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28The Savings Study did not ask nuanced questions about member m-money use, including whether members received or sent money or used it for savings or bill paying.

29IMARISHA conducted an HEA in 2011 as a baseline activity with several of the PT partners. This survey will be conducted again as an endline in 2014.
them. For example, Faraja Trust Fund, a sub-partner of FHI 360, invites targeted households to attend SILC group graduations to witness the impact of participation. The most difficult individuals to recruit are often “women caregivers, old people, and extremely poor caregivers.” Many expect handouts and fear that they may be unable to meet the requirements of group membership. “It is difficult when starting” one sub-partner says, “but when they witness by look and learn to other members of the community, they start to change.”

Although the intention may be to create an environment with low stigma, the liberal approach to mixing caregiver and non-caregiver members in the SILC groups can lead to the following result, expressed directly at a regular meeting of an all-female group in Kilosa, Morogoro. “MVC issues are not highly considered, as we don’t know MVC, no MVC caregivers joined the group. We know that there are MVC within our community, but they can be saved by others.”

REPAYMENT
A big challenge with CSGs is that of people borrowing and not repaying their loans. This is virtually universal in villages in the project, despite all the PT partners and their groups having well-defined policies on repayment, delinquency, and default. All the stakeholders are aware of it, and most cite it as perhaps the most important challenge to the sustainability of the CSGs and of their impact on MVC. Such issues can be hard to spot if the view is that the members are very poor and cannot save. If a savings group is well-managed, even very poor people will convert non-cash assets into cash assets, and borrow from relatives in order to save there. And there will be a considerable difference between the amount they save (and the number of transactions they do) in a well-managed group compared to a badly managed group. This difference is critical to maximizing impact as well as sustainability:

- A CRP for the FHI 360 project in Magharibi district comments, “The biggest challenge to outreach is following up people who are delaying to repay their loans; it takes a lot of cost to follow them up. We also face the problem that some children do not want to go to school. They even sell the items given to them. We are giving them more awareness.”
- A WEI EEW in Korogwe, Tanga, speaks for many when she says that the key challenge to improving the well-being of MVC comes from delinquent members. She adds that this problem is aggravated by “members not attending during farming season.”

MVC FUNDS
With respect to the MVC Funds, CVs and sub-partners often complain that it can very difficult to motivate groups to set them up. An Africare CV claims to be speaking for many when he comments, “The MVC Fund is not effective, because the amount collected is very small as compared to the high needs of MVC. Members are contributing only TSh500 per week for MVC Fund and it is not compulsory for each member.” CSGs frequently direct MVC Funds to caregivers in their groups, rather than to the larger group of registered MVC households in their villages.

There is also ongoing reluctance, in many groups, to either implement an MVC Fund, or contribute substantial cash to it. In some regions, the MVC Fund has received mixed reviews from members. Some groups and members clearly like it. If they do not like it initially, they begin to like it when they experience its benefits. An EEW in Karatu district, Arusha, comments that “54 MVC have CHF cards 100 percent paid by the group.” One caregiver of eight dependents in Makoba village, Unguja, joined the group hoping to become self-reliant—“to be able to pay school fees and buy home furniture.”

30 Interview with Ponsiano Mugomi, PT Coordinator, Sharing World Tanzania.
received TSh10,000 during a child’s medical emergency, and has been happy to continue contributing since. Partners and sub-partners continue to emphasize the importance of these MVC contributions, and encourage groups to increase their subscriptions. Progress is slow, however.

Finally, data collectors for the Savings Study noted varying practices about how MVC Funds were collected and disbursed to MVC households, and a large number of CSGs who were not aware of the end recipients or the use of the funds.

**INACTIVE GROUPS**

Although not a common problem, some groups go inactive for a variety of reasons, including poor group cohesiveness, poorly established structure or rules, or limited perceived value by members. A few observations were seen with some older groups started before PT:

- A widowed caregiver for 10 dependents in Musoma Urban (Mara), who has been in the WORTH group since 2009 (pre-PT), concludes that in spite of some benefits from literacy classes, group membership has “not brought significant change” because “entrepreneurship has not well taken its course.” A married mother of seven in Muleba district, Kagera, who has belonged to her WORTH group since February 2012, said that changes in her children’s lives due to WORTH memberships have been “not much” because “we contribute a very small amount of money to our group.”

- A WORTH group in Mwisenge Pwani, Mara, has not met since August, and at its meeting in December, attended by the research team, five members showed up. It has been operating since 2009 (started under Jali Watoto) and has TSh800,000 in the fund. Groups that slow down and then go “dormant” create a dormant fund risk: when no one is looking, pools of cash become a target for the wrong kind of attention.
PROGRAMMATIC LESSONS

During any program, especially one on the scale and envisioned impact of PT, there will be challenges to address, both planned and unplanned. This section summarizes the key programmatic lessons learned from PT implementation and the Savings Study. These lessons focus on a few key themes:

- Hybridization and cross-fertilization of savings groups.
- Tradeoffs of decentralization of CSG management.
- Potential impact of volunteer stipends on long-term sustainability.
- Engagement of MVCCs in savings group oversight.

HYBRIDIZATION AND CROSS-FERTILIZATION

The CSG sector in Tanzania is rapidly evolving, both organically and through external facilitation by a variety of international organizations, including the PT partners. In most cases, CSGs introduced by PT partners are being started in villages and larger communities where there are already savings groups, along with related capabilities and experience. This reality has important implications for program design and implementation. In addition to informal groups (such as upatus and kuzikanas), there are groups promoted by other NGOs (VICOBA, VSLA, Savings for Change, SILC, WORTH, and hundreds of smaller local replications) and by government (for example, TASAF, district agriculture programs, and the Community Development Office). This evolution is introducing both innovations and new risks to the PT partner task of involving vulnerable households in savings. This promotion has led to, and will continue to lead to, hybridization and cross-fertilization, as different methods are transferred across models. “We have added a deposit fund (mfuko wa amana) in some groups” says the Project Coordinator of the IOP. “Also some groups take other savings contributions through merry-go-rounds in their SILC groups, for the purpose of meeting immediate needs like utensils.”31 But, another sub-partner reports that forming groups is a challenge due to “bad experiences with other savings systems (like VICOBA), where people lose money and they hesitate to join CSGs. And politics—especially Members of Parliament who mostly promote VICOBA.”32

Very often, the largest impact on the direction of a PT CSG in a village comes not from the training program, but from the members of the group and the CVs who bring their own skills and experience to the groups, as well as their own perspective on what methods work and what ones don’t. Of particular relevance to PT practitioners are the following examples of member-led changes to traditional savings group structures:

- Switching between funded Social and MVC Funds (VSLA and SILC) and unfunded ones (WORTH and all informal models).
- Requiring all members to buy the maximum number of their savings shares (usually five times the minimum savings amount) at each meeting (for example, members are pushed to contribute the same amount).

31 Interview with Justine Mhanga, Project Coordinator, Ilulu Orphanage Project.
32 Interview with Thabiti Msofe, Project Coordinator, Afya Women’s Group.
• Importing permanence from VICOBAs to SILC, or importing longer cycles (three or more years) from many types of groups before sharing out accumulated savings.

• Requiring everyone to borrow at least one time a cycle (common in VSLA and evidenced here in SILC).

• Reimbursing interest to borrowers rather than paying dividends to savers (see textbox on next page).

• Grafting different ledger and passbook systems into each other.

• Switching from demand-based to rotational lending.

• Switching from flat to declining balance loan calculations.

In that same vein, one of the most significant programmatic adaptations during PT has been WEI’s design of a new model (LIMCA) and its migration to LIMCA after prior implementation with both the WORTH and SILC models. While WEI describes LIMCA as a “hybrid” model that fuses aspects of WORTH with aspects of SILC and VSLA, it makes some important changes to both. LIMCA, like SILC and VSLA, involves a full cash-out at least once annually.

“The money our members earned under WORTH from penalty and loan interest during a cycle was not enough to motivate them. It might be TSh10,000 or 15,000, for example. They could hardly do anything with it. That’s why in LIMCA we introduced a distribution of all money except the Social Fund and the MVC Fund, and why all members must write a pledge in the LIMCA ledger book at the start of the cycle, stating what they will do with their savings at the end. Now, when we ask what people did with the money from their distribution they say things like, ‘I bought a farm; I bought cement for construction; a piggery’.”

Similarly, adaptations can also take place at a sub-partner level, as in the case of MAPEC (sub-partner of Pact). MAPEC “graduated” WORTH groups ahead of schedule, arguing, “When groups have sufficient savings they can continue on their own without EWs. This allows EWs to shift their support to new or weak groups instead of coordinating the same groups throughout. This is also due to budget cuts. Groups in 11 wards will graduate in December 2013, and their EWs will also be dropped.”

This cross-fertilization process also has implications for innovations like the MVC Fund. One sampled SILC group has decided not to have an MVC Fund. In another case, the VEO reports that several CSGs in the village outside a PT program area have adopted the MVC Fund. How will it fare in the evolving world of village savings groups? What drives motivations to adopt it, or drop it? And does it matter if it is funded or unfunded? Time among other factors will show if this innovation stands the test in the market place of new ideas.

PT also fuses together two quite different projects: savings groups and livelihoods training/promotion. The former promotes savings as an asset accumulation strategy, even among those with very little to save; the latter biases some groups to evaluate their members based on whether members have a livelihoods project capable of repaying a loan. Caution should be exercised in this sort of fusion, for example, by having separate staff and volunteers engaged in savings groups and livelihoods support (see textbox on next page).

33 Interview with Annamarie Magige, Technical Officer, WEI. The decision to change the methodology resulted from the findings of a technical review panel organized by WEI that also included DAI, TEWOREC, Faraja Trust, and former WORTH coordinators employed by Pact.

34 Interview with Donatus Kiahura, Program Coordinator, MAPEC, Missenyi.
The "share-out" models are all share-based, meaning that members can in theory choose to contribute any number of shares from one to five during any meeting. However, in practice many groups quickly evolve toward a social norm (often followed by a rule) that members must contribute five shares per meeting. This equal sum eliminates flexibility and reduces the capacity of poorer members, including MVC households, to use the group’s services to manage risk and emergencies. This sum can be higher than the caregiver members can afford, causing them to drop out. The hybrid LIMCA system that requires a majority of the members to be caregivers may stop this dynamic.

Solidarity, Savings, and Debt

A married mother of one and caregiver of another in a SILC group in Kilosa village, Morogoro, raised a concern “about the issue of distribution of shares. To her those who are not taking loans should not share the interest that is generated. At the end of the cycle, she would like each member to receive the share of the interest she/he generated.”

The idea that interest paid—and not savings deposited—is the real value that members contribute to groups is widespread in rural Tanzania, and often leads groups to force their members to borrow. (Three groups in this sample admitted to doing this: one each in Morogoro, Iringa, and Unguja). Aside from devaluing the considerable risk taken by savers, and their free choice to save in the group, this notion can push out the most vulnerable members, those on the second level of the Livelihoods Pathway, and those in the savings part of their life cycle (for example, older women).

Nevertheless, a WORTH group member in Musoma Rural remarked that members are not required to borrow as a condition of belonging, contrasting her group with others in the village. She added, “We don’t grade members in terms of loans they have acquired in our group.” This feature suggests that groups of vulnerable members may shape a valuable niche for themselves, if they can stay intact.

Managing a Savings Group “Portfolio”

A single mother with three children in Morogoro rural belongs to a SILC group through FHI 360 and also to a VSLA through a different NGO. She says that she lost some of her savings when the latter cashed out due to defaulting borrowers. But, she is still continuing in both groups, in order to look after her children.

“My child who is in secondary school in Kibaha was sent away because of school fees. I was able to borrow some money from my SILC group and send him back to school. I have also improved the frequency of meals for my children. I am involved in agricultural activities and I also make buns and cakes and sell to people around Mikese village. If I don’t have flour, I am able to buy it with the money I am generating from my business.”
empower rather than trying to do. We expect the MVCCs to continue operating after we leave, and we have trained the district social welfare officers and have involved them to join supervision.35

TRADEOFFS OF DECENTRALIZATION OF CSG MANAGEMENT

PT CSGs are managed by local sub-partner NGOs working in the communities of PT outreach. As noted earlier, this allows for certain efficiencies in operations to have trusted, knowledgeable local partners engaged in direct service provision. However, sub-partner knowledge and engagement in and implementation of strong savings group practices is often dependent upon the support they have received from their prime partner in learning, rolling out and regularly monitoring the program. Additionally, this structure also puts a premium on strong technical capabilities, as well as active management on the part of the prime partner to ensure that sub-partners are meeting targets for setting up new savings groups, increasing funds saved (or lent) or engaging new caregiver members. Often, this pressure can alter the effectiveness of CSGs in ways that partners cannot foresee.

For example, the Red Cross Society of Mwanza, a sub-partner of Pact, decided that members should not be allowed to withdraw their savings or receive dividends in the early years in order to build up the capital in the group. In a group interview during the piloting of the data collection tools, it was learned that no member had withdrawn any money from voluntary savings since the formation of the group 15 months earlier. Compared to other groups, this appears to have impacted the growth of savings, slowing capital build-up instead of increasing it—and it may be taking away from members a critical mechanism for protecting themselves in the event of emergencies.

This type of influence from a sub-partner on savings group operations is not uncommon, particularly for less mature groups (those under one year old that are still being mentored by a CV). In the case of sub-partners that manage the day-to-day aspects of PT operations, this type of decision could happen innocently without an experienced savings group implementer involved, simply because it seems like a logical action to propose to build up savings. In the absence of good monitoring systems and tools, this type of change could unknowingly impact growth without the prime partner’s knowledge, reducing the savings potential of the group and possibly disrupting group membership if members choose to drop out to get access to their capital. It highlights one of the challenges of decentralization.

VOLUNTEERS AND STIPENDS AND THEIR ROLE IN ENSURING LONG-TERM CSG SUSTAINABILITY

Another key lesson of this study is about differences in the use of high volunteer stipends to incentivize CSG formation. PT partners currently pay substantially different amounts to CVs to facilitate savings groups (among other MVC activities). This fact poses a potential challenge to savings groups’ sustainability when the PT program phases out and when groups are no longer mentored by volunteers. This problem could be particularly significant for Pact, whose EWs are paid TSh150,000 per month compared to other PT partners who have kept their compensation levels for CVs lower (between TSh30,000 and 50,000 a month). It is also worth noting that their targets for savings group mobilization are also lower (see Table 5). Income on that scale in rural areas is a sum that an EW will not be able to replace easily after PT is over.

An added challenge for Pact will be ensuring that the “action audit” process associated with the semiannual balancing of the books of WORTH groups and completion of financial statements, gets effectively transferred to group leadership. Currently EWs assist groups with these statements. Because Pact groups do not share out in the same way that SILC or LIMCA groups do, these

35Interview with Priskila Gobba, Chief of Party, FHI 360.
processes are needed to ensure greater accountability and transparency of funds accumulated by the group, particularly to less literate/numerate members. The functions of doing these action audits, however, require a higher level of literacy and numeracy. By contrast, the SILC/LIMCA share-out process includes an action audit as part of the distribution of savings. CSG members watch as money is counted and checked against passbooks and the ledger before they receive their accumulated savings; irregularities in the paperwork or accounting of accumulated savings are dealt with immediately.

Addressing the issue of how to sustainably facilitate and mentor savings groups has been the topic of a number of studies, evaluations, and ongoing experimentation with village agent or private service provider (PSP) models. In these models, community-based trainers/service providers are trained to create and continue to provide assistance and training to groups, usually on a fee-for-service basis. Initial studies are showing that this model can put into place a self-financed, support mechanism that also promotes new group formation with little or no added cost to donors or the government (see the Literature Review in Appendix 4). Use of these mechanisms may be an option for consideration by PT or other OVC CSG implementers in the future.

**ENGAGEMENT OF MVCCS IN CSGS AS MEMBERS AND IN OVERSIGHT**

All partners have experimented with different mechanisms for engaging MVCCs in supporting MVC households and caregivers to join savings groups, but not without challenges. MVCCs may exist at the village level, but motivating them to take responsibility for issues related to MVC and MVC households has proven challenging. One CV in Iringa comments on the “lack of support from the MVCC, as the committee is not working due to high expectations, i.e. members want to be paid.” Both Pact and FHI360 have addressed this by forming WORTH or SILC groups that are exclusively for the MVCC members. This has offered MVCC members a practical channel for delivering community support, while also helping them address their own household livelihood problems. At FHI360, “We mix MVCCs with other community members. If their income is not stable, they won’t do their work properly. So we try to motivate them through increasing their incomes by having them participate in the SILC groups. Some MVCC members are also CRPs or CVs.” Africare has the MVCC supervise its CRPs, and sign their progress reports before submission to the sub-partner.

Most communities in Tanzania seem to embrace the idea that they are responsible, at least to some degree, for the welfare of the MVC among them. The challenge they face is determining how to put that idea into practical action. Savings groups are a sound instrument for channeling this intentionality because of their flexibility. While some may serve affluent or middle-income villagers, others may serve poor ones. This depends on identifying and mobilizing good leaders and getting good support from the local committee—the MVCC—formed to support these children.
RECOMMENDATIONS AND CONCLUSIONS

As suggested by PEPFAR, INGOs can bring great value to MVC households through strategic utilization of CSG methodologies. However, Tanzania already has a moderately developed and quite active informal CSG market. Villages have substantial CSG capacities—both formal and informal—and equally important, substantial CSG practices and habits, already. Any model introduced into such a competitive marketplace of products, practices, and capacities will rapidly be transformed. Members will import popular and familiar practices from other groups, and drop practices that are not endorsed by local experts. The situation is further complicated by the fact that, as noted in five of the seven randomized control trials (RCTs), relatively wealthier individuals join the CSGs first (see the Literature Review in Appendix 4). These are exactly the people most likely to bring competing methodologies and concepts with them. While this importation of practices is natural, it will be incumbent upon MVC savings group facilitators to be mindful of the challenges this brings.

In a “green field” situation in which CSG markets and practices were unknown, the principal value of INGOs would be in introducing them, and in consolidating practices and habits. But, in the more developed informal markets of Tanzania, the principal value of INGOs must be in introducing competitive tools and practices that improve on what is already habitual, and that redirect CSG institutions toward the welfare of MVC households. The MVC Fund is a good example. Can it be made sufficiently “viral” that many CSGs across Tanzania will adopt it? Such an initiative could be implemented by forming new CSGs, or by working with existing ones, and could potentially lead to greater impact at lower cost.

With that in mind, this study recommends the following, based on observations in the field:

1. **Continue to invest in financial inclusion for vulnerable populations, including MVC families.** Caregivers of MVC, even more than other individuals at this very vulnerable economic level, need access to a safe, flexible place to save. This means access not just to group savings through a Social Fund or an emergency loan, but also access to their own savings in the event of emergencies. Access to loans should not be considered an acceptable substitute for access to household savings, because increased debt adds to vulnerability at this economic level, and can rapidly spiral out of control.

   - INGOs should continue to introduce competitive tools and practices like the MVC Fund that improve on what is already habitual, and that redirect CSG institutions toward the welfare of MVC households. Such an initiative could be implemented by forming new CSGs, or by working with existing ones, and could potentially lead to greater impact at lower cost.

   - INGOs should work to enhance postphase-out sustainability by developing a PSP model that motivates PSPs to provide relevant services to caregiver CSGs after phase-out. This type of sustainable approach would help such individuals to serve both caregiver and non-caregiver CSGs, while building the capacity of PSPs to provide distinctive services to the caregiver segment.

   - Develop practical tools in recordkeeping and product rules that reduce the drift “upmarket” to the mid-upper segment of the village market—such as the risk that a CSG will require equal payments from every member at every meeting, or the risk that every member will be forced
to borrow. Similarly, it will be important to find practical ways to simplify recordkeeping and governance, so that villagers in the lower level of financial capabilities can participate fully.

2. **Partners should invest more resources in effective M&E.** PEPFAR advises that projects devote “at least 10 percent” of their project budgets to M&E. The purpose of this allocation is to achieve verifiable and sustainable impact, as well as to contribute to the evidence base linking savings groups with economic strengthening in MVC households. These goals cannot be achieved while sub-partners are viewing M&E as just a capacity-building exercise. Instituting regular, but unannounced field visits, will improve the quality of implementation and should be done not just to the sub-grantee, but to the CSGs as well. There should also be careful head office reflection to flag the sorts of nuanced shifts-on-the-ground that tend to take place in rules and practices during the course of implementation. These shifts can severely impair the impact of a CSG project. Follow-up corrective and “refresher” messages and campaigns must be carefully designed, as sub-partner staff may struggle to grasp the significance of these shifts even when the issues are raised with them.

**USAID and PEPFAR may also consider:**

- Developing an integrated and comparable savings group MIS across sub-partner domains and preferably, for PT as a whole. This system will allow PEPFAR to compare performance of partners and will allow for more effective monitoring at that level.
- Investing in consolidating a standardized monitoring system focused on ensuring maximum sustainability of impacts post-phase-out.

3. **Improve risk mitigation measures in CSG governance and management.** Certain standard practices have proven efficacious in the context of savings groups worldwide, and should be consistently applied to PT CSGs.

- Partners that form CSGs that donot shareout should integrate an action audit methodology into the training for all staff, sub-partner staff, and CVs. The conduct of a formal action audit should be mandatory for any group that has not had a meeting involving more than half the members in the past six months. This transparent process allows members to know the status of their savings.
- The process of balancing accounts should be made simpler and less dependent on advanced primary school literacy levels. This may mean that tools to balance accounts need to be simplified.
- Before share-out, every group leader should be able to balance the group accounts (ledger and passbooks) without help from an external facilitator or volunteer.
- All CSGs should employ the triple-lock box system, with three keyholders who are not committee members, and one boxkeeper. There should be a firm rule prohibiting opening the box between meetings.
- All transactions between the group and its members, should take place during group meetings, in front of all members. With respect to the collection and distribution of MVC Funds to MVC and their households, it may be inappropriate at times to request that vulnerable caregivers attend a group meeting, for whatever reason. In such cases, a delegation may be sent to the caregiver’s residence. This delegation should be formally selected by the group during a regular meeting, and composed of no less than three of its members. By doing so,
greater transparency is added to the process and all group members are aware of how MVC Funds were used.

4. **Multiple group membership.** Restrictions on multiple group membership, such as those found in some WORTH groups are unenforceable, especially after phase-out, and may be counterproductive for the following reasons:

- Restrictions limit the ability of vulnerable households to manage their risks through access to multiple savings products, cycle-end cash-outs, dividend payments, etc.

- Restrictions limit the ability of CSG members to evaluate the quality of their managers by comparison with managers of other groups, and if necessary pressure them to change.

Thus, it is recommended that such restrictions be dropped, but that groups find other ways (through promotion of financial education) to discuss the perils of over-indebtedness.
AREAS FOR FURTHER RESEARCH

As PEPFAR, the Government of Tanzania, and other implementing organizations continue to support savings groups for MVC caregivers, MVCCs, and other community members, it will be important to understand and learn from the emerging evidence of the impact of these groups on children and their households. Following are several suggested research topics for further consideration.

1. The MVC Fund is a practical microfinance innovation that could—in principle—be adopted not only by PT groups, but also by any CSG in Tanzania, from traditional funeral societies and upatus to VICOBAs, VSLAs, and others. In order to maximize its market appeal, however, the MVC Fund should be further refined through product testing and piloting, and studied with respect to its longer-term impact on children.

2. It would be useful to future programmers to understand the dynamics of CSGs that cash out (and thus allow access to cash more frequently) versus those that do so only when a member leaves the group, and to compare the performance of the groups, benefits members receive (including volume of savings), member satisfaction, and long-term sustainability. Specifically, it would be important to understand the incentives that drive greater savings participation. Does “sharing out” incentivize participation? The long-term sustainability of CSG models that do not conduct regular share-outs, such as India’s self-help groups, VICOBAs, village banks, and WORTH Groups has either not been rigorously studied or has been shown to be problematic.

3. It is significant in the context of PEPFAR’s emphasis on the role of CSGs in helping MVC households through “money management interventions for savings and access to consumer credit” that increases in health expenditure noted by RCTs have taken place through increases in borrowing, not increases in use of savings. Borrowing to pay for health emergencies is better than being unable to access money for them, but it is costlier and riskier than a savings withdrawal. As risk is a particularly important concern for MVC households, the option of withdrawing savings should exist for this vulnerable segment, but in practice it rarely does. Developing a CSG design that permits vulnerable households to withdraw savings in an appropriate manner should be considered an area for urgent priority research.

4. TASAF III has begun is productive social safety net program by providing conditional and unconditional cash transfers and access to public works schemes during the hungry season. TASAF’s aim is to support food insecure MVC households, but ultimately wishes to link cash transfer recipients to savings groups and other financial institutions. It will be important to understand what impact cash transfers will have on CSGs, and to their sustainability over time.
APPENDICES

1. Savings Study TOR: Emerging Best Practice Study of PT CSGs in Tanzania
2. Detailed Research Methodology
3. Savings Group Terminology
4. Literature Review
APPENDIX 1: SAVINGS STUDY TOR: EMERGING BEST PRACTICE STUDY OF PT CSGS IN TANZANIA

BACKGROUND INFORMATION
Globally, informal CSGs have become an important strategy to promote economic empowerment of the poor. In rural areas where financial institutions do not operate, or in circumstances where households are excluded from financial services provided by formal providers (banks, MFIs, or SACCOS) due to poverty levels, health issues, and stigma, CSGs have been adopted for use with the most vulnerable, providing members with a reliable place to save small sums of money, borrow, and insure themselves for unexpected events and emergencies. As a technical assistance provider for PEPFAR in the area of economic strengthening, the DAI-managed IMARISHA project also promotes the creation of CSGs to support households supporting MVC or those affected by HIV/AIDS. CSGs have become a central economic-strengthening strategy to help MVC households build assets, improve consumption (particularly of nutritious foods and health and education services), increase income, and, ultimately, improve their economic resilience.

In the past three years, CSGs have become an important part of the USAID-funded PT program, which is aimed at improving the well-being of MVC and their caretakers in Tanzania through sustainable approaches. Using staff members and CVs of local implementing partners, PT partners have adopted CSGs to support MVC and their caregivers, older youths, and MVCC members. In some instances, CSGs are also engaging a broader community and have been successful in mobilizing community charity to support MVC.

PT partners operate in different regions of Tanzania and have had differing philosophies on savings mobilization. Both FHI 360 and Africare have been using a modified SILC methodology in their regions. These organizations have adopted MVC Funds, and engage caregivers, MVCC members, CVs, and other community members in their CSGs and share out lump-sum savings, usually one time per year. Pact implements the WORTH model, an informal microfinance model developed by Pact in Nepal. WORTH combines a literacy program with savings, lending, and the provision of a dividend to members. WEI uses both a modified SILC and modified WORTH methodology, having taken over savings groups formally managed by Pact under Global Fund, and CRS under a PEPFAR I OVC program, and has adopted a hybrid model that combines economic livelihoods with MVC care and support. All partners have communicated significant achievements of the models they implement in empowering households to change behavior. Statistics for PT CSGs as of June 30, 2013 are provided in Table 8.

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36SILC is the methodology promoted by CRS. As part of its technical assistance to PEPFAR partners, IMARISHA has promoted a modified SILC methodology called Household Income and Savings Association (HISA), which includes specific programmatic elements of interest to OVC programs, such as the use of MVC Funds. However, colloquially many implementing partners in Tanzania refer to their savings program as SILC.
TABLE 8: PT CSG STATISTICS AS OF JUNE 30, 2013

<table>
<thead>
<tr>
<th>PT Partner</th>
<th>Total MVC Households Involved in CSGs</th>
<th>Total Number of Savings Groups</th>
<th>Total Caregivers, Youths, or MVCC Members Involved in CSGs</th>
<th>Total CSG Members</th>
<th>Aggregate Savings Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africare</td>
<td>16,126</td>
<td>1,127</td>
<td>16,126</td>
<td>26,564</td>
<td>TSh2,961,134,309</td>
</tr>
<tr>
<td>FHI 360</td>
<td>6,333</td>
<td>238</td>
<td>2,400</td>
<td>6,333</td>
<td>TSh566,612,320</td>
</tr>
<tr>
<td>Pact</td>
<td>34,218</td>
<td>1,692(^{37})</td>
<td>48,292</td>
<td>48,292</td>
<td>TSh1,735,057,848</td>
</tr>
<tr>
<td>WEI</td>
<td>4,399</td>
<td>179(^{38})</td>
<td>4,399</td>
<td>4,399</td>
<td>TSh135,111,936</td>
</tr>
</tbody>
</table>

OBJECTIVES OF THE STUDY

Because PT implementers work in different regions, utilize different strategies to manage CSGs, and combine different programmatic activities with savings to ensure expanded outcomes for beneficiaries (for example, combining literacy with savings or linkages with other formal financial institutions), the Savings Study aimed to do the following:

- Document nuances and programmatic attributes of the different CSG models employed by PT implementing partners, highlighting best practices in reaching MVC households.
- Illustrate some of the successes and challenges of reaching the most vulnerable households using the CSG model.
- Share and analyze programmatic adaptations that have been made to address constraints or challenges in reaching vulnerable households.
- Share experience of implementers in working in and around other savings group models, such as VICOBA.
- Showcase some successful case studies of savings groups, as well as the individual caregivers and families benefiting from savings groups.
- Discuss learning at PT about the links between savings groups and HES.
- Provide recommendations/suggestions of emerging good practices that may be useful to implementers of MVC support programs.
- Highlight areas for further research, assessment, and technical assistance.

RATIONALE

Although this study is not a rigorous evaluation of the impact of PT-led CSGs on specific vulnerability or poverty characteristics of MVC households, the study does analyze emerging CSG approaches and practices in serving households in which MVC live. The results are aimed at MVC program implementers, donors, and policymakers to enable greater learning on the successes, challenges, and remaining questions related to engaging vulnerable households in CSGs, and are also meant to inform future impact evaluations.

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\(^{37}\) These groups are new groups started under PT. Pact also manages a total of 2,713, which include those started under Jali Watato.

\(^{38}\) WEI also manages other savings groups started by previous OVC programs under CRS and Pact. This number reflects only savings groups started under PT.
Additionally, given that the study is being conducted jointly between four implementing partners and a technical assistance provider, the study methodology is intended to enable collaborative learning among the participant organizations. To the extent possible, M&E and technical staff from the different partners will be selected to do data collection/analysis in those sites not affiliated with their own organization, so as to maximize learning among the participants.

INTENDED AUDIENCE
The intended audience for this study is wide. First, the study will share best practice information on CSG practices, innovations, and challenges in supporting MVC households with USAID and PEPFAR for future programming, and to inform ongoing programming. Second, the study will inform Government of Tanzania ministries, including the Ministry of Health and Social Welfare (particularly the Department of Social Welfare, which supports vulnerable children); the Ministry for Community Development, Gender, and Children; the Prime Minister’s Office for Regional and Local Government; TACAIDS; TASAF; and possibly the Bank of Tanzania. The aim is to inform national and local government discussions and dialogues about the use of CSGs as part of a larger strategy to reduce poverty and transition households from government-provided social safety nets to local economic development strategies. Finally, the study can also be shared with other donors, such as the multidonor trust fund, FSĐT, and the Bill & Melinda Gates Foundation, who support access to finance initiatives in Tanzania.

DRAFTING AND REVIEW COMMITTEES
Because this is a combined effort of five USAID-funded projects—DAI IMARISHA, Africare, WEI, Pact, and FHI 360—drafting and review committees and case study writers were made up of staff from each of these organizations. DAI IMARISHA took the lead to collect inputs, refine writing, analyze key program inputs, and ensure adherence to deadlines. IMARISHA also served as the lead for communication to partners about deadlines, meetings, and milestones. Drafting and Review Committee Members include:

**Drafting**
- DAI IMARISHA—Colleen Green, Amy Mitchell, Khadra Jama, Daniel Laizer, and savings consultant Brett Matthews.
- Africare—Datus Ng’wanangwa and Felician Luchagula.
- Pact—Victoria Munene and Daisy Kisyombe.
- WEI—Peter Genya and Collen Masibhara.
- FHI 360—Castor Kalemera.

**Review**
- DAI IMARISHA—Colleen Green, Khalid Mgaramo, and Daniel Laizer.
- Africare—Herbert Mugumya and Datus Ng’wanangwa.
- Pact—Todd Malone.
- WEI—Lilian Badi.
- FHI 360—Priskila Gobba.

TIMELINE
Work on the Savings Study commenced in September 2013 and was completed in March 2014.
DELIVERABLES
Below are the deliverables for the study:

1. Finalized TOR, agreed upon timeline, and shared costs.
2. Detailed outline of study and research plan.
3. FGD and interview guide.
4. Ethical clearance.
5. Final success and learning studies to be included in study.
6. First draft for review by Chiefs of Party and USAID.
7. Finalized study.

BUDGET
Because this study was done jointly, each partner agreed to provide the following contributions to the study:

- M&E specialist’s time.
- Senior staff reviewer of draft and final documents.
- Transport costs, per diem, and other incidentals for key staff to capture case study and field input.
- Contributions toward the hire of a high-quality photographer.
- Contributions toward the hire of a high-quality technical editor.
- Contributions toward the hire of a high-quality translator to translate the document from English to Kiswahili.
- Contributions for the costs of layout, printing, and production.

IMARISHA contributed space for check-in meetings and paid for the consultant associated with this study.

COMMUNICATIONS
IMARISHA agreed to take the lead on organizing meetings and managing communications, inputs, and deadlines. All partners agreed to do their part to ensure good communication on progress with IMARISHA and others on deadlines, deliverables, and unexpected changes in the schedule, etc.
APPENDIX 2: DETAILED RESEARCH METHODOLOGY

From inception, the emerging best practice study of PTCSGs in Tanzania was designed to be a collaborative process led by PT partners. The methodology for the Savings Study was mapped out in a consultative meeting that brought together PT implementing partners (Africare, FHI 360, Pact, and WEI), technical assistance provider DAIIMARISHA, and consultant Brett Matthews (Mathwood Consulting). At the meeting, the partners identified the themes of the study, sources of information/data for the study, and regions to be visited for data collection. Each partner also committed to provide resources (for example, transportation) and technical staff to the field teams as needed.

Following the meeting, Brett Matthews developed tools, which were also translated into Swahili by PT partners, to guide the data collection process. The tools included:

- Key informant interview tools—implementing partner, sub-partner, caregivers, VEOs, EEWs.
- Direct observation.
- Group consultation.
- FGD I—caregivers.
- FGD II—non-caregivers.

The tools were then field tested in Dar es Salaam and Mwanza and refined based on the feedback received. Once these revised tools were adopted by the PT partners, the data collection process was ready to begin. Each partner identified two regions for the field teams to visit; these regions were Dodoma (Africare), Iringa (Africare), Morogoro (FHI 360), Unguja (FHI 360), Kagera (Pact), Mara (Pact), Arusha (WEI), and Tanga (WEI). The data sampling for the Savings Study is presented in Table 9.

### TABLE 9: PLANNED SAMPLING STRATEGY

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number per Implementing Partner</th>
<th>Pamoja Tuwalee Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing Partner Interview</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Sub-Partner Interview: Sub-Grantee Managers</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Sub-Partner Interview: Sub-Grantee Staff</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>VEO Interview</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>EEW Interview</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Caregiver Interview</td>
<td>12</td>
<td>48</td>
</tr>
<tr>
<td>Direct Observation—Group Meetings</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Group Consultation</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>FGD I—Caregivers</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>FGD II—Non-Caregivers</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>148</strong></td>
<td></td>
</tr>
</tbody>
</table>

To maximize learning among partner organizations, the field teams would visit sites not affiliated with their organizations for data collection. **Field Team One** which consisted of one member from DAIIMARISHA and FHI 360 and two members from Africare visited Pact (Kagera and Mara) and WEI (Arusha and Tanga) sites. Prior to departure, the field team attended a one-day orientation at DAIIMARISHA that revisited the rationale for the study, methodology, and data collection tools. Participants were led through targeted exercises to familiarize them with the nuances of data collection, for example, probing techniques, handling difficult personalities in groups, etc. The first
field visit lasted approximately two weeks and concluded with a debrief session at DAIIMARISHA offices in Dar es Salaam. One of the logistical lessons learned from the first field trip was that the field teams needed to be larger and have more than one vehicle to ensure flexibility and facilitate concurrent data collection.

Consequently, the partners committed to increasing the resources available for the second field visit. The second field team was made up of two technical staff from DAIIMARISHA and Pact respectively and one member from WEI. **Field Team Two** also had two vehicles supplied by DAIIMARISHA and Pact. Prior to departure, Field Team Two also attended a one-day orientation at DAIIMARISHA. The second field visit lasted approximately two weeks: the team visited Africare (Iringa and Dodoma) and FHI 360 (Morogoro and Unguja) sites.

The sampling for the Savings Study was completely randomized. Each PT partner provided contact information and meeting times/locations of CSGs in their selected regions. CSG and sub-grantee staff were not given advance notice of the field teams’ arrival in the regions to be visited. Once they arrived at the locations, the field teams would identify the CSGs that were supposed to be meeting that day, select one randomly, and then make arrangements to go and visit the group. Spontaneous selection of the groups to be visited was essential to the integrity of the Savings Study, because it allowed the field teams to observe the savings groups in their natural environments.

Table 10 presents a summary of the tally of the data collected by both field teams.

**TABLE 10: FIELD VISIT SUMMARY**

<table>
<thead>
<tr>
<th></th>
<th>Team One</th>
<th></th>
<th>Team Two</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kagera</td>
<td>Mara</td>
<td>Arusha</td>
<td>Tanga</td>
<td>Iringa</td>
<td>Dodoma</td>
<td>Morogoro</td>
<td>Unguja</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSG Interview</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interview—Village Leader</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interview—Volunteer</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interview—Caregiver</td>
<td>2</td>
<td>7</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>10</td>
<td>4</td>
<td>37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Observation</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Consultation</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FGD I—Caregivers</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FGD II—Non-Caregivers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11</td>
<td>25</td>
<td>12</td>
<td>17</td>
<td>18</td>
<td>14</td>
<td>24</td>
<td>17</td>
<td>138</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Savings Study data collection process concluded with a second debrief session in Dar es Salaam that brought together all PT partners, DAIIMARISHA, and Brett Matthews. The second debrief session unpacked the experiences of both field teams, solicited input from implementing partner leadership, discussed challenges/successes, and built consensus on the way forward.
### APPENDIX 3: SAVINGS GROUP TERMINOLOGY

#### Savings Group Terminology

**Action Audit.** The action audit has come to mean two things: for groups that share out, the action audit refers to the time (usually 9 to 12 months) after the CSG is formed when it pays out savings and earnings from interest and fees, closes its books, and disbands. The action audit is the time during which members learn how much has been saved and earned in interest income. For non-share out savings groups, the action audit refers to the process by which the savings group books are balanced and the information is shared with its members.

**Accumulating Savings and Credit Association (ASCA):** An ASCA is a financial intermediary that keeps cash between meetings, in contrast to Rotating Savings and Credit Associations (ROSCAs), which disburse all cash at every meeting. Accumulating cash has many benefits: it can be lent out and interest can be earned. ASCAs often provide insurance in the event of illness or death in a family. However, managing cash requires written records, making ASCAs very dependent on good management. In recent decades “engineered ASCAs” (such as VSLA and SILC) have been designed to reach more vulnerable populations and achieve greater development outcomes.

**CRP/EEW/EW:** The CRP or EEW (depending on the methodology) trains the group until it is able to operate without assistance. This person lives in the same village as the group (or nearby), and receives some sort of compensation from the project, often a bicycle or a monthly stipend.

**CSG:** CSGs are self-managed financial intermediaries that operate primarily in places where banks are not present. Informal CSGs such as ROSCAs and many ASCAs spread through migration or travel across trade routes. The most common forms in Tanzania are *upatus* and *kuzikanas* (funeral societies). Since 2001, when CARE introduced the VSLA in southern Unguja, engineered ASCAs such as VSLA, VICOBA, SILC, and WORTH have spread across Tanzania.

**MVC Fund:** This is a dedicated fund that is managed by a CSG as part of the PT program. This fund provides grants to MVC households in the community, and is an important mechanism for helping communities take more responsibility for MVC.

**ROSCA:** A ROSCA is an informal financial intermediary that converts regular small contributions into usably large lump sums. All transactions take place at meetings. Funds collected during meetings are distributed immediately, and all members witness the transactions. This eliminates the need for recordkeeping; especially important in conditions of low literacy. Common forms of ROSCAs in Tanzania include *upatus* and *kuzikanas*.

**Share.** A share is used to refer to the minimum amount that a savings group member is required to save at each savings meeting.

**Share-Out:** A share-out or cash-out is the distribution of a group’s savings (shares) back to the members who paid for them, at the close of an operating cycle. Profit or interest earned on the shares during the cycle is also shared.

**Social Fund.** The Social Fund is a self-insurance fund set up within a savings group to provide loans or grants to members in the event of an emergency.
APPENDIX 4: LITERATURE REVIEW

This literature review section includes a discussion of multiple studies, including RCTs, end-of-project evaluations, impact assessments, and other anthropological and qualitative studies of CSGs and their impact on children or caregivers of children. The section also includes several studies of the value of finance to vulnerable populations, including HIV-affected populations, on savings group sustainability, and almost all the publicly available studies done of savings groups in Tanzania. Note: this section is not exhaustive, but does highlight the evidence to date on how CSGs have impacted the communities in which they operate and the members they serve.

SAVINGS GROUPS: EVIDENCE FROM RCTS

Table 11 shows a list of RCTs on savings groups that took place during 2010–2012. RCTs offer practitioners some of the best opportunities available to understand the impact of their programming, and to escape the anecdotal echo chamber that so often transforms speeches to staff into perfectly aligned stories from the field. A genuinely randomized selection of participants in treatment and control groups within a studied population can eliminate the possibility that factors other than those directly under the control of a project are responsible for specific project outcomes. As a method of arriving at confidence about the causes of project outcomes, RCTs are rightly considered “the gold standard.” Two important limitations in this context should be noted, however:

1. One RCT conducted in Tanzania did not evaluate the impact of SILC on its members, because it was focused on the efficacy of the use of PSPs (market-based village agents) to build and sustain SILC groups.

2. None of the studies address the impact of groups that don’t share-out (such as Pact’s WORTH model). These models deliver different financial services, and can be expected to lead to different impacts.

Furthermore, RCTs have technical problems of their own. In practice, most of the information gained from them is drawn from household testimony, gathered in one baseline and one endline survey separated by 1–2 years. Informants’ recall of household financial details is often fragile and fraught with emotional issues around personal ownership and responsibility. When questions are asked once or twice responses can be volatile and inaccurate.

TABLE 11: SAVINGS GROUPS STUDIED FOR RCTS

<table>
<thead>
<tr>
<th>Country</th>
<th>INGO</th>
<th>Focus of Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana</td>
<td>CARE VSLA</td>
<td>VSLA targeting and impacts</td>
</tr>
<tr>
<td>Malawi</td>
<td>CARE VSLA</td>
<td>VSLA targeting and impacts</td>
</tr>
<tr>
<td>Uganda</td>
<td>CARE VSLA</td>
<td>VSLA targeting and impacts</td>
</tr>
<tr>
<td>Mali</td>
<td>Oxfam America (OA)/Freedom from Hunger (FFH), and Stromme Foundation—Savings for Change</td>
<td>Savings for Change targeting and impacts</td>
</tr>
<tr>
<td>Malawi</td>
<td>DanChurchAid</td>
<td>VSLA impacts</td>
</tr>
<tr>
<td>Burundi</td>
<td>International Rescue Committee</td>
<td>VSLA impacts and family-based learning discussions</td>
</tr>
<tr>
<td>Kenya, Tanzania and Uganda</td>
<td>CRS, SILC</td>
<td>SILC PSP program and replication</td>
</tr>
</tbody>
</table>

40 This problem was the genesis of the “financial diaries” approach. See Rutherford, S. (2002). P. 59.
IMPACT

Table 12 summarizes the impacts found in these studies. The most direct impacts on children include a reduction in the length/intensity of hunger periods, and accumulation of smaller assets like mattresses, cooking equipment, and lights. Improvements in health and education could be discerned, but causality was generally weaker.

**TABLE 12: IMPACT OF CSGS ON HOUSEHOLD AND CHILD OUTCOMES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Impact</th>
<th>Child Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household food security</td>
<td>Up</td>
<td>Less hungry periods, reduce childhood stunting, especially the critical first 1,000 days</td>
</tr>
<tr>
<td>Household resilience</td>
<td>Up</td>
<td>Fewer household crises; less intra-household conflict</td>
</tr>
<tr>
<td>Household savings</td>
<td>Up</td>
<td>Better small assets (mattresses, lights, etc.)</td>
</tr>
<tr>
<td>Household use of credit</td>
<td>Up</td>
<td>N/A</td>
</tr>
<tr>
<td>Individual business-related spending</td>
<td>Up</td>
<td>N/A</td>
</tr>
<tr>
<td>Household asset ownership (small)</td>
<td>Up</td>
<td>Better small assets (mattresses, lights, etc.)</td>
</tr>
<tr>
<td>Household education expenditure</td>
<td>Mixed</td>
<td>Improved attendance in school</td>
</tr>
<tr>
<td>Household health expenditure</td>
<td>Mixed</td>
<td>Improved access to primary medical care, including childhood vaccines</td>
</tr>
<tr>
<td>Household asset ownership (large)</td>
<td>No impact</td>
<td>N/A</td>
</tr>
<tr>
<td>Business profits</td>
<td>No impact</td>
<td>N/A</td>
</tr>
<tr>
<td>Housing conditions</td>
<td>No impact</td>
<td>N/A</td>
</tr>
<tr>
<td>Poverty levels</td>
<td>No impact</td>
<td>N/A</td>
</tr>
<tr>
<td>Women’s decision-making power</td>
<td>No impact</td>
<td>N/A</td>
</tr>
<tr>
<td>Primary school enrollment</td>
<td>No impact</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The general picture is one in which households are successfully building their capacity for self-insurance, but have not yet broken through to a more stable income stream or rapidly growing business revenue. However, it is important to note that none of these studies covered a period of longer than two years. “Many practitioners assume the impacts of savings groups will appear only after one full cycle and share-out has been completed; however, in the CARE, OA/FFH, and Development Credit Authority (DCA) studies only relatively small proportions of participants completed one full savings cycle.”41 Savings group membership can last for many years and include multiple groups, which could lead to much more visible impacts over time.42 For example, it would be surprising if the ownership of large assets, like land and housing, would improve significantly in just a year or two as a result of participation in a single CSG. In most of Africa, including many of the areas studied, members of the CSGs in these studies would already have been members of local ROSCAs or other informal financial groups (IFGs), which may further have tamped evidence of impact.43

41Gash & Odell, p. 8.
42A thought experiment for readers with bank accounts is to ask how different their lives might have been if they had enjoyed two years of access to financial services such as savings, credit, and direct deposit, and then this access had stopped entirely.
43Karlan et al. (2012). See p. 42 for discussion of the substantial ROSCA membership in the Uganda sample. The possibility that ROSCAs may tamp impact was not discussed in this report.
Even given these limitations, strong evidence emerges of a link between savings group participation and increased food security, with the most significant increases showing up in expenditure on food. The strongest impact appears in Oxfam’s Savings for Change model, while the impact is weaker in the case of CARE’s VSLA model. This may be due to the relative capacity of the models to target very poor individuals, which is more pronounced in the case of Oxfam. 44

Another important finding was that “Savings group participation resulted in an increase in savings in every study that looked at the impact of savings groups on savings levels and savings rates.” 45 In principle, this could have resulted from a decrease in household expenditures and consumption, but the studies explicitly ruled this effect out. There was also an increase in household use of credit in every study. Consistent with the observations of PEPFAR, these studies did not observe substantial increases in either business investment or profitability, however, they did observe increases in agricultural investment. For example, the DCA study in Malawi observes that share-outs and loans have both increased “the use of fertilizer and irrigation” and “the total value of maize sales.” 46

The IRC study in Burundi took place across an economic downturn among a displaced population. While poverty increased among the control group who were not savings group members, it decreased during the same period among the treatment group. “Treatment households thus effectively avoided a downturn, resulting in a net impact of a 14 percentage point reduction in poverty.” 47 Since this was also the study in which the most significant increases in school expenditures were found, it is possible that these were not observed in other studies because they depend on marginal increases in household income.

REACHING VULNERABLE POPULATIONS
All the studies found that CSGs reached “the very poor”—defined as those who earn less than $1.25 per day. Nevertheless, “Savings group members tend to be relatively wealthier (although still poor or very poor) and more socially and financially active than non-members.” 48 For example, in the CARE studies, the baseline member survey found that VSLA members had more assets (mobile phones, bicycles, and iron sheet roofs) than non-members. In Uganda and Malawi, members were about 10 percent more likely to be literate than non-members, and 5–10 percent more likely to own a business. They were also “more likely to be integrated into the community.” 49 Furthermore, in five of the seven studies it was found that “the relatively wealthier join first.” This implies that geographical targeting is important. Programs should focus on “specific regions or districts that have high proportions of the very poor.” 50

While many practitioners find these results disappointing, they do not imply that forming CSGs to strengthen vulnerable households is a pointless exercise. Given the shortness of the timeframes studied, that any significant evidence of impact has been found is encouraging (all the researchers highlight this limitation and call for more study of longer-term impacts); moreover, the impacts found focus on food security and small asset acquisition, which are both logical and favorable to child outcomes. Studies of longer-term impacts are likely to clear up many outstanding questions.

44Gash & Odell, p. 35.
45Gash & Odell, p. 30.
47Gash & Odell, p. 30.
48Gash & Odell, p. 29.
49Karlan et al., pp. 12–13.
50Gash & Odell, p. 29.
The structure of the savings product delivered by CSGs in the study—effectively a one-year, non-redeemable term deposit—attracts less vulnerable households first since they are capable of managing the risks of locking in their capital more easily. Significantly, share-outs have more impact on schooling expenditures than on health expenditures, because schooling is a predictable expense while the timing of health events is not predictable. This reinforces the observation of PEPFAR that there is a strong need to focus on delivering high-quality savings products, including flexible savings that can be withdrawn during the cycle. RCT evidence suggests that this would attract more vulnerable households to participate in CSGs and have a favorable impact on management of health outcomes.

**EVIDENCE FROM SAVINGS GROUPS BEYOND RCTS—TANZANIAN MODELS**

There are few studies of savings groups in Tanzania in the public domain. Perhaps one of the most interesting was completed by a team of Dercon and De Weerdt. In 2000, De Weerdt conducted a census of 119 households in the Haya village of Nyakatoke in Kagera. In multiple visits, his team compiled a remarkable snapshot of informal groups, the roles they were playing, and their history. He found 40 groups, including 20 funeral societies.51 Some groups operate in multiple villages, and the average household was a member of three. With the exception of one village-wide funeral society (representing 98 of 119 local households), the funeral societies were small groups that provided supplementary support. Their services were unfunded—that is, payment was expected at the time of the event, never before. Funds were not managed internally by the groups, so records did not have to be kept.

A second well-known study of VSLAs was conducted in Zanzibar in 2006. Focusing on sustainability, it sampled 25 groups that had been operating for more than two years at the time of CARE’s departure in 2002 and concluded that while none had ceased to exist, growth due to the formation of new groups had been rapid. Membership had grown in the sampled groups from 1,272 at the time of CARE’s departure, to 4,552 in July 2006; an increase of 258 percent.52 The cash share-out at the end of each cycle was “a major reason for joining the group … they looked at this whole process as targeted savings, which they greatly appreciated.” The authors concluded that VSLAs had clearly taken root in the soil of Zanzibar, but noted that the members were “relatively well off and well educated, with more than half of members educated at secondary level,” suggesting that successful replication elsewhere in Tanzania could not be assumed.53

Drawing on data from CARE and from FinScope 2006, the Rural Financial Services Study concluded in 2008 that “VSLAs and VICOBAs have a particularly important role to play in areas characterized by very low population densities” due to limited prospects even in the medium-term for other forms of financial inclusion in such areas.54

A recent (2013) study for the Financial Sector Deepening Trust (FSDT)55 and the Bank of Tanzania has implications for the environment in which savings groups at PT operate. The study—of IFGs—noted that the financial products and practices of IFGs have cross-fertilized and hybridized from group to group and village to village. This process has paralleled the gradual acceleration of the rural economy, the introduction of “engineered ASCAs” (like VSLA, SILC, and VICOBA), monetization, and the expansion of the banking sector.

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51 “We identified a total of 47 groups … 7 of them can be said to belong to other communities, with just a few inhabitants of Nyakatoke in them.” From De Weerdt, J. (2001). See p. 39.
53 Anyango et. al., p. 24.
55 FSDT is a multilateral trust fund focused on financial inclusion. See DAI (2013).
This study identified three types of informal transactions (or products) that are widely accepted in almost all the sampled markets:

1. Burial insurance.
2. Hospitalization insurance.
3. *Upatu* or rotating distribution (cash or in-kind).

These products involve habitual patterns of transactions that villagers understand, have experience with, and practice with some confidence. “Key financial practices are adopted by different types of IFGs because members demand them and are accustomed to using them, and because there is an abundant supply of experienced managers.”

All these transaction types appeal directly to the second rung of the Livelihoods Pathway, though they can prove valuable to households on higher rungs as well.

To simplify management and avoid the risk of loss, traditional IFGs in Tanzania keep little or no money or other assets between meetings or insurable events—that is, they are effectively “unfunded.” When a meeting takes place, members contribute, and the contributions are channeled according to the rules of the group. In a recent trend, many funeral societies have attempted to shift toward a funded model. Success has been uneven: reversion to the unfunded model remains common following a fraud or diversion of funds.

There are very few studies that address VICOBAs, village community banks distinctive to Tanzania, in anything more than a cursory way. First formed by George Sweveta, who left CARE to form them in 2002, VICOBA emerged from the VSLA template, but differs from it in two important ways. First, VICOBAs do not share-out because they view share-out as an interruption to the process of accumulating lendable capital. Second, they place a heavy emphasis on entrepreneurship training and helping members to qualify for microenterprise loans.

Kihongo (2005) observed that VICOBAs can offer some support to microenterprise development. Nevertheless, he concludes that they are too small to be really useful, and without external capital and legal recognition they are not sustainable. A more recent study interviews members of VICOBAs and SACCOS in Babati district, and they both help to meet consumption needs, finance school fees and business working capital, and lead to increases in income. However, there are “several obstacles” to impact, including “low repayment status, lack of capital, and lack of education in both entrepreneurship and how these MFIs operate.”

**LOOKING FORWARD—ARE SAVINGS GROUPS SUSTAINABLE?**

Are savings groups sustainable—that is, can we expect their impacts to be sustained after the completion of a project?

In addition to the Zanzibar study cited above, VSL Associates is currently engaged in a long-term study of the sustainability of CSGs that share-out. It involves a five-year analysis of the sustainability of 331 CSGs globally. Unlike the Zanzibar study, the VSL study makes no attempt to determine whether new groups are being formed as a result of the incubation of earlier ones in a village; it

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56 DAI, p. 38.
57 DAI, p. 37.
simply measures the survival/attrition rate of the original 331 groups in the sample. Table 13 outlines the results of the SAVIX Long-Term Sustainability Study for the 126 SILC groups in East Africa that are part of the sample. Of the groups, 114 (90 percent) are still operating after four years. The average membership has increased 10 percent, and the average savings per member has increased 61 percent. The ratio of women to all members remains steady at 72 percent. These results testify to significant sustainability and member demand.

**TABLE 13: LONG-TERM SUSTAINABILITY OF SILC GROUPS IN EAST AFRICA**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Number of groups</td>
<td>126</td>
<td>124</td>
<td>118</td>
<td>114</td>
<td>-10%</td>
</tr>
<tr>
<td>Average members/group</td>
<td>21</td>
<td>24</td>
<td>24</td>
<td>23</td>
<td>10%</td>
</tr>
<tr>
<td>Average savings/member</td>
<td>US$18</td>
<td>US$21</td>
<td>US$28</td>
<td>US$29</td>
<td>61%</td>
</tr>
<tr>
<td>Average loans outstanding/member</td>
<td>US$36</td>
<td>US$36</td>
<td>US$47</td>
<td>US$56</td>
<td>56%</td>
</tr>
<tr>
<td>Women %</td>
<td>71%</td>
<td>73%</td>
<td>74%</td>
<td>72%</td>
<td>2%</td>
</tr>
<tr>
<td>Members with loans %</td>
<td>57%</td>
<td>56%</td>
<td>67%</td>
<td>76%</td>
<td>35%</td>
</tr>
<tr>
<td>Average annualized ROA</td>
<td>42%</td>
<td>54%</td>
<td>63%</td>
<td>80%</td>
<td>90%</td>
</tr>
<tr>
<td>Loans/performing assets %</td>
<td>91%</td>
<td>87%</td>
<td>90%</td>
<td>96%</td>
<td>5%</td>
</tr>
</tbody>
</table>

The studies just cited, like the RCTs reviewed above, address only CSGs that conduct periodic share-outs (distributions of substantially all the capital in the group); usually every year or two.

**SHARE-OUT MODEL**

Share-outs have wide-ranging ramifications for the operations, performance, and impact of savings groups. In his classic work on informal finance, Stuart Rutherford describes groups that utilize the share-out mechanism as “time-bound” since they essentially dissolve each time they share out.

“Being time-bound is a very healthy feature that good Funds share with ROSCAs. During a ROSCA or at the end of a time-bound Fund either one gets his money back or does not. If their ROSCAs or Funds do not produce the goods, the members walk away and the device dies. As a result, poor managers are soon out of a job, and members flock to others with a sound record. This makes sure that the majority of such savings clubs are reasonably well run, if not entirely without risk. I call this an ‘action audit’ and it substitutes very well for the sort of formal, but less easily understandable audit that professional savings banks get accountants to do.”

In principle, CSGs that do not share-out should perform better and have greater impact. This is because they can accumulate larger sums of money over longer periods. Members can then achieve longer-term savings goals, and borrow for longer periods. Share-out can also disrupt the inclusion of more vulnerable populations in mixed groups. MVC households, for example, might be dropped by other members between cycles, since they may be viewed as less reliable borrowers or as unable to keep the savings pace of the rest of the group.

However, in a recent description of the savings group landscape, Allen and Panetta remark that “Regular share-out reduces risks to the system and losses of transparency, which are likely to accrue

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60 A ROSCA is a rotating savings and credit association (for example, the upatus in Tanzania). ROSCAs are “unfunded,” that is they hold no cash between meetings. All cash contributed is disbursed at the same meeting. This sidesteps recordkeeping, reducing the fear of illiterate members.

when complex investments are managed by a few members.”  

Like other CSGs, those that do not share-out must earn enough member trust for the voluntary-savings impact to take place, especially after the project is over.

The problems of governance and recordkeeping that disabled SACCOS in the 1960s and 1970s are now re-emerging in the Indian self-help group movement, and the result is that increasing numbers of self-help groups are sharing-out. “The rigidity associated with withdrawing savings, excessive build-up of corpus in older [self-help] groups and the erosion of mutual trust with increased volumes hinder the savings effort. More and more groups divide the savings and corpus funds at the end of the year, rather than accumulate the same into equity over a longer time.”

To achieve the benefits of long-term capital accumulation, CSGs that donot share-out must manage more complex records and sustain a more complex governance system: they must have an effective substitute for an “action audit.” This system must include, at a minimum, a process for transparently and accountably counting and reconciling cash and loans held by the CSG with cash owed by the CSG to its members, and records that check for and correct errors when profits and losses accumulate over time. Failure in either of these areas will quickly be translated into fear by members that their personal savings may have been lost, whether they express this fear or not.

**WORTH MODEL**

Given Pact’s deep experience with the WORTH model, there are several studies that focus on the experience of WORTH from several countries and contexts, including countries in which WORTH was used as a mechanism to support households with vulnerable children.

Several studies have been done of Pact’s WORTH program in Nepal, the location where the WORTH model was built. Between 1999 and 2000, Pact worked with 240 local NGOs to form 6,500 savings and credit groups comprising 130,000 women in rural Nepal. A 2001 end-term evaluation of this Women’s Empowerment Program in Nepal found that it was bringing financial services, literacy training, and support for entrepreneurship to 130,000 rural women. Ashe and Parrott compared the cost of delivering these services to the cost of creating a centralized MFI to accomplish the same goal, and concluded that for the impacts achieved, at about $40 a member it was an extremely efficient strategy.

In 2008, Mayoux revisited the Nepal program and observed that about 64 percent of the original WORTH groups were “still active five or six years after all WORTH-related support ended. Of the 450 groups in the sample, 288 were found still to exist; 158 had disbanded.” In addition, a quarter of the WORTH groups had created more groups, representing as many as 11,000 new members. Mayoux reports that 83 percent of WORTH members credited their group with helping them send more of their children to school; 86 percent reported better access to healthcare for their families; and 43 percent said their group had helped increase their freedom from domestic violence. While most members cited positive benefits from their association with WORTH, Mayoux also noted that only

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66Mayoux, p. 23.
16 percent of members had voluntary savings accounts. Many former members cited high loan installments and mandatory savings levels; these appear to have squeezed out poorer families.

In terms of WORTH’s signature literacy program, 54 percent of members said they could “read a simple book” due to WORTH (before the program: 40 percent). Only 6 percent of members could “fill out [her] savings passbook” due to WORTH (before: 2 percent). Mayoux does not comment on whether any groups in Nepal were still balancing their accounts. Documents had completely changed in the years since phase-out. Mayoux reports that the 11 financial and operational forms introduced by Pact had for the most part not survived the 5–6 year gap. Meeting frequency, loan structure, and leadership expectations had also changed.

Pact Ethiopia began a WORTH program in Jan 2006, working through nine local sub-partners. An impact evaluation conducted in November–December 2008 found that the program had created 390 groups, reaching 9,000 women in 15 rural districts of Oromiya, Amhara, and SNNP Regional States. Most members were married, and while there was some initial resistance from husbands, this quickly evaporated as the program got into gear. Among group members, group “solidarity and cooperation” in areas such as marriages and funerals, childbirth, etc., have formed a “strong bond” that can support future sustainability. The study concludes that WORTH is “an innovative, rapidly scalable and low-cost program … [that] works in Ethiopia.” In spite of this, the project needs an extension of a few years, because “there are no strong indicators that show the sustainability of the program” and neither Pact Ethiopia nor the sub-partners appear to have a “feasible exit strategy.”

The study, which surveyed 930 members across the nine sub-partners in November–December 2008, found that 19 percent of WORTH groups had closed two cycles, and 11 percent had closed three cycles. Nevertheless, “only 5.6 percent of sample groups had independently closed their bank cycle. Currently, we cannot conclude these groups are independently running the financial management procedures.” Even among proven management committees, no “second line” appeared able to take their place in the event of their departure. As in Nepal, a concern in Ethiopia was that WORTH financial and operational documents “are many and difficult to understand.”

In Swaziland, Pact used the WORTH model to motivate and incentivize community child projection volunteers and caregivers of OVC known as Lihlombe Lekukhalela (LLs) who lacked incentives or compensation for child protection activities. The aim of WORTH for LLs was to increase their savings and borrow for start-up microenterprises. The methodology also offered an opportunity for Pact to capture child protection reports, and discuss issues related to child protection, HIV/AIDS and gender. The program formed 159 groups with 4,242 members (mostly women). An end-of-project survey report of WORTH in Swaziland in May 2013, found that voluntary savings, asset

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67 Mayoux, p. 29. Pact disputes this figure, citing 60 percent. Pact states that Mayoux’s study was flawed because “partners and WORTH groups members … were not comfortable to disclose the information as they did not see the researcher’s connection with their implementing partners.

68 Mayoux, p. 63.

69 Mayoux, p. 76.

70 Mayoux, p. 86.


72 Abebe & Selassie, p. 59.

73 Abebe & Selassie, p. 63.

74 Abebe & Selassie, p. 65.

75 Abebe & Selassie, pp. 26–27.

76 Abebe & Selassie, p. 59.

77 Pact, Save the Children, and CANGO. (May 2013).
ownership, and informal employment increased, that four of the five loans made to WORTH group members went for business purposes, and that knowledge and perceptions related to gender issues improved since the baseline. The study noted that allowing loans for non-productive (enterprise) purposes did not affect repayment and thus, recommended that restrictions on loans for non-productive (consumption) purposes only be lifted. Finally, the study found that the WORTH model was not effective to incentivize LL participation; few joined WORTH groups.
APPENDIX 5: BIBLIOGRAPHY


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