WHAT WE WANT TO KNOW:

A PRACTITIONER-LED RESEARCH AGENDA FOR SAVINGS GROUPS

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ACRONYM LIST

NGO	Non-Governmental Organization
FSP	Financial Service Provider
MFI	Microfinance Institution
SACCO	Savings and Credit Cooperative Organization
SGs	Savings Groups
RCT	Randomized Control Trial
VSLA	Village Savings & Loan Associations
FSDK	Financial Sector Deepening Kenya
POS	Point of Sale
FA	Facilitating Agency
MNO	Mobile Network Operator
OVC	Orphans and Vulnerable Children
SLWG	Savings-led Financial Services Working Group

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Acknowledgements

This research agenda is the product of many minds and perspectives. Going back to November 2015, we are grateful for all those who enthusiastically participated in a plenary session at the SG2015 *"The Power of Savings Groups"* conference to generate a rich set of ideas and questions that allow us to truly identify this agenda as practitioner-led. Yet, several key stakeholders representing academia, donors and NGOs also invested time and attention to the topics and how they are defined in this document. For their thoughtful and detailed comments, we are very grateful to Kuria Wanjau and Amrik Heyer (Financial Sector Deepening Kenya); Alfredo Burlando (University of Oregon); Prabhat Labh (The MasterCard Foundation); Michael Ferguson (FHI360) and Eloisa Devietti (SLWG and Oxfam America). Once again, a dedicated community is responsible for this agenda. We hope they find it useful.

Candace Nelson and Megan Gash

We Want to Know:
A Practitioner-led Research Agenda for Savings Groups

INTRODUCTION

The traditional Savings Group model is simple, enabling member-controlled, community-based financial services. The current state of practice, however, is characterized by innovation, growth, and controversy. It is a dynamic time, as traditional stakeholders — NGOs, donors, and the groups themselves — have been joined by financial service providers (FSPs), telecommunications companies, and government agencies. Savings Groups are a new target market for banks and microfinance institutions (MFIs) and they are an increasingly important component of integrated development programs and efforts to reach the ultra-poor. Some groups are federating to form second-tier associations or savings and credit cooperatives (SACCOs), and others are sending their financial records to the cloud. The simple model may no longer be so simple.

Change and its promise raise questions that must be answered. Technology-led innovation is transforming record-keeping, training, as well as access to bank services and cash management for SGs and their members. Yet, possible mismatches between technology — or the way it is designed — and members' capacity to use it easily raise concerns about the impact on group dynamics, governance, and transparency. Technology promises to bridge what has been an insurmountable distance between bankers and hardtoreach rural customers, yet new relationships between Savings Groups and formal-sector institutions may have significant implications for group performance, as well as for consumer and data protection. While the developing financial capacity of SGs creates the possibility of transacting in a wider arena, group demand for and impact of commercial financial products and services are not well understood. Finally, although it would be challenging to find a Savings Group that does not engage with other development services, efforts at integrated program design and delivery have followed disparate pathways without the benefit of accepted best practices regarding the combination or sequencing of interventions.

In this context of rich opportunity and significant challenges, what are some of the outstanding questions that need answers in order to advance SG practice? This research agenda highlights the most salient issues in the SG community, and it guides attention and resources to addressing them so that innovation may be informed by evidence.

The themes presented in this paper are front and center for SG stakeholders. They were discussed and debated by over 400 practitioners, financial service providers (FSPs), donors, and other stakeholders at the SG2015 conference, *"The Power of Savings Groups,"* in Lusaka, Zambia, in November 2015. Some involve old questions that have yet to be answered, while others are new, stemming from recent innovation. All are influenced by current field experience that is actively engaged in reconciling the familiar with the unfamiliar, integrating the new with the old, and welcoming change while questioning its effects.

This agenda is a conversation starter. Its purpose is to highlight questions that need attention. It does not list every relevant research question (there are too many), nor does it assign relative importance to one question over another. More significantly, this is not a SEEP agenda to implement. Rather, SEEP intends to spark conversation, stimulate stakeholder interest in one or more parts of the agenda, and perhaps bring parties together to address them. The SG community is committed to gaining insight into what works, how, why, and for whom. This agenda is an attempt to focus that commitment in a productive way on engagement, discussion, planning, execution, and sharing.

> This research agenda highlights the most salient issues in the SG community, and it guides attention and resources to addressing them so that innovation may be informed by evidence.

Building on prominent SG research produced since late 2012, following the review of SG literature found in *Savings Groups at the Frontier (2013),* this paper explains the methodology behind the creation of the current research agenda. The main body of the paper articulates important operational and impact questions for six key areas of SG evolution. The paper concludes by encouraging practitioners to seize research opportunities to address these questions, conduct sound research, and share findings with the field.

LOOKING BACK

This research agenda is informed by practitioner experience. Some of the questions it contains have been addressed by a number of recent studies that were completed since the last comprehensive literature review published in *Savings Groups at the Frontier (2013).* Notable among these are a series of randomized control trials (RCTs) conducted on SGs. These RCTs and a handful of other studies are summarized below, while Annex One provides an expanded, annotated list of the most salient SG research published since 2012 (although it is by no means comprehensive). All of these studies are a welcome addition to the limited body of SG research, but they only begin to answer the questions presented in this agenda.

Between 2008 and 2013, seven RCTs were conducted on SG programs in seven countries. Important for their size, scope, and geographic coverage, these rigorous studies established solid evidence on the impacts of SG participation that program designers, researchers, and donors can reference for years to come. Each study looked at impacts on a wide variety of household-level outcomes, with three of the studies covering additional aspects of SG programming, including fee-for-service community agent delivery models, SG+ programming, and replication strategies. The key findings on household impacts showed that the availability of SGs clearly increases savings, the use of credit, and livestock ownership in some areas. The impacts on business, health, and education are mixed. Social impacts such as women's empowerment and social capital were quite limited, but increases in consumption smoothing and food security suggested that SG participation increases resilience. In 2013, SEEP published *"The Evidence-Based Story of Savings Groups: A Synthesis of Seven Randomized Control Trials"*[1] which consolidates the RCT findings in a single document and reflects upon the commonalities and differences across the results, placing these studies within the broader body of evidence around the role of SGs in the lives of their members.

In the key area of expanding SG members' access to and use of formal financial institutions (often summarized as Savings Group 'linkages'), new research has gone a long way to establish economic viability. With support from the Bill and Melinda Gates Foundation, Bankable Frontier Associates determined that a positive business case for banks to serve SGs — a high-risk, low-income, and unbanked market — relies on both Savings Groups and their individual members opening and using accounts.[2]

The case gets stronger with each aspect of the relationship that occurs digitally. However, the authors acknowledge that key elements — educating SGs, navigating a complex account-opening process, managing regulators — may challenge taking linkages to scale, and they recommend further study of emerging linkage experiences.

In the pervasive domain where SGs are integrated with other services, research is sorely needed to identify how this integration achieves impact, and under what circumstances, with which services, and following which guidelines for implementation. A comprehensive literature review of this topic looked at hundreds of documents, but found only ten that met the authors' standards of rigor.

Research included in the review examined the effectiveness of programs that combined SGs with other development activities such as malaria education, maternal and child health services, shared labor schemes, and gender equity training, among others. Out of the 90 outcomes evaluated, 52 were positive, 32 showed no impact, 3 produced mixed results, and 3 showed negative results. The review concludes with a strong recommendation for more rigorous research designs, more robust measurement tools, longer study time periods, the inclusion of implementation and cost analyses, and the creation of better theories of change behind program structures.

Finally, two recent studies shed light on the dynamics of Savings Groups, how they evolve over time, and what happens to their quality. *Post-Project Replication of Savings Groups in Uganda*[3] revealed that Savings Groups established by NGOs continue to grow rapidly and replicate after project funding and support have been phased out. Replicated groups form through

[1] M. Gash and K. Odell 2013. *The Evidence-Based Story of Savings Groups: A Synthesis of Seven Randomized Control Trials.* Washington, DC: The SEEP Network.

[2] Bankable Frontier Associates. 2013. *Focus 1: Outcompeting the Lockbox – Linking Savings Groups to the Formal Financial Sector, and Focus Note 2: SG Linkages – the Business Case for Private Service Providers.* Somerville, MA: Bankable Frontier Associates.

[3] S. Mine, S. Stokes, M. Lowe, and S. Zoubek. 2013. *Post-Project Replication of Savings Groups in Uganda.* Durham, NC: Datu Research LLC.

observation of and interaction with existing groups, and appear to have a higher return on savings despite smaller loan sizes. The study found that membership in multiple groups is common and a key factor in replication. Although multiple group membership does not seem to have negative effects for Savings Groups or their members, it is counterproductive to the Savings Group model if members are entering a cycle of debt by taking out loans from one group to pay off loans to another. In Kenya, *FSDK's Quality of Delivery Study* confirms active group replication as well as membership in multiple groups (involving approximately 20 percent of members). Although this study reports a high degree of member satisfaction with their Savings Groups, it also pays attention to the small portion of members who have left their group or who are not satisfied. This information may be more useful to the field by drawing attention to issues that need watching, including loss of funds (reported by 5 percent) and pressure to borrow (reported by 22 percent).

LOOKING FORWARD

How did we arrive at our research questions?

The conveners of the SG2015 conference, *The Power of Savings Groups,* decided to take advantage of the opportunity presented by the conference to solicit stakeholder input for a research agenda for Savings Groups. They came to this decision at a time when the field needs more investment in research and when too many issues are vigorously debated based more on opinion than evidence. The conveners consulted industry experts to identify the following broad topic areas that are driving the field forward:

- Access to and use of formal financial services
- Building capacity for quality Savings Groups
- Savings Groups in a digital age
- Integrating Savings Groups with other development services
- Outreach to vulnerable and harder-to-reach populations

These five topics, as well as a sixth 'open' area for additional topics proposed by participants, provided the framework for practitioner input, resulting in an exchange between industry experts and a broad group of stakeholders. The experts identified the top thematic areas (noted above), and conference participants joined specific topic groups (through self-selection) to brainstorm and prioritize research questions. The participatory process generated hundreds of questions of different types: operational, financial, ethical, and impact. SEEP culled and narrowed the research questions, which were then further vetted by a smaller group, producing the priority questions presented in this document.

What is meant by research questions?

Some consider research questions to focus on understanding member-level outcomes and impacts, yet many of the questions in this agenda are also operational in nature, reflecting the priorities of field practitioners. The questions span a variety of levels: member, trainer or community agent, facilitating agency, donor, and enabling environment. It should be noted that three of the six topic areas are at a point of intense innovation — access to and use of formal financial services, SGs in a digital age, and integration of SGs with other development services. Naturally, a lot of "how-to" questions arose in those areas during the brainstorming sessions and subsequent reviews.

In this paper, each of the six topic areas cited and related dialogue are summarized as context for the corresponding research questions. The goal was to select approximately three to five operational questions and three to five impact questions for each topic. Their designation was influenced by a few factors: frequency of notation during the plenary brainstorming at the conference, the intensity of current discussion in the field, or potential influence on Savings Groups promotion. Although relevance to state of the practice in 2015 was a key factor in selecting questions for the agenda, a second issue helps explain the inclusion of some and the exclusion of others: several concepts cut across all the topics, making it impossible to include every variation with every topic. These crosscutting concepts include questions of cost, business case, consumer protection, long-term effects, the role of local and national governments, and gender considerations. Some of these issues are included in the lists of questions, and some are not, although they easily could be. While all questions are relevant, issues with greater urgency or level of interest at this time were prioritized.

Topic 1:

ACCESS TO AND USE OF FORMAL FINANCIAL SERVICES

When the SG community first convened at the Arusha Savings Group Summit in 2011, one of the debate topics was, essentially, "to link or not to link.' Linkage advocates bravely defended their position in lonely territory. Four years later, at SG2015, video images that participants voted as most representative of the future of the field featured bank agents wearing matching polo shirts and equipped with mobile phones, walking along the rural road approaching the community and its Saving Group. The rapid change in attitude can be explained by both supply and demand. Increasingly, groups want a safe place to store their cash, especially when large sums accumulate toward the end of the cycle. Although demand for external credit is less clear, limited capital early in the cycle is cited as a catalyst. In any case, as clients of a formal financial service provider, SGs and their members will likely have more access to a range of products and services beyond savings. Technology is making it much easier and more efficient for financial service providers to meet emerging demand. Digital platforms are enabling cashless transactions. And, indeed, multiple pathways to relationships between Savings Group and FSPs have emerged. Most still involve an NGO-brokered relationship, but FSPs are contacting Savings Groups directly, and some are even forming groups on their own.

Yet the diverse linkage activity made possible by donor investments and technology is not without controversy. The business case for banks to engage for the long-term with this market is not firmly established, with certain key questions yet to be addressed satisfactorily. Notable among these relates to the role that NGOs have assumed in brokering the relationship between SGs and FSPs. The prospect of Savings Groups as bank clients generates widespread concern for group composition and dynamics, profitability, and sustainability. Hence, facilitating agencies are educating FSPs about SGs, negotiating terms, and providing financial education to members as a consumer protection measure. Yet, the appropriate role of the facilitating agency as broker is not well understood. While the relationship is widely appreciated and accepted, it is not clear how long it should remain active or how it will be funded.

It is no surprise then that this topic generated the most questions at the SG2015 research plenary. These questions fall in different categories: ***Operational*** concerns focus on the best way to forge the relationship among multiple pathways and options; ***financial*** questions relate to the business case for banks to serve a low-income, high-risk clientele; ***ethical*** questions focus on consumer protection for SG members, the privacy and use of group financial data, and the health of the group (its democratic decision-making, autonomy, and transparency) as it adapts to the requirements of a commercial partner; and a range of questions about the ***impact*** of engaging with FSPs.

ACCESS AND USE OF FORMAL FINANCIAL SERVICES

Operational Questions

1. What are key components of a successful model linking SGs to formal financial service providers (FSPs), and for which contexts?
   - How is 'success' defined with respect to a commercial relationship between an SG and FSP?
   - How do key factors — delivery mechanism, enabling environment, selection criteria, consumer protection measures, and products — affect the relationship?
   - What are the appropriate roles for FAs, community agents, MNOs, FSPs?
   - How do distinct financial products influence the model?
2. What factors influence Savings Group access to and use of formal financial services?
   - What is the SG demand for formal financial products savings — services, different types of loans (consumer, housing, production), or insurance?
   - What are the characteristics of SGs that access formal services?
   - What factors effectively facilitate SG access to formal services?
   - What factors influence (positively or negatively) SG use of formal financial products?
3. What factors influence *individual member* access to and use of formal financial services (after the group establishes a relationship with an FSP)?
4. What are the risks that groups face as they engage with FSPs and what mechanisms can be put in place to mitigate them?
   - What level of awareness do members have, or need, of their rights and responsibilities regarding their financial relationship with the FSP?
   - What kinds of safeguards do FSPs use to protect group and member financial data, and how commonly are they used?
5. What is the business case for FSPs to provide financial services to SGs, and how does it vary by partnership model and by financial product (savings, credit, insurance)?

Impact Questions

1. What is the theory of change behind accessing and using formal financial services? What is expected to change?
   - What are the expected outcomes for the individual member, the group, the FA, the MNO, the FSP of accessing formal savings, credit and insurance?
   - What current evidence for these assumptions has emerged from existing experimentations?
2. What is the impact of use of formal financial services on Savings Group dynamics and financial performance?
3. What is the impact of SG use of formal financial services on indicators of well-being, financial status, business performance and empowerment of the individual member?

Topic 2:

BUILDING CAPACITY FOR QUALITY SAVINGS GROUPS

In the Savings Group community, early credence held that a group needed only one year, or one cycle, to organize and be trained and supervised before operating on its own and freeing its NGO facilitator to mobilize new groups. Over time, experience has challenged this assumption: Groups' need for technical assistance persists after the first year and/or the facilitating agency finds legitimate reasons to remain engaged with them. The desire to ensure quality Savings Groups drives increased investment, be it in training, monitoring, or innovation. However, the increased costs of ongoing engagement conflict with pressure to lower the overall costs of SG promotion and achieve scale. Pilot programs in Kenya were successful in significantly reducing costs, but at the price of compromised group quality. Facilitating agencies have responded to this desired balance between cost and quality in interesting ways:

- Most have introduced some type of community trainer, who is based in the community and assists Savings Groups on an as-needed basis, for a fee paid by the individual groups. This person is trained by the facilitating agency and is available to support the Savings Groups after the agency departs.
- New training tools and aids (e.g., videos and scripts for the group leaders to follow) have been developed to improve the quality of training and to help re inforce and standardize key messages that Savings Groups trainers — both facilitating agency staff and fee-for-service trainers — communicate to their groups.

While these developments are smart, they do not fully allay concerns over group quality, which many believe is the key to sustainable groups and the future of the field. If Savings Groups cannot offer secure, transparent, and accessible financial services to their members, their existence is threatened. And there are numerous threats to group quality, including many new stakeholders who approach Savings Groups with a variety of agendas; the spontaneous replication of groups, whereby one SG helps another to form without the benefit of training; and tempting options to transform SGs into new entities (e.g., SACCOs or marketing cooperatives) that require management capacity the group may or may not have.

Questions from the research plenary on this topic focused on defining and creating quality groups. How can we isolate what makes a good group? What are the minimum standards for creating and maintaining a quality SG? What is the optimal price point to achieve both quality and cost-effectiveness? What is the most effective and efficient way to scale SGs and maintain quality?

BUILDING CAPACITY FOR QUALITY SAVINGS GROUPS

Operational Questions

1. What are the indicators or attributes of a quality Savings Group, and how do they change over time?

2. Which factors determine effective training and facilitation to form a quality group from the perspective of the FA? Does this differ from the perspective of the SG?
   - Length or amount of training
   - Training content and methodology
   - Trainer skills and qualities
   - Incentive structures for the trainer
   - Supervision

3. What is the minimum standard for training to maintain a quality group?

4. How do trained and replicated groups compare on indicators of group quality?

5. What can former members (drop-outs) or dissolved groups reveal about group quality?

6. What are characteristics of a successful relationship between a trainer or community agent and her or his group (e.g level of trainer influence, duration of relationship, contractual terms)?
   - What are the risks for groups presented by post project community-based trainers (exploitation, dependence, etc.)? How can such risks be mitigated?
   - Do distinct approaches to post-project community-based support to SGs affect group quality and member protection differently?

7. What is the most effective combination of training resources (e.g. in-person training, videos or training tools on mobile devices) to produce quality groups?

Impact Questions

1. What is the link between group quality and member outcomes?
   - Do higher quality groups lead to more or deeper impacts on members?
   - Which impacts are affected the most, and in which contexts? How does this change over time?

2. How does the quality of a group affect its depth of outreach and inclusion?

SAVINGS GROUPS IN A DIGITAL AGE

Operational Questions

1. What are the barriers to technological adoption by groups and what strategies have been used to overcome them? (e.g. cost, connectivity, design issues, trainer resistance)
   - What does the experience of early adopters of technology among SG members tell us about how to effectively disseminate it?
   - Are interventions needed to build members digital literacy? What are the most effective and sustainable methods for doing so?
2. What are the cost implications of technology use for SGs?
   - Is the cost of technology incremental, or does its use reduce other expenses?
   - How does technology adoption affect SG financial performance?
3. How is member data protected and who pays for its storage?
   - Who controls the information and for what?

Impact Questions

1. How does digital recordkeeping affect the efficiency and accuracy of group records?
2. Do the mechanics of tool adoption (e.g. cost, low literacy, lack of trust and confidence) exclude members or hinder member participation in SGs compared to traditional manual recordkeeping?
3. Does digital-based training result in more consistent messages across trainers or groups? Do members have a better understanding of group rules and the purpose they serve?
4. How does the use of mobile wallets or other digitized financial transactions impact Savings Groups? How do these transactions affect the group policies and procedures or management and decision-making?
5. Does digitalization intensify the segmentation of SGs along the lines of geography, wealth or gender?

Topic 3:

SAVINGS GROUPS IN A DIGITAL AGE

Smartphone applications and other digital tools are beginning to help Savings Groups keep records, receive training, and transfer money between accounts. They promise to improve SG operations through more accurate record-keeping, more consistent messaging, and more convenient cash management. Yet the use of technology does not have the same effect on everyone. What do we need to understand about how new technologies impact groups and their members?

Participants at SG2015 focused their questions on understanding the effects of using digital tools. How do such tools affect group management? Does the use of digital tools exclude members who do not understand or trust them? How do SG trainers perceive these tools? Digitizing group financial data raises some significant issues of cost and consumer protection. Are groups willing to pay for digital tools? What are the costs of the required technology, and how do they affect SGs' financial performance? When group data are digitized, it can be shared, stored, and sent. Who manages and controls these functions? What are the risks and benefits of sharing SGs' digital recordkeeping data? How can groups and members maintain ownership and control of their data in the digital age?

> How can groups and members maintain ownership and control of their data in the digital age?

Topic 4:

INTEGRATING SAVINGS GROUPS WITH OTHER DEVELOPMENT SERVICES

Today, it is rare to find SGs that don't engage in business ventures, accept services offered by other NGOs, or serve as conduits to their communities for public and private institutions.

The question now is ***how*** to manage such additional activities or integrate Savings Groups into multi-sector programs that juggle many services. Numerous NGOs are experimenting with different approaches, linking SGs to health services, using them as marketing channels, and integrating business skills training, agricultural services, or support services for Orphans and Vulnerable Children (OVCs).

Practitioners are eager to learn best practices from these experiences. Is there a "model" for linking services? Is it the same for all services? What is the best way to staff an integrated model with multiple services? Do certain types of services integrate more effectively with Savings Groups than others? What role should an SG trainer or community agent play in brokering or providing additional services? How should services be sequenced? What happens to the additional services when the facilitating agency curtails its regular monitoring of the Savings Group?

Although most of the questions regarding other development services are operational in nature, focusing on how to integrate diverse services, important outstanding questions remain regarding our understanding of impacts, consumer protection concerns, and cost issues. A proof of concept of the effectiveness and impact of using SGs as a platform for other services is needed to serve as a reference point for future programming. The proof of concept would also contribute to the discussion of integration that is currently attracting attention in the wider field of international development, highlighting the best role(s) that SGs should play in multi-sector programming.

INTEGRATING SAVINGS GROUPS WITH OTHER DEVELOPMENT SERVICES

Operational Questions

1. What are the core principles and procedures for successfully integrating other services with Savings Groups?
   - Which integration models are most effective for which types of services and involving which actors? What are the lessons from existing models (e.g., the graduation model)?
   - What is the best sequencing of activities?
   - Who should provide the additional service — the SG trainers or others? How would this vary by context?
2. What are practical ways to protect the integrity and quality of a Savings Group while adding additional services?
   - Is there a limit to the number or type of services that can be effectively added to the SG? Are there guidelines for achieving a good balance of services?
   - Do the add-ons promote dependence on service providers?
3. Should linkages to other services be maintained over time?
4. What are the cost implications for the various models of integrating other development services with SGs?
   - What are the costs — for the facilitating agency, service provider, and SG — of bringing the service to the group?
   - For which services will SG members pay, and how much will they pay?

Impact Questions

1. What is the theory of change behind the addition of other development services? What benefits are expected for members?
   - Which services, and which combination of services, lead to which outcomes (e.g., greater gender equity, increased income, improved health)?
   - How do these outcomes evolve over time?
   - What is required to sustain these outcomes over time?
2. What is the impact of integrating other services on groups' financial performance, internal management, and collective activities?
3. Is the use of SGs as a platform for other development services more effective than providing these services separately?

OUTREACH TO VULNERABLE AND HARDER-TO-REACH POPULATIONS

Operational Questions

1. What strategies can effectively increase outreach to the very poor and vulnerable groups?
2. Does the basic SG methodology need to be adapted when including or targeting specific vulnerable groups? If so, how?
3. What is the right membership ratio of vulnerable to less vulnerable to achieve the benefits associated with Savings Groups?
4. What are the cost implications for reaching the very poor and other vulnerable groups? Are there a variety of models to choose from, and if so, which work for different sets of actors (e.g., donors, facilitating agencies, community agents)?

Impact Questions

1. What is the member-level impact of SG participation on different vulnerable populations, and how does it differ from the impact on less vulnerable members?
2. How does the impact of SG participation get passed on to other members of vulnerable households (from parent or caregiver to child, member to spouse, member to other relatives), and in which ways?

Topic 5:

OUTREACH TO VULNERABLE AND HARDER-TO-REACH POPULATIONS

For many years, it was assumed that Savings Groups reached the very poor and vulnerable, and perhaps more effectively than standard microfinance loan programs. Estimated poverty outreach by some of the early studies on SGs supported this assumption. However, subsequent findings from a wave of randomized control trials (RCTs) conducted between 2008–2013, coupled with poverty outreach data collected by diverse programs, indicated that while the very poor can and do join SGs, not as many are joining as had been assumed. Practitioners have been left asking, "How can SGs reach more of the very poor?"

In addition, practitioners want to know how to effectively reach other vulnerable groups. Which SG programming strategies work best to reach youth, OVCs, the disabled, and thoseaffected by conflict zones? Do these groups benefit from SGs through direct or indirect involvement (such as parent or caregiver membership)? And how much does it cost to reach these groups?

Topic 6:

ADDITIONAL TOPICS PROPOSED BY PARTICIPANTS

The "additional topics" group at the brainstorming session at SG2015 in Zambia produced a variety of questions, most focusing on long-standing issues of interest. Principal among these are women's empowerment and social capital. Both are commonly observed and cited by SG practitioners as benefits of group membership. The hypothesis is that when women gain new access to financial services, both the increases in savings and credit and the power to manage them without the involvement of men are empowering. Women themselves frequently confirm this experience.

Similarly, SG members report supporting each other, not only in the context of the group's financial transactions, but also in their general welfare. Yet the RCT results indicate minimal benefits in either area, challenging what those close to SGs previously thought. Hence, practitioners are not satisfied and continue to push to know how SGs empower women, and how they build social capital, maintain it, and capitalize on it. It is worth noting that these two topics are notoriously difficult to measure across all disciplines, despite years of work by researchers to define and measure them in more precise and quantifiable ways. Although quantitative studies can estimate how much something has changed, perhaps the community of SGs could benefit most from in-depth qualitative studies that produce a detailed description of ***how*** women are (or are not) empowered through SG membership and what role social capital plays in maintaining groups.

The second line of questioning in the "additional topics" category focuses on what happens to Savings Groups over time, especially after the facilitating agency exits. Conceptually, an SG can continue indefinitely without supervision or external funding. But does it? What is the average life expectancy of an SG? What factors influence its trajectory? How do members change their practice, over time? Not enough is known about the evolution of the groups, the SG methodology, or the interplay of SGs and the communities in which they function.

ADDITIONAL TOPICS PROPOSED BY PARTICIPANTS

Operational Questions

1. How do Savings Groups evolve over time (5+ years)? What changes occur in the following areas?
   - Financial performance
   - Internal management
   - Group composition
   - Collective actions
   - Additional activities and services
2. Do all-male SGs function and perform differently than all-female SGs? If so, how?
3. How can the SG platform be leveraged for greater resilience (e.g., community action in response to natural disasters, disease, or civil unrest)?

Impact Questions

1. Do SGs empower women?
   - How is that empowerment process best described?
   - What are the results of adding gender dialogues in SGs?
   - What recommendations would help SGs further empower women going forward?
2. Are male members of SGs impacted differently than female members? If so, how? Do benefits that men receive get passed on to other household members? If so, how?
3. Do SGs build social capital?
   - How is that process best described?
   - Does the social capital built within the group extend to the community?
   - Is social capital enhanced or diluted by relationships with FSPs or other external services and actors?
4. How do member-and household-level impacts evolve over time (5+ years) with SG participation? Does this evolution change depending on the type of population reached?

MOVING FORWARD

What do these research questions say about the state of the practice in SGs? We know that accessing formal financial services, with modality issues, risks, and benefits, is a key interest. Demand, largely for secure savings, is emerging, and FSPs are gearing up to supply that demand. However, consumer protection concerns and making a solid business case loom large, despite all the excitement. While interest in SGs and their propagation remains robust, maintaining group quality is a top priority for assuring the long-term sustainability of the groups.

We are eager to integrate technology in smart and helpful ways. We are striving to determine the inclusion of the poorest. We are concerned about costs as much as consumer protection. Women's empowerment and social capital have been studied, but the findings do not make sense to us just yet. We have additional questions about how these innovations work, why they work, what makes them most successful, and how they impact members' lives.

We encourage the SG community to use this research agenda as a tool to illuminate areas that call for learning. Share it with academic partners and donors. Use it to catalyze their interest and direct their resources. Consider the theory of change behind innovations, and explore what prior literature on similar interventions can teach us. Think about gaps in learning that exist. Look closely at research design, and consider how to increase the rigor of evaluations. During projects, capitalize on research opportunities to answer these questions. Reach out to others to discuss and interpret outcomes. Document findings, and post them in the SEEP SLWG library. Identify other venues in which to share findings, such as webinars, blogs, social media, document databases, and conferences. Present outcomes at the next SG conference. Most importantly, stay engaged in the global discussion on SGs, and encourage others to join.

Summary of Select SG Studies, Post-2012

AUTHOR AND STUDY TITLE	TYPE OF REPORT	COUNTRY	TYPE OF PROGRAM(S)/ INTERVENTION(S)	HIGHLIGHTS/KEY FINDINGS
Aga Khan Development Network, 2013: *Can Savings Groups Facilitate Poor Women's Access to Health Services? Lessons from the Chitral Child Survival Project, Pakistan*	Project report	Pakistan	Community Based Savings Groups (CBSGs)	The study found that CBSGs can play an integral role in encouraging members to access and use neonatal continuum care. Several key lessons surfaced throughout the intervention and should be considered for future programming intending to use Savings Groups as a financial tool to facilitate payment of health expenses. One of the most salient lessons is to ensure that outside actors do not dictate how group savings are used, thereby compromising the group's autonomy and the individual member's motivation to save. In addition to facilitating savings and credit, these CBSGs serve as both a platform to disseminatehealth messages and a support system.
Allan et al., 2016: *The State of Linkage Report: The First Global Mapping of Savings Group Linkage*	Industry report	Global	Savings Groups, formal financial services	This report provides an overview of the current state of linkages between informal Savings Groups and formal financial service providers. This includes where linkages are taking place, the types of organizations involved, and the scope of products offered. The report also highlights the lack of relevant and up-to-date information available on the different aspects of linkages (products, organizations, etc.) and attempts to address this information gap.
Brunie et al., 2014: *Can Village Savings and Loan Groups Be a Potential Tool in the Malnutrition Fight? Mixed Method Findings from Mozambique*	Academic article	Mozambique	VSLs and Ajuda Mutua (AM) — rotating labor scheme	The study revealed that overall there is a positive link between economic-strengthening activities (VSLs and AMs) and nutritional outcomes for children. The authors also noted that VSLs can play a central role in improving seasonal and transitory food security. Moreover, they found that VSLs can have a twofold impact by providing an injection of cash at critical times and acting as a support to cope with unexpected shocks and events. Despite the positive effect of VSLAs and parental awareness of good nutrition practices, financial constraints to a diversified diet persist.
Burlando and-Canidio, 2016. *Does Group Inclusion Hurt Financial Inclusion? Evidence from UltraPoor Members of Ugandan Savings Group*	Working paper	Uganda	Savings Groups as part of a suite of services in a vulnerable children program	The authors randomly assign ultra-poor Ugandan households to Savings Groups containing different proportions of ultra-poor mem-bers. They find evidence that groups may be unable to satisfy the bor-rowing needs of their members. Furthermore, scarcity of loanable funds is more severe in poorer groups and disproportionately affects their poorest members. A tradeoff emerges between the inclusion of ultra-poor households in a Savings Group and the group's ability to provide credit to these same ultrapoor households.

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Cameron and Ananga, 2013: *Savings Groups and Educational Investments*	Industry report	Africa, Ghana	Savings Groups, education	The report reveals that Savings Groups can have varying effects on education — mostly positive. In most cases, Savings Groups are a source of loans that help households meet educational expenses. Evidence shows that improved socioeconomic status and livelihood capacity also affect educational outcomes — directly through payment of education fees and indirectly through the effects of better health care and nutrition. Additionally, Savings Groups contribute to shifting expenditure decision-making toward female household members. This is likely to result in increased educational investments. While Savings Groups have the potential to positively affect educational outcomes, the evidence base remains sparse and further research needs to be conducted.
Cole et al., 2015. *Early Evidence Implementing a Gender Transformative Savings and Lending Group Pilot Project in an Aquatic Agricultural System in Western Zambia*	Working paper	Zambia	Savings Groups, gender-transformative dialogues	The paper summarizes early findings from a gender-transformative savings and lending group project designed and piloted by staff from Catholic Relief Services, Caritas-Mongu, Promundo-US, and WorldFish in an aquatic agricultural system setting in rural, western Zambia (the Barotse Floodplain). A mixed methodology was employed to assess the contribution that the gender-transformative savings and lending pilot is having on economic and genderrelated outcomes. Preliminary findings from the pilot demonstrate that positive outcomes are beginning to emerge, yet some challenges exist. End-line data has since been collected, and a full analysis will be available later in 2016. The SILC+Gender Transformative Approaches facilitation manual is available on the WorldFish website.
Dahl Rasmussen, 2012: *Small Groups, Large Profits: Calculating Interest Rates in Community Managed Microfinance*	*Enterprise Develop ment & Microfinance,* Vol. 23, No. 4	Malawi	Savings Groups	The author argues that the annual return for Savings Groups is in fact twice as much as what is generally reported in literature on the subject. He emphasizes that "the difference comes from sector-wide application of nonstandard interest rate calculations" and that returns in Savings Groups simply cannot be compared with returns elsewhere. Additionally, he adds that the standard interest rate calculation is flawed and offers an alternative approach to calculating interest rates, closer to the real financial calculation, andprovides suggestions on how to easily implement this new approach.
Gash and Gray, 2014: *Advancing Integrated Microfinance for Youth, in Ecuador and Mali: Final Project Research Brief*	Synthesis report	Mali, Ecuador	Financial education, Savings Groups (youth savings-groups, youth group savings accounts, individual youth savings accounts)	This study found that integrating financial education (FE) and financial services proved successful in building the financial capability of youth in Mali (Savings Groups+FE) and Ecuador (savings accounts+FE). Evidence shows that when given access to integrated financial services, youth are motivated to save. The study found that parental support plays an instrumental role in youth access to financial services and influences the financial Behaviors of youth. Convenience and proximity also surfaced as important elements to ensure that youth are actively using savings services.

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Powering connections

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Gash and Odell, 2013: *The Evidence-Based Story of Savings Groups: A Synthesis of Seven Randomized Control Trials*	Industry report	Africa	Savings Groups	Seven RCTs were conducted on SG programs in seven countries, looking at impacts on a wide variety of householdlevel outcomes, with three of the studies covering additional aspects of SG programming, including feeforservice community agent vs. field agent delivery models, SG+ education programming, and a trained vs. spontaneous replication strategy. The key findings on household impacts showed that the availability of SGs clearly increases savings and the use of credit, and increases livestock ownership in some areas. The impacts on businesses, health, and education were mixed. Social impacts such as women's empowerment and social capital were quite limited, but increases in consumption smoothing and food security suggested that SG participation increases resilience. The feeforservice agent model proved viable. SG+ education programs can change knowledge and behavior, and the structured replication strategy proved more impactful.
Helth Lønborg and Dahl Rasmussen, 2014: *Can Microfinance Reach the Poorest: Evidence from a Community Managed Microfinance Intervention*	*World Development,* Vol. 64, pp. 460-4 72. Elsevier Ltd.	Malawi	Savings Groups	Using panel data from an RCT on the DanChurchAid VSLA program in northern Malawi, the authors review performance indicators for effectiveness in targeting the poor. They find that participants are less poor than the general population in the area, and that the initiative is able to provide financial services to a large share of households in extreme poverty in a rural area. They also provide suggestions as to when and why the poor exit the program.
Loupeda et al., 2015: *Pilot Project Report: Using Mobile Money to Link Savings Groups to Financial Institutions*	Project report	Burkina Faso	Mobile money, Savings Groups, financial education	Although still in its early stages, the project has made significant strides in linking mature Savings Groups to financial institutions using mobile technology. While some have chosen to opt out, a large number of Savings Groups recognize that the scheme allows them to earn interest, keep their funds safe, and engage with formal financial institutions. A key element of success thus far can be credited to the mobile network operator's (Airtel's) work on the ground, identifying and coordinating distributors and agents for the different Savings Groups. Additionally, Airtel's network of distributors and agents has been working toward creating a conducive environment to serve the needs of this new clientele. Key challenges include members' inability to navigate the Airtel money menu, scarcity of the Airtel signal, geography, and fees associated with withdrawals.
Mine et al, 2013: *Post-Project Replication of Savings Groups in Uganda*	Synthesis report	Uganda	Village Savings and Loans Associations (VSLA), Savings and Internal Lending Communities (SILC)	The study revealed that Savings Groups established by NGOs continued to grow rapidly and replicate after project funding and support was phased out. Replicated groups form through observation of and interaction with existing groups. Replicated groups appeared to have a higher return on savings despite smaller loan sizes. The study found that membership in multiple groups was highly common and a key factor in replication. Although multiple-group membership does not seem to have negative effects for Savings Groups or their members, it is unfavorable if the members members are taking out loans from one group to pay off debt to another, thereby entering a cycle of debt that is counterproductive to the VSLA model.

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Orr et al., *Forthcoming.: Saving Groups Plus: A Review of the Evidence.*	Industry report	Burundi, Cote D'Ivoire, Ethiopia, Kenya, Mali, Mozambique, Pakistan, Rwanda, and Uganda	Integrated Savings Groups with other development interventions	While extensive research has been conducted to assess the impact of Savings Groups on savings and access to credit for the world's marginalized populations, currently there is limited literature and data on the effectiveness of integrating Savings Groups with development activities across other sectors. Evaluations are needed to further explore the extent to which integrated Savings Groups can affect social and environmental drivers of poverty. These evaluations should include **(1)** more rigorous study designs, **(2)** more robust measurement tools and time periods, **(3)** the design of theories of change and factorial research, and **(4)** implementation and cost analysis research.
Rippey and FSD Kenya, 2015: *Quality of Delivery Study: Outreach, Member Satisfaction, Safety and Delivery Channels in Savings Groups Projects*	Comparison study/ synthesis report	Kenya	Savings Groups	The study found that Saving Groups (SG) projects have led to a significant increase in SG membership of both preexisting and newly formed groups. Proximity, retention of funds in the group, ease of borrowing, flexibility, transparency, and social support were factors that motivated members to continue to engage with SGs. Findings reveal that SGs formed as a result of NGO interventions are of "higher quality" than organic ones. SGs in the project areas boasted higher attendance rates, higher savings, and higher share-outs than SGs in the control areas. The study also found that both CRS and CARE models were successful in forming, training, and supporting SGs. CARE succeeded in producing a large quantity of groups at very low cost, while CRS was able to develop networks of trainers and a sustainable apprenticeship system
Spaans and Davis, 2014: *Business Model for Linking Village Savings & Loans Associations (VSLAs) to Formal Financial Institutions (FFIs), Part 1: Conceptual Framework & Analysis Approach*	Industry report	Africa	VSLA, formal financial services	In partnership with Accenture Development Partnerships (ADP), CARE has developed a business model strategy in order to link VSLAs to Formal Financial Institutions (FFIs) as a way to meet the evolving financial needs of VSLAs. An overview of the approach used to engage with FFIs to create a business case for linking is detailed in the report and consists of five distinct steps: **(1)** mobilize team and kickoff; **(2)** determine and model cash flows; **(3)** collect data elements and assumptions; **(4)** review and adjust the financial model; and **(5)** finalize the model and present results.
Williams, 2014: *Research Brief: Practices and Possibilities in Savings Groups*	Industry report	Africa	Savings Groups, technological innovations	The study explored innovations in 3 key areas: linking saving groups with banks, practices to improve efficiency, and technological possibilities to improve services. While NGOs have played an important role in facilitating linkages between Savings Groups and formal financial institutions, large numbers of Savings Groups have spontaneously sought out linkages on their own, thereby indicating a willingness to engage with formal financial institutions. The majority of Savings Groups have a formal bank account, primarily to keep their savings safe but also to have increased access to credit and the ability to build financial history. The study reveals that technology has immense potential in amplifying outreach and impact. Several innovations in the field have surfaced and include digitalizing Savings Groups' financial records, mobile banking, and video-based trainings.

About SEEP

SEEP is a global learning network. We support strategies that create new and better opportunities for vulnerable populations, especially women and the rural poor, to participate in markets and improve the quality of their life. Founded in 1985 in the United States, SEEP was a pioneer in the microcredit movement and helped build the foundation of the financial inclusion efforts of today. In the last three decades our members have continued to serve as a testing ground for innovative strategies that promote inclusion, develop competitive markets, and enhance the livelihood potential of the worlds' poor. SEEP's 120 member organizations are active in more than 170 countries worldwide. They work together and with other stakeholders to mobilize knowledge and foster innovation, creating opportunities for meaningful collaboration and, above all, for scaling impact.

About SLWG

SEEP's Savings-Led Financial Services Working Group (SLWG) brings together practitioners that support the development and expansion of Savings Groups as a mechanism to promote financial inclusion and other development objectives. Known by many different names—for example, VSLAs (Village Savings and Loan Associations) and SILCs (Savings and Internal Lending Communities)— Savings Groups are growing in number and in popularity within SEEP's membership and beyond. Established in 2007, SEEP's Savings-Led Financial Services Working Group was at the forefront of this new movement and helped set the stage for broad-based industry coordination and the establishment of common definitions and methodological improvements. During this time, more than 160 individuals from 70 organizations have contributed to the Working Group by developing shared learning products and supporting knowledge mobilization through virtual and in-person practitioner-led events and conferences.