The Long-Term Performance and Evolution of Savings Groups

REQUEST FOR
EXPRESSIONS OF INTEREST

Release date: May 4, 2018
Submission deadline: May 25, 2018, by 5pm ET

1. OVERVIEW

The short-term outcomes of Savings Groups are well-documented. However, measuring long-term outcomes is more challenging as funding cycles seldom enable investments in post-project monitoring and results measurement. As a result, most of our knowledge about Savings Groups is limited to the period during which they are trained and supervised by a development organization, typically one year; and, at the very most, the duration of projects, typically no more than three years.

The SEEP Network invites expressions of interest to conduct a **study on the long-term performance and evolution of Savings Groups**. In a subsequent phase, SEEP will solicit proposals from qualified candidates.

The study will examine the financial performance, institutional performance, institutional relationships and activities of Savings Groups **at least five years of age**, based on primary research in three countries in sub-Saharan Africa. One research grant of up to USD 100,000 will be awarded by the SEEP Network for a period of up to 9 months (from July 1, 2018 to March 31, 2019).

Expressions of interest may be submitted by universities, applied research institutions, non-governmental organizations, and consulting firms.

2. BACKGROUND

2.1 Savings Groups Evidence and Learning Initiative

The Savings Groups Evidence and Learning Initiative (SGELI) is a 3-year project (2017-2019) supported by FSD Africa and implemented by the SEEP Network. The project aims to facilitate the creation, sharing and use of evidence for and among organizations supporting Savings Groups, to increase access to and use of appropriate financial services by vulnerable populations in sub-Saharan Africa.

The project's strategy is based on key market systems development principles, specifically the role that information, knowledge sharing and coordination can play in influencing the behaviors of market actors. Through the initiative, knowledge and evidence is generated, collected, curated and used to help catalyze the generation and adoption of improved services, technologies and business models that have the greatest likelihood of systemic level impact.

The initiative mobilizes knowledge and facilitates learning opportunities and events within eight focus areas, including impact.

2.2 The SEEP Network

SEEP is a global learning network composed of over 100 member organizations active in more than 160 countries worldwide. Our mission is to empower our members to be effective agents of change and to enhance their collective ability to accelerate learning and scale impact. We support strategies that create new and better opportunities for vulnerable populations, especially women and the rural poor, to participate in markets and improve their quality of life.

Founded in 1985, SEEP was a pioneer in the micro-credit 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 world's poor.

For more information about the SEEP Network, visit www.seepnetwork.org

2.3 Financial Sector Deepening Africa

Financial Sector Deepening Africa (FSD Africa) is a non-profit company which aims to increase prosperity, create jobs and reduce poverty by bringing about a transformation in financial markets in sub-Saharan Africa and in the economies they serve. It provides know-how and capital to champions of change whose ideas, influence and actions will make finance more useful to African businesses and households. Based in Nairobi, Kenya, FSD Africa is funded by UK Aid from the UK Government.

Through access to finance initiatives, it seeks to build financial inclusion. Through capital market development, it looks to promote economic growth and increase investment. As a regional programme, it seeks to encourage collaboration, knowledge transfer and market-building activities – especially in fragile states. FSD Africa also provides support to the FSD Network.

For more information about FSD Africa, visit www.fsdafrica.org

3. OBJECTIVE

This study aims to describe the long-term performance and evolution of Savings Groups. Specifically, the study will examine the financial performance, institutional performance, institutional relationships and activities of Savings Groups at least five years of age – **preferably older** – based on primary research in three countries.

4. SCOPE OF WORK

4.1 Period of performance

The period of performance of this work is from July 1, 2018 to March 31, 2019.

4.2 Technical requirements

The study will survey at least 300 active Savings Groups, at least five years of age, in three countries in sub-Saharan Africa.

Biodata
The study will collect the following biodata on all sample groups:
- Location (country, district, village)
- Contact person name
- Contact person telephone number
- Date of group formation

Financial performance
The study will present baseline[1] and current data on the following indicators of group financial performance:
- Savings
  - Savings per member
- Loans
  - Average loan amount or Average outstanding loan amount
  - Number/percentage of borrowers
- Return on investment
  - (ex. return on savings, annualized return on savings, return on assets, annualized return on assets, return on equity, annualized return on equity)
- Share-out
  - Total amount of first share-out
  - Total amount of most recent share-out

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[1] Baseline data refers to data from the group's first year of operations. Sample or population baseline data may be generated from historical Management Information System data, research and project documentation, member passbooks, group ledgers, or other group or project records.

Institutional performance

The study will present baseline and current data on the following indicators of group institutional performance:
- Number of members (sex-disaggregated)
- Meeting attendance rate

Institutional relationships

The study will describe the institutional relationships between the group and external entities including, but not limited to:
- Development organizations
- Financial service providers
- Businesses (clients or suppliers of goods or non-financial services)

Group activities

The study will describe the activities of the group beyond its core Savings Group functions. This may include:
- Economic activities (ex. joint production, collective purchases, group investments in physical assets, etc.)
- Non-economic activities (ex. care for orphans and vulnerable children, social events, advocacy, etc.)

Group survival and replication rates

The study will provide a robust estimate of:
- Group survival rate within the sample population
- Group replication rate within the survey area

4.3 Outputs

The grantee will produce the following deliverables:
- Survey instrument and protocol
- Sampling guidelines
- Database of all primary quantitative and qualitative data
- Research report – not to exceed 40 pages
  - Layout and design to be undertaken by SEEP
- Webinar on the findings, hosted by SEEP

5. AWARD AND FUNDING MECHANISM

The maximum award is USD 100,000. The mechanism for funding will be a cost-reimbursable services agreement, based on receipt of invoices.

6. ELIGIBILITY REQUIREMENTS

Expressions of interest may be submitted by universities, applied research institutions, non-governmental organizations, and consulting firms.

7. FORMAT

Expressions of interest – not to exceed 2 pages – must be submitted in English, in PDF, and include the following:

1. **DESCRIPTION OF THE ORGANIZATION**
   - Experience and relevant capabilities of the organization
   - Proposed personnel, including experience and relevant capabilities
   - Potential partners, if applicable
   - Proposed co-investment, if applicable

2. **TECHNICAL APPROACH**
   - Proposed technical approach
   - Proposed countries
   - Demonstrated understanding of and access to baseline data
   - Demonstrated understanding of key challenges and constraints, and proposed approaches to overcome them

8. SUBMISSION INSTRUCTIONS

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Expressions of interest must be submitted electronically to:

David Panetta
Program Director, Financial Inclusion through Savings Groups
The SEEP Network
panetta@seepnetwork.org

9. REFERENCES

Allen, Hugh and David Panetta. Savings Groups – What are they? SEEP Network, 2010.
Available at: http://mangotree.org/files/galleries/PANETTA_D_SEEP_Savings-Groups-What-Are-They.pdf

Gash, Megan and Kathleen Odell. The Evidence-Based Story of Savings Groups: A Synthesis of Seven Randomized Control Trials. SEEP Network, 2014.
Available at: http://mangotree.org/Post/The-Evidence-Based-Story-of-Savings-Groups-A-Synthesis-of-Seven-Randomized-Control-Trials

Gash, Megan. Understanding the Impact of Savings Groups. SEEP Network, 2018.
Available at: https://mangotree.org/Post/Understanding-the-Impact-of-SGs

Mine, Sarah et al. Post-project Replication of Savings Groups in Uganda. Datu Research, 2013.
Available at: https://mangotree.org/Resource/Post-Project-Replication-of-Savings-Groups-in-Uganda

The Savings Groups Information Exchange (www.thesavix.org)