

## Rural snapshot:

# What is the Savings Evidence Map and what does it tell us about alternative delivery channels of financial services to the rural poor?

Snapshot #03



## What is the Savings Evidence Map?

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**SAVINGS EVIDENCE MAP**

The Savings Evidence Map provides consolidated access to evidence related to savings focused financial inclusion.

- 44 COUNTRIES COVERED
- 354 STUDIES
- 41 VOUCHER-BASED FINANCIAL SERVICES

Category	Count
Clients	293
Institutions	97
Ecosystem	26

Intervention Type	Policy and regulation	Supporting functions	Market coordination	Informal roles
Individual savings	5	1	2	
Savings groups	9	2	0	
Other	1	0	0	
Product design	1	0	0	
Voluntary	0	0	0	
Commitment based	0	1	0	
Compulsory	0	0	0	
Embedded with other services	1	0	0	
Other	0	0	0	
Delivery channel				
Physical branches	0	0	0	
Physical branches - mobile	1	1	2	
Other	0	0	0	
Target populations				
Youth	1	0	0	
Ultra-poor	2	0	0	
Gender	0	2	0	
Rural	1	0	0	
Urban	0	0	0	
Other	0	0	0	

[About the Savings Evidence Map](#) | [View Synthesis Report](#)

The **Savings Evidence map** is an interactive tool that provides consolidated access to **354 studies** related to savings-focused financial inclusion. The map organizes the evidence into a matrix structure – by **type of results** grouped into client, institutions and ecosystem level results and by the **type of savings intervention** documented in the evidence – interventions focused on product type, product design, product distribution channels and target markets.

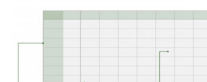
The Evidence Map is updated annually with newly available evidence and is accompanied by a **Synthesis Report** that provides users with a brief analysis of where the evidence is clustered and where we still have gaps, as well as a summary of our approach to developing the map and our inclusion criteria.

But users can do so much more with the map. For example, learning more about the effects of reaching rural populations with digital savings/financial services.

We walk you through the steps needed to identify the relevant evidence and we then highlight some of our key takeaways from the research.

### HOW TO USE THE EVIDENCE MAP

The map organizes the evidence into a matrix structure which is split across three results levels:



The vertical axis categorizes the evidence by the type of savings intervention documented in the evidence. The horizontal axis categorizes the evidence by the type of results grouped into client, institutions and ecosystem level. Each cell contains the number of studies contributing to a specific type of intervention and target population.

# 1. How to identify the relevant evidence

The Savings Evidence Map houses 73 studies that assess the impact of savings in rural settings. These studies cover a broad range of impact areas related to clients, institutions and the overall financial inclusion ecosystem.

Studies can be tagged multiple times, so you might find the same study appears in more than one impact area of the map. Additionally, they can be tagged by multiple types of results (shown on the horizontal axis– e.g., access and consumption within the client impact areas) and multiple ‘intervention types’ (shown on the vertical axis– e.g., alternative delivery channels and rural).

For more advanced users of the map who want to sub-filter results, users can further refine the search to identify studies that meet a number of additional criteria. For example, if users are interested in **impact evaluations** of savings initiatives implemented in a **rural setting in Sub-Saharan Africa** that document changes in usage, users can click on the filters in the map related to ‘Region’ and ‘Type of Evidence’. Then by clicking on the cell associated with ‘usage’ outcomes users can identify 8 studies, as shown in the image below.

The screenshot shows the Savings Evidence Map interface with the following components:

- Filter Bar:** Countries, Region, Types of Evidence, Research Methods, Methods of Analysis, Data source, Quality Assessment Criteria, Language.
- Clients Section:**
  - Intervention type: Access (1), Usage (1), Income (1), Assets (1), Consumption (1), Business, Resilience & Empowerment, Health and Education (1), Social Outcomes.
  - Target market/clients: Rural (5, 8, 2, 0, 2).
- Institutions Section:**
  - Intervention type: Outreach (1), Sustainability & replicability (1), E bu.
  - Target market/clients: Rural (0, 0).
- Ecosystem Section:**
  - Intervention type: Policy and regulation (1), Supporting functions (1).
  - Target market/clients: Rural (0, 0, 0, 0).
- Results Detail (Number of Results: 8):**
  - Introducing Mobile Money in Rural Mozambique: Evidence from a Field Experiment**
    - Authors/Publication: Batista and Vicente
    - Year: 2013 | Country: Mozambique
    - Type of results: Access, Usage
    - Intervention type: Alternative delivery channels - Mobile banking, Rural
  - Improving Access to Savings through Mobile Money: Experimental Evidence from Smallholder Experimental Evidence from Smallholder Farmers in Mozambique**
    - Authors/Publication: Batista and Vicente
    - Year: 2017 | Country: Mozambique
    - Type of results: Usage, Income
    - Intervention type: Alternative delivery channels - Mobile banking, Rural

## 2. What is the evidence saying?

Here, we've pulled out a couple of the key findings that resonated most with us. While this is by no means based on a full review of all available studies, we want to highlight a few interesting findings.

### Access to mobile banking can facilitate remittance flows by reducing transaction costs and thereby have positive impacts on the rural poor.

Rural areas often have a low density of bank branches, therefore mobile money transfers can be a good way to reduce transaction costs of remittances. For instance, Wieser et al (2019)<sup>1</sup> show that the introduction of mobile money agents in Northern Uganda, a region with few bank branches and low remittance transactions, increases the likelihood for people to send or receive money transfers. This effect is particularly strong where bank branches are more than 25km far away. While the study does not find an increase in savings or agricultural outcomes, it observes that food insecurity as a consequence of negative shocks reduces. Besides, the authors believe that remittances may increase investments in self-employment as they find a significant increase in non-farm self-employment.

Urban migration is common in Bangladesh, where Lee et al. (2017)<sup>2</sup> find that households that were actively supported in setting up a mobile account received more mobile remittances (up to 30% more). This led to reduced borrowing by the recipients while they increased savings, in addition to experiencing positive effect on health, education, and agricultural outcomes.

### Mobile money services promote savings and other investments in rural areas.

Based on an experiment in Mozambique where farmers received mobile phones and training on using mobile money services, Batista and Vicente (2019)<sup>3</sup> suggest that mobile savings can nudge farmers into agricultural investments. They show that offering a bonus for sustained savings in the form of fertilizer increases the likelihood of farmers to use fertilizer by approximately 35 percentage points. This leads the authors to conclude that rather than lacking opportunities to save, farmers may have limited attention to fertilizer application and suffer from present bias which can be mitigated through the option of investing into fertilizer right after harvesting when money is available.

### Using mobile money can be a way for poor to build up precautionary savings and can mitigate the use of negative coping strategies to overcome shocks.

In Kenya, transactional sex is a common coping strategy for poor women. However, Jones and Gong (2019)<sup>4</sup> find that vulnerable rural women who were offered M-Pesa accounts with individual savings goals and SMS reminders are less likely to use transactional sex as a coping strategy and to show symptoms of sexually transmitted infections, while they increased their mobile savings.

- 1 Wieser, C., Bruhn, M., Kinzinger, H., Ruckteschler, C., Heitmann, S. (2019) The Impact of Mobile Money on Poor Rural Households – Experimental Evidence from Uganda. IFC-Mastercard Foundation Partnership for Financial Inclusion. World Bank Policy Research Working Paper.
- 2 Lee, J., Morduch, J., Ravindran, S., Shonchoy, A., Zaman, H. (2017) Poverty and Migration in the Digital Age: Experimental Evidence on Mobile Banking in Bangladesh
- 3 Batista, C., Vicente, P. (2019) Improving Access to Savings through Mobile Money: Experimental Evidence from African Smallholder Farmers, IZA Discussion Papers, No. 12813, Institute of Labor Economics (IZA), Bonn
- 4 Jones, K., Gong, E. (2019) Improving Shock-Coping with Precautionary Savings: Effects of Mobile Banking on Transactional Sex in Kenya