State of the Practice:
Savings Group Linkages 2024

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Authorship and Acknowledgements

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Letter from VisionFund International's CEO

Savings groups are local treasures; they provide a context where the foundations of financial capability are laid, where community assets are preserved and grown, and where women's economic empowerment results in tangible benefits to children, households and their communities. In World Vision, savings groups are central to our organization's livelihoods strategy, and in VisionFund we approach savings groups as one of our primary target markets for extending financial services.

We view savings groups as the first step on the financial inclusion ladder, providing basic financial intermediation by allowing community members to save, borrow and invest in their local economy and receive a return on their investment. We also see a huge opportunity to work with these savings groups to climb further up the financial inclusion ladder through linkages to additional financial services designed to enhance these essential functions. While new practices and solutions continue to emerge in savings group linkages, this sector of the economy remains vastly underserved by formal financial institutions.

VisionFund commissioned this study as a contribution to our collective learning and future collaboration on this important topic of savings group linkages. The overwhelming interest shown by implementers, providers, donors and researchers in response to this study was a clear demonstration of the relevance of this topic to the inclusive finance sector. As such, we hope it will serve as a launching pad for on-going dialogue and action.

Edgar Martinez
President and CEO
VisionFund International

Executive Summary

In the first study of its kind, since the Banking on Change partnership first mapped the ecosystem in 2016[1], this 2024 State of the Practice Report defines today's landscape of programming and products that connect informal savings groups to formal financial services ("linkages").

Findings from this supply-side analysis are based on extensive interviews with practitioners—those who form groups or deliver financial services to them—as well as other thought leaders. Observations are based on interviews and follow-on consultations with 46 practitioners and their teams. Interviewees hail from the non-profit, government, education, consulting, fintech, and financial service sectors as well as from foundations and thinktanks.[2]

Inspired by VisionFund International's own questions about the linkage ecosystem, this study intends to point fellow practitioners to both novel and time-tested approaches. It offers a thematic analysis of trends in today's linkages, includes practical examples from the field, and is accompanied by an appendix listing important implementations and profiles of many of today's stakeholders: NGOs, technology platforms, financial service providers, and regulators.

The study's central findings reveal a shift in the model of linkages from a homogenous approach of linking groups to savings accounts and group loans, made popular in early implementations, to something far more heterogenous and complex. **A quest for commercial viability, the rise of agent banking, and realized advancements in technology have served as enablers of these new approaches, leading to a host of models that link groups and their members to financial services. We call these approaches collectively "Linkages 2.0".**

The linkages catalogued in 2016 represent "Linkages 1.0," and advance a straightforward model: whole groups were onboarded, typically by NGO staff, in partnership with a bank or microfinance institution. The relationship is heavily brokered and subsidized by NGOs. Through a financial institution, the group receives either a group account, into which they could deposit large sums of cash in periods before an end-of-cycle share-out (distribution of savings, fees, and interest back to members), or they are issued a group loan, guaranteed by all members.

Elements of the 1.0 approach persist today. They join new evolutions to become Linkages 2.0, which combine financial products, technology, and service delivery methods **to 1) improve the distribution, value propositions, and business models of financial service providers; 2) improve the efficiency and impact of those forming savings groups (primarily NGOs); and 3) provide greater value to savings groups and their members.**

The resulting shifts can be observed in four main aspects of linkage implementations: roles of ecosystem players, distribution, product design, and technology.

Evolving Roles and New Entrants. Shifting roles in Linkages 2.0 involve adaptation by NGOs, financial institutions, and governments toward new business models and regulatory strategies. Many providers who piloted Linkages 1.0 have exited the ecosystem. For the most part, those who remain are either mission-minded financial institutions for whom serving groups is a matter of mandate or social commitment, or commercial entities (re)entering the market, based on the promise of new business models. Notably, new technology platforms have entered the market offering efficiencies to groups and providers. Governments are paying closer attention in some markets, seeing linkages as an inclusion strategy and, in some cases, beginning to regulate groups and linked services.

Agent Dynamics. Of increasing importance are facilitators of linkages at the last mile. Agents, some trained and paid by NGOs, others by financial service providers bring doorstep services to groups and members. Agents offer a path to sustainability for NGOs, and for commercial providers, agents extend reach at lower costs. Practitioners are wrestling with how to align incentives to best serve groups.

Diversified Products. Linkages 2.0 present a diverse array of products, beyond group accounts including individual accounts, loans, insurance, and connecting groups to digital marketplaces and agricultural value chains. Where group products demand higher regulatory scrutiny and more complex onboarding, we see increased interest in promoting individual accounts, loans, and supplemental services. Emerging evidence suggests that this may align with the diversity of member needs within a group.

Technological Advancements. Even more than going cashless (via mobile money), Linkages 2.0 technologies aim toward paperless processes, embracing high-quality technology platforms for digitized recordkeeping. The introduction of technology platforms, or apps, holds the potential to make recordkeeping accurate and group management of its internal funds flexible. The platforms also pave the way for group and individual credit scores, although this promise is still in the early stages of development.

Comparing 1.0 and 2.0 Linkages

Linkages 1.0		Linkages 2.0
Goal: Empowerment; a group as a hub for other sectors; sustainability via market-led scaling after NGO pilots.	**GOAL**	Goal: Progress in financial health; increased financial choice for groups and members; sustainability via agent- and tech-enabled cost efficiencies.
Simple ecosystem (group, NGO, bank partner) Regulators see groups as informal, largely unregulated	**ROLES**	Complex ecosystem (+platforms, MMOs, agency networks, types of licensed FIs) Some countries begin to require registration of savings groups, especially prior to linking
Group product (savings or credit – mostly savings) Strict adherence to model (SILC, VSLA, SHG); annual share-out of funds is required	**PRODUCT**	More flexibility in product: group or individual, savings, credit, insurance, other More flexibility in the SG model; technology enables more flexibility in share-out and loan repayment timing for members
NGO staff-facilitated	**DISTRIBUTION**	Agent facilitated; diversity of agents and approaches
Analog recordkeeping Cash and box with three keys Group holds own data (ledgers or passbooks or both)	**TECHNOLOGY**	Digitally-enabled recordkeeping Mobile money with no cash in box; group has access to a smartphone Data in cloud and available to others

In entering the digital realm, savings groups benefit, but are also exposed to new risks. The *Risk and Alternatives* section details some of these risks and ways to mitigate their effects. In transitioning from paper-based tools to the digital domain, savings groups face new and heightened risks: potential data loss, breaches, and the sale of data by financial service providers. Simultaneously, there are exclusionary risks, such as the marginalization of digitally illiterate members and those without handsets or connectivity. This digital transition promises new commercial viability and functionality, yet practitioners point to risks of low demand for digitization and challenges associated with scaling.

This report concludes with **a call for more learning**. The final section: *Looking Ahead* posits open questions for the field, the answers to which will determine both supply-side viability and demand-side value. Most prominent among them:

- How can we ensure that the promise of tech-enabled efficiencies translates to expanded and sustainable inclusion and prosperity rather than leading to further exclusion of people with limited access and experience with technology?
- In what ways can linkages deliver real value to groups and their members?

Encouraged by the quick learning of practitioners to-date as well as a palpable appetite for continued improvement, the authors see cause for optimism for the future of linkages. Evidence from the first phases of Linkages 2.0 point to some promising practices **to inform next iterations of linkages**:

- Delivering real value to groups. Through linkages, seek to improve underlying value of a group for its members by listening to their specific needs.
- Pushing beyond the 'group' persona. Classifying group members by archetype to better understand how external financial services or digitization can assist different types of members to achieve their goals.
- Employing group linkages first for some groups. Even if they are not an endpoint solution, group products can act as a safe entry point for many members, bridging to formal financial services as a group's needs evolve.
- Offering a digital option but not requiring it. In order to minimize the risk of exclusion, practitioners give groups a choice of paper-based or digital recordkeeping and encourage paper backups until groups feel comfortable, and platforms have proved their staying power.
- Capitalizing on tech-enabled flexibility. For example, digital recordkeeping can give groups the flexibility to choose whether to share-out or continue accumulating.
- Setting clear expectations. Give extra care when explaining requirements, conditions and value of linked offers.
- Embedding a discussion of data security, backups and how to reconstitute lost digital records into programming and training.
- Supporting commercial interests of groups. This may include creative approaches to supporting the entrepreneurial activities and employment possibilities of groups, subgroups, and their members.

We hope that these questions inspire the next round of learning and innovation.

State of Linkages

Introduction

In 2016 the Banking on Change coalition released a first of its kind study: The State of Linkage Report. It asked an ambitious question: how big was the market for savings group linkages, and who was actively working in the space. That report mapped which organizations were linking savings groups to financial service providers, revealing the breadth of the practice.

This report builds from that foundation. It incorporates major efforts made notably by members of the SEEP network and SEEP itself, and those of many contributors and convenors of the DSG Hub. This study follows in the footsteps of the hugely influential Savings at the Frontier Initiative to include examples where linkages press beyond our traditional conceptions of 'groups' and investigates the trends toward commercial viability, which SatF so carefully documented.

Eight years later, this report picks up where that report left off. It asks a slightly different set of questions to match the evolution in linkages.

This study acknowledges that linking to a financial provider is but one path a group might take toward meeting their own needs and graduating beyond an NGO's involvement. We include mention of some closely related alternatives to linkages, alongside features which have evolved from practitioners piloting different approaches. **The examples and updates of this report seek to showcase innovations and inspire continued evolution in better service to groups and their members.**

A quote from Nick Meakin of Mercy Corps echoed a sentiment repeated by many in the course of conducting this research:

> *"Is it necessary for a group to move from informal to formal? No, absolutely not. There is sufficient value in the savings group itself. The end goal is not necessarily to link to formal finance institutions, rather, it's trying to understand when, and how [to do so appropriately]."*

As the state of linkages has matured, our definitions of linkages have also evolved.

For purposes of this study:
A savings group linkage can be considered a relationship between a savings group and a financial service or payment provider, where the provider has specifically designed a product or distribution strategy with a savings group in mind.[3]

By savings group, we mean a group of people, likely between 10 and 30 members, who meet regularly to save in a common fund, lend money from that fund to one another, or in some cases to people outside the group. In an important evolution from the 2016 definition, this study give serious consideration to offers of individual products to group members, as well as products to the group, as a whole. Thus, a linkage may involve links to the groups' individual members.

After excitement and a saturated pilot era (2016-2019), much has been documented by individual practitioners regarding lessons learned in those phases. This report does not render verdicts on those early efforts, but rather describes the state of the practice today, raises cautionary notes on potential risks that accompany these evolutions, and highlights opportunities for the future.

A note on methodology

This report is the result of a supply-side analysis. Its findings are based on interviews and follow-on consultations with 46 practitioners and their teams. Interviewees hail from the non-profit, government, education, consulting, fintech, and financial service sectors as well as from foundations and thinktanks. Interviews were conducted via video conferencing in the period of September-December 2023. Primary research was supplemented by desk research of consumer-facing product collateral and project evaluations.

The early days of linkages: Linkages 1.0

The foundational premise of Linkages 1.0 was that a group wanted a safe place to store funds, and occasionally needed more capital to lend to its members. Groups and their members, the hypothesis went, could benefit from establishing formal relationships with a financial service provider, which would deepen a group or an individual member's financial well-being. In some instances, NGOs viewed financial service providers as a way to sustain and even graduate groups out of NGO-subsidized services. Meanwhile, financial service providers, who long ignored the tiny deposits of rural people and low-income earners, would benefit if they could scale their product distribution by serving group accounts instead of individual ones. If lending was an eventual goal, the provider would mitigate credit risks by having the savings group members, who are already in the habit of saving and borrowing, guarantee collectively the group loan.

Linkages 1.0 proved a bit more challenging than hypothesized. Groups struggled to gain real value from banking partners whose services, located in branches, were often a great distance away. Despite the group nature of potential clients, providers still found them expensive to serve, and it took some time for providers to realize that the cycles of groups didn't match those of their typical clients. For most of the year, funds were disbursed to individual members in the form of loans, leaving group accounts held at the bank empty.

Still, group needs remained: they wanted a safe place to secure their savings and more capital from which to borrow; provider interest remained: they were curious if technology could provide low-cost solutions; and, NGO facilitator interest remained: they were committed to exploring better ways to link financial services to groups.

Alongside challenges was the enduring nature of savings groups themselves, new evidence supporting linkage goals, and breakthroughs in technology that could reduce the costs to serve and offer meaningful value to groups.

What emerged: Linkages 2.0

These driving forces have reshaped the landscape of savings group linkages. Linkages are no longer solely brokered relationships and group savings accounts. Today we see evolutions in product offerings, distribution patterns, digitization of last mile interfaces, and the roles of stakeholders in the ecosystem.

Rather than observing a single new model for linkages, an extensive effort to survey active implementations reveals an ecosystem of new options for delivering value to savings groups: Linkages 2.0.

Just as the smartphone allowed for a massive diversification of apps and services, so too did the digitizing of linkages. Practitioners and providers are mixing and matching features in new pilots and tinkering with improvements to successful 1.0 models.

In some cases, these changes exist alongside longstanding attributes of linkages: group savings accounts continue to offer value to groups seeking security of funds, and physical ledger books are still tucked beside smartphones in groups transitioning to digital bookkeeping.

New Roles and New Entrants in the Ecosystem

The Linkages 2.0 ecosystem maintains roles for groups and members, NGO facilitators, and financial service providers (providers). Though these stakeholders remain the same, their roles in the ecosystem have shifted somewhat from the earliest days of linkage implementations.

Additionally, the ecosystem has seen a new type of stakeholder enter the community in earnest: fintech firms offering technology solutions for digitizing groups and linkages.

The table below describes typical roles that each of these stakeholders are currently playing in the 2.0 ecosystem.

Evolving Roles for Linkage Players		
Stakeholder	1.0 Role	2.0 Role
Savings Groups/ Members	• Groups manage records via paper ledger books after NGO staff training. • Approach linkages as a full group. • Limited use of mobile money to digitize SG transactions.	• Groups manage records and transactions using digital means. • Groups may elect to pay an agent or a platform for linkage services. • Groups and members may more easily request (pull) additional services through their agents or digital record-keeping platform. • Groups may federate or register to be eligible for group-linked products.
NGO Facilitators	• Form groups and train. • Facilitate linkages via project-based partnerships or MOUs. • Subsidize costs and assume some risk of linkages.	• Train agents on group formation and management. • Introduce FSPs to groups and equip groups to assess FSP offerings. • Advocate for group needs to FSPs and governments. • Offset costs to providers via some continued subsidy for establishing linkages to groups.
Financial Service Providers	• Rely on NGOs for introductions to groups. • Offer (mostly) off-the-shelf products to groups, with limited product customization. • Subsidized by NGO or government partner to serve specific group population for a certain time period.	• Still heavily reliant on NGOs for introduction to groups. • Offer more tailored products, reflecting increased understanding of group dynamics (e.g. individual and group accounts). • Deploy new distribution and management strategies (agents and technology) to lower costs and strive for sustainability without NGO support. • Stratifications emerge based on type of provider.

Fintech Firms	• Largely not present in 1.0	• Create and maintain technology layer (platform) to digitize group functions. • Onboard (for free or fee) groups to platform. • Platforms broker linkages to financial (and other) services. • In some cases, fintech firms offer their own financial services to groups and members. • In two cases the fintech firm recruits the agents and pays them (Money Purse, Ensibuuko). • Share (sell) group data to NGO facilitators (monitoring function); promise of building digital credit history.
Government	• Group formation and management largely not monitored or regulated.	• Emerging requirements for group registration with local authorities and even central banks. • Increased attention on KYC. • Specific case of government-sponsored oversight for groups and facilitators. • Increased promotion of linkages as a path to financial inclusion.

Groups Themselves

We reserve a proper analysis of groups for further study, as this report is limited to a supply side analysis. Nevertheless, data provided by practitioners interviewed for this report offers some sense of the health of the groups globally.

Savings groups continue to proliferate globally. As they mature and possibly face more options in the linkage ecosystem, some groups may have increased choice in the way they and their members choose to pursue their own financial health.

The very nature of savings groups (endemic, self-sustaining), has made accounting for the real volume of groups a massive challenge. We can take data from today's SAVIX database as a point of departure.[4]

Still, SAVIX can only capture groups tracked by participating facilitators. This excludes any self-started endemic groups, many locally facilitated groups, and even some large INGO facilitators, for example CARE, and World Vision, who have opted to use their own databases. It also excludes groups 'by another name' for example the 12 million Self-Help Groups in India, or the countless ROSCA groups – tandas, tontines, and the like. Thus, we should consider SAVIX figures to significantly underestimate the number of actual groups thriving around the globe.

NGO Facilitators

We see a shift in the role of NGOs. In 1.0 linkages, NGO staff worked directly to link groups with a vetted financial service provider. In 2.0 models, they continue to vet providers and often subsidize linkage costs, but move away from direct linkage work, instead looking to NGO-trained agents to forge linkages, and focusing their attention on training and sensitizing both groups and providers to ensure suitability of linkages.

For example, Plan Canada has taken up the role of advocating for group needs vis-a-vis the financial service providers. While conducting a small pilot project in Quibdó on the Colombian Pacific Coast, it worked with Banco Agrario de Colombia to tailor their off-the-shelf savings account to better suit group needs, which included removing fees. In Peru, Plan's current strategy promotes an enabling environment for linkages to flourish organically, as groups wish.

Alongside work to support groups with financial literacy and entrepreneurship training, their work intentionally sensitizes financial service providers:

"Plan implements sensitization sessions with financial institutions to create awareness of underserved communities, particularly women and youth's needs, as well as promoting the benefits of working with savings groups. Plan's experience includes bringing communities and financial institutions closer together and encouraging them to break down barriers that impact access and usage. Furthermore, Plan works with communities and families to create an enabling environment where women feel supported and empowered to access and use financial products and feel confident about making economic decisions." - Plan Canada

Other NGOs exhibit similar shifts: CARE International is taking concerted steps to negotiate with mobile network operators to lower costs of services and offer realistic payment plans for handsets. CRS has invested heavily in its train-the-trainer "private service provider" model for agents (see next section), with Mercy Corps doing similarly.

In some particularly challenging contexts, NGOs are continuing to subsidize linkages: in their Re:Build pilot with urban refugees in Nairobi and Kampala, IRC served as the guarantor of the loan. The United Nations' World Food Program's SheCan project continues to subsidize onboarding costs as groups in Zambia and Malawi digitize and will do similarly in Haiti. Most express that despite the premise that linkages are a commercially viable model, most providers still look to NGOs to offset start-up costs, to assume risks of lending to groups, or expensive customer acquisition costs.

In partnerships where providers see commercial viability, many continue to look to local NGOs to bridge to groups — by making introductions to signal trust, promote products, or identify best-fit groups for providers to reach. In cases such as KNFP in Haiti and RPG in Madagascar, we see local NGOS, instead of large international ones, playing this role. As INGOs shift to more advocacy roles, it may be that local NGOS with more intimate knowledge of groups and members pick up these roles, training agents and localizing service provision, instead of international counterparts.

Financial Service Providers

Evolutions in provider roles depend on the type of financial service provider.

Savings-Chartered and Development Banks are still present in the 2.0 ecosystem. Their mission-alignment makes them more likely to understand rural clients, tolerate relatively low returns on savings deposits and assume higher risk in cases where they do lend. For the most part, these banks focus on scaling up deposit accounts, and opening member accounts, in addition to group accounts, to smooth digital transfers between member and group.

NATSAVE Zambia: a savings-charted bank scales by understanding group cashflow

NATSAVE Zambia, a savings-chartered bank, has scaled up a 2018 pilot program, offering rural savings groups a mobile-money enabled group savings account. Although they began in partnership with various NGOs, the majority of new accounts are opened directly by group representatives who respond to radio or other advertising channels. The group account is one of their fastest growing products, reaching 6,805 groups as of December 2023.

At any given time, about half of those accounts appear 'dormant' — not having had any transactions during the past three months. However, the bank expects this behavior for its group accounts due to periods of low activity while groups are lending to themselves and conforming to the seasonality of agricultural production.

"The dormancy is usually because of the rural aspect of the business. You know, sometimes economic activities ...evolve or revolve around the agriculture sector...." - Justin Chanda NATSAVE Zambia

About 55% of members in those groups have opened their own individual accounts with NATSAVE, taking advantage of cheaper transfers for group functions.

Other examples of transferring group funds to individual accounts have emerged as well, including Postbank Kenya and KWFT also in Kenya as well as Money Purse in India.

MFIs often share mission alignment as above and may have the added advantage of deep local knowledge and in situ personnel familiar with the customs and norms of their geographic area.

For example, VisionFund country offices have made concerted efforts to hire loan officers (Field Officers) who hail from the communities they support. This serves the dual purpose of supporting the local economy with employment opportunities and engendering genuine trust between potential clients and the institution. This strategic staffing choice is a core component of VisionFund's specialized FAST (Finance Accelerating Savings group Transformation) lending product to groups.

Commercial Banks have undergone major technological upgrades to core banking and distribution systems in recent years. Those still involved in linkages are betting on the use of agents and technology to drive down costs and unlock new cross-selling opportunities.

For example, Fidelity Bank Ghana, which saw limited success in its 1.0 linkage efforts, intends to use technology partner 192G to launch a new wave of linkages to digitized savings groups. In a pilot launching early 2024, their goal will be to use data gathered by the 192G platform to open individual or SMART accounts for each member of a group, also served by a group account. Their hope is that by opening individual accounts, they will see more activity, and fewer dormant group accounts. Eventually, it's their intent to use data from the 192G platform to inform better lending decisions to mature groups or members, and to open more individual accounts alongside group accounts.

Mobile Money Operators (MMOs) play a role in some but not all linkage markets, often depending on the maturity of the mobile money ecosystem and regulatory environments. MMOs benefit from (often) the most robust coverage — both in terms of mobile network and agents, and thus are well placed to serve many groups seeking to go 'cashless.' Still, fees on products and expensive handset financing limits current scaling.

Some organizations, however, are making partnerships with MMOs work. For example, the process of digitizing linkages has begun in Beaumont, Haiti, where an association of 13 groups has digitized the full financial management process. In a partnership between KNFP (a savings group support organization that offers training and other services), and Haiti Pay (a mobile money service regulated by BRH, Haiti's central bank), groups are now testing TipaMobile. The app allows savings groups to carry out transactions with their financial service provider and keep track of inter-lending within the group. The UN's World Food Program is currently working with HaitiPay to help scale TipaMobile.

Others are introducing their own mobile money channels. In January of 2024, VisionFund Malawi, a leading MFI in the country, will be offering a mobile money service to allow for seamless repayment of FAST loans and to capture savings deposits.

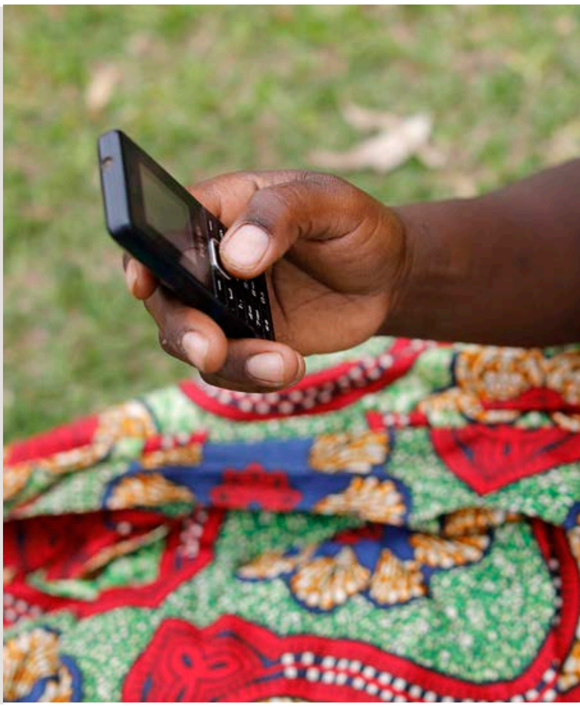
Fintech Firms have entered the ecosystem as bridging agents, sitting between groups, facilitators, and financial service providers. We offer greater detail about the specific services they offer in the *Technology* section, page 25 and profile several fintech firms in the *Profiles* section, page 37.

Some have transformed digital ledger services into fuller service options.

Ensibuuko offers a full service digitization platform

Ensibuuko's digital platform began as a record-keeping platform and developed into one that can offer digital savings and lending. It also offers group members individual credit scores. Working with GiZ, Mercy Corps, and other NGOs in Uganda, Ensibuuko is servicing more than 5,000 savings groups.

Using Ensibuuko's digital wallet, groups can make deposits into accounts at financial institutions such as Centenary Bank and Equity Bank. The group loads money into the digital wallet, the wallet transfers funds through a national switch and deposits funds into the group account. So far about 10% of the groups are using the digital wallet services.



Government

In today's ecosystem we see new, more active roles for government:

Active promoter of linkages

In Ghana, the Ministry of Finance considers linking savings groups to formal services as a priority area in advancing the National Financial Inclusion Strategy through the Ghana Financial Sector Development Project. The project spans four geographic zones, and, should the pilot yield strong results, aims to link 1,679 groups (42,000 members), with a goal of replicating the approach in other zones. Their strategy includes partnerships with NGO facilitators, providers, and fintech firms, and is being completed in conjunction with the World Bank.

User of linkage relationships

Payment linkages to groups can facilitate access to G2P and social credits. mChama, PostBank Kenya's digital VSLA platform offers individual account holders' information about various government services and subsidies. Individual account holders may use this information on the platform to request various credits or services. If eligible, those funds may be distributed directly from the partnering agency, to the individual mChama accounts.

Supervisor of groups

As groups begin to explore more formal financial relationships, groups and their facilitators may come under closer regulatory scrutiny from central banks.

Madagascar regulator turns a keen eye to quality of group facilitators

In Madagascar, to further the country's financial inclusion goals, two government groups (National Coordination of Inclusive Finance and the Commission of Supervision of Banks and Finance) came together in 2016 to form the Network of Promoters of Savings Groups (RPGEM), a non-profit association. The RPGEM oversees:

- Listing and identifying existing savings groups, their promoters, their areas of intervention, and their forms of intervention in the 23 regions of Madagascar;
- Representing promoters and savings groups;
- Putting in place a quality standard and a code of ethics for all promoters of savings groups; and
- Centralizing up-to-date data on savings groups.

It is also involved in helping to execute the Order on Savings Groups. The order was drawn up by the Financial Institutions Services (SIF) in consultation with other agencies including the non-profit RPGEM. The SIF is the state structure within the General Directorate of the Treasury in charge of the supervision and monitoring of savings groups in Madagascar.

By virtue of this order, the initiative set up clusters of savings group promoters in Madagascar's geographic regions. Supported by the National Coordination of Inclusive Finance and the RPGEM, the Order's aim is to ensure consistent quality of the promotion of savings groups.

Currently, the Order does not regulate linkages, but the various creators of the Order acknowledge the importance of linking financial institutions to savings groups. For example, CARE's Ombona program worked with mobile money operator, Mvola, to serve 25 savings groups in 2020. At the end of the pilot, more than 100 members were able to open mobile money accounts with banks, MFIs, and the non-bank financial institution, POAMA. According to the write-up of Treasury Inspector within the Ministry of Economy and Finance, Nivoarizay Liva Razafindrakoto, "it allowed them to enhance their income generating activities, to deal with collateral issues, and benefit from additional financial and digital education."[5]

Central banks continue to play a role in setting Know Your Customer (KYC) tiers and enforcing KYC standards, which have significant implications for the viability of group and individual linkages. While attention on consumer protection for newly linked groups or data protection for newly digitized records may be appropriate, we nevertheless see risks in this increased regulatory attention. A heavy-handed approach to supervision may in fact interfere with the historical success of low-risk savings group activities. For more, on this, see *Risks* section, page 29.

2.0 Product Evolutions

Linkages 2.0 moves beyond the group savings account, with more intentional opening of individual products, lending, and deeper financial services.

Group Savings: (still) meeting a common need for fund safety

The group savings account, the hallmark of 1.0 linkages, persists in the 2.0 ecosystem. It is still primarily used to provide groups with security and peace of mind. In cases where a group has a large amount of funds, which may make them a target for theft, that group can use the group account to deposit excess liquidity.

Motivated by Security:
"After experiencing security risks from armed groups in the project region, a few savings groups agreed to open a group savings account in a local bank. It's worth noting that women were generally hesitant to open bank accounts, and it was only after conducting several sessions of financial literacy and supporting them with practical exercises that they agreed to open an account."
- PLAN Canada in Colombia

These accounts are commonly offered by savings-chartered banking partners, with a mission to prioritize deposit-taking and serve excluded and under-served customers. Postbank Kenya offers an example. Its longstanding efforts in the linkage space have resulted in deep understanding of the group market segment. While adding individual accounts through its mChama digital interface, the savings bank has no plans to move away from groups in service only to individual members. To the bank, groups are key to financial education offered by both the bank and its NGO partners (CARE, CRS, World Vision, and many local partners).

A set of commercial banks have refined their 1.0 group savings account and found success in scaling their newer offering. For instance, Equity Bank in Tanzania realized there was limited uptake of its savings group product and set about to find out why. After extensive interviews with group members, the bank overhauled its product from the group up. Today, Equity Bank offers a group account, and each member is issued an individual account. The bank charges no ledger fees, no monthly fees, no fees on withdrawals, and no fees on inter-lending among members in the same group or between the group fund and its individual members. Moreover, if a group can save more than 300,000 TZS (~USD 120) they can earn interest on that amount.

Notably, products have evolved in terms of distribution, technology, and complementary services. Accounts can be accessed through digital apps to allow for deposits, transfers, or withdrawals to be done digitally via mobile money or bank agent. As mentioned, many offer these accounts in conjunction with individual member accounts.

Individual Savings Accounts: offering members deepening services to complement group activity (especially digital activity)

It is not uncommon for members of a savings group to have differing needs. The increasing prevalence of individual account opening as a feature of 2.0 is, in part, a result of individual product suitability.

It is also a byproduct of digitization and new business models for providers. As groups move to digitize their group savings and lending activities using mobile money or agent banking, they face lower fees and time saving if they can facilitate those deposits and withdrawals from another digital account, and individual account.

Providers see the potential for more active deposit accounts, by holding not only the group account, but the individual accounts into which loans and share outs are deposited. Due to the nature of savings group activity, it is likely that for 9 months of the cycle, deposits will not be in the group account, but rather lent out to members. Offering individual accounts to members alongside group accounts may combat this somewhat. Banks who've thrived in the space all demonstrate an understanding of this model and have accounted for the low rate of deposited funds within their product strategy.

The Group Loan

Linkages 1.0 had begun experimenting with some lending, always to groups. In special cases such as the SHG-Bank Linkage Programme in India, linkages were piloted as early as the late 1980s.

The premise of group loans was that groups would receive external loans from a provider, directly to the cashbox. The group would then on-lend those funds within the group, in accordance with its own rules and procedures.

1.0 group loans faced challenges: providers considered lending risky, even with a group guarantee. Performing due diligence and KYC compliance was extremely costly, requiring multiple trips to visit a group.

Groups receiving 1.0 loans also faced unexpected challenges: in cases where loans were made prematurely, loans could be taken without full group consent and captured by a few elites within the groups. If those few members were unable to repay those external parties, all member savings were put at risk. In these cases, this led to material loss for members and severe disruption to the social cohesion of the group.

Today, technology and learning from those early pilots have allowed providers to offer 2.0 group loans in lower-cost, more tailored, and more transparent ways. VisionFund International is one of the few providers that is expanding outreach rapidly to savings groups through its FAST (Finance Accelerating Savings group Transformation) lending product. FAST loans are promoted through specialized local field officers, and disbursed directly into a qualifying group's cash box. As of December 2023, VisionFund had reached a combined portfolio of USD 4.1 million across nine African countries by linking with over 7,900 savings groups through FAST loans.

VisionFund Malawi localizes a tech approach to group loans (and beyond)

VisionFund International has introduced digital delivery mechanisms to drive down costs of FAST loans, the organization's group loan product. As one of a nine-country strategy, VisionFund Malawi is scaling this new approach.

VisionFund Malawi, started its digital process with field officers. Equipped with training, a digital tablet, and a motorcycle, the officer who is employed by VisionFund Malawi visits the group on their home turf. There, the officer trains members on the mechanics of taking a FAST loan, the modes of repayment, and the timing of repayment. The field officer captures the KYC-required documents of the Chair, Secretary and Treasurer (not the two money counters) on the tablet and sends it to the branch, which makes the on-boarding for the group easier.

After the roll out of FAST loans, VisionFund Malawi will offer individual loans to FAST group members who have the capacity to make good use of additional capital. In January of 2024, the MFI will be able to take savings deposits as well as offering a mobile money service to allow for seamless repayment of FAST loans and to capture savings deposits. VisionFund Malawi is also embarking on a three-way collaboration with World Vision and DreamSave, a digital recordkeeping platform.

Group loan design, administration, and delivery is still very much an area of experimentation and learning. Two recent examples are IRC's group loans to Urban Savings and Loan Associations (USLAs) in Kampala and the Mercy Corps Apolou project. In the latter, Mercy Corps partnered with Centenary Bank to develop and launch a new loan product designed specifically for savings groups with no collateral requirements and an interest rate that was one of the lowest in the market. Groups received and repaid loans at Centenary Bank POS Agents to reduce the cost of transactions, and also used the Ensibuuko app to digitize their record-keeping to develop a transaction history against which they can borrow. In both the Kampala and Apolou cases, despite some successes with providing loans to groups, challenges remained: groups struggled to meet KYC and registration requirements to qualify for group loans. Providers remained hesitant about lending to these groups, even given new digital data, skeptical of self-reporting into the app and still facing high costs to serve far-away groups.

For more on challenges, see *Risks* section, page 29.

The Individual Loan

The commercial premise for linkages posited that a financial service provider would be more likely to serve a group than an individual customer from hard-to-serve markets. This hinged on two main ideas. First, having a physically consolidated group of customers meeting in one place "under one tree" would lower costs to onboard and serve. Secondly, an FSP's credit risk would be mitigated by a group guarantee and by the presumption that mature, healthy groups understood basic lending mechanics and obligations.

As models for account onboarding and distribution get cheaper and more efficient with technology, FSPs are seeing greater promise in offering individual accounts to savings group members. Today, the provision of individual loans—once impossible because of the high costs to vet and serve a single, remote member—has become more feasible and more attractive commercially. Reliable data on the behaviors and balances of particular members can make offering and underwriting individual loans more sound for providers.

Though implementation of individual loans is in its early days, it promises more choice for individuals. Members themselves, armed with their own digital credit footprints, could be empowered to request credit and demonstrate creditworthiness in new ways.

Kès Pam Pi Pre'M' ("My Credit Union Close to Me") uses group gatherings to onboard individual loans

From 2017-2018, the World Council of Credit Unions (WOCCU) in partnership with USAID and multiple Haitian organizations connected savings group members directly with participating credit unions and microfinance institutions. Rural agents, commissioned by 32 participating financial institutions, visited savings groups formed by CARE bringing their members into the credit union fold. As part of the KPPP initiative, or Kès Pam Pi Pre'M', rural agents opened individual accounts, took savings deposits, and for those who qualified, issued individual loans.

Rural agents also formed new groups, called KPPP groups. Unlike CARE's inter-lending savings groups (VSLAs), KPPP group members gather for the purpose of receiving financial education and becoming members of their local credit union. Rural agents visit groups monthly to capture individual savings deposits, take loan repayments, grant new loans, and assist with bill payment. From the perspective of the rural agent, groups make visits to a particular community efficient.

An investment in technology has been at the heart of the Kès Pam Pi Pre'M' initiative. Rural agents input customer information directly into an electronic device, eliminating the need to re-enter field notes back at the office. Devices are linked directly to the group's credit union. Rural agents also use printers to issue receipts, giving an added layer of confidence to members. Information is automatically transmitted to the financial institution as soon as there is internet connectivity.

As of October 2020, rural agents had created 249 groups, mobilized savings of 25,778,199 HTG (USD 409,178) and disbursed 1,252 loans, worth HTG 25,211,250 (USD 400,179).

KPPP addressed two problems. First, VSLA savings and lending accumulated insufficient capital to help group members. By being part of a larger savings catchment area, i.e., a member of a credit union, members could save without fear of theft and also could take out higher loan amounts. Prior to the rural agent model, the distance to a local credit union could be kilometers away on nearly impassable roads. Second, KPPP strengthened the credit unions themselves. Agents helped expand credit union membership by 4,215 members.

Meanwhile, new technologies offer more available and reliable data about individual member participation in groups. New data and visibility may enable more appropriate targeting of individual loans; for example, where a single member needs much more capital than other group members. For more, see *Technology* section, page 25.

New types of services

In the Linkages 2.0 ecosystem, providers have widened the suite of services available, seeking to meet demand and generate sustainable revenues.

Micro-Equity model offers a new way to 'fund the box'

Groups have always sought creative ways to augment the amount of their lendable funds. One such strategy was the practice of one member carrying multiple passbooks. By carrying multiple passbooks, a single member multiplied their own capacity to deposit and borrow, while adhering to group rules which capped the number of members who could join a group. This effectively increased the amount of overall funds in the pot to lend and borrow, without growing the group size.

As groups digitize their record keeping and integrate mobile money, we see a 2.0 tech-enabled flavor of this strategy emerging. In small pilots of 16 groups in Rwanda and Eswatini, tech platform DreamSave introduced a 'micro-equity' offering to groups.

DreamSave makes a tiny equity investment in the group, by sending in a virtual member, a member avatar, who comes with funds to contribute shares to the group. The avatar joins the group as a contributing member, governed by the terms of the group's bylaws. Though the persona may be fake, the investment is real. The avatar (on behalf of DreamSave) makes deposits into the group, and collects the same interest as other members at share-out.

The pilots have ended, and partners are reviewing results. The approach challenged conventional conceptions of group membership. For some, the premise of profiting from such investments by external parties challenges the integrity of group dynamics. For others, it offered a pathway to more autonomy for a group to grow its available funds for lending, without the obligations of an external loan. As providers and groups evaluate the pilots, much about this approach remains to be learned.

Insurance coverage offers new risk mitigation

A savings group itself is a risk mitigation strategy. A group's social fund may act as a type of insurance against the unexpected hardship of a member. Micro-insurance products may augment what a group could effectively insulate against on their own. In today's landscape, group linkages to insurance range from coverage types, to distribution models, and partners.

World Vision International has piloted several models. In Ghana and Malawi, World Vision VSLA groups are offered hospicash coverage. The policies vary in number of family members covered (3-6) and amount of payouts, but in both country implementations, they include a hospitalization benefit, a death benefit (for the insured and family members), and a disability benefit. The insurance is sold by VisionFund microfinance institutions and the policies are held by Allianz Life Ghana and CIC Insurance in Malawi. After about two years of operations, these programs have collectively reached 5,185 policies covering 17,442 people. Of those policies, members made 889 claims valued at US $12,576. In Uganda and Rwanda, VisionFund has begun linking a group hospicash product to the distribution of their FAST loan product. In this case, members of groups who have received a group FAST loan, are eligible to purchase insurance coverage for themselves or their families.

WFP piloted an 'insurance-first' linkage model in Zambia, based on mitigating climate risks to smallholder farmers. In a forthcoming pilot in Iraq, WFP and their provider partners will offer a bundled linkage: savings, insurance, and the potential for loans. In this case, the insurance policy carried by the farmer will act as a type of collateral for farmers, insulating their lenders from risks to production.

Jamii.one pivots to insurance for specialized groups

Digitization platform Jamii.one began its linkage work in Ethiopia, working with a coalition of government and NGO partners and offering loans to informal savings groups. But those early pilots revealed two limitations to their approach: first, the reach of NGO partners was limited, hampering the scaling potential for jamii.one to gain paying clients. Secondly, the loan product itself wasn't perfectly suited to groups. Over the course of several years of research and development jamii.one sought to understand what would bring real value to Ethiopian people. The answer, they told jamii.one: life insurance. The company pivoted to launch and scale a life insurance product, offered through its digital recordkeeping app, to iddirs (traditional burial savings groups). Iddirs are popular informal groups of up to 400 members, and span the country.

Jamii.one is now scaling this life insurance linkage pilot with Nibs Insurance in Ethiopia. The product is offered to all members of the group, but it is individual lives of members who are covered (not the group). Members may choose to take the coverage or not, and may insure their own life, or that of their spouse or family members. The amount of coverage is tied to the amount deposited regularly in the iddirs. Benefitting from digital recordkeeping of its members, the jamii.one platform intends to expand more meaningful insurance offerings to groups such as health insurance.

For more, see *Profiles* section, page 37.

Investment accounts deepen suite of services

Equity Bank Tanzania Ltd. Equity Bank, a full-service financial institution, has successfully piloted a digitally-enabled savings group product. Alongside, they have also developed an investment account where small groups of three or four customers can choose to keep saving in their accounts over multiple years without having to share out. This is a savings group spin on similarly designed accounts opened for investment clubs, for example, Absa (formerly Barclay's) Club Account in South Africa.

Working much like a certificate of deposit, these groups can restrict access to their investment account until a predetermined date. So far, fewer than 5% of traditional savings groups (about 5,000 groups) have members who have opted for the investment account.

Asset-specific financing promises more direct value

Pilots have emerged to test lending to groups for specific asset-related purposes. Of immediate relevance to groups who are simultaneously contemplating digitization and linkages, are projects designed to support groups in purchasing a group smartphone (Opportunity International, VisionFund and CARE are each exploring related work on the topic). Others aim to offer more value to groups by financing specific needs: Habitat for Humanity has just begun designing a lending pilot specifically for housing-related needs.

Opportunity International, RUFEP Zambia, CRS Tanzania, and many others are exploring financing agricultural inputs or equipment in the agricultural value chain.

In-app marketplaces complement group needs

Platforms jamii.one and Ensibuuko are developing embedded marketplaces into their ledger platforms to sell value-added products directly to groups such as water sanitation equipment and cookstoves. This opens another revenue stream for the platform, which hopes to offset costs to run the basic app with sales of these complementary products.

Spotlight: KYC implications for group services

KYC requirements, even tiered KYC regimes still pose challenges to account opening. Requirements for group accounts are often higher, from a KYC perspective, than individual accounts.

In some countries it is becoming more common for governments to require registration of groups to access any formal account. This is the case in Ghana, DRC, and Uganda.

In Uganda, savings groups are nested in Tier 4 of its regulatory system as Self Help Groups. Requirements for registration are light: a group is required to provide a copy of its membership register annually to the Uganda Microfinance Regulatory Authority. Still, this requires a commitment of time and trust for groups to complete, and they may call on agents for support in these processes.

In DRC, Equity Bank is pursuing a strategy of individual account opening because requirements for opening group accounts are more stringent, requiring official registration with local authorities. Because of these higher requirements, it is uncommon for CRS' SILC groups to open group accounts. Rather, larger groups—for example agricultural groups and producer organizations, are more likely to obtain group accounts or credits, as they have already registered and generally have more resources.

In many cases, group accounts are deemed KYC compliant with the identification information from the three executive members of the group. This is true for the VisionFund FAST loan procedure, where field officers (Provider Agents) digitize and transmit KYC documentation from the field in a single visit.

MMO linkages are not immune from KYC requirements themselves. In a small pilot in Benin, groups in Plan Canada were surprised and disappointed that they were unable to link to MMO accounts because they required official national identification cards in order to register for a SIM card. This significantly slowed the pilot and limited which groups could access the MMO services for group deposits and loan repayments.

Distribution: Agents are the bridge between groups and providers

Though technology has technically enabled advances such as digital account opening, mobile money transfers, and digital delivery of financial literacy, commercial providers and NGO facilitators alike have acknowledged a sustained need for face-to-face support.

Enter the agent. An agent acts as a liaison connecting information and services to groups, especially rural ones that may be expensive to serve.

Agents answer questions, provide technical support, and may broker relationships between groups and other types of services. The global rise of agent banking (sometimes called correspondent banking) has lowered costs for providers seeking to serve rural populations, once too expensive to serve with branches. Armed with smartphones or POS devices, financial service provider agents bring services to people, instead of requiring people to come to a physical bank branch.

At the same time, the concept of Savings Group Agents has caught on with NGOs seeking sustainable solutions for scaling group formation and sustaining group support long after their own projects and budgets expire. Both types of agents feature prominently in linkage 2.0 implementations:

The Financial Service Provider Agent	The Savings Group Agent
Trained in product features and procedures by the financial service provider.	Trained in group methodology by an NGO partner (or by another group.)
Paid by the provider or platform (either directly as staff, but more often on commission for services conducted), or by the group (indirectly via fees for services or per-meeting).	Paid by the NGO (as staff) or the Savings Group (commission per meeting). Sometimes work without pay, as a member of a group or in an act of community service.
Typically in charge of selling the service to a savings group, onboarding members, and conducting financial literacy training alongside that product.	Typically in charge of group formation and training on the group methodology. May facilitate introductions to a financial service provider at the group's request.
Examples: Equity Bank CashExpress Agents (DRC), VisionFund Field Officers, Ensibuuko Digital Community Entrepreneurs, Rural Agents working for credit unions and MFIs (Haiti).	Examples: CRS and Mercy Corps Private Service Providers, CARE Village Agents, Opportunity International Community Officer and Farmer Support Agent.

We see some variations on the theme.

Varied Approaches to Agent Distribution
A regional fintech recruits group members

Ensibuuko, for example, trains individual members of a group on the Ensibuuko product. That member then serves as the support person for the service, fielding questions from other members. Currently these 'platform agents' are unpaid, though the company is exploring a commission structure.

An INGO learns from a PSP approach

In the six-year Apolou pilot project in Karamoja, Uganda, Mercy Corps experimented with a hybrid model, whereby Savings Group Agents (here "Private Service Providers" PSPs) were trained by the financial service provider to act on the bank's behalf. The agents were responsible for training groups on the bank's products, and collecting completed account opening and loan application forms from groups and submitting them to the bank. They received a commission from the bank for every form submitted. As PSPs, they continued to support groups in their internal savings and loan activities, in return for fees paid by the groups.

A savings group agent becomes a financial service provider agent

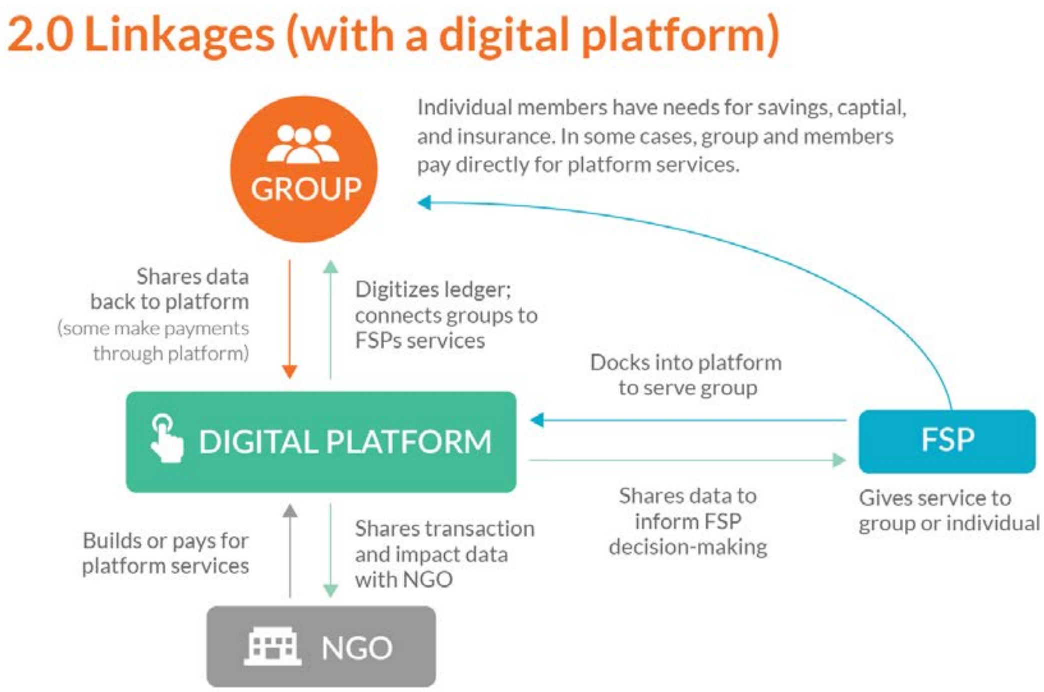
In the DRC, Catholic Relief Services is now reaching 40,000 savings group members. As part of its overall multi-country savings group strategy, CRS uses PSPs, an acronym for private service partners, or local agents who help form and service savings groups in exchange for a cash fee paid to the agent by the group itself. In the DRC, CRS has training and is monitoring 420 such agents, some of which are key to its pilot partnership with Equity Bank. In the pilot, the best PSPs will have the opportunity to become an Equity Bank Cash Express agent. These agents will be tasked with linking individual group members to savings accounts. Equipped with a POS device and displaying Equity Bank branded materials, Cash Express agents will assist 3,000 individual savings members in opening savings accounts. Eventually the pilot will expand to include all 40,000 Savings and Internal Lending Communities (SILC) members. Cash Express Agents will be incentivized through a fee-for-service strategy where they are compensated for assisting members in account opening, conducting transactions, training group members, and training other agents. This income will be above and beyond what they receive for their work as PSPs.

Equity Bank is pleased with the approach as it allows the bank to meaningfully extend its services to remote or hard to reach areas.

As 2.0 linkages rely more and more heavily on agent support, we note a risk that agents may become gatekeepers of the group, rather than facilitators in service of groups. For more on risks of the agent approach, see *Risks* section, page 29.

Technology: New strides in digitizing groups and linkages

Developments in technology have significantly changed the implementation and value proposition for all parties involved: groups, implementers, and providers. Within the 2.0 linkage landscape, new technologies are reducing time and costs associated with four functions:



Digital platforms for group recordkeeping and individual performance

By far the most significant change in the linkage landscape since its inception is the introduction of high-quality digital platforms to manage group record keeping.

For the most part, these platforms consist of an app interface, which can be run on an android device. It is via this app that groups manage their group activities. The app typically has the ability to push SMS-based notifications to members. This is often used at the end of a meeting to send each member a summary of group proceedings and an accounting of their own transactions made at that meeting.

Members may continue to transact in cash, even while they document their proceedings digitally. They may also choose to transact via mobile money. Importantly, in current models, these platforms primarily serve record keeping functions and are not integrated into payment systems. **The platforms themselves do not serve to move or store funds.**

Most of these apps are operational in an offline environment. If a group elects to sync their data to the cloud (pending connectivity), the cloud acts as a backup for records. Syncing also enables a range of linkage options.

On the back end, these platforms offer NGO facilitators or provider partners access to group data, especially those who have an interest in monitoring groups, or linking to them with services.

Quite unlike the prototypes developed in the early 2010s, where platforms had rigid menus and were plagued by connectivity issues, early evaluations of these updated platforms suggest that they are liked by members, particularly for their ability to reduce meeting times and increase transparency in bookkeeping.

Digital platforms themselves are not necessarily linkages, but they relate to linkages in close ways.
Platforms may:

- Facilitate in-app offers to groups to apply for new services
- Facilitate the management of a linked service (e.g. a loan disbursement) via the platform
- Offer linked services themselves

The newest role in the space, the role of digital platform layer, is primarily occupied by fintech companies.

A Selection of Fintech Platforms and Their Functions			
Platform Name (Company, if differs)	2.0 Product Features	Countries	Scale[1]
DreamSave (DreamStartLabs)	Digital ledger, analytics, digital linkages to providers, direct lending, marketplace	27 countries	8,500 groups
jamii.one	Digital ledger, analytics, digital linkages to providers (including insurance), marketplace	Ethiopia	850,000 users[2]
Ensibuuko	Digital ledger, digital linkages to providers	Uganda, Kenya	5,000 groups

1 Approximate figures, as shared by platforms in interviews with the authors and publicly available data. Figures as of January 2024.
2 Note, iddirs have many more members than a typical group (40-120 members are typical, with large groups up to several hundred members). Hence, number of individuals is presented here.

Chomoka	Digital ledger, digital linkages to mobile money providers	Cote d'Ivoire, Ghana, Rwanda, Tanzania, and Uganda	50,000 users
Money Purse	Digital ledger, analytics, digital linkages to providers	India	1,000 groups/ 12,000 members
192G	Digital ledger, digital linkages to providers, linkages to agricultural value chain	Ghana	800 groups
DSS	Digital ledger (planned: analytics)	Ghana	66 groups
VSL Associates	Digital ledger, analytics, digital linkages to providers	Forthcoming	forthcoming

Most NGO facilitators use these fintech firms as partners in digitizing savings groups and linkages.

Other models have been tested. Several major NGO facilitators spun up their own digitization platforms: AKF's Boresha Maisha DSG platform was piloted in Tanzania, but never scaled. CARE's Chomoka was deployed widely in several countries, but has recently paused for strategic review.

Both Opportunity International and the United Nation's World Food Program have explored digitizing groups with links to other app-based ecosystems. Opportunity International not only digitizes groups, but offers a marketplace for agricultural inputs. World Food Program's SheCan entrepreneur groups have opted for a hybrid model, not explicitly digitizing its groups, but linking them to its in-house agricultural marketplace app: Manno, which serves as a marketplace for selling goods.

VSL Associates has entered the digital platform market—piloting its own platform in 2024. VSL Associates has had a long history of digitizing data in the savings group ecosystem. It launched the SAVIX Management Information System in 2005, a private management system for programs to use for monitoring savings group performance. Anonymized data from these private databases feeds into the open global SAVIX database, a clearinghouse for global data on savings groups. These systems exist today. Their new app builds on this history and is "radically simple" as its chief architect, Hugh Allen, says.

With the proliferation of platforms in the market, groups and NGO facilitators must consider the relative merits of each, and how they may, or may not meet the needs of groups. For more on potential limitations and risks in the digitization approach, see *Risks* section, page 29.

Evaluating Digital Record Keeping Platforms[6]

Savings group promoting institutions, while keen on technology aiding transparency and efficiency, are each developing ways in which to assess how compatible a particular platform is with the savings groups they have assisted as well as their own institutional capacities. Following is a composite list of salient criteria:

- How well can the digital platform provider deliver effective customer service to savings group end-users. Problems with technology arise, whether it's what to do about a lost phone, a forgotten PIN, data that does not correlate with what the group remembers, and so on. If groups or their local agents cannot easily access a way to resolve these problems, they will discontinue use.
- Does the choice architecture of the application make it easy for the group to keep its existing rules and maintain robust internal controls, or does it risk distorting rules and eroding the practices of the group?

- Is the platform intuitive and user-friendly? To whom? How does it accommodate a spectrum of literacy among members? Are the menu options in local languages and easy to follow? Is the platform friendly enough that non-NGO affiliated groups can download the app and use it with little instruction from an NGO and solely from a member of another group?
- What features protect the privacy of data generated by group members? Can they opt out of sharing their data? Is the data secure and not easily hacked?
- Where does data reside and how fast does it sync? Does the data reside on user phones and is it backed up to the cloud? If a provider ceases operations in a given area, can groups still use the app with their data intact? How fast can data sync between offline use and online?
- What is the fee structure and who pays for the costs? Are the fees sufficient to sustain the digital platform provider or must the provider branch into other services to sustain itself, such as issuing loans? Are the fees such that groups independent of an NGO pay them? Are they low enough to attract financial service providers?

Analytics for digital credit scoring

A central, if nascent, premise of 2.0 Linkages is that digitized savings group data can be analyzed more efficiently and reliably in service of offering groups and their members more, and more appropriate, access to credit:

- Groups and their members will be able to demonstrate a history of savings and borrowing, demonstrating credit worthiness to providers.
- NGO facilitators will be able to monitor and evaluate group health, without the need for supplemental or post-project reporting efforts.
- Providers will be able to identify best candidates for supplemental products such as loans, insurance, or other services, without requiring group guarantees.
- Platforms will sustain free-to-group apps, based on selling access to aggregated data to providers, facilitators, and perhaps other actors.

The premise rests on the integrity and predictive power of each platform's proprietary scoring method.

DreamSave and Ensibuuko have the most mature products today. Each is actively producing scores and partnering with providers to test these decision-making mechanisms to scale the approach. Facilitators are using this data to inform both group lending and individual lending. In India, Money Purse is well into a two-year pilot with one bank using its services in 100 of its branches. However, challenges remain. In some early pilots, providers doubted the integrity and predictive power of the credit scores presented by the platforms. They insisted on conducting their own review, visiting groups to inspect the corresponding physical ledger book, which the group (fortunately) still maintained alongside the app.

DreamSave scales to digitize linkages

A digital recordkeeping platform now serving 27 countries in Asia, Africa, and Latin America, DreamSave offers group members the chance to build individual credit histories. The platform automatically tracks group member performance as each member makes deposits into the group fund and borrows. The idea is that financial service providers, especially lenders, can reach out to members that show promise in growing their businesses with group loans. Or the reverse, group members with growing businesses can connect with banks and MFIs to secure individual loans.

For more on DreamSave, see *Profiles* section, page 40.

Risks and Alternatives

With New Opportunities Come New Risks

Most of this report is dedicated to the wealth of new possibilities that come with a shift from Linkages 1.0. to 2.0. The advent of technology can bring about many tailored products—from individual loans and savings products to insurance. Technology can reduce costs, bring new income into the pockets of rural agents, offer transparency to group management, attract equity to increase capital, supply flexible products, decrease costly travel time to bank branches, limit the duration of group meetings, and make share-outs easy. In fact, technology can make share-outs something that is done year-round on an individual basis (in the form of savings withdrawals). Yes, technology has seeded many possibilities, and we have documented those in this report. But, before we celebrate prematurely, we raise a host of new risks that might populate a 2.0 landscape.

The Risk of Exclusion

Much of the savings group sector has concerned itself with making sure low-income women, including illiterate women, can, at their volition, participate in savings groups. Paper ledgers, passbooks and cash-based systems, while somewhat rigid, have appealed to groups whose many members either are not in possession of a smart phone, or who are uncomfortable with technology.

The arrival of sleek, flexible platforms presumes that the least digitally capable of group members would want to obtain a smart phone or, failing that, would trust members of their group who do own one, to do group business honestly on their behalf. In instances where agents are using phones or POS devices, the presumption continues: low-income, digitally uncomfortable women will place their trust in a particular agent.

It's important to note that the sector first came into being not with the aim of satisfying *all* financial needs of low-income women but rather to help them manage their household cashflow and to offer a sum of money (via the share-out) for routine periodic expenses such as school fees or wedding gifts. More recently, the sector has tasked groups with meeting other needs that go beyond such predictable expenses.

Some practitioners report that the digitization of financial services has excluded members with low literacy and limited access to technology. Depending on income levels and cultural norms, women may not have access to a handset and if they do, may not be proficient in using it beyond simple messaging and calling. The digitization of savings groups may jeopardize the inclusiveness of these simple, predominantly female groups.

Motivated by Security:
"We need to go back to the drawing board and understand what really is going on in the lives of the people we serve before we get carried away with a particular technology. What are the social norms that guide their lives within a household or a community? What are their capacities—financially and digitally? What assets are in their possession such as a phone and how do other members feel about that access? What infrastructure assists or hinders them? Do they have internet connectivity or a way to charge their phones?"
- Vidhya Sriram, CARE

The Risk of Limited Demand for Digitization

Apart from structural limitations to participation (handsets, connectivity, literacy), we note a potential risk for providers of limited demand for digitization. Despite the flourishing of digital record-keeping options, many unknowns persist. For example, we do not know the percentage of members who want a bank or mobile money service and would pay for them. We do not know whether members want to "go digital" for more service options. We do not know whether most or even many will want to forfeit their confidence in paper-based systems, to get a larger loan or maybe an individual one, to grow their businesses, assuming their businesses can grow. And we do not know what will happen to the phenomenon of spontaneously replicating groups where members of one group teach individuals in their communities about how they too can form their own groups.[7] The sector is still unclear as to whether digitization facilitates such copying or limits it.[8]

The risk of limited demand is primarily a risk for financial service providers, who may be betting on large volumes of customers to break even, and for facilitator practitioners looking to demonstrate impact on year-end reporting.

The Risk of Over-indebtedness

Digital lending (meaning lenders using digital channels) has exploded in many parts of India, eastern Africa, Latin America, and beyond. Often their interest rates are steep, though they boast their algorithms help screen for only the most credit-worthy borrowers (if the algorithms are so good at predicting risk, why then, must the interest be so high?). Regardless, credit-starved low-income households may find it hard to refuse credit when trying to sustain their families across a low-income season. As one group member in El Salvador observed, "When you are poor, a loan looks a lot like income and savings looks a lot like an expense." Publishing interest rates, while helpful, is not enough. As technology platforms and providers base 2.0 new business models on the promise of widespread uptake of credit, we urgently ask what protections may be required to insulate groups from over-eagerness by these providers and their agents.

Financial education, early on in a group's formation as well as at the point of linkage may avert this risk.

The Risk of Attracting Members on the Basis of Loans not Savings

Pilots in several contexts have revealed an unexpected negative consequence for groups and members. Without very clear socialization, the provision of a simple savings account may come with a (false) expectation of credit, or of the account being funded in some way. Cited by program evaluations from both RUFEP Zambia and Mercy Corps in Apalou, some groups had incorrectly assumed that as a foregone result of going through lengthy account opening, KYC procedures, and digital onboarding, their account would be accompanied by a loan. This, in spite of integrated financial literacy and in-person onboarding. The groups' understandable misinterpretation underscores a need for careful expectation-setting in the onboarding phase and repeated clarification by agents or staff. Implications figure prominently as digitization of groups is sold alongside promises of credit, and in places like India, where studies have shown that external loans may be a primary reason for joining a group.

The Potential Burden of a Group Loan

> "Savings group linkages are fine, but credit linkages are complex, risky and potentially disruptive, as 'cold money' [external credit] may excite a predatory reaction from members who may not feel an obligation to an external lender that is comparable to the social pressure related to an internal loan. This can tear a group apart, especially as cold money flowing into the group is most likely to flow to the better off, while usually the risk is shared across all members.[9]" - Hugh Allen, co-founder VSL Associates

Group loans, popular among many MFIs, and savings groups have helped individual members gain experience with formal, often regulated, finance. In many instances, the entire savings group is liable for individual members who apply for and are granted credit as per the group bylaws. Some institutions such as VisionFund International, have placed limits on how much groups can borrow such as a USD 1,500 ceiling per group loan. This maximum is meant to mitigate the risk that members who are not borrowing are tasked with repaying the debts of others. Policies that limit the debt burden of individual members while allowing borrowing members to grow their income and assets minimizes two risks: over-indebtedness of individual members who may feel pressure to guarantee a group loan, and the possible loss of social cohesion within a group should the group dissolve due to conflict over repayment.

Perhaps that is what technology can do—create a bridge between members who participate in a group loan as borrowers and a possible future where they receive their own loans independent of the group. This would allow individual members to flourish without obligating the whole group. As individual member credit histories are tracked and their appetite for responsible borrowing measured, then possibly group loans can be replaced at some point with individual loans.

The Risk of Data Loss or Mismanagement

The business models of digital platforms are themselves evolving. We do not know to what extent they will depend on their selling data to financial service providers. Group members may well want these providers to solicit their patronage, as commoditizing their data may offer real benefits in the form of favorable loan terms or offers of auxiliary services. Still, we do not yet know of the protections in place for selling too much data. We also don't know how secure the protections are against data hacking by greedy marketeers or worse, thieves.

These questions may be complicated as providers themselves cease operations—as happens frequently in the fintech sector. A question is not only how a group or member will protect their data from mismanagement, but how they may rely on their data or reconstitute digital records if their digital platform provider folds. The answers offered by today's platforms suggest local data storage on handsets and the ability to download past records from the cloud. But even without inserting the business risk of a platform folding, how will groups and members be trained to understand the relative merits of backing up to a cloud server? To keep the confidence of practitioners in the sector as well as group members themselves, suppliers must give assurances that data are not only protected, but, in cases where companies fold or consolidate, can be resurrected with ease by users.

Strategies for mitigating risks: Preparing groups to connect to financial service providers

From the group's perspective

- As groups form, stabilize, and mature, they become skilled at managing their internal savings and lending practices and complete at least one share-out. This is the first step in preparing to link to a financial service provider.

- Groups that cannot meet internal demand for business loans and collectively support taking on additional credit, signal demand for a linkage.

From the providers' perspective[10]

- Lend only to groups that follow a method that either involves a stated share-out policy and/or follows a specified approach to internal controls.
- Work with all group members to ensure that no members feel forced into guaranteeing a group loan.
- Avoid issuing loans large enough to attract fraud. Large loans may invite elite capture where officers and other leaders abscond with funds.
- Offer an interest rate that allows the group to earn an income on the spread.
- Ensure that the loan due date is one month before a share-out or at the time of share-out if a loan officer can be present.

Different means to similar ends: spotlighting alternatives to linkages

In considering what form Linkages 3.0 (2.0's future cousin) may take, the authors surfaced several alternatives to linking groups to financial institutions. If the goal of the savings group sector is financial well-being, economic inclusion, and resilience, then linking savings groups to formal services is but one of several approaches. Following we offer examples of other approaches.

Federating Groups

In India and elsewhere, group organizers have clustered geographically adjacent groups into federations, or groups of groups. The purpose of a federation is to put accumulated, idle cash to good and profitable use.

The federation approach is a viable alternative to linking groups to a financial institution for additional credit. Five reasons stand out. First, the approach diversifies capital flows across a broad local network. Second, it retains capital in areas where it is generated versus allowing it to drain to a distant locale. Third, it reduces security risks associated with travel to distant bank or MFI branches. Fourth, it provides higher returns on savings than do linkages. And fifth, it is simple and familiar to groups and their members in that federations follow many of the procedures that savings groups do. For example, meet regularly and follow bylaws that their member groups develop.

Groups of groups in Tanzania and Nigeria

Facilitated by VSL Associates, Plan in Tanzania and Oxfam in Nigeria have worked to form group federations. In this instance, a federation called a Village Savings and Loan Federation or VSLF comprises between five and twelve VSLAs located contiguously. Monthly, each member VSLA deposits any excess liquidity into the federation. The federation then lends those funds to member VSLAs in need of credit. The federation meets monthly to decide which member VSLAs may receive a loan for a period of up to six months. Profits are shared with member VSLAs at an annual meeting.

Plan Tanzania has 221 such federations under its wing, comprising 1,487 VSLAs. Oxfam Nigeria oversees 182 federations consisting of 2,333 member VSLAs.

Formalizing Groups: Toward SACCOs and Credit Unions

In some cases, a particularly active group may have the gumption and desire to grow itself into a small financial institution. Evidence suggests that this is particularly useful for groups who are thriving, often lending actively amongst members, and often on-lending even outside the group.

A group evolves into a financial institution

In Northern Uganda, a savings group managed to find an alternative to the costs associated with transit and security costs of linking to a formal bank. The Leg kwo pi anyim savings group in Gulu district began with a startup grant from Africa Women Rising (its local NGO facilitator) to augment its initial deposits. With this support, the savings group grew their funds through internal lending for several years. The group saw opportunities for lending outside the group, and after finding success, officially registered with local authorities as a SACCO. The SACCO, still small but growing, now has 90 members.

Other organizations as well have worked in far flung locations where bank branches are difficult to come by. For example. KOFIP, a savings group support NGO, based in Port Au Prince, Haiti, includes a pathway for helping groups evolve into credit unions. Alongside its more traditional linkage work, connecting groups with banks and credit unions, KOFIP also supports groups (mutuelles de solidarité) toward registering themselves as small Caisse Populaires (credit unions). In Aux Anglais, a town in southwestern Haiti, 50 mutuelles have created their own credit union, which serves groups as well as individual members.

Other Approaches to Financing Assets

Some believe that a focus on loans and linkages per se is misguided, that financial intermediation can take many forms other than linking a group directly to a financial service provider. Just as important as the financial service are other crucial inputs—expanding individual capacity to improve livelihoods is one example.

Contract farming: Linkages with an entrepreneur in the middle

One such approach is contract farming where an entrepreneur, in this case a Ghanaian, secures the loan and on-lends to the group only that portion which pertains to labor, retaining the rest to purchase farming inputs and lease harvesting equipment.

A middleman secures the loan

Abednego Darko, an entrepreneur in Ghana, has forged many services to assist groups, not the least of which is a digital platform to assist groups in their bookkeeping. But, he believes the real value of the platform is to create value for group members—meaning ways in which to improve their income. This is what Darko's firm, DSS calls "Value Addition Linkages"—creating and adding value to the lives of group members and using linkages as a means to sustain and improve on value addition. The team can see from the data generated by the platform which farmers seemed to be thriving and which are merely surviving. Based on that information, the DSS field team visits members to understand better those who saw farming as a business opportunity and those who were farming out of necessity (and ready to quit as soon as another option came along).

The DSS team then enters into multi-party contracts with thriving group members who are farmers and down-market purchasers such as breweries in search of grain. The DSS secures a loan from the bank, retains the bulk of it to purchase seeds, fertilizers and pesticides and to rent equipment. The rest is on lent to groups for them to divvy up to pay members for farm labor.

Consorios in Brazil: A mainstream approach to asset financing

In Brazil, a consórcio refers to a collective endeavor, much like a Rotating Savings and Credit Association, but rotating cash, members of a consórcio unite around a shared interest in a specific good, such as a car, an oven, or an apartment. Each month, members of the consórcio meet virtually or in person to make a contribution to allow one member to purchase the good.

While there is no linkage per se, formal regulated financial service providers and other companies, offer these products directly to consumers, sometimes working with non-profits.

National banks (Itaú), credit unions, car manufactures (Volkwagen) sponsor consórcios and run them like lotteries. Members do not know when their turn to receive the good is until after they join. For example, a bank will offer a consórcio for a product, say a bicycle. Members sign up, pay their monthly contribution, and wait their turn, designated by lottery, to receive their bicycle. If a bicycle costs $500 and there are 10 members in the consórcio, then every month, each member would contribute $50 (producing the necessary $500 needed). Seventy-three percent of consórcio members come from class C and D households (lower income classes).

2022 was a record year for consórcios, with nearly 4 million new corsórcios sold consisting of a total of 9.5 million members and totaling USD 28.8 billion. The seller of consórcios (banks, credit unions, car manufacturers) earn income from the margin between what they paid for the good and the amount charged to consórcio members.[11]

Looking Ahead: Questions to Inform the Future of Linkages

Even as Linkages 2.0 resulted from a phase of early ambitions and pilots, much remains to be tested in today's environment. Below are some key questions that will shape the future of linkages.

1. **How might technology, new products, and loosening definitions of groups move us toward delivering more choice and more value to group members?**
   Linkages will include serving individual members and subsets of members. Digitized records permit a variety of linkages to evolve. Individual credit histories can be traced, allowing members whose businesses are thriving to show their financial service providers that they may be worthy of individual loans. With full knowledge of how each member is performing, financial service providers might want to extend loans to sub-groups that consistently can put relatively larger amounts to quick use. This would eliminate the need for all group members to share the burden of guaranteeing loans directed to just a few. New technology and distribution approaches also open the door to explore creating new products tailored to the differentiated needs of member segments, moving away from a one-product-fits-all-approach.

2. **How can we best support savings group agency and autonomy?**
   With linkages, groups now need to navigate an increasingly diverse set of options and opportunities. They are interacting with a variety of actors such as agents and financial service providers who may have an interest to steer a group in a particular direction or to promote a particular option. There is even the potential that group leaders themselves could be incentivized to push their groups to accept certain products or services. How can we support groups to navigate these options transparently, independently?

3. **What regulatory approach is most appropriate and effective for protecting clients without restricting access to valued services?**
   This report highlights how regulators and government oversight authorities have extended more stringent requirements around Know Your Customer procedures, in some cases, requiring groups to register with municipal and even national government bodies, and in one case (Madagascar) the organizations working with the government have stepped in to regulate savings groups and savings group linkages.

   However, savings group promoters such as large and small NGOs, financial service providers, and fintechs have yet to see the benefit of additional layers of bureaucracy. Since this report focuses on the supply side and not demand, we have yet to determine if regulation that involves either the financial behavior of groups or of outside providers is seen as a plus for groups.

Regarding data protection, regulation that protects commerce and individual consumers might greatly benefit groups and members. We expect consumers, their advocates, and regulators may pay closer attention to the protection implications of big data from linkages and we hope they do so cautiously. In this instance, tightened regulation could shield groups from hacking, data theft, selling data to unauthorized financial providers. What is the right balance between regulation that stifles innovation and that which is sorely needed for consumer safety?

4. **How can linkages most effectively and sustainably be scaled?**
   In spite of advances in technology and penetration of digital devices, we see the enduring need for people to deliver high-quality, suitable services. Human beings, often in the form of agents (called variously representatives, field officers, business correspondents, etc.), play key roles in creating and sustaining linkages. Stakeholders are experimenting with different roles and relationships with agents. Some of the agents are hired by NGOs and are highly involved in group formation and management. Others are financial agents who were either staff or commissioned representatives of financial institutions. Their role is to help group members open group accounts for savings and/or credit purposes; open individual accounts, mostly for savings purposes; transact on behalf of groups; evaluate a group's need for credit and facilitate the supply of loans. Some agents assist with digital transactions and are paid by fintechs. Others are paid by the groups themselves. There is much to learn from these diverse approaches as we seek the optimal balance of cost effectiveness, sustainability, and quality.

5. **What business models work best to drive down costs while sustainably delivering good value to groups?**
   We acknowledge the foundational, and continuing role that subsidy has played in spinning up linkages, even amongst commercial providers. The providers we spoke to largely depend on the subsidized efforts of NGO staff and agents who organized and supported groups, at least in their first year. Most agreed that fully organizing the market would require prohibitive customer acquisition costs. So, for now, the symbiosis between subsidized NGOs (or governments) and financial service providers seems essential to sustainability.

   However, massive scale-up of sustainable access to formal financial services through savings groups will require further business model innovation to drive down subsidy and increase the commercial viability of financial products for savings groups from financial service providers.

   We suspect that the durability of linkages will be dictated by their ability to evolve and adapt to meet real needs of groups and their members. We look to the leadership of thoughtful practitioners, providers, and researchers to query this progress in the years to come.

Appendix A: Going Deeper, Profiles

Profiles offer a more complete rendering of the activities of various stakeholders in the ecosystem. These profiles represent a subset of the providers and implementations catalogs in Appendix B: Mapping of Implementations

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Jamii.one in Ethiopia: Insurance to specialized savings groups
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Financial Service Providers

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Postbank Kenya: A savings bank that links to groups
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Ecuador Credit Unions: Rotating clubs as a gateway to accounts.
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The NGOs

CARE International – How not to move too fast and break things

CARE International, the first international NGO to launch the village savings and loan associations (VSLAs), initially in Niger and then throughout Africa and parts of Latin America, has pioneered the development and user digital interface that connects groups to payment and financial services. Its own digital platform, Chomoka,[12] is a respected solution that acts both as a digital ledger and bookkeeping platform as well as means for groups to conduct transactions.

Vidhya Sriram who oversees the VSLA program at CARE, discussed how CARE's use of its digital platform evolved from its pilot in Tanzania (now serving 50,000 members) to its expansion to Uganda, Côte D'Ivoire, Rwanda, and Ghana. She worries that while the platform is excellent—flexible, intuitive, easy-to-use—CARE may have rolled it out too quickly. "We should have more backstopping for when things go wrong, and they always do. We don't want to burn out savings groups with so many solutions of various kinds without having perfected them."

The last thing CARE wants to do is undermine the groups it works so tirelessly to form. Any form of exclusion, including excluding group members who may be skeptical about technology, is not acceptable to the agency. So, Vidhya and her team have commissioned a survey in six countries called "Women Respond." Its goal is to investigate women's norms within the household (who can access a phone and who cannot), their capacities when it comes to both digital and financial literacy, their infrastructure, like charging stations and connectivity, and their propensities to adopt new technologies. Does she use a smartphone or a feature phone? If she uses a smart phone, those can cost upwards of USD 50, expensive in low-income rural areas.

To do this, Women Respond, is examining the user journeys across five personas or archetypes. "Our design principle," says Vidhya, is: We must meet them where they are! The five personas chosen are as follows:

- The Rural Woman: She may or may not have physical access to the physical device or what kind of device it is.
- The Urban Hustler: She is selling tomatoes and fruit and doing multiple side-gigs like domestic cleaning to earn a living.
- The Younger Woman: What are the normative barriers she must overcome to gain access to the phone, especially if she is married. "Is the mother-in-law cool with the daughter-in-law using the phone? Does the husband think she is using it to cheat on him?"
- The Emerging Entrepreneur: She may want a bank loan to grow her business and might be interested in mastering a technology that can help her do that.
- The Community-Based Trainer: This is the agent that helps form and support VSLAs. What is her comfort level is using the digital platform? If she is not comfortable, it will be hard for her to instill confidence in the group to adopt the technology.

Vidhya is hopeful that by fully understanding the unique journeys across these five personas, CARE can best understand if digital versus paper-based solutions are the best or if feature phones versus smart phones seem more accessible. "What happens if there are twenty members in the group and one is really active and the other nineteen are not? A couple of problems arise: first, the one who uses the phone can hoard the information to her benefit; second, the others may become disenfranchised and leave the group. The last thing we want is to leave vulnerable women behind."

CRS in the DRC – Piloting a layered agent approach with Equity Bank
Catholic Relief Services (CRS) is a long-time pioneer of savings groups through its Savings and Internal Lending Communities (SILCs).

In the DRC, CRS is now reaching 40,000 SILC members. As part of its overall multi-country savings group strategy, CRS uses PSPs, an acronym for private service provider, or local agents who help form and service savings groups in exchange for a cash fee paid to the agent by the group itself. In the DRC, CRS has trained and monitors 420 such agents, some of which are key to its pilot partnership with Equity Bank. In the pilot, the best PSPs will have the opportunity to whom an Equity Bank Cash Express agent. These agents will be tasked with linking individual group members to savings accounts. Equipped with a POS device and displaying Equity Bank branded materials, Cash Express agents will assist 3,000 individual savings members in opening savings accounts. Eventually the pilot will expand to include all 40,000 SILC members. Cash Express Agents will be incentivized through a fee-for-service strategy where they are compensated by Equity Bank for assisting members in account opening, conducting transactions, training group members, and training other agents. This income will be above and beyond what they receive for their work as PSPs.

Equity Bank is pleased with the approach as it allows the bank to meaningfully extend its services to remote or hard to reach areas.

Haitian Mutuelles: Linking to the Blue Box
Throughout Haiti's steep mountain ranges, rolling countryside, and sparkling seacoasts, men and women raise livestock and chickens, grow fruit trees like mango, avocado and coconut, cereal crops—mainly corn and rice—as well as vegetables like cabbage, eggplant and sweet potatoes. Strewn across the landscape are powerful locomotives of rural self-help. Called mutuelles, these savings groups work much like VSLAs only they do not share-out annually, preferring to grow their fund so that inter-lending becomes more robust over time.

Mutuelles in Haiti were inspired by Bernard Taillefer of SIDI (Solidarité Internationale Pour le Developpment et l'Ivestissement). Beginning in Cap Hatien in 1997, Mr. Taillefer trained NGOs, parishes, and other development organizations, using a model honed in Senegal and other parts of West Africa. Said Lionel Fleurstin of KNFP, a mutuelle support organization based in Port Au Prince, "I have had groups tell me 'the mutuelle is our second husband.'"

To aid groups in separating accounts, mutuelle organizers provide a rainbow of boxes—red, green, and blue.

The red box is much like a social fund of the VSLA model. The red box suggests the funds inside are used for emergencies, medicine for a sick child, a sudden trip to the doctor, a funeral. Disbursals are in the form of grants. To fund the red box groups set aside 10-15% of the interest earned from the green box.

The green box is the financial heart and soul or the mutuelles. This is the fund that builds through regular deposits contributed by members on a weekly, bi-weekly, or monthly basis. Funds in the green box are loaned to group members according to the group's by-laws. Interest rates very between 2-5% per month. Mutuelles do not use a share-purchasing system but peg the regular savings deposits to the savings capacity of the group's poorest member. Usually savings contributions range from 100-1,000 gourdes (USD .80-8.00). Members generally take loans from either the green or blue box in the amount of 5,000-50,000 gourdes (USD 38.00-380.00).

The blue box is designated for funds that come as loans from outside the group. NGOs, MFIs, and credit unions, can all lend to mutuelles or to their members. Some mutuelles have clustered or federated into larger associations. Associations do not intermediate funds, but exist to help member mutuelles tackle social issues or resolve group problems. For example, the Association for Active Women, consists of three mutuelles with creole names meaning: Search for life (nine members), Hope for Life (17 members), and Learn for Life (15 members). They meet at the same time at a community center in Aux Cayes in Southwest Haiti.

Financial service providers prefer to lend to mutuelles in an association. Associations register with the MAST (Ministry of Social Affairs) which allows them to open an account with a credit union or other financial service provider, mainly for the purpose of filling the blue box but also to take out individual loans.

The most active lenders to the blue box are KOFIP (Popular Financing Collective); FRICS (Rural Investment and Solidarity Credit Fund) and KEMM (La caisse populaire des Anglais), a credit union.

In some cases KOFIP supports networks of mutuelles in transforming into their own formal financial service providers. In Aux Anglais, a town in southwest Haiti, 50 mutuelles have created their own credit union, which serves groups and members. Mutuelles may hold group accounts to conduct group business, and individual members can open individual savings accounts and take out individual loans from the credit union directly.

The process of digitizing linkages has begun in Beaumont where an association of 13 groups has digitized the full financial management process. In a partnership between KNFP (mutuelle support organization offering training), and HaitiPay, a mobile money service regulated by Haiti's central bank (BRH), groups are now testing TipaMobile. The app allows mutuelles to carry out transactions with their financial service provider and keep track of inter-lending within the group. The UN's World Food Programme is currently working with HaitiPay to help scale TipaMobile.

The Digital Platforms

DreamSave – A US fintech goes global

Headquartered in the United States, DreamSave is a digital, cloud-based platform designed specifically for savings groups. Fully operational in 27 countries in Asia, Africa, and Latin America, any given project is serving between 1,000 and 10,000 groups with 22 members as the average size.

The founders of DreamStart Labs, the parent company of DreamSave, consider their partners to be in both the private and public sector spheres.

In the private sphere stand the groups and members themselves. Once onboarded onto DreamSave via a smart phone and a rewarding, gamified process, groups and their members can manage all bookkeeping and cash management functions, once solely in the domain of physical cash, paper ledgers, and passbooks. The app requires three members to login their secure passcodes in order to conduct business on behalf of the group. Others members are notified of any activity via SMS on either smart of basic phones.

But, DreamStart's digitization has birthed additional benefits that go beyond replacing traditional forms of recordkeeping and cash management. For instance, the app automatically creates credit scores for each member,

ranging from AAA to C. The most heavily weighted factors include total and average savings rates of the group, internal loan repayment rates, and the use of internal capital, for example, how much of the group's savings are being loaned out to members for income generating investments.

DreamStart Labs estimates that approximately 80% of DreamSave-enabled groups are considered creditworthy by outside lenders. Of the remaining 20 per cent, the largest reason for a group not being attractive for an external loan is the group's lack of maturity. Group members simply need more time together to generate more data and prove its reliability.

Also in the private sphere are DreamSave's financial service providers. These offer crucial services to groups and individual members, like savings accounts, loans, and insurance. DreamSave creates an end-to-end digital link from the group in the field to the financial service provider. This means that selling and servicing financial products to the savings group market can be done with a "single touch" or even "zero touch" model. Rather than having an agent visit a group multiple times to qualify them, complete manual paperwork, disburse funds and collect payments for a single micro loan, such functions can be done digitally.

DreamSave also considers NGOs and governments as key partners both to monitor data as a measurement of their financial inclusion goals as well as to provide an entrée to the groups themselves. In many cases, NGOs provide the funding required to bring groups onto the platform.

In Rwanda and Eswatini, the firm has piloted a micro-equity approach to providing capital to groups. Though smaller than the more robust markets of more populous countries, the Rwandan and Eswatini pilots share cultural similarities to the larger markets. In the micro-equity model, DreamSave infuses capital into the group, in a sense, purchasing shares to boost the group fund for more full-bodied inter-lending. The equity is returned when the group shares out, meaning disburses its funds to members. In all instances, groups have preferred the equity investment approach to micro-loans. Down the road, DreamSave plans to scale this approach. One of its attractive features is the introduction of a digital avatar that act the role of a group member.

But the biggest innovation is the platform itself. Highly intuitive and flexible, it puts power into the hands of groups and their members. Wes Wassan, founder of DreamStart Labs reports that this represents the biggest shift of all, "In the 1.0 model, financial service providers and NGOs approached clients based on manually collected data, a 'push' model that was expensive and largely unprofitable, especially for offering services to individual members. In DreamSave 2.0 approach, the power is in the hands of the groups and members, in a more 'pull' model, which goes beyond empowerment. It drives efficiencies that make servicing groups with additional financial products, profitable."

"Our goal was never to digitize groups for the sake of digitization, but to ask groups what they wanted to accomplish, then look how best to capture that dream. Key to our approach is the emotional element that the app delivers to its users." In the future, the firm plans to further group dreams by introducing a "trust" feature where members rate co-members. Much like the stars of AirBnB or Uber, the founders believe this feature can help individual members attract quality financial services as well as help members, should they need to move, join new groups.

Ensibuuko – A home grown digital platform expands to intermediate funds

Initially conceived as a record-keeping platform, Ensibuuko's digital ecosystem has undergone a transformative evolution, expanding its services to include digital savings and digital lending capabilities. The platform also introduces a noteworthy feature—providing individual credit scores to group members, thereby enhancing financial inclusivity. In collaboration with prominent organizations such as GiZ, Mercy Corps, and various NGOs in Uganda, Ensibuuko has extended its reach to service over 5,000 savings groups, facilitating financial empowerment at a grassroots level.

Collaborating with a partner bank that imposes a 5% Annual Percentage Rate (APR), Ensibuuko strategically charges the groups a 10% APR. This deliberate approach allows the groups, which typically charge their members an average of 10% per month, to rapidly accumulate internal funds. Leveraging Ensibuuko's digital wallet, these groups can seamlessly make deposits into accounts at established financial institutions like Centenary Bank and Equity Bank. The digital wallet facilitates the transfer of funds through a national switch, streamlining the process of depositing funds into the respective group accounts. Currently, approximately 10% of the groups actively utilize Ensibuuko's digital wallet services.

Empowering group leaders equipped with smartphones, Ensibuuko introduces a novel dimension by enabling them to undergo training and qualification as bank agents and money agents. Each group includes at least one member with a smartphone, eligible to become a Digital Community Entrepreneur—a term coined by Ensibuuko for such agents. The company is currently exploring innovative strategies to motivate these agents, especially if they are not affiliated with a bank or mobile money agency. Concerns about potential resentment within the group prevent direct compensation, emphasizing the delicate balance Ensibuuko strives to maintain to preserve the group's cohesion.

Ensibuuko's revenue model is diverse, reflecting its multifaceted approach to financial inclusion. The primary source of income is derived from the spread on loans, showcasing the platform's commitment to sustainable financial services. In addition, the company is piloting a unique "Marketplace" initiative, wherein Ensibuuko purchases agricultural inputs (seeds, tools, fertilizer) in bulk and sells them to group members, fostering economic efficiency within the community. A third revenue stream for Ensibuuko involves charging a fee for the use of its application. While groups enjoy a fee-free first year on the app, subsequent usage incurs an annual charge of 250,000 UGX (approximately USD 195) or $16 per month. Given an average group size of 25 members, this equates to a nominal cost of USD 0.64 per month, underscoring the affordability and accessibility of Encibuuko's digital platform for sustainable financial development.

Jamii.one in Ethiopia: Insurance to specialized savings groups

Jamii.one is an online digital platform (app) that digitizes the records of savings groups and their individual members. The app is free to download and supports iPhone, Huawei, and Android devices. Currently, the platform is available in Ethiopia in English, Amharic, Somali and Afaan Omoro. While the app's digital services are easy for individuals to onboard, the value of the platform is the ability to link users to formal financial services, specifically insurance.

Jamii.one supports all savings group modalities—VSLAs, SILCs, cooperatives, etc.—but the organization has more recently focused on the traditional burial system called the Iddir. Iddirs play a crucial role in Ethiopian society by providing social and financial support to its members during times of death and funeral preparations. When a member of an iddir group experiences a death, the iddir provides needed financial and logistical support to ensure a proper burial.

Jamii.one's CEO, Charlotte Rønje, says that the organization, based in Denmark, and licensed in Ethiopia, has become an insurance aggregator, whereby Jamii.one shares iddir member data with the insurance provider so that they can supply the best life insurance product for group members at scale. Currently, Jamii.one counts 850,000 iddir participants registered for insurance coverage on its digital platform. They have been able to reach this scale not through NGOs but working directly with Ethiopia's traditional systems—equubs (rotating savings clubs) and most importantly, iddirs.

A typical iddir serves 120 members of which about 40 would have a smart phone of sorts—the digital device being key to accessing the Jamii.one platform. Some groups are so large, greater than 400 members, that they own a laptop, which offers a more efficient mode of onboarding hundreds of members at a time. Rønje claims that life insurance is a logical extension of the kind of work an iddir is already doing; she says, "We are not competing with iddirs, we are complementing the services they already offer their members." So far, Jamii.one has mapped the entire iddir population of Ethiopia where those iddirs are part of a national iddir registry, with registration required by law.

When a member experiences a death of an insured family member, typically a spouse, the iddir makes a claim to the insurance company. The insurance company then deposits the claim into the iddir's bank account (each iddir has a bank account) and it is up to the iddir to distribute those funds to the member.

Rønje says that digital recordkeeping is not a sufficiently compelling offering to reach the adult Ethiopian population at scale. What's needed is a financial service for which members already have an appetite.

The next service that Jamii.one plans to provide is health insurance. Again, because an iddir is in the business of caring for the community in times of death, health insurance is a complementary offering to the iddir's core offering of burial insurance.

Money Purse, India - Piloting a digitized banking agent approach

Money Purse
The Lastmile Partner

Money Purse, a digital recordkeeping platform developed in India, is completing the second year of its pilot. Money Purse was inspired in part by the digitization of the pen and paper model of the processes of the SHG Bank Linkage Program conceptualized by National Bank for Rural Agriculture (NABARD). They were also the winner of the Swanari Techsprint sponsored by the Reserve Bank Innovation Hub (RBIH). The pilot is the first of its kind to provide a real time bookkeeping service for SHGs, India's homegrown version of savings groups.

India's dedication to financial inclusion reaches back decades. For example, since the late 1980s, via NABARD's SHG-Bank Linkage Program, groups that demonstrate that they can keep good records and show they can reliably save money, even in small amounts, become eligible to take out a group loan at a local bank after six months. Though only some members may make use of the loan, all members of the group must guarantee its repayment.

In 2006, as part of its financial inclusion strategy, the Reserve Bank of India introduced its Business Correspondent model. A Business Correspondent (BC) is an agent that acts as an intermediary between banks and customers, something especially important in remote areas where brick-and-mortar banking infrastructure is limited. BC's can provide a range of banking services: bill payment, savings deposits and withdrawals, cash in–cash out (CICO), money transfers as well as loan disbursals and repayment. Prior to the BC model, all members of a group would need to visit the bank or its branches to open an account or take out a loan. In rural areas of India, such a journey might take a day of travel, producing both a transportation expense but also the loss of a day's wages. In many rural areas, due to cultural norms, husbands need to accompany their spouses to the bank. If a group had 10 married members, then 20 people might need to travel.

While BCs were helpful, there remained the problem of records not being kept in real time. Often group records did not reconcile with bank or agent records. Now, with Money Purse, a BC visits the group at their meeting, and using a smart phone or a POS device with biometric capabilities, the BC can open a group account that is KYC-compliant in accordance with Aadhaar standards, Aadhaar being India's national ID system. In sum, key Money Purse benefits include:

- Instant group savings account opening, real-time savings collections, loan repayments, instant internal and bank loan disbursement, and automated attendance.
- It also permits transaction-based digital bookkeeping, automated grading, and digital document generation based on digital transaction data from SHGs and their members.
- Money Purse reduces the hassle of documentation, as SHGs can print financial statements and receipts for auditing purposes. Typically, the bank takes one to four months to process loan documentation—which reduces significantly to less than week when onboarded to Money Purse.

A BC can serve 30-50 groups. Each group pays a monthly subscription fee of 100 rupees (~USD 1.20) to the Money Purse BC. If a group deposits 1,000 rupees, 100 is taken off the top as the subscription fee of which 80 stays with the BC and 20 goes to Money Purse. 900 rupees is instantly recorded in the group account. If the group is doing inter-lending, which most do, then at the same meeting, with the sign-off of the group officers, the Money Purse BC can transfer the loan amounts into individual member accounts. This allows Money Purse to capture member-level data, a feature which allows individual SHG members to build a credit history, even if they are not borrowing from the bank.

If all goes according to plan (the following is being tested in the pilot phase) a Money Purse BC serves between 30-50 groups and is projected to earn 1,200 – 1,500 rupees per month or USD 54.00-65.00 (adjusted for purchasing power parity). She also earns a commission on each transaction. As Sarahana Thiyagarajan, Money Purse's Chief Visionary Officer says, "this will be steady income for her. She can count on this money."

Money Purse will soon pilot another feature. Because Aadhaar issues a unique ID, Money Purse will be able to track an individual's credit performance (or indebtedness) in the event that she belongs to several groups. Participating banks derive several benefits. First, they have access to member-level data, which may be helpful in spotting member over-indebtedness or, conversely, good member performance. Second, data to the bank is provided in real-time and is error free. Third, the banks save money by needing fewer staff at branches to handle

large crowds because the groups no longer need to visit the branch.
From the SHGs perspective, they can access a group loan instantly via the Money Purse BC. This, according to the founders, is key as currently anywhere between four to six weeks to process a loan request. Since members often need loans at planting or it takes harvest to fill the cash flow gap, they would be left to pursue expensive moneylenders. Instant loans plus, the ability to build an individual credit history, together withthe absence of opportunity costs associated with loans and the bank, make the subscription fee a worthwhile expense.

To stress test the business model as well as the technology, Money Purse is working with several public service banks. One is now implementing Money Purse in 100 of its branches across five states serving more than 1,000 groups and about 12,000 members.

The Financial Service Providers

Haiti – A digital onboarding platform arises from a mobile money provider and credit unions
The Kès Pam Pi Pre'M' initiative, translating to "My Credit Union Close to Me," emerged as a transformative collaboration between the World Council of Credit Unions (WOCCU), USAID, and various Haitian organizations from 2017 to 2018. This innovative program directly linked members of savings groups with participating credit unions and microfinance institutions, fostering financial inclusion in rural Haiti. Facilitated by 32 financial institutions, commissioned rural agents played a pivotal role in connecting with savings groups established by CARE, extending the reach of credit unions to previously underserved communities.

Under the KPPP initiative, rural agents undertook diverse responsibilities, including the opening of individual accounts, collection of savings deposits, and the issuance of individual loans for qualifying members. Additionally, these agents played a proactive role in the formation of new groups, named KPPP groups. Distinguished from CARE's inter-lending savings groups (VSLAs), KPPP group gatherings focused on financial education and the integration of members into local credit unions. Monthly visits by rural agents streamlined processes such as capturing individual savings deposits, managing loan repayments, disbursing new loans, and facilitating bill payments within the groups, optimizing efficiency in community engagement. The groups served as a place to efficiently aggregate credit union members rather than to save and lend among themselves.

At the core of the Kès Pam Pi Pre'M' initiative is a strategic investment in technology. From its inception, rural agents input customer information directly into electronic devices, eliminating the need for redundant data entry back at the office. These devices are linked to their respective credit unions, and the use of printers for issuing receipts provides an additional layer of confidence to group members. The real-time transmission of information to financial institutions occurs as soon as there is internet connectivity, ensuring a swift and accurate record-keeping system.

As of October 2020, the impact of KPPP has been substantial, with rural agents establishing 249 groups, mobilizing savings totaling 25,778,199 HTG (USD 409,1782), and disbursing 1,252 loans, valued at HTG 25,211,250 (USD 400,179). The initiative effectively addressed two critical challenges. Firstly, VSLA savings and lending often accumulated insufficient capital for group members. By integrating these groups into larger credit unions, members could save without fear of theft and access higher loan amounts. Prior to the rural agent model, the distance to a local credit union often involved kilometers of travel on nearly impassable roads. Secondly, KPPP significantly bolstered the credit unions themselves, expanding membership by an impressive 4,215 members and strengthening the financial backbone of these vital institutions.[13]

Postbank Kenya – A savings bank that links to groups

Kenya's Post Bank, founded in 1997, is a regulated deposit-taking institution that serves individuals as well as savings groups. With the support of Financial Services Deepening Trust, the bank piloted M-Chama in 2012, rolled it out in 2013, and upgraded it in 2017. Today Post Bank serves more than 17,000 savings groups, of which about 70% have been onboarded to the M-Chama platform. The rest still operate using cash and physical records.

Groups typically are formed by staff and local agents of international NGOs like CARE and World Vision, the Kenyan partners of Catholic Relief Services, and a wide variety of local organizations, including "table-banking" clubs, another name for self-forming savings groups. For self-formed groups not under the care of an NGO, Post Bank helps them register with the Kenyan government, a task that one manager called "herculean." Post Bank then issues both a group account as well as accounts for each member.

Groups and members can deposit and withdraw at any Post Bank branch, Post Bank Mashinani agent, or M-Pesa outlet. Deposits and transfers between a group and its members are free of charge. Withdrawals are 70 Kshs (~USD .45) per transaction.

Post Bank's twist involves how it interacts with groups during their share-out periods. Using M-Chama to calculate what each member is to receive at the point of disbursal, the group's lead officers instruct Post Bank to transfer funds from the group's account to the accounts of its individual members.

The challenges faced by Postbank Kenya reflect those of other financial service providers, namely the distance between very rural groups and the nearest bank or agent and the financial capacities of its members.

KWFT – Inspired by Post Bank with the added benefit of being able to lend

Founded in 1981 KWFT (Kenya Women's Microfinance Bank) works in much the same way as Kenya's Post Bank but has the additional benefit of being able to issue loans, something which Post Bank's regulatory mandate does not allow. KWFT's group linkage approach is now being piloted in Kitale Diocese in Kenya's North Rift Valley where 138 groups have been onboarded to the KWFT financial platform.

With the help of Catholic Relief Services, the diocese has formed savings groups called SILCs (Savings and Internal Lending Communities). Each group serves between 15-20 members, with each member contributing between 200 Ksh (~USD 1.30) and 2,000 Ksh (~USD 13.00) per meeting. A network of Private Service Providers (PSPs) assists the groups with their recordkeeping, developing financial literacy skills, monitoring their own progress, and, in some cases, linking them to financial service institutions for increased access to savings, insurance, and loans. Each PSP oversees 20-30 groups. Groups pay their "teacher" (their term for a PSP), a small per meeting fee and typically 5% of the interest paid during share-out.

In the case of the KWFT partnership, the PSP informs a KWFT officer that a group is sufficiently mature—having successfully completed at least one share-out cycle and has generated surplus savings—to become linked to KWFT for additional services. The KWFT officer then visits the group and conducts a training that takes place over eight weeks covering a variety of topics in recordkeeping, financial literacy and the mechanics of linking to KWFT for group and individual savings accounts. Groups can expect a 5-7% return on savings. At the time of share-out, SILCs average between 500,000-700,000 Ksh (~USD 3,280-4,590) and look forward to storing any surplus (cash beyond what can be immediately absorbed by members) in a safe place. Using a mobile money service, KWFT officers will visit groups to assist in transferring savings to their KWFT accounts.

Down the road, KWFT plans on offering group loans as well as individual loans, particularly those that involve a particular useful purchase, such as water tank or stove. The organization sees the SILC-KWFT partnership as good business. They make money from transactions and use the savings deposits to fund lending activity.

Equity Bank, Tanzania – Revitalizing its savings group approach

As part of Equity Bank Holdings, Equity Bank Tanzania Ltd ("Equity") is a full-service banking institution. Working with the Savings at the Frontier Initiative, funded by MasterCard Foundation and managed by Oxford Policy Management, the bank decided to invigorate its savings group products in rural areas. In partnership with Community Development Initiatives Support (CDIS), a local NGO, Equity conducted an in-depth market research effort with its management team involved in many focus groups and one-on-one interviews. Equity wanted to learn why adoption and uptake of its basic group savings product was languishing.

Interviewers asked the groups what kind of products at what price would be helpful. At first, interview participants seemed reluctant about how useful banking products could be to solve their problems. Johanes Msuya, a manager at Equity said, "Groups were very skeptical. They said that banks were only for the rich, that when they think of banks, they think of armed guards, and hours and days of travel to a bank branch." Plus, he said they complained about the high fees and the difficulty of keeping records. Interviewees agreed, however, that though they liked the simplicity of their local, cash-based savings approach—a box, three locks, three keys, each assigned to a group office-holder—there was ample theft.

So, Equity set about to completely overhaul its system. There would be a group account and each member would be issued an individual account. The bank would levy no ledger fees, no monthly fees, no fees on withdrawals, and no fees on transfers among members in the same group or between the group fund and its individual members. Moreover, if a group could save more than 300,000 monthly TZS (~USD 120) they could earn interest on that amount at the end of the year, CDIS would facilitate the formation of the groups and register them with appropriate government authorities. At the very least, each member should have a national ID, Voter ID, or passport. Those with none of those forms of ID could come with an introduction letter from the village/Mtaa executive. The NGO also trained members in entrepreneurship skills and groups dynamics. The Bank trained on savings habits, debt management, budgeting, as well as other household group and business management affairs.

Equity for its part located mobile money operators servicing the various areas in which CDIS was forming groups. They also recruited a network of agents, often a shopkeeper or local business owner. The agent would be trained in helping groups make deposits, understand loan balances, and apply for group loans. Equity often recruited agents from within the groups themselves. Using a POS device, the agent could enable transactions during the meetings.

Equity also created a proprietary digital bookkeeping platform called EazzyKikundi. The platform tracks both group data as well as data from individual member accounts. So far, of the 5,000+ groups that Equity now serves, 879 have been onboarded to EazzyKikundi. Currently, the platform requires that at least one member have a smart phone but according to Mr. Msuya the bank is planning to roll out a similar recordkeeping service designed for feature phones, by far the most popular device in rural areas.

With EazzyKikundi, both groups and the banks can see transactions along with their balances in real time (assuming internet connectivity). Financial products include group loans (where the entire group must guarantee the loan), group savings, as well as individual loans and individual savings. The also offer an investment account where members who would like to keep their funds growing can do so without having to share out their funds once per year.

VisionFund Malawi - FAST Loans and much more

VisionFund International is the microfinance arm of World Vision. Both organizations work through local partners in select countries. World Vision is a humanitarian and development NGO. VisionFund International, an umbrella organization for microfinance institutions.

VisionFund Malawi, like other VisionFund MFIs, offers several products for savings groups and their members. One product is the FAST loan, a credit product directed to savings groups formed by World Vision or other organizations such as Plan International and the UN's World Food Program. Once a certain set of criteria has been met, deeming a group mature enough to take on an external loan to the group, VisionFund Malawi will send a member of its Field Officer network to meet with the group.

Each member of the group must endorse the FAST loan application for a group to receive credit. The loan is to the group and the entirety of the membership is responsible for its timely repayment. Loan amounts vary—between MWK300,000 (USD 270) and MWK1,200,000 (USD 1,070)—with amounts starting on the smaller side and growing over time as members cultivate their businesses. To date, Vision Fund Malawi has issued a total of 3,000 FAST loans with 2,000 currently active. Groups set their own internal lending rate which is typically 10% per month, an interest rate that allows the group to profit from the VisionFund rate of just 6% per month on a declining balance.

For VisionFund Malawi to break even at the field officer level, each must be servicing approximately 30 groups, a portfolio that takes close to a year to build, depending on the location, its terrain, and infrastructure. Currently, there are 62 field officers managed by two supervisors. As of September, 2023, VisionFund Malawi was serving nearly 38,000 group members in 2,000 groups.

VisionFund Malawi will soon offer group members who have the capacity to make good use of additional capital, individual loans. In January of 2024, the MFI will be able to take savings deposits as well as offering a mobile money service to allow for seamless repayment of FAST loans and savings deposits. VisionFundMalawi is also embarking on a three-way collaboration with World Vision and DreamSave, a digital recordkeeping platform further described in this report.

The Linkage Alternatives

DSS - A Different kind of linkage in Ghana

Abednego Darko, an entrepreneur in Ghana, has designed many services to assist groups, including a digital platform, not the least of which is a digital platform to assist groups in their bookkeeping. Groups can use the system offline and when they travel to an area which has no internet, they can synch the system. Groups have access to their transactions and reports on the phone with or without internet connection. When synched, DSS can see share purchases and cash-outs, loans within the groups, savings and loan balances as well as how much is in the social fund. The app also allows groups to edit their screens after reconciling platform data with physical cash in their group boxes.

But Abednego thinks that these data offerings are just the tip of the sword. He believes the real value of the platform is not only to link groups to financial services, but to create value for their members—meaning ways in which to improve their income. This is what DSS calls "Value Addition Linkages"—creating and adding value to the lives of group members and using linkages as a means to sustain and improve on the value addition. They could see from the data which farmers seemed to be thriving and which were merely surviving. Based on that information, the DSS field team started visiting members to understand better those members who saw farming as a business opportunity and those who were farming out of necessity (and ready to quit as soon as another option came along).

For example, one group in a remote farming region was being monitored by the DSS team. They could see that, Manaff, a local farmer, was saving and borrowing steadily. When the team visited him, they learned of his commitment to farming cereals, but he needed help. He had 35 acres under his care and needed both technical help on how to increase crop health as well as management assistance. DSS entered into a multi-party arrangement with Guinness Ghana Breweries, the bank (a number of financial institutions), harvesting service-providers (with harvesting equipment), a farming input retailer selling fertilizers and pest control products and of course, Manaff (the farmer).

DSS worked with Manaff to itemize a budget that would include physical farm inputs, the cost of harvesting including labor and equipment, and DSS's repayment of its loan to the bank—860,160 (USD 72,895) in principal and 97,668 GHS (USD 8277) in interest. To fund the loan, DSS persuaded the bank (and a number of financial institutions) that DSS's "agri-fintech approach" was well worth a loan. Of the total debt of USD 81,172, DSS took a portion of the loan to pay the farming inputs supplier directly as well as the harvesting service. From the loan, DSS directly pays Manaff for his own labor and of those whom he hires.

Manaff, the farmer, meanwhile brought the Guinness Ghana Breweries opportunity to DSS. Guinness too, worked with DSS and Manaff and were interested in a contract that would go beyond Manaff to include many farmers ("outgrowers") in the area. DSS and Manaff have been able to gather another 60 interested farmers.

Ecuador Credit Unions: Rotating clubs as a gateway to accounts

In Ecuador, poverty affects 27% of the national population, reaching an alarming 46% in rural areas. In this context, savings and credit cooperatives become key stakeholders for financial inclusion, bringing credit to sectors traditionally excluded by traditional banking. In Ecuador, 6 of each 10 adults are involved in what is known as the 'popular and solidarity economy'. As of September of 2023, there were 16,484 organizations and 410 savings and credit cooperatives. In this context, savings in these cooperatives represented 17.6% of GDP in Ecuador. Also, through loan products, cooperatives facilitate access to capital, which accounts for 16.7% of GDP that benefits to 14.5% of adult population.

The advantage of cooperatives over traditional banking lies in the solidarity and flexibility on which the model is premised. Cooperative staff understand the realities of their members, because their governance is populated by the cooperative members themselves. Some cooperatives have recognized the value of informal systems of saving and borrowing, particularly rotating savings and credit associations (RoSCAs).

In Ecuador, RoSCAs seeking savings accounts or credit may go directly to the credit union. Jorge Moncayo, Technical General Intendant at SEPS (Superintendency of Popular and Solidarity Economy), explained that informal group members may use a combination of individual membership in the cooperative and a microcredit group guarantee loan from the cooperative to approximate linkage to a RoSCA.

RoSCA members first join the credit cooperative as individual members. Each member of the RoSCA then applies for their own basic account. In Ecuador, tiered KYC keeps the documentation barriers low enough such that most RoSCA members can qualify for these accounts. Once a RoSCA member has an individual account at the credit union, they may use it as they please. Often, members will use these accounts to deposit for safekeeping, their individual lump sum disbursements from the RoSCA's rotating payout.

If a RoSCa member wishes to apply for a loan from the credit union, they follow regular credit cooperative procedures for obtaining an individual loan. They may also qualify for a group loan in which group members (the members of the RoSCA) guarantee that their fellow group members will repay the loan.

Brazil – Consórcios (RoSCAs) formed by banks

Originating in a rich history, the consórcio model in Brazil has evolved into a collective endeavor, embodying shared economic interests. Rooted in the collaborative ethos of community support, consórcios, comparable to Rotating Savings and Credit Associations, have transformed over time into a unique financial tool. Historically, these cooperative arrangements emerged organically within communities, fostering a sense of solidarity and mutual assistance. As Brazil's economic landscape developed, consórcios evolved beyond informal gatherings, attracting formalized structures and the involvement of regulated financial institutions and corporations. This historical foundation provides context for understanding the contemporary significance and diverse applications of consórcios in Brazilian society.

Members of a consórcio come together based on a shared interest in acquiring a specific good, be it a car, an oven, or an apartment. Monthly gatherings, either virtual or in person, are convened by consórcio members to contribute funds, facilitating the purchase of the desired item for one member at a time.

Despite the absence of direct connections, formal and regulated financial service providers, along with various companies, offer consórcios directly to consumers, sometimes collaborating with non-profit organizations. Major entities such as national banks like Itaú, credit unions, and car manufacturers like Volkswagen actively sponsor consórcios, administering them in a manner reminiscent of lotteries. Members remain unaware of their turn to receive the designated good until after joining. For instance, a bank may organize a consórcio for a specific product, such as a bicycle. Members sign up, make monthly contributions, and await their turn, determined by a lottery, to obtain their bicycle. Contributions from all members collectively cover the cost of the item, fostering financial inclusivity. Notably, 73% of consórcio members belong to class C and D households, representing lower-income segments.

The year 2022 marked a historic pinnacle for consórcios, witnessing the sale of nearly 4 million new consórcios involving a total of 9.5 million members and amounting to USD 28.8 billion. This surge was characterized by the sale of 4 million "shares" in consórcios. Sellers of consórcios, including banks, credit unions, and car manufacturers, derive income from the margin between the cost of the acquired goods and the amount charged to consórcio members.

The versatility of consórcios extends beyond individual goods and people. Examples include condominiums, both buildings and gated communities, utilizing consórcios for renovations or repairs. Churches engage in consórcios to expand or acquire new facilities. Interestingly, even municipalities partake in consórcios to pool funds for social security and expansion projects, a practice embraced by 91% of cities/towns in Brazil's densely populated Southeast region, encompassing Rio de Janeiro, Minas Gerais, São Paulo, and Espírito Santo. This multifaceted application underscores the adaptability and widespread appeal of the consórcio model across various sectors in Brazilian society.

India chit funds - Evolving into formal, regulated businesses

The narrative of chit funds in countries like India and several parts of Asia has undergone a significant transformation, shifting from an informal savings and credit system within close circles to a structured business model. This evolution has paved the way for a surge in startups, eager to capitalize on the potential advantages of being pioneers in this domain.[14]

Chit funds operate on a mechanism that closely resembles auction-based Rotating Savings and Credit Associations (ROSCAs). Here's how it works: a group of individuals agrees to contribute fixed amounts at regular intervals to create a communal fund. During each cycle, participants bid on the pooled amount, with the highest bidder receiving the pooled sum minus their bid. The organizer deducts a commission fee from this bid amount before distributing the remainder among the other members. For instance, if 10 members pool in INR 10,000 (~USD 1200), and a bid of INR 1500 (~USD 18) wins, the bidder receives INR 8500 (~USD 102), while the rest of the amount, after accounting for the organizer's fee, is divided among the remaining members. This system adds a dynamic twist to the traditional ROSCA model, suggesting that the highest bidder may have an urgent need for funds.

In India, the chit fund industry is robust and expansive. As of 2019, it comprised nearly 45,000 registered entities with an annual turnover nearing INR 60,000 Crores (USD 7.2 billion). Remarkably, this only scratches the surface, as unregistered funds are estimated to be triple this amount. With approximately 300 million Indians participating in both regulated and unregulated chit funds, it's evident that this financial practice holds significant cultural and economic relevance.

One compelling aspect driving the growth of chit funds is their potential for digitization. By integrating traditional systems with digital platforms and technologies, these funds aim to enhance transparency, efficiency, and accessibility. This transformation not only aligns with the broader global trend of financial inclusion but also caters to the evolving preferences of a digitally savvy population. As chit funds straddle the line between tradition and modernity, they present a captivating blend of age-old financial practices adapting to contemporary demands.

Regulation-wise, chit funds in India are governed by the Chit Funds Act of 1982. Although this is a central legislation, the onus of implementation and oversight primarily rests with state authorities. To elucidate further on the distribution process: after deducting the organizer's fee, the remainder is divided among the members. Using the earlier example, even though a bidder might take home INR 8500, they are obligated to repay the entire INR 10,000 through periodic installments. Thus, the additional amount, such as the INR 1500 in this instance, can be perceived as the interest or return to the members, making the chit fund system a symbiotic financial arrangement.

The Governments

India – The mothership of bank linkages

In India, most savings groups are known as SHGs or self-help groups. The Self-Help Group Bank Linkage Program has a transformative history dating back to the 1980s when NGOS and development agencies began experimenting with microfinance initiatives, particularly focusing on organizing women into small groups. This grassroots movement gained institutional recognition in 1992 when the National Bank for Agriculture and Rural Development (NABARD) formalized the SHG Bank Linkage Program. This marked a significant milestone in efforts to bring marginalized communities, especially rural women, into the formal financial sector.

The participatory nature of the program has been pivotal to its success, involving communities in their economic upliftment. The focus on women's empowerment addresses not only financial disparities but also social and gender inequalities.

The fundamental philosophy behind the SHG Bank Linkage Program is grounded in the belief that empowering women economically can create a ripple effect, transforming entire communities. The program sought not only to facilitate financial transactions but also to instill financial discipline, promote savings, and provide a platform for entrepreneurship. By connecting SHGs with formal banking institutions, the program aimed to bridge the gap between the unbanked or underbanked populations and mainstream financial services. This community-driven approach acknowledged the potential of such initiatives in fostering sustainable development and reducing poverty.

Over the years, the SHG Bank Linkage Program has witnessed remarkable growth, evolving into a crucial component of India's financial inclusion strategy. The March 2023 annual report reveals impressive figures that underscore the program's reach and impact. As of March 2023, a substantial 13.4 million SHGs have been linked to formal banking institutions. Within this expansive network, 6.9 million SHGs have availed loans, totaling USD 22.5 billion. These numbers signify the widespread adoption of the program and the substantial financial transactions facilitated through it.[15]

The scale of the SHG Bank Linkage Program lies in its multifaceted approach. By providing financial services, the program addresses the immediate needs of the communities involved. Simultaneously, it serves as a platform for capacity-building, skill development, and entrepreneurial activities. Empowering women economically has a ripple effect on social dynamics, leading to improved education, healthcare, and overall community well-being.

Beyond financial impact, the program influences societal attitudes and structures. Women who were once excluded from decision-making processes now play active roles in shaping the economic and social fabric of their communities. The concept of self-help fosters a culture of mutual support and collaboration among community members.

It's worth noting that NABARD's program has spawned many other state and national government actors to adopt similar approaches bringing the total figure of linked SHGs and banks far higher.

Madagascar – A new regulation

Financial regulators often request savings groups or their promoters to register their group, officers, and members with local and national authorities. Madagascar has gone a step further and created both a regulatory framework and support system for savings group promoters.

Several organizations such as CRS, CARE, and Aga Khan Foundation support savings groups in Madagascar. Several such international and local programs came together to advance the country's financial inclusion goals. Crucial to their strategy was the formation of a Network of Promoters of Savings Groups in Madagascar (RPGEM), a non-profit organization.

Two government groups (National Coordination of Inclusive Finance and the Commission of Supervision of Banks and Finance) also coalesced in 2016 to support the goals of RPGEM. RPGEM oversees:

- Listing and identifying existing savings groups, their promoters, their areas of intervention, and their forms of intervention in the 23 regions of Madagascar.
- Representing promoters and savings groups.
- Putting in place a quality standard and a code of ethics for all promoters of savings groups.
- Centralizing up-to-date data on savings groups.

In June 2023, members in savings groups promoted by the NGO People Power/SOS Group met in the Analanjirofo region. The meeting concluded with several suggestions, among them:

- Provide financial and digital education to savings group members.
- Support the linkage of savings groups to formal financial institutions.
- Create an appeal mechanism to ensure the protection of consumers of savings group financial services.
- Integrate health insurance into the savings group model.
- And ensure the application of the Order on Savings Groups.

The Order mentioned was drawn up by the Financial Institutions Services (SIF) in consultation with other agencies including the non-profit RPGEM. The SIF is the state structure within the General Directorate of the Treasury in charge of the supervision and monitoring of savings groups in Madagascar.

By virtue of this order, the initiative set up clusters of savings group promoters in Madagascar's different geographic regions. Supported by the National Coordination of Inclusive Finance and the RPGEM, the Order's aim is to ensure consistent quality of facilitated savings groups.

Currently, the Order does not regulate linkages, but the various creators of the Order acknowledge the importance of linking financial institutions to savings groups. For example, CARE's Ombona program, works with mobile money operator, Mvola, to link savings groups to its services. At the end of a 2020 pilot, more than 100 members in 25 groups were able to open mobile money accounts in addition to accounts in banks, MFIs, and a non-bank financial institution, POAMA. According to the write-up of Treasury Inspector within the Ministry of Economy and Finance, Nivoarizay Liva Razafindrakoto, "it allowed them to enhance their income generating activities, to deal with collateral issues, and benefit from additional financial and digital education."[16]

Appendix B: A sampling of active linkage implementations

As the linkage landscape matures, it becomes less possible to conduct a comprehensive inventory of every global linkage. This supply-side listing catalogs an important selection of active and recently-active linkage implementations. Unless otherwise noted, all listings which appear in this table reflect the work of practitioners interviewed in the course of this study.

Project	NGO Facilitator	FSP	Platform	Country	Product(s) Offered	Description	Digitization	Scale
Apolou	Mercy Corps	Centenary Bank (CB); Microfinance Support Center	Ensibuuko	Uganda	Group account, group loan, Individual account (for loan distribution)	CB coordinated with the PSPs to open groups accounts, and to disburse group loans. Individual accounts were also opened to ensure transparency in how much each member received, with members transacting at CB agents. Groups digitized their record-keeping using the Ensibuuko app. transacted at CB Agents.	Digital recordkeeping--sub pilot, Digital transactions (mobile money or other)--sub-pilot	280 group accounts opened; 40 loans disbursed; 57 field agents and 16 PSPs trained
BeninCajú	CRS, TechnoServe	ALIDé (MFI)	Dream-Save	Benin	Group Loan (forthcoming)	Digitized groups with intention of incorporating credit scoring to enable MFI lending – uptake of linkage TBD (pilot closes this year) Included a paid PSP facilitation model	Digital recordkeeping, digital transactions (mobile money or other), smartphone and data/ SMS plan, credit scoring	40 SGs
Budikadidi	CRS	Equity Bank, CashExpress Agents	n/a	DRC	Limited group account, limited group loan, individual account	NGO forges corporate relationship with Equity bank; trains PSPs to service groups	None	goal: 3000 individual accounts
CARE - Titukulane	CARE	-TBC-	Chomoka; TBC	Malawi	None	"In partnership with financial institutions, and through cash injections to VSLA groups, women have access to financial and business skills training and increased loans with preferable repayment terms and interest rates.	Unknown	TBC

*Chilimba Account	Previous SatF in-volvement	Mfinance (Madison Finance Company Ltd)	n/a	Zambia	Group account, individual accounts, mobile banking	Digital group savings product (Chilimba group account) is linked to individual accounts through mobile banking system; linked to MNO services; mobile bank agents bring services to rural clients.	Digital recordkeeping, digital transactions, internet-enabled phones, digital literacy training	Serves all 110 districts in Zambia
Digital Care Package	CARE	-TBC-	Chomoka	Uganda, Rwanda	Internet enabled phones; digital literacy training; Digital ledger, digital sub-wallets	Approach entails: NGO supports groups to save on digital ledger platform on single smartphone; MNOs provide mobile money for lower cell and transaction fees; individuals gain digital literacy and use digital wallets; FSPs offer services through Chomoka's digital ledger platform	Digital recordkeeping, digital transactions, internet-enabled phones, digital literacy training	
Digital Sub-wallets	CARE	MTN Uganda; PostBank Uganda	Chomoka	Uganda (ended 2019); informing current global strategy	Group account, individual accounts	Digital sub-wallets for savings priorities; mobile banking account NGO supports groups to save on digital ledger platform on single smartphone (affordable loan/layaway/advance for group purchase); MNO (MTN Uganda) provide mobile money for lower cell and transaction fees; individuals gain digital literacy and use digital wallets; FSPs offer services through platform	Digital recordkeeping, digital transactions	1423 people
Digitalization and e-banking for Saving Groups - Pilot	Plan International Implemented by Plan Benin, technically supported by Plan Canada	MTN	n/a	Benin	Group account	Supporting Saving Groups to securely use digital technologies for saving and credit transactions, promoting financial and digital inclusion	Digital recordkeeping: Digital transactions (mobile money or other): yes Digital other:	50 groups

* Not interviewed as part of the study. Implementation listed based on consultation with OPM's Savings at the Frontier Team, validated with publicly available records.

DSS Platform	ECOM	none	DSS	Ghana	Agricultural inputs, group and individual loans forthcoming	This is a cocoa value chain pilot. ECOM is digitizing groups using a licensed DSS VSLA platform. Note that the platform allows members to sell shares mid-cycle.	Digital recordkeeping	46 groups, 679 members
DSS Platform	various	They are the lender (mix of funds including commercial bank)	DSS	Ghana	Group loan, individual loan, agricultural inputs	Mobile app for groups and susu collectors Additional Services: potential for value chain investments	Digital recordkeeping	11 groups
Enlace	CRS	CrediCampo (MFI partner of NGO Fundación Campo)	-	El Salvador	Individual loan	NGOs form and support SG; SG members can get $100-$300 in credit through MFI formally processed through SG.	None	
Enyanya	Mercy Corps and World Vision	6 MFIs	-	DRC	Group loan, market linkages	NGO negotiates with MFIs on products/ terms for group and ag loans, facilitate SGs formation and training; Village Agents engaged to support loan applications/ repayment, negotiate with MFIs, follow up on loan repayments, and communicate to SG what FSPs view as credit-worthy business behavior. Most MFIs required saving deposits of 5-20% of loan value and had high loan application denial rates.	None	127 loans to 87 groups
FAST (Finance Accelerating Savings group Transformation)	Various. Include: World Vision, CARE, Plan International, World Food Program	VisionFund (MFIs)	Dream-Save	9 countries in Africa	Group loan; optional health (Hospicash) and life insurance in some contexts	Group loans to mature groups (2 cycles +) through digital and app and mobile money; Digital ledger for SGs that works offline; digital credit scores; linkages to DreamSave as their preferred financial service provider	Cashless and branchless operations; leveraging digital platforms	7,913 active groups/loans comprised of 156,590 members

Fidelity Bank Ghana	TBC - various	Fidelity Bank Ghana	192G	Ghana	Individual account, group loan, individual loan	This is an emerging pilot, which will use data from digital ledger to inform individual lending decisions. Individual SMART Accounts will accompany a group loan	Digital recordkeeping, mobile banking, credit scoring	300 groups (target for 2024 pilot)
Habitat for Humanity	Habitat for Humanity	Zambian National Building Society; EFC (MFI)	DreamSave	Zambia	Housing loan	This pilot is in its early days, with product design yet TBD. Digitizing records in phase 1; plans to digitize cash box in phase 2	Digital recordkeeping (planned), digital transactions (planned)	323 groups with 6,312 members (goal of 3,000 Groups; 36,000 Loans by 2027)
Haiti Accessible Finance project	WOCCU	CPF and SOCOLAVIM	-	Haiti	Individual account, individual loan, credit-building tool	(see profile) Digital banking App: Kès Pam Pi Pre'M' – (KPPP), "My Credit Union Close to Me." Used gatherings of savings groups and digital onboarding to process individual loans from the credit union.	Mobile banking app, credit scoring using digital onboarding (planned)	293 groups; 4215 members; 1252 loans
IFAD RUFEP	Africare, Rising Fountains Development Programme	Madison Finance Company		Zambia	Group account, individual account	Chilimba Product Account	Digital transactions	
IFAD RUFEP	Kasama Christian Community Care	Cellulant – Fintech (MTN and Airtel)		Zambia	Group account, individual account	TINGG: e-Wallet -Tailor-made digital product that has customised features that meet the needs of SGs	Digital transactions	

IFAD RUFEP	Various	ZANACO		Zambia	Group account, individual account	As part of a much larger IFAD initiative, this pilot by RUFEP tested various models for linking savings groups to accounts, loans, and insurance. The Zanaco example used Zanaco Express agents to digitize group transactions. Record keeping remained on paper ledgers, and no lending occurred	Digital transactions	
IFAD RUFEP	Various	ZANACO		Zambia	Group account, individual account	Village Banking Plus Account	Digital transactions	
IFAD RUFEP	World Vision Zambia and Development Aid from People to People (DAPP)	Vision Fund Zambia		Zambia	Group account, individual account, group loan	SG Linkage Loan: Pilot tested the loan capital needs of SGs immediately after the 'share out'	Digital transactions	
Inclusive Insurance for World Vision Beneficiaries	World Vision	VisionFund, VisionFund Ghana: Allianz Life Ghana	ODK	Ghana	Group loan, Hospicash microinsurance	Hospicash product that covers a family of up to 6 people at a cost of less than $10 per year with a hospitalization benefit of $13 per night, a death benefit ($265 for main insured, $132 for spouse and $66 for a child) and a disability benefit of up to $265 depending on the severity of the disability.	Digital recordkeeping (some), mobile money, claims and distribution	2,552 policies covering 13,385 people

Inclusive Insurance for World Vision Beneficiaries	World Vision	VisionFund, VisionFund Ghana: Allianz Life Ghana	ODK	Ghana	Group loan, Hospicash microinsurance	Hospicash product. Benefits include $18.50 per week for hospitalization for more than three nights, a death benefit of $247 and a disability benefit of up to $247 depending on the severity of the disability.	Digital recordkeeping (some), mobile money, claims and distribution	5,835 policies covering 7,393 people
Inua Accounts and Loans	Previous SatF in-volvement; Community Devel-opment Initiatives Support (CDIS)	VisionFund, VisionFund Malawi; Mi-croinsurance (broker) and CIC (insurer) in Malawi	ODK	Malawi	Group account, individual account, group loan, individual loan (forthcoming), investment account, line of credit (forth-coming)	With support from SatF, Equity Bank expanded offerings from a basic group savings account to include credit, payments, insurance, and investments. Digitizing groups on their proprietary bookeeping platform.	Digital recordkeeping, digital transactions	5,000 groups; ~900 on-boraded to EazzyKikund Platform
Jamii.one Access to Insurance	No NGO involvement	Nib Insurance Company	Jamii.one	Ethiopia	Insurance	Builds a credit score and digital identity based on group data entered in the Jamii.one digital platform. Links to life insurance (and other insurances forthcoming)	Digital recordkeeping (free), training available in local languages and with local calendar	+ 850,000 savings group members registered Data for +100,000 insurance linkages processed
Jamii.one Micro-Life Insurance Ethiopia Pilots	HIDO FIHO CARE Ethiopia	Metemamen MFI	Jamii.one	Ethiopia	Individual account, individual loan	This pilot includes the jamii.one digitization platform, micro-life insurance, and the addition of an individual loan.	Digital recordkeeping (free), credit scoring, digital marketplace available in local languages and with local calendar	482+ loans

Kigoma Joint Programme	UNCDF	VisionFund TZ	FAST	Tanzania	Group account, individual account, group loan	This program links UNCDF supported SGs with VF through its Financial Acceleration Saving Group Transformation (FAST) product where VF builds credit score based on the SG ledger data and dropout records derived from previous two consecutive years. Successfully matured SG access loan maximum half of the amount shared out by the group during the most recent cycle. No collateral required apart from group itself	Bank to mobile and mobile to bank transactions, real time notification via mobile phone	41 groups, 984 members take the loan
KOFIP (Konsey Nasyonal Finansman Popile - Popular Financing Collective)	KNFP	KOFIP, FRICS, KEMM, and other credit unions and commercial banks	TipaMobil; MUSO-Mobil	Haiti	Support to register as a credit union	This NGO actively links mutuelle groups with formal financial services. It does this by first assisting them in registering officially with the state (this offers them legal standing and satisfies KYC requirements).	Digital recordkeeping (pilot), digital transactions (pilot), digital onboarding	13 groups in digital pilot (recordkeeping and mobile money)
KWFT: Kitale Diocese Pilot	CRS	KWFT	KWFT digital platform	Kenya	Group account, individual account, group loan (forthcoming), individual loan (forthcoming)	Deployed via PSP and KWFT agents. Works in much the same way as Kenya's Post Bank but has the additional benefit of being able to issue loans	Digital recordkeeping, digital transactions, digital linkage	138 groups
mChama	FSD Kenya, CFR, CARE, Govt, others (church and humanitarian organizations)	Postbank Kenya	mChama (proprietary)	Kenya	Group account, individual account, linkages to gov't or charitable funds	Note: also being used for G2P payments (Affirmative Action Funds) "hustler fund"	Digital platform for groups, mPesa, digital recordkeeping	17,000 (12k mChama, 5k Pagami manual accounts)

Micro-Equity Avatar	various	DreamStart Labs	Dream-Save	Rwanda, eSwatini	Micro-Equity through AI avatar, credit scores through platform	DreamStart avatar joins mature groups, with their consent, as additional member to bring more deposits into normal SG activities. AI "member" gets paid back at end of cycle with interest in accordance with group terms,	Digital ledger; AI avatar	16 groups in Rwanda;
Micro-Life Insurance Ethiopia Pilot	Jamii.one Foundation	Nib Insurance Company	Jamii.one	Ethiopia	Digital group micro life insurance	Digital ledger; credit scoring; marketplace for financial services to be offered to groups	Digital recordkeeping, credit scoring, digital marketplace	438 groups and 50,000 covered (March 2023)
Ministry of Finance Ghana	Various, in partner-ship with World Bank. Includes: Microfin Consult, Pronet North, World Vision	Various. Includes: Momo mon-ey (MTN)	Various. Includes: FSP yes (192G)	Ghana	Group account, individual account, group loan, individual loan, insurance	National Strategy, involving ten regions and various implementation Consortium and products	Digital recordkeeping, mobile money wallets, other linages e.g. insurance	1679 groups (42,000 members) (608 192G Groups, 17,535 members)
*NMB Bank	Previous SatF in-volvement	NMB	-	Tanzania	Group account, individual loan, mobile loans	NMB offers two types of group ac-counts for savings groups (formal and informal); mobile money; mobile loan requests	Mobile money	
Pamodzi Savings Account	mostly direct (also GIZ, DISK)	NATSAVE Zambia	-	Zambia	Group account, individual account, group loan (few)	Although the bank offers a group MF lending product, it is very rare that a Pazmodi account applies for this group loan; about half of group members do open individual savings accounts	Mobile money & smartphone banking app	6850 groups accounts

* Not interviewed as part of the study. Implementation listed based on consultation with OPM's Savings at the Frontier Team, validated with publicly available records.

Re:BUiLD (Refugees in East Africa Boosting Urban Innovations for Development)	IRC	Equity Bank (Commercial); UGAFODE (MFI); Patapia Microfinance	Ensibuuko	Kenya, Uganda	Various	Digital ledger tailored for refugees; Ensibuuko partnering with FSPs to offer services on platform; credit scores; 3rd party guarantee on group loans	Digital recordkeeping (ledger), credit scoring	60 SGs (Uganda); 300 people (Uganda)
SheCan	World Food Program	VFI (Malawi, Zambia), FIFAD (Malawi), Microloan Foundation (Zambia) Clecam Ejo Heza (Rwanda), Financiera Progreso (Peru)		Zambia, Peru, Rwanda, Malawi (Iraq forthcoming)	Group account, individual account, group loan and individual loan, all subject to specific target group needs and situational factors. Insurance forthcoming.	SheCan links donors, lenders, funders, and investors with smallholders and microentrepreneurs, using WFP's global operations to promote digital financial inclusion and women's economic participation.	Digital recordkeeping, mobile money, links to Manno, a virtual farmers' market (e-commerce) app in Zambia, and the Rural Resilience Initiative (R4), providing access to micro-insurance.	7500 members
*Tanzania Commercial Bank	Previous SatF involvement	Tanzania Commercial Bank	M-Koba	Tanzania	Group account, individual account	Virtual savings group product in partnership with Vodacom's M-Pesa program; basic MNO linkages and mobile accounts for individual customers; group loans (5-10 people)	Digital recordkeeping, digital transactions	
Thrive Save	Opportunity International	none to-date	Opportunity Int'l App	Malawi, Uganda	Linkages forthcoming		Digital recordkeeping	30 SGs, 1239 people
VisionFund Malawi	World Vision (and others)	VisionFund Malawi	DreamSave	Malawi	Group loan, individual loan, Group account (forthcoming)	For more See Profile. As the pilots programs scale, VF Malawi is considering additional services, such as Phone Loans to support group digitization	Digital recordkeeping, digital transactions (pilot forthcoming)	2100 active groups

* Not interviewed as part of the study. Implementation listed based on consultation with OPM's Savings at the Frontier Team, validated with publicly available records.

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1 Bankable Frontier Associates, Barclays, CARE, Plan, *The State of Linkage Report: The first global mapping of savings group linkage* (2016)

2 Interviews were conducted via video conferencing in the period of September-December 2023. Primary research was supplemented by desk research of consumer-facing product collateral and project evaluations.

3 This definition excludes products which are simply group guarantee loans, where a group comes together only for the purpose of borrowing.

4 The SAVIX data base is an open website providing a summary of aggregated country and regional data based on 12 standard metrics. It is intended to provide an approximate average country by country profile of SG performance, and we may use it as the baseline for understanding the scale of savings group implementations. This data is based on voluntary contributions from NGO facilitators who use the platform to understand the performance of groups.

5 Nivoarizay Liva Razafindrakoto, Financial Inclusion of Vulnerable Populations in Rural Areas Through Savings Groups in Madagascar, Central Bank Payments News, Volume 6, Issue 7, July 2023

6 Inspired by conversations with key informants, particularly Catholic Relief Services, who is undertaking an extensive review of technology platforms.

7 For more, see "Results of a Study of Post-Project Replication of Groups in Cosalo," FSD Updates, March 2012

8 Hugh Allen, a sector expert says: "Most well-run savings group programs end up with groups self-replicating. Work done in Kenya and Uganda shows that a well-run group in an area of low-density coverage will spawn an additional two groups - with 2/3 of these groups being created through group-to group spontaneous copying."

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