

Savings Groups and COVID-19

Savings Groups are one of the most consistent and sustainable platforms for community development worldwide. Currently, there are more than 15 million members in Savings Groups in more than 73 countries around the world, supported by hundreds of development organizations in Africa, Asia and Latin America. These groups are overwhelmingly made up of poor, rural women; they are **a critical engine for economic opportunity, a source of social solidarity and a safety net for many families in vulnerable situations**. These groups have proven that they are resilient and resourceful. Often, **they are at the frontlines of the local response to crisis**.

COVID-19 poses crucial health and economic risks for Savings Groups as markets falter, mobility is restricted, and community gathering is restrained. As many members are women, they are likely to be primary caregivers during the health

crisis, which puts them at special risk of additional burdens, as well as increased risk of intimate partner and sexual violence.

These recommendations will help organizations consider how best **to support Savings Groups and their members during this crisis**. They also address how to support Savings Groups as leaders of community-level response efforts and maintain safety nets. This guidance draws on experiences working with Savings Groups during times of crises including conflict, natural disasters and epidemics, such as Ebola.

We recognize the uncertainty faced by Savings Groups and the organizations that work with them: the health crisis poses crucial long-term challenges. This guidance note is focused on the 'here and now' – and a set of recommendations to guide the work of Savings Groups during the global pandemic.

IMPORTANT

These recommendations are not meant as a standalone emergency response to the crisis. They are specific to work with Savings Groups and should be considered as part of a broader emergency response plan in line with your organization's emergency response plan, and government regulations. Follow the [COVID-19 WHO guidelines](#) at all times. They take precedence over this guidance.

These recommendations were developed by the SEEP Network in collaboration with:



world relief®

World Vision 

Core guidance

- 1. Protect groups.** Traditional Saving Group meetings bring lots of people together where they: transfer money; share, touch, and pass around items; socialize; and sometimes share a meal.¹ This means that, IF meetings are happening in any form or with any number of members at all, it is critical for members and staff to adhere to WHO guidelines, or the relevant guidance from the National Ministry of Health, for personal protection against COVID-19. Only share scientifically based, up-to-date and accurate hygiene promotion and COVID-19 information, including: wash your hands, maintain physical distance (2m), and stay home if you are sick. Avoid physical greetings and physical contact. Practice good hygiene when sneezing or coughing.
- 2. Help groups make their plan right now.** Groups are highly resourceful and the model itself is highly adaptable. Development organizations should help groups understand the current crisis. Every single group should make a plan right now for what it wants to do now – in response to its existing context and WHO and government guidelines – and what to do when the situation changes. They will need to be ready to change that plan very quickly (sometimes with little notice) as the situation evolves, or mobility restrictions are introduced or modified. We cannot enforce a solution. It is up to the elected leadership of each group to decide and communicate their plan of action to members, as well as to their community.

When movement is still possible and small gatherings (under 10) are permitted, hold a meeting immediately (within 1-2 days, if possible)

- 1. Share information on COVID-19** and work with groups to develop a plan to adapt to the crisis
- 2. In a scenario of restricted mobility, plan and execute a system of communication** – between members, and between the organization and groups – such as a phone tree, a focal person, SMS and WhatsApp groups

All in-person meetings must comply with physical distancing restrictions by local governments.

During the planning meeting, here are adaptations groups can consider:

¹ For more information on how COVID-19 spreads, visit: <https://www.cdc.gov/coronavirus/2019-ncov/prepare/transmission.html>

1. Share out as quickly as possible.

This approach avoids holding further meetings and gives members access to their savings.

Things the group needs to discuss:

- Plans for any group assets
- Access to or distribution of the group's social/emergency fund
- Recovery of outstanding loans. If this is not an option, other options include: deducting owed amounts from the member's savings, repayment of principal only, or postponing repayment until the group resumes its activities.
- Partial share-out based on the available cash; and the possibility of further rounds of share-out(s) after the group resumes its activities and outstanding loans are repaid
- Any relationships with financial institutions. Discuss options with the lender, such as the extension of a repayment plan to allow time for members to recover.

2. Suspend meetings for now, without sharing out.

This approach allows the group to resume activities, when ready, from the same point.

Things the groups need to discuss:

- Physically count cash balances of all funds in front of members – use sanitary procedures before and after touching the money
- Ensure all balances and records are established and well-communicated to all members
- Ensure cash and the cash box are safe from theft and tampering. If available, the group may consider using a financial service provider or mobile money to store its funds until activities resume.
- Risks resulting from the way group funds are stored during the crisis. If group funds are held in an individual account, there may be a greater risk of theft or fraud. **If it can be avoided, group funds should not be held in an**

individual account.

- Plans for any group assets
- Access to or distribution of the group's social/emergency fund
- If possible, create a digital copy of group records. A simple option could be to take photos of group records and send them to members to create a shared record. Member records could also be digitized and then shared with individual members.
- Be ready for an early share-out if decided by the members

3. Continue meetings with modified procedures

if viable. This option is valid ONLY if there is no active spread of COVID-19 in the region AND if government policy does not prohibit meeting in groups.

Things the group needs to consider:

- Be ready to do an early share-out if government restrictions on group meetings are introduced, or if COVID-19 is spreading in your community. Use sanitary procedures (see **Core Guidance 1**).
- Systems to allow for small gatherings, with under 10 members: staggering meeting times, sending representatives. Systems should allow the members to feel transparency is sufficiently protected.
- Loan policies and procedures. Consider not issuing any new loans, ask members with loans to repay them promptly, adjust loan terms and amounts, or ask for repayments sooner than agreed.
- Opening an account at a financial service provider (bank, MFI, SACCO, or mobile money provider) to deposit excess liquidity. Ask members to deposit their savings, social fund contributions, and loan repayments directly into that account. Ensure the group can track individual payments and communicate balances to all members. **If it can be avoided, group funds should not be held in an individual account.**
- If a member wishes to stop

participating due to anxiety, the group can return the member's savings – according to its constitution and available funds

- Plans for any group assets
- Access to or distribution of the group's social/emergency fund

When movement is fully suspended, or shelter-in-place/quarantine is enforced

If movement is fully suspended, these are options for groups to consider. These options should be discussed – and prepared for – during the group's Planning Meeting (see **Core Guidance 1**).

1. Hold fully remote meetings using mobile platforms (phone, text, chatroom, etc.)

Things the group needs to discuss:

- This is an option only for those groups whose members have access to the required technology. This means that members can consistently access and use these tools without breaking any restrictions on movement.
- Groups can create WhatsApp groups, Facebook groups, SMS trees or other tools to meet remotely, connect, support each other and make basic decisions. In a remote meeting setting, without mobile money, consider how members will secure any savings.
- Ensure all transactions, balances and records are well-communicated to all members

2. Where practical, fully transition to digital recordkeeping applications and/or digital money²

Things the group needs to consider:

- In some contexts, digital recordkeeping applications for Savings Groups exist and are reasonably accessible; these tools could help reduce the risk of theft, while also enabling groups to continue to operate without physical meetings. Many groups may already be moving in this direction.
- Many groups may already be saving, borrowing and repaying loans on mobile platforms
- When introducing digital payments, keep in mind that group funds should not, under any circumstances, be held in an individual account.
- In many countries, mobile money fees are being waived for low-value transactions
- Be aware of the options available and what is involved in transitioning to digital recordkeeping applications and/or mobile money. **This could be a long-term process. Be realistic about how much work and time it would take.**
- Keep in mind that this is also a time of crisis for ICT providers and financial institutions

² For some guidance on 'going digital', you can start here: <https://mangotree.org/Technology>

Guidance for Implementing Organizations

- 1. Identify a Savings Group COVID response focal person.** Identifying a focal person at your organization, at the national level, will ensure the consistency of your response across projects and partners.
- 2. Build a phone tree right now.** Given the need for physical distancing, consolidate a single phone list – with Savings Group leaders, community trainers, and community leaders – ideally from both supervised groups, as well as graduated groups that you have worked with in the past.
- 3. Keep a record of the Savings Groups' plans.** This will help with restarting or adapting Savings Group programs during the COVID-19 recovery stage. It can be a full record, or as simple as: location, group name, main contact number, and 2-3 lines about the group's adaption plan.
- 4. Complement group plans with broader program response.** Get Savings Group members on lists for food distribution and other support to vulnerable people in the event of an outbreak. Integrate with cash and voucher assistance (CAV), WASH and health programming, food security programming, and referral systems for intimate partner violence (IPV) and gender-based violence (GBV) where appropriate.
- 5. Align with others, including the private sector.** Coordinate with partners and other Savings Group promoters (NGOs, public sector, faith-based organizations, local authorities) to standardize messages – both around COVID-19 and Savings Group protocols during the crisis. Identify vendors or partners to disseminate messaging to and collect input from groups and community trainers. Information and communication technology and mobile money will be particularly important in this process. Implementing organizations should familiarize themselves with alternatives that might work for groups.
- 6. Engage community trainers and group leaders.** Local leaders will be a key part of effective response and information sharing. Work with leaders to ensure groups are informed on COVID-19 and are not exploited by potential mitigation measures. Work to reinforce health messages and awareness campaigns from the Ministry of Health through community trainers and group leaders.
- 7. Restrictions on group gatherings means no community meetings or mobilization of new Savings Groups.** Projects and staff may feel the pressure to meet targets; or, during the official suspension of activities, that they can 'get ahead'. Funders, facilitating agencies and local partners should revise implementation plans and grant agreements, and be clear: there should be no community meetings, group training, or formation of new Savings Groups as long as there are local restrictions on group gatherings.
- 8. Recovery.** Begin thinking now about how Savings Groups' resilience could be built after the pandemic. What supportive systems could help with restarting activities? What adaptations might remain relevant? Is mobile money part of the future for Savings Groups? How can relationships with banks, MFIs, or MNOs support the recovery of Savings Groups? Are there possible alliances with social-impact oriented financial institutions to consider with recovery?