



HNPW

Leveraging Nexus Enablers Cash & Digital

Transcending Contexts and Building
Financial Resilience through Collaboration
in a Post-COVID World: What role might
Savings Groups Play?

April 2021

Presented by:

World Vision

VisionFund

DreamStart Labs

Moderated by:

The SEEP Network



Leveraging Nexus Enablers Cash & Digital Building Financial Resilience Through Collaboration



**Sarah
Ward**

SEEP Network



**Angeline
Munzara**

World Vision



**Martina
Crailsheim**

Vision Fund



**Wes
Wasson**

DreamStart Labs



**Kathryn
Taetzsch**

World Vision





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Our Journey

Storytelling :

What happens to savings groups and their members?

What do we know now that we did not before (data)?

How did we make that journey?

Activities: What do we think? What is this group's experience?

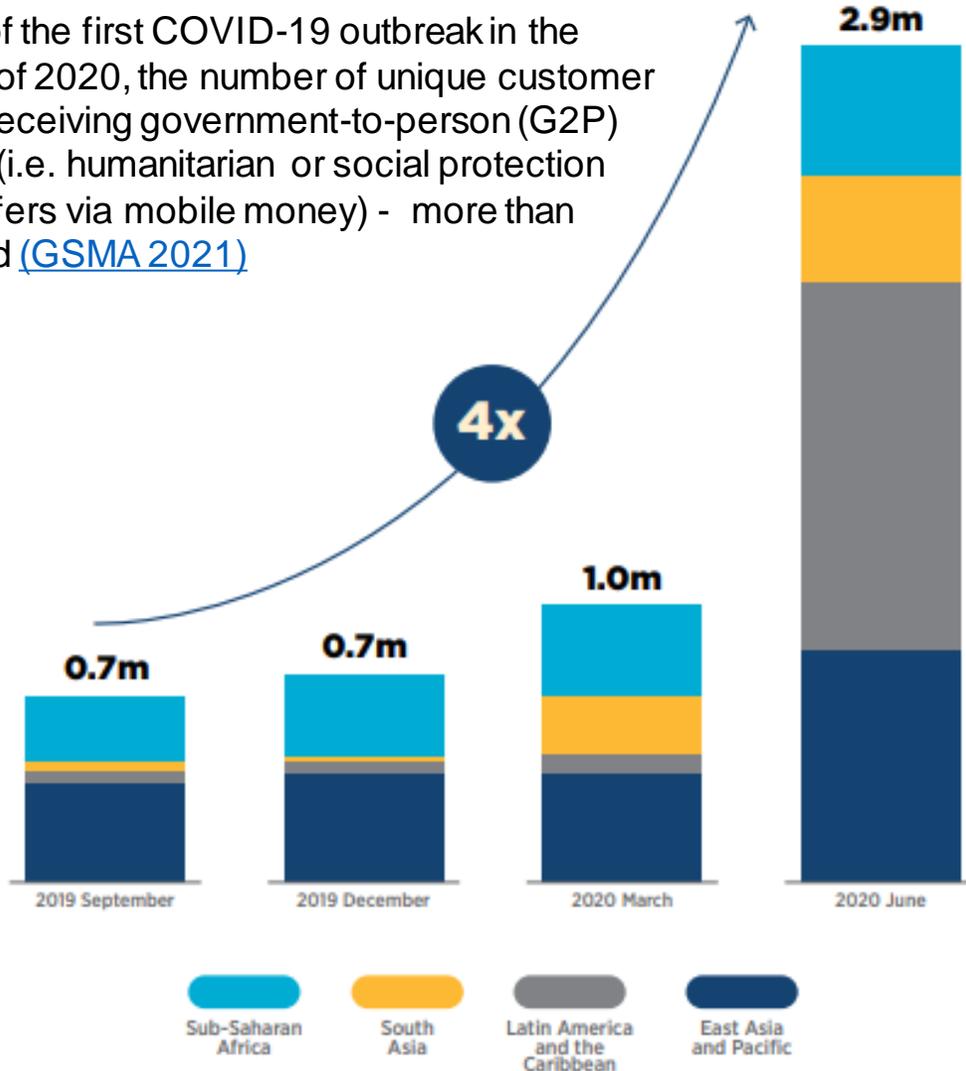
Change: Could this transform what we do? What does it show us might be possible?
Who do we need to engage with? What connections need to be created/reinforced?



Cash & Digital Transfers: Transcending Contexts—Moving Beyond Survival

Number of unique customer accounts receiving G2P payments by region

At height of the first COVID-19 outbreak in the beginning of 2020, the number of unique customer accounts receiving government-to-person (G2P) payments (i.e. humanitarian or social protection cash transfers via mobile money) - more than quadrupled ([GSMA 2021](#))



Humanitarian digital financial assistance - beyond survival in complex crisis shocks

How to ensure that (digital) humanitarian and social cash assistance in protracted complex crises – are the **entry-, but not end-point?**

What are some pathways to empowered communities?



What are Savings Groups?

- Savings Groups are member-owned.
- They are composed of a small number of people who save together in a safe, convenient and flexible way guided by a constitution.
- Cash is lent to members as credit and repayable at an agreed interest rate.





How do Savings Groups function?

- 15-25 members to have enough savings and small enough to promote social cohesion.
- Members must be able to save small amounts on a regular basis.
- Savings Groups offer a form of social insurance, providing access to emergency loans in times of need.
- Small loans can be borrowed on flexible terms for investment, consumption or emergencies.
- Savings Groups are time-bound (9–12-month cycles)
- Members share out at the end of each cycle.

- Savings Groups foster personal development.
- Savings Groups are sustainable and self replicating
- Savings Groups are low cost





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Martina Crailsheim

Director for Savings Group
Linkages

VisionFund

Martina_Crailsheim@wvi.org

VisionFund



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AGNES' JOURNEY

The Power of Savings Groups in Emergencies



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Meet Agnes

- Agnes fled South Sudan in 2017
- With her, 4 kids and a sewing machine
- Husband abducted by rebels during the journey
- Arrived in Uganda – refugee registration center
- World Vision provided food and non-food items



Agnes' Journey

- Agnes joined a Saving Group
- World Vision provided items (cashbox, passbooks...)
- Agnes started saving, continued by borrowing small amounts
- With borrowed small amount she bought thread and needles



- More capital is needed in order to buy fabric as there is a market to make school uniforms as well as clothes for adults
- The saved amounts are too small for bigger investments



WHERE CAN AGNES GET THE MONEY FROM?

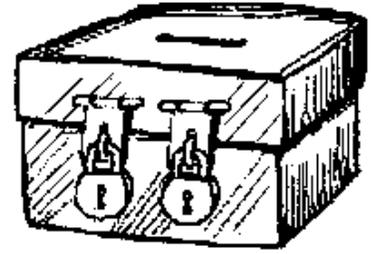


Financial Institution's Perspective

- Fragile Context
- Refugees as clients??
- Refugees might not have relevant documents
- Refugees might not have collateral to secure the loan amount
- Refugees might only do agriculture and those are risky loans
- Small loan size = high admin costs = questionable profitability
- Refugee settlement far away from the branch
- Carrying around cash is not safe



Agnes' Journey (continued)



- VisionFund provided a loan to the whole group
- Agnes took a bigger loan – buying fabric
- Agnes' income grew – she bought two more sewing machines and employed two more people to help her



A loan to the whole group!



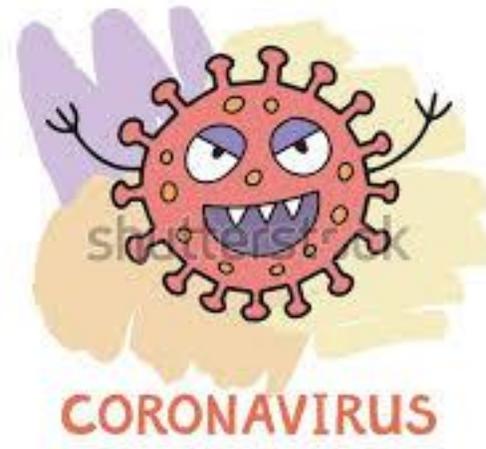
- A loan to the whole group is less risky than to the individual
- Refugees are economically active and own phones
- Mobile money allows money transfers without going long distances to physical branch
- Digital onboarding tools allow VisionFund to register clients in the field
- Financial literacy training improves client's decisions around how to manage and invest money



March 2020

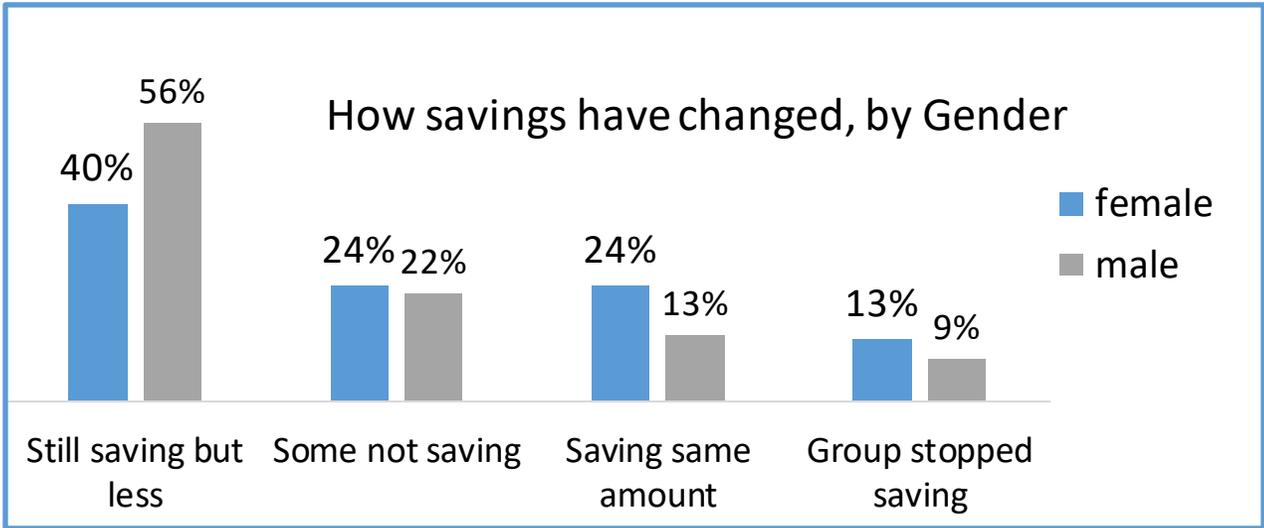
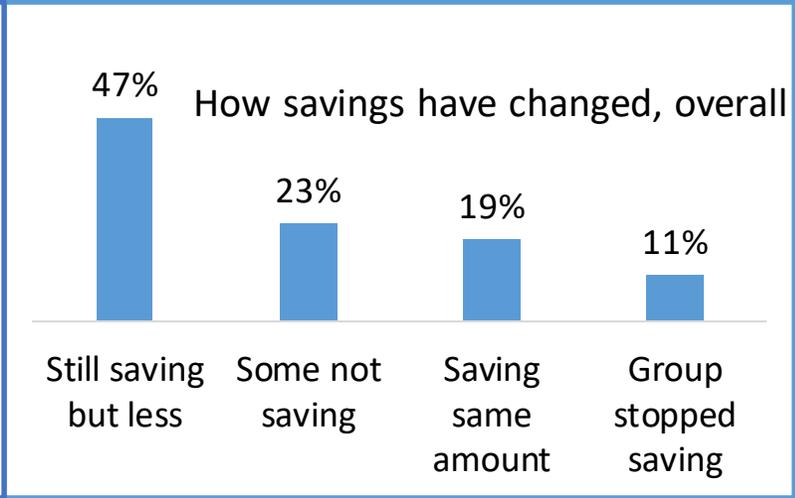
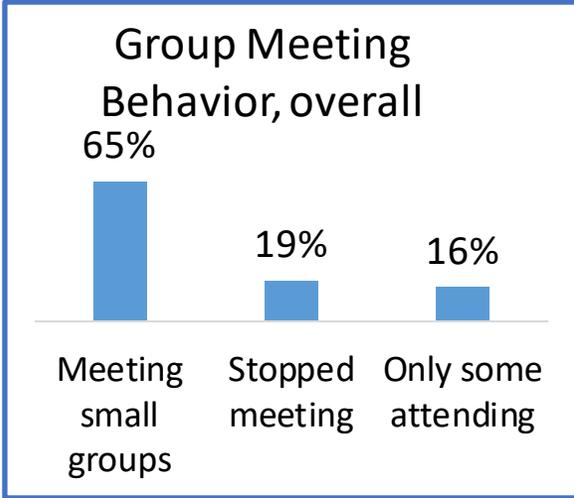
Will groups fall apart?

Will repayments go down to zero?



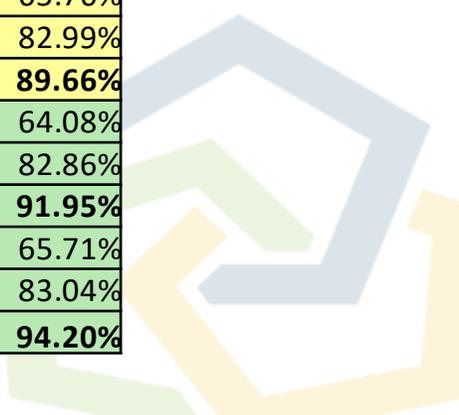
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Months (FY2020)	Product Name	Repayment Rate (%)
March	Solidarity Groups	84.58%
	Individual Loans	85.91%
	Savings Group Linkage	98.68%
April	Solidarity Groups	23.47%
	Individual Loans	33.58%
	Savings Group Linkage	64.93%
May	Solidarity Groups	14.20%
	Individual Loans	24.70%
	Savings Group Linkage	57.87%
June	Solidarity Groups	44.38%
	Individual Loans	57.97%
	Savings Group Linkage	38.82%
July	Solidarity Groups	69.24%
	Individual Loans	76.02%
	Savings Group Linkage	60.70%
August	Solidarity Groups	73.13%
	Individual Loans	84.04%
	Savings Group Linkage	95.60%
September	Solidarity Groups	72.71%
	Individual Loans	83.80%
	Savings Group Linkage	90.41%
October	Solidarity Groups	65.76%
	Individual Loans	82.99%
	Savings Group Linkage	89.66%
November	Solidarity Groups	64.08%
	Individual Loans	82.86%
	Savings Group Linkage	91.95%
December	Solidarity Groups	65.71%
	Individual Loans	83.04%
	Savings Group Linkage	94.20%

RESCHEDULING



What now?

- Vulnerable population can be financially included
- Financial inclusion needs vary according to context
 - Remittances
 - Loans – recovery loans, investment loans
 - Savings
 - Insurance – health insurance





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Angeline Munzara

Global Sector Leader,
Livelihoods

World Vision

Angeline_Munzara@wvi.org



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MYTH-BUSTING: THE SILOS CAN BE BROKEN!

The Humanitarian and Development Nexus



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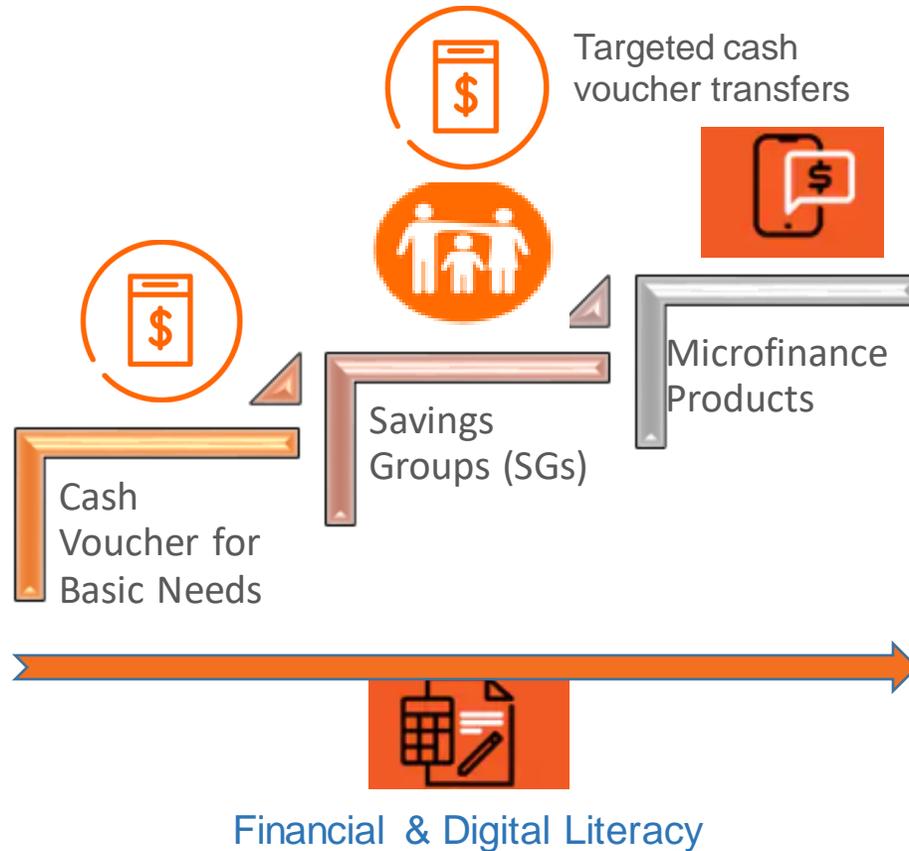


- A nexus between humanitarian and development Interventions is possible and silos can be broken.
- Integrated and systemic humanitarian assistance and strengthening livelihoods activities can help build the resilience of vulnerable communities, not only to cope with existing shocks and stresses but to be better prepared for future shocks.
- COVID-19 Responses has taught us that it is possible to bridge the humanitarian and development divide during emergencies.

**Coronavirus
& Poverty:
We can not
address one
without the
other!**



Leveraging Cash, Voucher Transfers, Savings Groups and Microfinance



Future scale-up model for effective financial resilience

- Well-targeted transfers
- Digital/non-digital SGs
- Connected to MFIs
- Financial and digital literacy



WORKING TOGETHER CAN MAKE A DIFFERENCE!



A combination of targeted cash transfers, microfinance linkages, child protection & gender equality education under the USAID-World Vision Sierra Leone Women Empowered for Leadership and Development (WELD) project in Sierra Leone produced the following results:

- Cash transfers to meet basic needs.
- Loans for 42,000 small traders (80% women)
- 70% of funds used for fees, food and medical expenses for over 40 000 children.
- 20% drop in child marriages.
- 52% less risk of women being exposed to physical violence, due to increased income
- First children SG “Destiny” was established
- Mobile money linkages with Orange Mobile to reduce theft



THE STORY OF HON. JOSEPHINE MAKIEU



Josephine Makieu, Member of Parliament, Sierra Leone

- Hon. Josephine has been part of a SG established during a humanitarian response.
- “I believe every woman desires to have a right to make life choices and be in a position to fund those dreams. Savings groups provides an opportunity for women to develop self-confidence and be independent. Women who participates in savings groups have more control over household income.
- SG members supported 185 women aspiring for elective positions in Kenema district, funding all campaign activities.
- 20 of the women made it to Parliament and 165 for local council.

Savings Group members in refugee/host settlements in West Nile, Uganda

Income and Savings in COVID-19

Income has declined

47% savings group members face a big reduction in income, and an additional 11% of members have no income

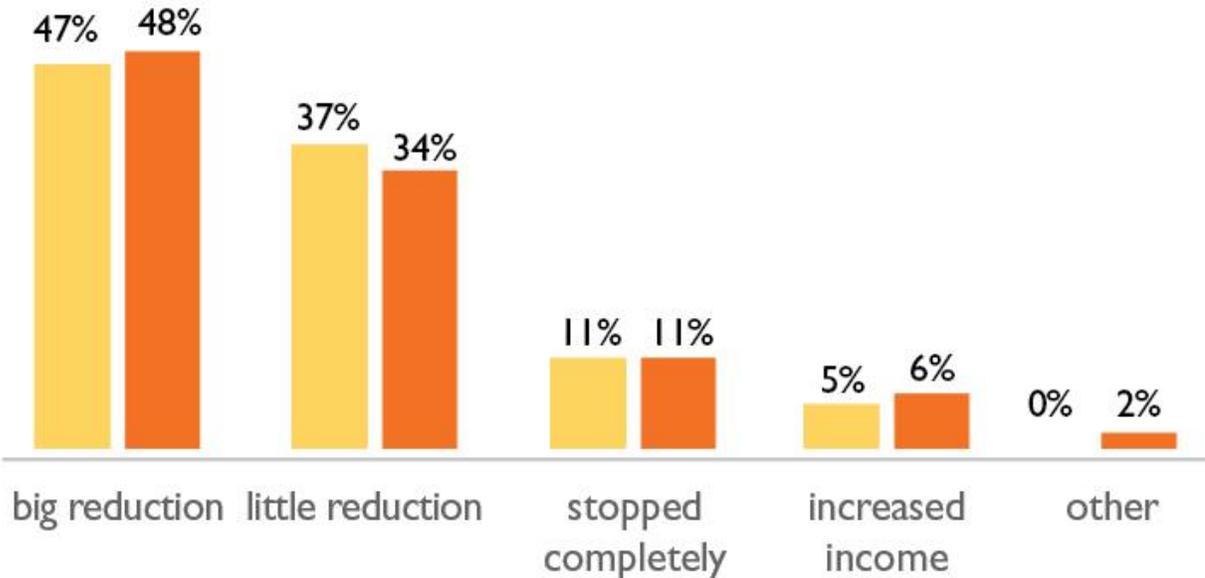
Staple food prices are rising

88% are facing increased staple food prices, with 48% encountering increases between 70-100%

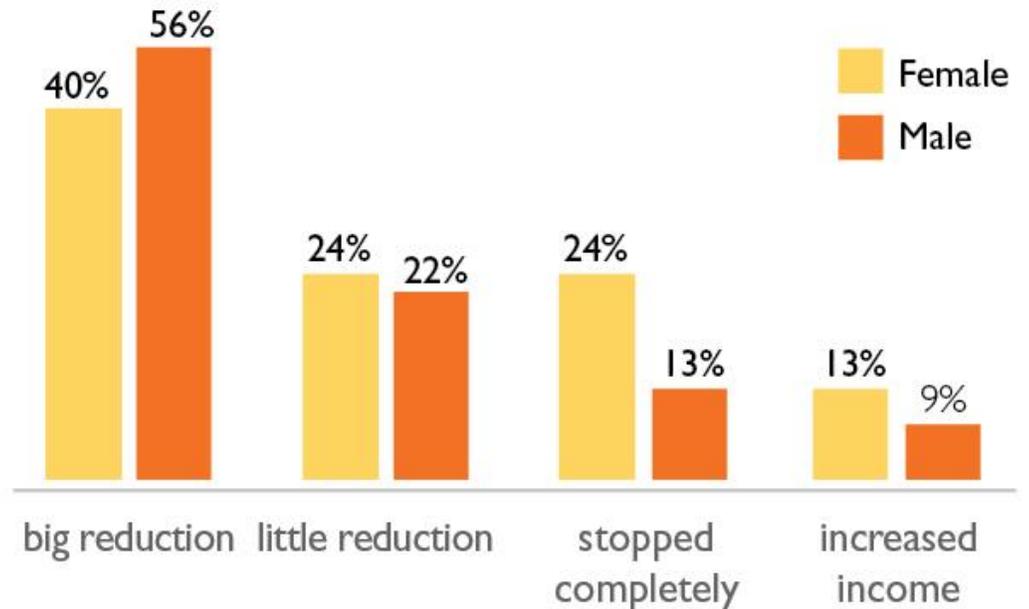
Assets are being sold

10% of savings group members (12% men, 8% women) said they had already sold off assets

Income change by gender



Savings change by gender





Activities: Mentimeter Group Exercise

- Go to www.menti.com
- Type in the passcode you see at the top of the screen
- Participate!



Group Exercise Reflections

- What surprised you?
- What seemed a common experience?
- How does it relate to what you heard in the presentations?





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Wes Wasson

CEO and Co-Founder

DreamStart Labs

Wes@DreamStartLabs.com





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DIGITAL SAVINGS GROUPS

Imagine the Possibilities!



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DIGITAL SAVINGS GROUP

Any group using mobile technology to manage digital records or conduct digital transactions



Digital savings groups are changing the game

- More resilient
- More connected
- More community trust

Essential during a crisis



Impact Study: 6-Months After Digitizing

Have a specific financial plan

BEFORE	AFTER
63%	95%

Confident using mobile apps

BEFORE	AFTER
3%	59%

Trust community members

BEFORE	AFTER
40%	62%

Most Popular Time to Save

7am





Savings groups can be quickly mobilized to help in times of crisis

- COVID masks
- Community kitchens
- Crisis communications



A single shared
smartphone can
empower an
entire community



- ✓ Inaccessible
- ✓ No Mobile
- ✓ Low Literacy





**Already an essential part of weekly habit
Not something new added during a crisis**

Digital savings groups are changing the game for millions of people worldwide

Potential to transform future humanitarian responses as well





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Kathryn Taetzsch

Global Director Humanitarian
Partnerships, Cash & Vouchers,
Disaster Management

World Vision

Kathryn_Taetzsch@wvi.org





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TRANSCENDING CONTEXTS

Collaboration & Financial Resilience post-
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Cash & Digital Transfers: Enabling Economic Resilience



World Vision's multipurpose and other cash assistance has been provided as key intervention to address specific COVID-19 economic impact with tailored programme interventions & over \$178 million transferred in 30+ countries

COVID-19 lockdowns caused loss of income, exacerbating existing vulnerabilities in urban, rural, refugee, and displacement communities

The global pandemic has pushed the expected number of people in need of humanitarian assistance and protection in 2021 to 235 million, an increase of 40% from pre-pandemic levels (UNOCHA)

Oct 2019-Sept 2020

6.4 M

total beneficiaries
reached in 41 countries



THROUGH CASH AND
VOUCHERS

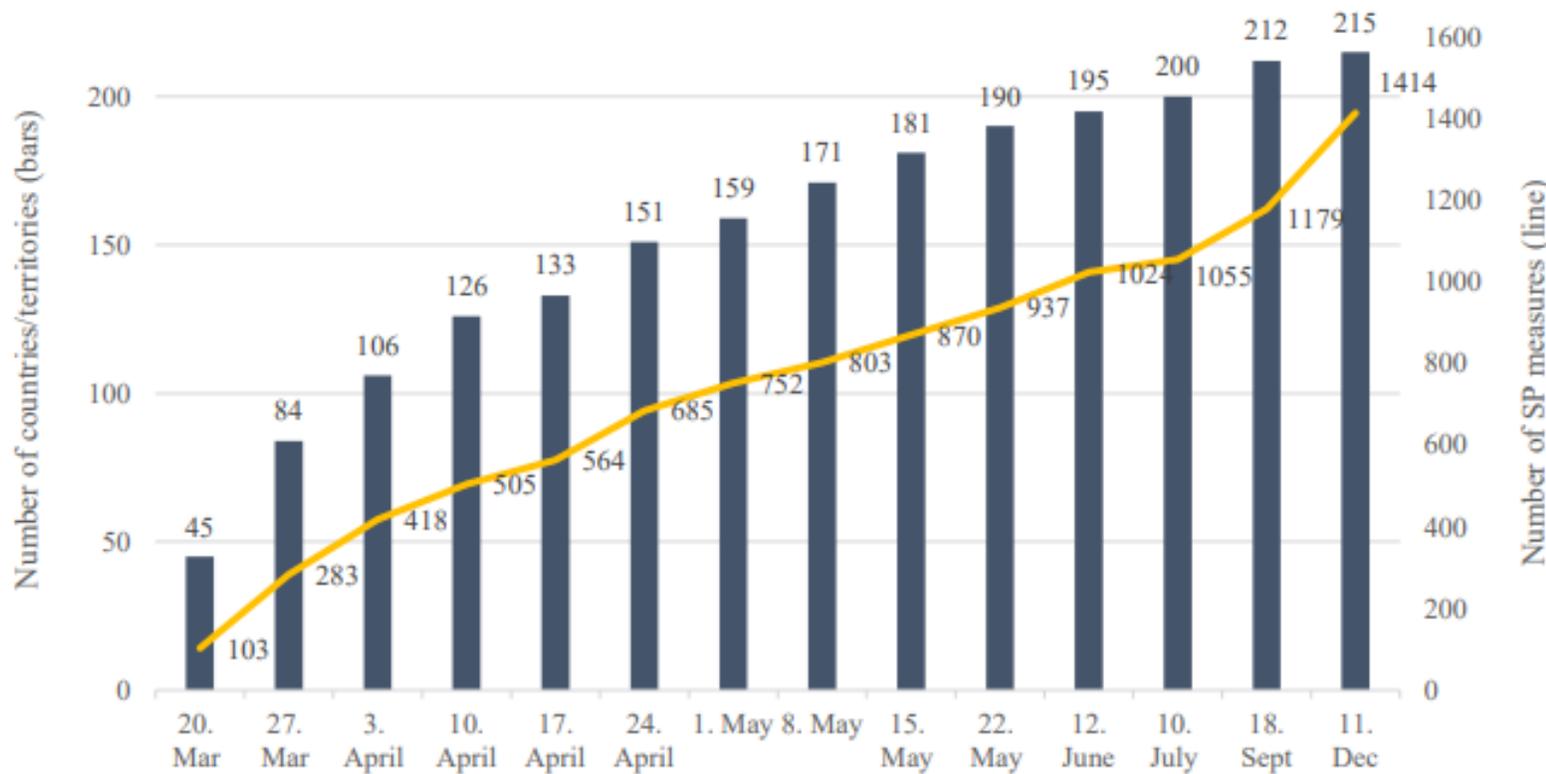
42 % Children benefitted

71% Beneficiaries from
Fragile Contexts

61% delivered via **e-cash**
& **e-vouchers** & increasing
steadily

- Goal to scale up financial cash, voucher transfers to deliver 50% of our humanitarian portfolio as cash, voucher by 2022, benefitting at least 4 million children – in 2020, we delivered at least **39%** of our humanitarian, recovery assistance through cash, voucher transfers
- COVID-19 resulted in substantive cash transfer response scale-up via UN, national governments, and NGOs, including digital mobile money
- Linking cash beneficiaries to savings groups can create meaningful strategic connections and improve household economic resilience

Figure 1. Trends in number of social protection measures and countries/territories, March-December 2020



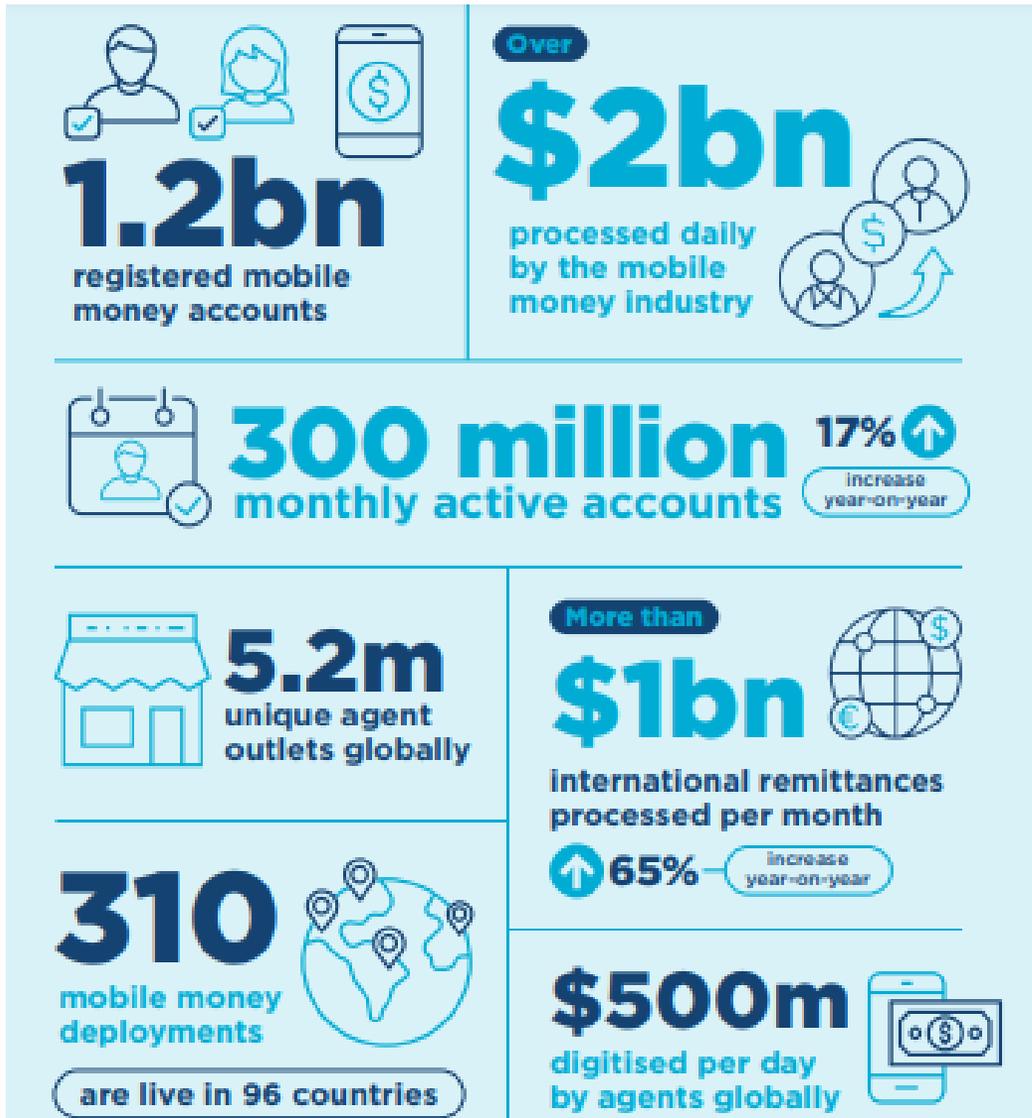
Yet, gaps and exclusion, digital literacy and financial literacy limitations impede effectiveness of formal social protection transfers

Need to enhance household financial resilience through informal social safety net measures, interlinked with targeted transfers, intentional Savings Groups & fin/digital literacy efforts at grass-roots

Social assistance still accounts for most, or 62%, of global responses, with cash transfers emerging as the most widely used form of social assistance recorded in our database (figure 2).

<http://documents1.worldbank.org/curated/en/467521607723220511/pdf/Social-Protection-and-Jobs-Responses-to-COVID-19-A-Real-Time-Review-of-Country-Measures-December-11-2020.pdf>

Collaboration & Financial Resilience post-COVID-19: Mobile Money Transactions have Increased Significantly

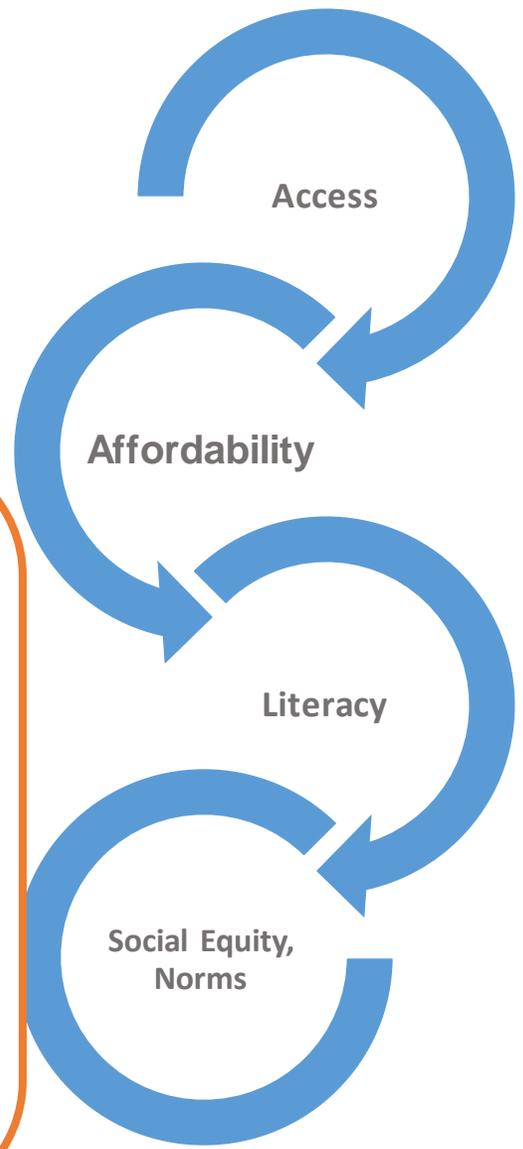


Cash & Digital Transfers: Issues of Exclusion



“World Vision gave us financial support. I was first trained on how to run a business and then given money. I used some to buy food for my children and then I started a shop since the nearest one used to be a kilometre away,” says Amina, who enjoys a ready market for her products.

Multi-purpose cash assistance, asset transfers and training communities on the Savings for Transformation (S4T) model by WV that is enhancing household economic recovery for affected families has helped with digital and financial inclusion and resilience.



Access, Affordability, Literacy, Social Equity & Norms

Women less likely to have access to cash transfers, medical information, educational content, employment opportunities

300 Mio fewer women use the mobile internet compared to men – gender gap = 20 % (pre-COVID 19)

Cash & Digital Transfers: Savings Groups in Kenya



Selected most vulnerable people such as People with Disabilities Savings Groups

- Mitigates risk of using business capital to cover other urgent cash-flow needs
- Some used cash to add to household assets
- Social cohesion strengthened
- Savings group members who received transfers feel gap of not being able to borrow has been reduced, and they are now able to continue normal lives



Women Use Digital Skills to Educate Children

Anne using her digital skills to help her two children; 9-year-old Minha (Right) and 8-year-old Lavingtone (left) to study at her home; communication & ICT skills “Women & the Web” – to address economic and educational hardships due to COVID 19

- **Preparedness & Prepositioning**
 - Need for flexible context-appropriate solutions and partnership before crisis hits
 - Countries with multiple components and partners ready were more likely to have a fast and effective collaboration and building blocks/pathway transition
- **Coordination & Collaboration by all Actors**
 - Humanitarian-development-peace-nexus
 - Requires partners/staff to understand concept and challenges while being solution-focused
- **Investment for People at the Centre**
 - Community awareness and digital literacy, including decisions about personal identity (PII) & data protection
 - Remember connectivity challenges in some Fragile Contexts

1. **Savings and access to credit** are key to thriving in crisis
2. **Cash and voucher transfers** are effective throughout all phases if targeted and timely
3. **Engaging with SGs in crisis response** is critical for financial inclusion and resilience
4. **MFI links to SGs** can improve resilience with low risk to lenders
5. **Digital will be essential for transcending humanitarian-development-peace aspects** – begin exploring and expanding options now – complementarity of formal & informal safety nets
6. **Social cohesion** is also critical – digital should enable flexibility, but goal is not to eliminate meetings – F2F community engagement still important



Leveraging Nexus Enablers Cash & Digital Questions, Answers, Discussion...



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Thank you

