



CRS AND Savings-led Microfinance

Our Approach and Strategy

63

countries with SILC groups

5.47m

SILC group members

232k

active SILCs (32,692 in first cycle)

\$26 m

in savings for first-cycle groups

6,251

Private Service Providers delivering SILC on a fee-for-service basis

CRS' Savings and Internal Lending Communities (SILC) methodology is a holistic, savings-led microfinance approach that provides a safe place for poor households to save and borrow. The goal is to help these households better manage their existing resources by teaching them basic financial management skills and providing them with the tools to achieve this, i.e., a savings facility and means to borrow money and accumulate useful lump sums.

Our Holistic Approach

CRS' savings-led microfinance methodology has its roots in traditional community-based rotating savings and credit clubs. Our methodology, however, significantly improves upon local approaches by helping poor communities create sustainable, accessible, transparent, and flexible Savings and Internal Lending Communities, known as SILC groups. By facilitating savings services, CRS enables the poor to save money without incurring excessive debt or interest charges. Moreover, SILC helps protect members' limited resources by shifting their money from poorly protected informal locations (e.g., under the mattress) to investments in group members' businesses. This provides members a positive return on their savings. The accumulation of savings and the subsequent ability to access flexible credit through an internal lending mechanism leads to investments in productive activities (ranging from agricultural production to small businesses), protection of existing assets and acquisition of additional assets to achieve greater household resilience and wealth creation.

From day one, SILC groups are owned and managed by their members, which ensures the groups' long-term sustainability and financial independence. Participation in SILC increases social cohesion by building trust among members. Unlike microfinance institutions, SILC allows members to use their loans to help smooth household consumption in periods of difficulty, bolstering the financial resilience of marginalized groups in both urban and rural settings—including farmers, women, people affected by HIV, and vulnerable youth—who are often excluded from formal financial services.

Our Innovative Strategy

Fee-for-service entrepreneurs for SILC sustainability

To address the need for sustained community-level financial services, CRS has introduced a market-based strategy that enables Private Service Providers (PSPs) to expand SILC services on a fee-for-service basis anywhere there is demand.

"Thank you for sowing hope in my family."

- Nelly Aguilar Martínez, member of El Ciprés SILC group, Honduras

The PSPs are paid directly by the SILC groups, resulting in an easily replicable and self-sustaining savings-led program. PSPs earn an income as they help create and support groups, and groups receive support from a quality-assured service provider independent of CRS or donor support. Our video, [The SILC Road](#), explains in detail the methodology from a PSP's perspective.

SILC Plus

To ensure that SILC training fully addresses the members' financial and business needs, CRS has adopted a SILC Plus approach, which is delivered by PSPs. The SILC Plus package includes the savings group methodology, financial education and marketing basics. To guarantee consistent and high-quality delivery of the multiple training services to the PSPs, CRS has created a Master Trainer program, which consists of four core training phases:

- Phase 1: SILC methodology, partner induction, PSP supervision, and the industry-standard, cloud-based MIS, the Savings Group Information Exchange, or SAVIX: <http://thesavix.org>
- Phase 2: Pricing and marketing, PSP certification, network creation and an apprenticeship system.
- Phase 3: Financial education, specifically child-optimized financial education (COFE), covering basics (seasonal financial calendar, S.M.A.R.T. and safe goals, income, expenses, budgeting, needs versus wants), savings and borrowing principles and practices.
- Phase 4: Basic marketing principles and practices for better decision making.

SILC Pro-Poor Strategy

The SILC Pro-Poor Strategy promotes the inclusion of poorer community members in SILC. The strategy comprises promotional approaches, flexible group savings policies and SILC PSP fee structures. It provides inclusive language in all training materials to improve SILC outreach to the poor, as well as training sessions for project implementation staff and stakeholders on promoting SILC to poorer community members.



End-of-cycle share-out at El Ciprés SILC group in Honduras. Oscar Leiva/Silverlight for CRS

CRS innovations make SILC more inclusive, thereby extending the benefits of savings groups to previously underserved populations.

SILC for children, adolescents and youth

CRS offers a "Classroom SILC" approach in El Salvador, Guatemala and Honduras that is implemented with students in primary and secondary schools to teach them how to manage money and prepare them to become entrepreneurs in the future, as well as "Youth SILC," designed to meet the needs and styles of youth.

Sharia-compliant SILC

CRS has developed a sharia-compliant SILC approach for populations that are unable or unwilling to participate in conventional SILC due to practices, such as interest-bearing loans, that conflict with their religious beliefs.

Digital SILC

CRS is digitizing aspects of SILC to increase programming efficiency using remote training as well as digital supervision tools, and to add value to members by introducing digital record-keeping, to meetings to improve the accuracy of records and create avenues to formal finance.

"SILC gives us solidarity. It unites us."

- SILC members in Chad

For more information about our work in microfinance, contact crsmicrofinance@crs.org or write to CRS World Headquarters, 228 W. Lexington Street, Baltimore, MD 21201, USA

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