

How CRS savings groups lay the foundation for resilience



A GRASSROOTS BANKING SOLUTION

Communities around the world face chronic poverty caused by low and irregular income, lack of safe places to save their money and the inability to borrow money to address challenges and invest in their livelihoods and households. This makes them highly vulnerable to food price spikes, natural disasters and social unrest that lead many to need external or foreign assistance. To make communities more resilient and self-reliant, Catholic Relief Services (CRS) promotes Savings and Internal Lending Communities (SILC)—informal groups that provide members a safe place to save money and generate useful lump sums of cash to invest in their livelihoods and families, making them better equipped to withstand crises.

THE RIGHT BUSINESS MODEL

CRS believes people are agents of their own development and that they should not only have the autonomy to decide how to invest their money but should also have access to a business model that enables them to achieve self-reliance using their own resources rather than handouts.

CRS's approach helps savings group members to:



POOL THEIR RESOURCES

through autonomous member-owned savings and lending groups where 15-30 people meet and contribute funds on a weekly basis.



BORROW MONEY

from the pooled resources as needed to invest in their lives and livelihoods, e.g., to buy food, cover school fees or funeral costs, or build businesses.



RECEIVE ANNUAL SHARE OUTS

of their savings, plus a percentage of group profits, that they can use to build self-reliance by investing in their businesses, repairing their homes or stocking food.

SNAPSHOT OF CRS SAVINGS GROUPS

2.2M

people joined CRS savings groups from 2019 to 2024

\$569M

mobilized by savings group members over 5 years

63

countries with active CRS savings and lending groups

23%

more resilience among SILC members than non-members

SILC members' return on their savings ranges widely, but a 2020 evaluation in Guatemala found a median return of 12% (and the maximum return was over 90%). Those SILC members invested their returns in farming and acquiring business inputs, as well as paying school fees, repairing their homes, and buying food and medicine.

BETTER RESILIENCE THROUGH SAVING

Across CRS' programming, SILC group members have better food security and resilience outcomes than their peers. In Malawi, SILC group members have better food security than non-members, as indicated by lower Household Hunger Scale scores. They are 23% more resilient, as well, which means they have greater ability than non-members to cope with shocks themselves rather than relying on external support.

Hunger by savings group participant



Even in contexts where humanitarian needs are greatest, SILC makes people more self-reliant. In Uganda's Bidibidi refugee settlement, SILC group members reported using their own savings to cope with food price increases, buy food during the lean season, and continue agricultural production so they could rely their own assets instead of food assistance.

KEEPING PROGRESS GOING

CRS development projects have limited lifespans, and to ensure that our results endure once our projects have closed, CRS and local partners have trained over 6,000 local social entrepreneurs—called Private Service Providers (PSP)—across the world to promote and support SILC groups in their operations. The PSPs don't earn project stipends from CRS or the U.S. government; they earn fees, paid to them by the SILC groups they support.

BUILDING SUSTAINABLE MARKETS

Some of these fee-for-service agents provide other value-add services, such as helping farmers buy the quality inputs they need from agro-dealers, and collectively selling their produce in markets for a better price. These entrepreneurs, called Private Agricultural Service Providers (PASP), collect fees from farmers and farmer groups for their services.

In Senegal, PASPs helped their farmer clients buy fertilizer by aggregating individual orders to secure bulk discounts from national distributors. Their farmer clients reported that the PASPs were more convenient and offered services and inputs that were better adapted to their needs than other agricultural extension agents. Because many SILC groups worldwide—including in Senegal—time their end-of-cycle share-out to the agricultural calendar, members use the money they receive from SILC share-outs or loans—not USG handouts—to buy the inputs they need to grow crops.

In Rwanda, in addition to selling inputs to farmers and organizing bulk orders, some PASPs got licensed by the government as agro-dealers, and a few PASPs collaborated to open tree-sapling nurseries. In Guatemala, paravet PASPs live in farmers' communities and respond more quickly than veterinarians to poultry farmers' needs. The paravet services they provide include campaigns to vaccinate poultry (chickens) against prevalent diseases, ensuring a safer food supply and reducing poultry farmers' risk of income loss from animal illness and death.

REDUCING DEPENDENCE ON AID

CRS promotes a variant of SILC that is delivered to children and teens in their school classrooms. There, under the guide of a trained schoolteacher, the students learn to save money and set responsible goals for using their money later on. In Central America, students reported using their classroom SILC money to buy textbooks and school uniforms, and to help their parents with expenses. With the financial management skills they acquire in school thanks to classroom SILC, youth will participate productively in their countries' economies as business owners, workers and leaders, reducing incentives to migrate.

Overall, CRS' SILC programming is an investment in sustainability and self-reliance. The groups minimize costs and participant dependence on aid from the U.S. government while maximizing the positive impacts for the communities.

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PHOTOS

BANNER: Rose Iwa Oloutoyi (standing), the private service provider for a CRS-supported project in Atokolibé, Benin, leads a savings and credit session with one of her SILC groups named "Kadjola," which means "Let's grow together" in the local Nagot language. Jean-Michel Kpakpo/CRS

POOL RESOURCES: Ermilda Sanchez counts money during a meeting of a savings group in Honduras. Jim Stipe/CRS

BORROW MONEY: Asseta Sawadrigo, a member of the loan group next to a security box that contains the group's savings during a loan group meeting in the village of Pissila, Sanmatenga province, Burkina Faso. Sam Phelps for CRS

BENEFIT FROM SHARE-OUTS: Mary Imoit learned to save money and received business training through a savings group before starting a small retail business selling food items like maize flour, wheat flour, sugar and vegetables in Isiolo and Marsabit counties in Kenya. Anthony Nyandiek/CRS