



A SILC group in the Muyinga Province of Burundi engages nutrition programming participants so households both understand the importance of a diversified diet and have the financial means to purchase healthy food.

Photo: CRS, 2017.

CRS Burundi and SILC Programming:

SUSTAINABLE DEVELOPMENT THROUGH SAVINGS & INTERNAL LENDING COMMUNITIES

CRS' GLOBAL METHODOLOGY

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 money to increase their income and better support their families. The goal is to help members better manage their existing resources by teaching them basic financial management skills. CRS' approach significantly improves upon the traditional community-based rotating savings and credit associations methodology by helping poor communities create highly sustainable, accessible, transparent, flexible and self-managed SILC groups. The accumulation of savings and the subsequent ability to access flexible credit through an internal lending mechanism leads to greater financial resilience among participating households and investments in productive assets, ranging from agricultural production to small business activities. As of 2018, CRS has over 151,000 active SILC groups in 58 countries.

SILC SUSTAINABILITY

From day one, SILC groups are owned and managed by their members, ensuring their long-term sustainability and financial independence. To address the need for sustained community-level financial services, CRS has introduced a market-based strategy that enables local entrepreneurs, or private service providers (PSP), to expand savings group services on a fee-for-service basis anywhere there is demand. The PSPs are paid directly by the savings groups, resulting in an easily replicable and self-sustainable 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.

CRITICAL IN BURUNDI CONTEXT

Participation in SILC increases social cohesion by building trust among members, which results in greater financial inclusion of marginalized groups, such as rural farmers, women, and vulnerable youth, who are often excluded from formal financial services. SILC groups engage individuals from across Burundi's political, social and ethnic divides on a weekly basis to collectively overcome economic barriers. With agriculture constituting 92% of Burundian employment, SILC offers poor families the financial means to diversify their livelihoods and become more resilient during hard times.

4,401

SILC GROUPS IN BURUNDI

146

PRIVATE SERVICE PROVIDERS
DELIVERING SILC ON A
FEE-FOR-SERVICE BASIS

SILC IMPACT IN BURUNDI AS OF JUNE 2019



34,360

SILC GROUP MEMBERS



\$563K

TOTAL GROUPS' SAVINGS



\$492K

TOTAL AMOUNT OF LOANS

HOW SILC GROUPS DRIVE HOUSEHOLD DEVELOPMENT



Each savings group agrees to a set of rules to guide its activities.



Groups meet on a regular basis and members contribute a fixed minimum sum.



Members take out loans, which they pay back with interest.



Loans help support farming, grow businesses, and pay for schooling.



Group members get back their investment plus a profit, which they can reinvest in the group.

YOUTH & PEACEBUILDING

The USAID-funded Dukire Tubane project has supported nearly 2,500 Burundian youth to strengthen their economic resiliency and foster social cohesion, both amongst themselves and with local authorities. In addition to trauma healing and social cohesion workshops, youth participate in 102 different SILC groups where the importance of peacebuilding and collaboration is reinforced. After developing entrepreneurship skills, youth SILC members will receive funding and technical support to implement small business plans during the second half of the project. By increasing youth's access to livelihoods, Dukire Tubane contributes to a reduction of the poverty and frustration which often fuels their participation in violence.

CREATING A BASE FOR COOPERATIVES

In 2017, CRS launched the Ikawa Yacu project to support coffee farmers to strengthen their resilience through increased productivity and income diversification. The project supports 141 different coffee producer organizations to form SILC groups. In addition to becoming their first point of access to financial services, the SILC approach strengthens the management and

entrepreneurial skills of these informal organizations, laying the foundation from which they can formalize into agricultural cooperatives registered with the government. Cooperative status facilitates the sustainability of these groups by establishing their links to formal financing, improving their access to markets as well as enabling their joint bargaining power to collectively address challenges which arise following program closure.

EXPANDED SERVICE PORTFOLIO

After three years of support from the USAID-funded Amashiga program, 74 private service providers continue to support over 1,200 saving and internal lending community (SILC) groups. In December 2018, this PSP network attended a marketing training that encouraged them to increase the scope of their service provision to include the sale of quality seeds. Today, local farmers contact their PSP to purchase home gardening seeds previously unavailable in remote communities. This has enabled access to nutritious foods for daily consumption and contributed to the program goal of reducing chronic malnutrition in the Muyinga Province.



Questions? Contact the CRS Burundi Country Representative: Christophe Droeven at christophe.droeven@crs.org

June 2019