



## **Promotion of Savings and Loan groups in Community Based Rehabilitation Programmes**

CBM Livelihood Technical Guideline

## Table of Contents

1. Introduction.....	2
2. Objective of guidelines .....	3
3. Community Based Rehabilitation (CBR) .....	3
4. Including Persons with disabilities in micro finance .....	3
5. Savings groups .....	<b>Error! Bookmark not defined.</b>
6. Promotion of Savings groups by CBM .....	5
7. Savings Groups in CBR programmes .....	6
8. Recommendations .....	6
9. List of abbreviations .....	8

## 1. Introduction

The UN Convention on the Rights of Persons with Disabilities (CRPD), in particular Article 27, promotes a “right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to people with a disability.”

The Sustainable Development Goals (SDGs) include strong focuses on ending poverty, sustainable and inclusive economic growth and decent work for all.

Access to livelihood opportunities is fundamental to ending the cycle of poverty and disability.

Most people enter the informal economy not by choice but due to a lack of opportunities in the formal economy and an absence of any other means of livelihood. This is particularly the case for women and men with disabilities who have been largely excluded from formal education and vocational preparation opportunities. In 2015 the International Labour Organisation (ILO) adopted a new international standard that is expected to help millions of people move out of informality into the formal economy.<sup>1</sup>

CBM addresses the inclusion of persons with disabilities in the formal economy through a variety of means but recognizes that for the majority of women and men with disability in the countries in which we work, the informal economy is their most widely available means of gaining a livelihood.

Through the promotion of inclusive savings and loan groups in Community Based Rehabilitation, CBM aims to support women and men with disability gain a means of livelihood from which to build economic empowerment.

Community managed savings and loans groups provide people with a convenient means to save their money, access small loans and obtain emergency insurance. This focus on savings and building assets is an important strategy as an entry-level component of an inclusive, vibrant financial system.

In 2014, CBM directly contributed towards vocational training and skills development in mainstream and disability specific training programmes of 38,474 persons and the employment in the formal and informal sector of 92,080 men and women with disabilities. By supporting over 160 partners for several decades to achieve these results in a variety of cultural and socio-economic settings, CBM has gained valuable experience and learned important lessons that have influenced its strategic direction as reflected in the CBM Global Programme Strategy (GPS2)<sup>2</sup> covering the period 2014-2018.

CBM’s GPS2 represents a clear shift towards a human rights based approach through mainstreaming with the aim of empowering a significantly higher number of persons with disability in an inclusive society.

---

<sup>1</sup>

[http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_COD E:R204](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_COD E:R204)

<sup>2</sup> <http://www.cbm.org/Worldwide-252062.php>

## 2. Objective

The main objectives of these guidelines are:

- A. To create awareness among the CBM family (International Office, Member Associations, Regional Offices, Country Offices and partners) on the opportunity savings groups create to attain socio-economic empowerment of a significantly larger number of persons with disabilities particularly among the poorest of the poor.
- B. Lobbying mainstream savings group providers and donors to promote the inclusion of persons with disabilities in their programmes as a right as a catalyst of inclusive development.
- C. To highlight and illustrate the key steps and procedures that are required to link persons with disabilities through CBR programmes with existing mainstream savings groups and/or promote development of disability specific savings groups.

## 3. Community Based Rehabilitation (CBR)

CBR<sup>3</sup> is an inclusive community development strategy to ensure inclusion, rights, poverty alleviation and equal opportunities of persons with disabilities.

CBR, increasingly referred to as **Community Based Inclusive Development (CBID)**, is one of the main strategies promoted by CBM to improve the levels of inclusion and quality of life of persons with disabilities, and in 2014, approx. 230 partners were supported, reaching about 590,000 people through health, education, livelihood, social and empowerment focuses. Women and men with disabilities identify livelihood as a high priority making a strong focus on economic empowerment essential to CBR.<sup>4</sup>

## 4. Including Persons with disabilities in micro finance

The World Report on Disability (2011)<sup>5</sup> states: *"Many people with disabilities have few assets to secure loans, and may have lived in poverty for years. Microfinance programmes are in principle open to all, including disabled people. But anecdotal evidence suggests that few people with disabilities benefit from such schemes."*

The good news is that since this report came out things have begun to change. A number of Microfinance Institutions (MFIs) like BRAC in Bangladesh, AMFIU in Uganda, and three MFIs in India, Annapurana, Equitas and ESAF, with the support of the Center for Financial Inclusion at Accion and its training partner v-shesh, are successfully providing loans to tens of thousands of clients with disabilities. And the results from these partners make it clear: persons with disabilities make excellent clients! Guides such as the "Framework for Persons with Disabilities" provide a roadmap for MFIs on how to become disability friendly.<sup>6</sup>

---

<sup>3</sup> <http://www.cbm.org/Community-Based-Rehabilitation-250825.php>

<sup>4</sup>

[http://apps.who.int/iris/bitstream/10665/44405/1/11/9789241548052\\_livelihood\\_eng.pdf](http://apps.who.int/iris/bitstream/10665/44405/1/11/9789241548052_livelihood_eng.pdf)

<sup>5</sup> [http://www.who.int/disabilities/world\\_report/2011/report.pdf](http://www.who.int/disabilities/world_report/2011/report.pdf)

<sup>6</sup> <http://www.centerforfinancialinclusion.org/programs-a-projects/pwd/framework-for-persons-with-disabilities>



It is now possible that defying the industry norm of 0.5 per cent of persons with disabilities being served, some of these MFIs will move upward to 3% or even 5% in the next five years.

However there is no doubt that MFIs do not reach those persons with disabilities who are counted among the extreme poor. They do not have microenterprises that could benefit from a loan product.

## **5. Savings groups**

Financial exclusion has led to the development of indigenous community-based solutions. Traditional savings and loan groups have been in existence for decades and are wide spread in villages in Africa, Asia and Latin America where formal banking services are absent. They operate under names such as "Rotating Savings and Credit Associations (ROSCAs)", Savings and Credit Groups (SCG), "Village Savings and Loan" (VSL), "Merry-Go-Round" or "Table banking" with similar objectives but varying modus operandi.

Many of rural poor people have taken up an approach to support saving and borrowing by forming "Village Savings and Loan" groups. This concept was developed in 1991 by CARE in Niger to reach poor populations in rural areas. VSL groups are a simple, transparent, cost-effective and sustainable approach of providing financial services to people who are too poor or isolated to be served by formal financial service providers. This concept has a very high success rate and is being supported by many donors such as Bill and Melinda Gates Foundation, MasterCard Foundation, Barclays Bank UK, USAID, UKAID and others.

The savings group strategy is being implemented by leading international development agencies including CARE, World Vision, PLAN International, Catholic Relief Services, Oxfam America, the Aga Khan Foundation (AKF) and others in cooperation with national and local partners. The number of group members has grown rapidly to over twelve million (December 2015), mostly in Africa, but with increasing numbers in Asia and Latin America. <sup>7</sup>

Savings Groups (SGs) refer to self-managed community-based groups that provide their members access to basic financial services. SGs are composed of 15 to 25 self-selected individuals who meet regularly (usually weekly or fortnightly) to save and, if desired, borrow for short periods, paying monthly interest at a rate set by the group. After approximately 12 months, all savings and earnings are distributed back to group members (often referred to as a share-out). The earnings usually are distributed in proportion to their savings.

SGs respond directly to the unmet financial services needs of the remote and rural poor population by providing a secure place to save, the opportunity to borrow in small amounts and on flexible terms and by including affordable basic insurance services. SGs aim to increase household financial assets and to decrease household vulnerability to financial and other shocks.

---

<sup>7</sup> [www.VSLA.net](http://www.VSLA.net) Global statistics

## 6. Promotion of Savings groups by CBM

The CBM Livelihood Community of Practice has studied the savings group concept in several countries incl. in Uganda where the National Union of Disabled Persons of Uganda (NUDIPU) initiated a Savings group programme in 2010, based on the VSL model.

By December 2014 the programme covered 13 districts, consisted of 922 groups with 27,011 members (**16,043 Persons with disabilities**) incl. 17,741 Women (66%), and 3,907 Youths (14.5%). A total of 10,941 members had started Income Generating Activities and Micro Enterprises.

The accumulated savings had reached EURO 988,000 while outstanding loans stood at EURO 906,000. The average programme cost per enrolled member was \$ 34, significantly lower than for micro finance groups.

Groups apply the same principles as per the VSL guidelines but must have a majority of persons with disabilities. They include parents/guardians of children with disabilities and a minority of community members without disabilities. These mixed groups help promote sharing of experiences while ensuring that persons with disabilities retain management control of the groups.

Based on the success of this programme, CBM's Livelihood Community of Practice developed this position paper to promote savings groups among CBM partners and commenced a pilot SG programme in late 2015 in Rwanda in partnership with the National Union of Disability Organizations in Rwanda (NUDOR). Due to its extensive experience in establishing SGs in Rwanda, CARE was engaged as technical partner to advise on the strategy, roll out and provide staff training.

The Community of Practice has commenced lobbying INGOs and donors that currently implement savings group programmes to remove barriers that exclude persons with disabilities and ensure equitable access to mainstream groups as a human right. Oxford Policy Management who are rolling out savings groups in Tanzania, Zambia and Ghana funded by MasterCard Foundation to the tune of \$ 17.6 million have already accepted disability inclusion as a cross cutting issue.<sup>8</sup>

There is evidence from research data that people with disabilities are currently underrepresented in mainstream SG programmes. CARE Rwanda, which captures disability statistics, noted that persons with disabilities only constitute 0.5% of their membership compared to a national disability prevalence of about 6%. Several INGOs including CARE, WVI and PLAN have disability inclusion policies and have mentioned that they do not intentionally exclude persons with disabilities from joining groups. However the low percentage of persons with disabilities in CARE savings groups points to a lack of outreach to the disability community. Where SG implementers have intentionally targeted and reached out to persons with disabilities and facilitated their inclusion or group formation, they have reported success rates similar to mainstream groups.

World Vision International (WVI) has published a study of different models of inclusion of persons with disabilities within existing SGs, setting up disability specific groups in mainstream programmes and developing special programmes

---

<sup>8</sup> <http://www.mastercardfdn.org/oxford-policy-management-opm/>

like the NUDIPU programme in Uganda.<sup>9</sup> This study provides valuable guidelines on how to ensure inclusion of persons with disabilities in the context of varying historic developments and existing opportunities.

After lobbying Catholic Relief Service (CRS) in Kenya they intentionally reached out to persons with disabilities as a component of their mainstream programmes by mobilizing them and providing transport to attend the awareness creation meeting and thereafter formed groups that reportedly are performing very well.

## 7. Savings Groups in CBR programmes

The livelihood community of practice sees great potential in promoting the Savings group concept within CBR programmes to achieve financial inclusion and socio-economic empowerment of a significantly larger number of persons with disabilities than are currently being reached through other initiatives.

CBR programmes have the advantage that they usually have a significant client base of persons with disabilities and parents/caregivers of children with disabilities who seek livelihood opportunities or are already self-employed and are interested in joining SGs to benefit from savings, loan and insurance services.

Most CBR programmes collaborate with Disabled People's Organisations (DPOs) that have already formed self-help groups that are ideal entry points for development of SGs.

The livelihood community of practice takes cognizance of the fact that Self Help Groups (SHG) particularly in Asia are wide spread and have similar objectives and modus operandi like Savings Groups. In India, many SHGs are 'linked' to banks for the delivery of micro-credit.

## 8. Recommendations

The CBM livelihood community of practice recommends CBR practitioners to consider introducing SGs as a programme component by applying the following strategies:

- A. **Knowledge:** The management and programme staff of the CBR implementing organization needs to acquaint itself with the SG concept through reading of literature, engaging with SG providers, peer visits to SGs or obtaining information and technical support including training from CBM (Global or regional advisors, Country office, Programme staff trained in SGs). Training material in different languages can be downloaded from the VSLA website ([www.vsla.net](http://www.vsla.net)). A simplified manual for group training was developed by UNESCO<sup>10</sup>.

---

<sup>9</sup><http://www.wvi.org/disability-inclusion/publication/including-persons-disabilities-savings-groups>

<sup>10</sup> Savings Groups – Save a little – save a lot- Asia/Pacific Cultural Centre for UNESCO (ACCU) <http://www.accu.or.jp/litdbase/pub/dlmanual/AJP59.pdf>

- B. **Survey:** A survey should be undertaken to gauge the interest of persons with disabilities and care takers in joining SGs in a given area of coverage to determine the viability of the concept and set targets. The survey should also identify current SG promoters in the area or country that can be targeted through lobbying for inclusion or as technical partners. The results/outcome of the survey should form the basis for the strategy development.
- C. **Mainstreaming:** The preferred option is to lobby existing SG providers to include persons with disabilities in their mainstream programmes as a right. Another option is to promote disability specific SGs within the existing programme if they operate in the same area of coverage as the CBR partner. They might also be open to expanding the geographic base of their operating area in cooperation with the CBR partner. The CBR programme would act as a referral organization and link CBR clients or existing empowerment groups with the SG provider and maintain a relationship to monitor group performance and capture statistics and evaluate outcomes. This would be the most cost effective option and also works towards inclusion in mainstream community endeavours.
- D. **Partnership:** Where SG providers do not exist within the CBR area of coverage it is recommended that the CBR programme partners with organizations that have the relevant expertise in SG management to advise on programme planning, staff training, roll out, monitoring, evaluation and reporting incl. data processing. CBM has successfully partnered with CARE in Rwanda who provide technical support for the roll out of a SG pilot programme.
- E. **Funding:** SGs are being promoted by many INGOs that have significant funding from numerous donors. CARE, PLAN, WVI, CRS are among the main SG implementing organizations that attract significant funding from donors such as Bill and Melinda Gates Foundation, MasterCard Foundation as well as corporate and government funding. The most cost effective approach is to lobby them for inclusion. Where this option is not available the CBR partner can seek funding from governments or local and international donors. CBM will partner with the Center for Financial Inclusion at Accion in the USA<sup>11</sup> to explore funding opportunities to promote viable programmes. CBM will also consider reallocation of funds from less effective livelihood interventions towards the SG programmes e.g. transition micro finance programmes that have low impact or are not sustainable into SGs.

CBM is calling upon donors and implementers on global and national level to promote disability inclusion in SG programmes. While many INGOs have developed inclusion policies and trained management staff, the programme staff usually lacks knowledge and practical approaches on how to identify and include people with disabilities in savings groups.

CBM is therefore encouraging SG providers to network with Disability organizations in the respective countries and communities for mobilization and referral of clients to join their existing SGs. Such partnerships will result in inclusion of currently

---

<sup>11</sup> [www.centerforfinancialinclusion.org](http://www.centerforfinancialinclusion.org)



marginalized people with disabilities and ensure equal rights and access to mainstream opportunities towards socio-economic empowerment which development organizations strive to achieve.

The CBM livelihood Community of Practice jointly with the CBR Core advisory team seeks to identify competent CBR project partners who are interested in introducing Savings Groups as a component of their empowerment programmes and collaborate with SG providers in their countries or communities.

4th of March 2016

**Hubert Seifert, Senior Advisor for Livelihood;  
CBM Livelihood Community of Practice**

*Special thanks to Joshua Goldstein of ACCION, Barney McGlade, Jose Roy Verallo III, Karen Heinicke-Motsch, Mike Davies, Nirad Bag, Soumana Zamo, Thomas Aklilu, Vincent Kaduma (all of CBM) for their significant input to these guidelines.*

## **9. List of abbreviations**

AMFIU	Association of Microfinance Institutions of Uganda
CBR	Community Based Rehabilitation
CBID	Community based Inclusive Development
CRS	Catholic Relief Service
DPO	Disabled People’s Organisation
ESAF	Evangelical Social Action Forum
GPS2	CBM Global Program Strategy 2014-18
ILO	International Labour Organisation
INGO	International Non-Governmental Organisation
MFI	Micro Finance Institution
NUDIPU	National Union of Disabled Persons in Uganda
NUDOR	National Union of Disability Organizations in Rwanda
ROSCA	Rotating Savings and Credit Associations
SCG	Savings and Credit Groups
SDGs	Sustainable Development Goals
SG	Savings Groups
SHG	Self Help Group
UNCRPD	United Nations Convention on the Rights of Persons with Disabilities
VSLA	Village Savings and Loan Associates
WVI	World Vision International

**Contact:**

Hubert Seifert  
CBM Senior Adviser for Livelihood

P.O. Box 83988 – 80100 Mombasa, Kenya

Email: [hubert.seifert@cbm.org](mailto:hubert.seifert@cbm.org)

Mobile Phone: +254(0)724053470

[www.cbm.org](http://www.cbm.org)