Program Quality Guidelines for Savings Groups

A publication of the SEEP Savings-Led Financial Services Working Group (SLWG)

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About SEEP

The SEEP Network is a global network of international practitioner organizations dedicated to combating poverty through promoting inclusive markets and financial systems. SEEP represents the largest and most diverse network of its kind, comprised of international development organizations and global, regional, and country-level practitioner networks that promote market development and financial inclusion. Members are active in over 170 countries.

About SLWG

SEEP's Savings-Led Financial Services Working Group (SLWG) brings together practitioners that support the development and expansion of Savings Groups as a mechanism to promote financial inclusion and other development objectives. Known by many different names—for example, VSLAs (Village Savings and Loan Associations) and SILCs (Savings and Internal Lending Communities)—Savings Groups are growing in number and in popularity within SEEP's membership and beyond. Established in 2007, SEEP's Savings-Led Financial Services Working Group was at the forefront of this new movement and helped set the stage for broad-based industry coordination and the establishment of common definitions and methodological improvements. During this time, more than 160 individuals from 70 organizations have contributed to the Working Group by developing shared learning products and supporting knowledge mobilization through virtual and in-person practitioner-led events and conferences.

Savings Group (Chitral, Pakistan)

Learn more about the Program Quality Guidelines, explore a library of related tools and resources, and connect with the Savings Groups community through the interactive PQGs portal: http://www.seeplearning.org/sg-guidelines.html

Acronyms

FA	Facilitating Agency
FFS	Fee-for-Service
FSP	Financial Service Provider
IGA	Income-Generating Activity
MIS	Management Information System
MNO	Mobile Network Operator
PQGs	Program Quality Guidelines
SG	Savings Group
SILC	Savings and Internal Lending Community
SLWG	Savings-Led Working Group
VSLA	Village Savings and Loan Association

Introduction

THE IMPORTANCE OF THE PROGRAM QUALITY GUIDELINES FOR SAVINGS GROUPS

SAVINGS GROUPS (SGs)—voluntary associations whose members meet regularly to save and borrow from group funds—have become well known across the development sector.[1] Proponents point to a variety of benefits beyond savings and credit, such as improved resilience, mutual support, asset accumulation, and access to a variety of products and services offered through the groups.

The growing popularity of SGs has brought with it much excitement but has also highlighted some inherent challenges. As the benefits of SGs become increasingly apparent, new and diverse organizations are entering the field and adopting the methodology with a variety of goals and varying degrees of rigor. At the same time, organizations that have traditionally facilitated SGs are innovating with new approaches and technologies. While most of these innovations are assumed to bring efficiency, sustainability, and greater choices to SG members, their long-term impacts are still unknown.

To ensure that SG members are not harmed by this unprecedented growth and innovation, T**he SEEP Network's Savings-Led Financial Services Working Group (SLWG)** brought together SG practitioners to define minimum standards for quality programming. Quality programs are understood as those programs that prioritize members' welfare while meeting member interests, provide members with lasting and measurable benefits, promote group sustainability and minimize risk. Additionally, practitioners stress the importance of programs serving large numbers of disadvantaged people in diverse contexts.

The **Program Quality Guidelines (PQGs)** begin with the conviction that facilitating agencies have a responsibility to implement quality SGs that safeguard the well-being of members and the security of their assets. They represent a sector-wide effort to build quality from the onset as a guarantee for consumer protection, rather than waiting for problems to emerge before taking steps to address them.

THE DEVELOPMENT OF THE PROGRAM QUALITY GUIDELINES

The PQGs were developed by SEEP's SLWG, representing over 70 organizations that facilitate SGs worldwide. Over 100 practitioners and industry stakeholders participated in written surveys and hour-long interviews, which informed the content of the PQGs and helped to identify programming priorities and emerging concerns. Between August 2014 and April 2015, the PQGs went through a number of drafts that were posted online for open comment; several agencies and individuals provided feedback that was reflected in subsequent versions. The Guidelines were also vetted at each phase by an advisory committee whose members were chosen for their interest and expertise on the topic. The authors had many exchanges with the advisory committee to discuss content and to resolve areas of disagreement among practitioners. The PQGs therefore represent a consensus on good practice based on experience to date and strive to recommend prudent actions, regardless of a particular agency's approach.

Between June 2015 and October 2015, the Guidelines were validated with a wider audience through four in-country consultations (El Salvador, Guatemala, Zambia, and Senegal) and through the PQGs online portal.[2] Based on the input of these extensive consultations, the Guidelines were updated and later launched in November 2015 at the SG2015: The Power of Savings Groups conference in Lusaka, Zambia.

1. For more information about the structure and workings of SGs, please refer to *SGs: What Are They?* (The SEEP Network, 2010. http://www.seepnetwork.org/WhatAreSGs.)
2. http://www.seeplearning.org/sg-guidelines.html

THE AUDIENCE

The Program Quality Guidelines are addressed primarily to those facilitating agencies of Savings Groups, whether local, national, or international, promoting SG programming either as standalone interventions or as part of integrated programs.[3] The SEEP Network hopes that the Guidelines will also inform the approaches of nontraditional actors seeking to build relationships with SGs, such as financial service providers (FSPs) and mobile network operators (MNOs). Finally, it is expected that donors will find value in the Guidelines and that they will work with facilitating agencies to draft agreements that endorse and promote the best practices identified in this document.

HOW TO USE THE GUIDELINES

The Guidelines are grouped under **eight overarching principles** that are believed to be both necessary and sufficient for guaranteeing quality Savings Groups. Each principle is followed by core elements that better detail that principle, as well as guidance notes that offer further considerations and suggestions. The interactive PQGs website also lists a series of tools that provide the reader a concrete way of implementing and measuring each principle.[4] The principles are organized in such a way as to reflect the stages of the project cycle. They give guidance at each major stage: **DESIGN**, **IMPLEMENTATION**, **MONITORING**, and **EXIT**.

NOTE TO THE READER

The reader must keep in mind that some of the principles reflect new practices that are not yet well studied and for which common approaches are still debated. While no one would deny, for example, that the promotion of safe Savings Groups requires good training and a respect for the group constitution, it should come as no surprise that there is less agreement over best practices for linking SGs to formal financial institutions or combining them with additional services. As a result, the Guidelines are conceived as a living document that will be updated regularly to reflect evolution in the field emerging from evidence and experience.

3. Integrated programs are those programs that use SGs as an integral part of the intervention, be it an agricultural initiative, a health initiative, or another approach. Development organizations are increasingly retrofitting SGs into ongoing programming to fulfill a holistic view of development.

4. Tools and resources are available at http://www.seeplearning.org/sg-guidelines/tools/.

PROGRAM QUALITY GUIDELINES FOR SAVINGS GROUPS

PHASE	PRINCIPLE	KEY ELEMENTS					
DESIGN	1 Design the program with clear outreach and quality objectives that are responsive to member interests and align all stakeholders with the desired outcomes.	Common understanding of program objectives	Realistic benchmarks for both quality and scale	National level coordination			
IMPLEMENTATION	2 Know the populations you intend to serve, including the most vulnerable, and take deliberate actions to reach them.	Identification and measurement of intended participants	Program processes that reach the intended population	Messages that are inclusive of vulnerable populations	Group procedures that reflect the needs of vulnerable populations	Alignment of trainer incentives with the objective of inclusion	
	3 Select, train, manage, and monitor trainers in a manner that recognizes their essential contribution to the program.	Careful selection of trainers	Tested and effective training methods	Streamlined training structures	Appropriate incentives for trainer performance	Clear trainer monitoring criteria and responsive feedback	
	4 Promote a tested Savings Group model, and instill in members an understanding and respect for that model's procedures.	Commitment to the group constitution	Caution with tempting shortcuts	Attention to the security of group funds	Respect for both borrowers and savers		
	5 If choosing to combine a Savings Group with other activities, plan carefully and respect the autonomy of the group.	Transparent communication of expectations	Respect for the procedures and structure of the SG	Demand-driven quality products and services	Safety of additional services and activities	Caution with the allocation of group funds for any purpose outside of savings and lending	Caution with anyone who views the SG principally as a market for products and services
	6 If choosing to promote a relationship with a financial service provider, empower SG members to make good choices based on their interests and demands.	Education of all parties involved in the financial relationship	Careful assessment of the financial service provider	Care for the interests of the group	Understanding of the implications of mobile banking		
MONITORING	7 Consistently monitor and evaluate program performance using responsible data collection, management and dissemination practices.	Varied methods for assessment	Respect for data ownership and security	Monitoring of post-project outcomes			
EXIT	8 Put in place a clear exit strategy that leaves behind post-program structures for sustainability, expansion of services, and ongoing support.	Clearly planned and communicated exit strategies	Culturally appropriate post-project contracts	Carefully designed oversight structures	Responsive redress mechanisms		

Principle 1: Design the program with clear outreach and quality objectives that are responsive to member interests and align all stakeholders with the desired outcomes.

DESIGN

Program integrity requires clear objectives that are shared by all stakeholders and that balance quality and scale through good design and rigorous implementation. The sector will benefit from agencies willing to share learning on best practices for designing systems for scale and quality, all while continuing to meet member interests.

ELEMENTS OF PRINCIPLE 1	GUIDANCE NOTES
Common understanding of program objectives	Develop a strategy that includes a description of the program's purpose, expected outcomes, target population, and exit plans and get buy-in from all stakeholders: donors, facilitating agency headquarters and field staff, partner staff, and any external service providers such as financial institutions and mobile network operators. Ensure that the program meets the needs of SG members, and that they understand and accept the benefits, risks and responsibilities of participating in the project. Aligning all stakeholders toward the same goal makes achieving intended results much more likely.
Realistic benchmarks for both quality and scale	Avoid signing agreements—whether with donors or private-sector partners—that compromise the organization's vision or that do not provide adequate resources to form quality SGs. While suggesting standards for quality, scale or cost per member is difficult due to differences in program structures and objectives, keep in mind that the industry averages between 10 and 25 groups formed and supervised per trainer in a given year (depending on the country context, the frequency of SG meetings, distance and road conditions, and the maturity of the groups). The number of groups that trainers can support will likely be reduced for those programs that use SGs as platforms for other developmental interventions when the trainer is also responsible for the delivery of the add-on services. Additionally, projects that are testing innovations will require more time and the flexibility to adapt and adjust interventions. As a general rule, work with donors to agree on the measure and benchmarks of group quality and outreach, paying attention to the performance of other organizations in comparable areas of intervention.
National level coordination	Regularly consult other SG implementers, especially when designing new projects, to avoid geographic overlap and to promote wider outreach. When different implementers target the same communities with a similar service, it duplicates efforts, wastes precious resources, and can create market confusion. Agree on standards regarding the provision of cashboxes and other equipment, as well as payment for trainers. If an area is well covered by another project, find a new area in which to operate.

Principle 2: Know the populations you intend to serve, including the most vulnerable, and take deliberate actions to reach them.

IMPLEMENTATION

SGs can benefit a broad range of people, including the physically disabled, persons living with HIV/AIDS, and those socially excluded because of gender, caste, economic status, faith, age, or ethnicity. However, it is unrealistic to assume that vulnerable groups will join SGs in the absence of specific actions to include them. Programs with a mission to serve the most vulnerable will benefit from purposeful identification and targeting of vulnerable populations, proper planning, and a consistent measurement of inclusion.

ELEMENTS OF PRINCIPLE 2	GUIDANCE NOTES
Identification and measurement of intended participants	Define the profile of people that the program would like to reach, determine if and why they are being excluded, and develop a deliberate strategy to include them in the program. Use industry tools (see http://goo.gl/9wf1BV) to measure wealth levels of members and assess whether the program is effectively reaching its target. Ideally, sample non-members for comparison; whenever possible, use local poverty averages, as rural areas where SGs are usually located tend to be poorer than national averages.
Program processes that reach the intended population	Understand the determinants of poverty and vulnerability and develop clear program processes to reach the intended populations. Consider assigning trainers to cover remote villages, developing guidelines for reaching the disabled, or working with local health officials to target areas with a high incidence of HIV/AIDS. If not reaching the intended groups, use existing analytic tools (see http://goo.gl/9wf1BV) to determine the reason.
Messages that are inclusive of vulnerable populations	Deliberately choose messages that will be welcoming to the populations you want to serve. For example, the message "Savings Groups can help you grow your business" is likely to deter people without businesses. In contrast, a message like "Everyone needs to save—SGs are for all, rich or poor, farmer or farm worker" is much more inclusive. In the same way, when explaining savings parameters, use a range to describe the possible savings amounts: "Whether you want to save 5 or 500, you can join a Savings Group." Such messages are less intimidating to those with less capacity to save.
Group procedures that reflect the needs of vulnerable populations	Ensure that the program elements appropriate for the intended population, and let members adapt procedures to meet their particular needs. For example, overly complicated record-keeping or high share values can be a barrier for the poorest, who tend to be less educated and struggle to save. Likewise, those populations living with illness or disabilities may need family members to represent them at group meetings, requiring some flexibility *vis-à-vis* rules for membership and attendance.
Alignment of trainer incentives with the objective of inclusion	Vulnerable populations tend to be more risk averse and beset with daily challenges; consequently, trainers have to invest more time and effort in group formation and training. In fee-for-service (FFS) structures,[5] trainers might find it more difficult to collect fees from group members living below the poverty line. Provide trainers with adequate and appropriate incentives to include the most vulnerable, which may range from recognition and praise to in-kind or monetary bonuses.

5. Facilitating agencies are putting in place fee-for-service (FFS) structures during a project as well as post-project, where trainers are paid by the group and offer an array of services in response to group demand.

Principle 3: Select, train, manage, and monitor trainers in a manner that recognizes their essential contribution to the program.

IMPLEMENTATION

Program outcomes depend above all on the trainer, the person who teaches members the policies, procedures, and values of SGs. Increasingly, facilitating agencies are recognizing the crucial role of trainers not only in the organization of SGs, but also in their ability to deliver ongoing support after the close of a program. The quality of service delivery, whether by program-paid trainers, by FFS trainers, or even by volunteers, depends on their motivation, commitment, skills, and management.

ELEMENTS OF PRINCIPLE 3	GUIDANCE NOTES
Careful selection of trainers	When selecting trainers, develop written criteria, and apply these criteria consistently and objectively throughout the trainer selection process. Screen candidates for their commitment to the mission and strategy of the organization, as well as for their interpersonal skills and technical ability. Integrated programs or projects that view SGs as platforms for the introduction of additional services might need to look for trainers with a profile that is versatile enough to deliver the multiple services. Programs that expect to engage mostly women in the SGs should recruit qualified women trainers and be aware of any local customs they may need to address. Experience has shown that, in some cases, existing staff underestimate the ability of other ethnic groups, age groups, and genders to do the work of a trainer, so it is prudent to gather multiple opinions, including those of women, in making staffing decisions.
Tested and effective training methods	Provide trainers with tools, manuals, and training curricula that have been tested and proven to give good results such as the VSL methodology, SILC, or Saving for Change (see a complete list of suggested manuals and tools at http://goo.gl/cq2r5P). Improve on existing tools as needed, but do not alter proven methodologies. Since some of the widely distributed Savings Group manuals concentrate on group procedures rather than on training techniques, do not assume that staff who master procedures are automatically effective trainers. Invest time in building staff training capacity; organize practice sessions, provide feedback and make teaching aids available.[6]
Streamlined training structures	To reduce the risk of crucial messages getting lost before they reach SG members, avoid multi-step, cascade training structures. Ideally, SG trainers should be trained by a master trainer who has near-perfect understanding of principles and procedures and well-developed skills in transmitting this knowledge to the group members. While it will be a challenge for some programs to field adequate numbers of master trainers, consider that the alternative might mean repeated refresher trainings and, in many cases, poorly performing groups. In the long run, investing in top-quality initial training is best for the SGs and more cost-effective.
Appropriate incentives for trainer performance	Build trainers' technical skills so that group members will recognize them as credible and competent facilitators. For trainers hired as full time staff, provide a fair and stable salary. Make sure that FFS trainers understand the opportunities, challenges, and skills required for the position. In FFS structures, establish a range of payment that is fair for the trainer and reasonable for the group, and specify the length of time that the trainer can expect to receive this fee and the services that are appropriate to sell to the group. Note that while groups are sometimes reluctant to pay training fees, trainers are also often reluctant to request them; by not doing so, they might distort the market for other trainers (learn more about setting and collecting training fees at http://goo.gl/cq2r5P). Finally, keep in mind that while financial incentives are essential (many trainers say they do not work for money, but they need money in order to work), intrinsic motivations are also important. Many trainers value the prestige, learning, opportunities to advance, and the chance to serve the community as their most important motivations.

6. Some programs are introducing videos delivered on cell phones or by SMS messaging that hold the promise of increasing efficiency and consistency of training.

ELEMENTS OF PRINCIPLE 3	GUIDANCE NOTES
Clear trainer monitoring criteria and responsive feedback	Evaluate trainers both on the number of groups they form and on the inclusiveness, performance, and sustainability of these groups. Clearly communicate expectations, and ensure that trainers understand the criteria used to assess their performance. Encourage program staff to carry out frequent monitoring visits to new trainers to observe how trainers interact with the groups and provide written feedback to correct errors in messaging, content, or training methodology. Ensure that staff talk to randomly selected groups in the absence of the trainer to understand their experience with the trainer, paying close attention not to create suspicion or imply incompetence on the part of the trainer. On the contrary, encourage them to use these conversations not only to gather valuable data on trainer performance, but also to build up the trainer's credibility with group members.

Women's Savings Group (Near Kigali, Rwanda)

Principle 4: Promote a tested Savings Group model and instill in members an understanding and respect for that model's procedures.

IMPLEMENTATION

The various SG models have much in common. They all teach procedures based on the core values of SGs: democracy in decision making, transparency in group transactions, and autonomy of group operations. The strength of SGs depends on members' commitment and respect for the chosen model and is manifested by members' disciplined adherence to its values and procedures.

ELEMENTS OF PRINCIPLE 4	GUIDANCE NOTES
Commitment to the group constitution	Ensure that trainers empower members to develop their group constitutions in a participatory, informed, and democratic way, as this will promote ownership of and commitment to its policies and procedures. Help members understand that these policies and procedures function to protect the group from drifting into various pitfalls, including internal and external threats to the group and its assets. Updating the constitution is appropriate if there is a particular need to reflect the evolution of group practices over time and if all members agree to the change.
Caution with tempting shortcuts	Discourage practices that may offer greater efficiency but are likely to compromise group quality in the long run. For example, the practice of bringing several SGs together for training saves time but reduces the trainer's interaction with each group. Similarly, decreasing the frequency of meetings also reduces training time but may negatively impact savings amounts and members' ability to remember critical information from one meeting to the next.
Attention to the security of group funds	Reports of outright theft of group funds vary by project. While rare, when it occurs, it can be catastrophic for the SG. Stress a practice of strict confidentiality among all members about the box location and amounts saved, and encourage the group to devise locally appropriate solutions that enhance the security of their funds. These may be as simple as rotating where the group box is kept or as sophisticated as using a mobile wallet.
Respect for both borrowers and savers	Sometimes, trainers encourage members to borrow even if they do not need to; at other times, groups independently push loans on members or adopt a policy that the "box must be empty." Send the consistent message to groups that it is acceptable for members to save without borrowing, and educate the group that savers make it possible for others to borrow. Look for patterns that suggest a pressure to borrow and quickly address it with the trainer. Encourage groups to devise and propose their own solutions to borrowing pressures.

Principle 5: If choosing to combine a Savings Group with other activities, plan carefully and respect the autonomy of the group.

IMPLEMENTATION

SGs are rarely seen as stand-alone initiatives. In a majority of cases, the groups are used as platforms for the introduction of products and services by facilitating agencies or external agents. In other cases, SGs might be retrofitted into existing programs, such as agriculture or HIV/AIDs initiatives as a way to provide financial and social safety nets. Facilitating agencies bear the responsibility to clearly communicate expectations and make information available to help members decide whether or not they want to engage in the additional activity, or, if being retrofitted into another initiative, in the SG itself. In either case, it is important to consider the objective and value-add of the proposition, develop a clear theory of change, and carefully assess the impact on members.

ELEMENTS OF PRINCIPLE 5	GUIDANCE NOTES
Transparent communication of expectations	If using SGs as platforms for additional services, trainings, or products, be clear about the intention to introduce these add-ons and any responsibilities they carry. If SGs are being added to existing programming, inform prospective members of the expectations of participating in an SG, the time commitment, and related duties.
Respect for the procedures and structure of the SG	Retrofitting SGs into existing programming must be done in a way that respects the core values of SGs and the procedures set forth by the various tested methodologies. Ensure that existing program structures, such cooperatives or farmers groups are not inherited by the SG; stress the need for the SG to openly select its membership and to set up its own leadership structure.
Demand-driven quality products and services	Other activities, whether educational, entrepreneurial, or service oriented, need to respond to member demand, be worthy of members' time, and have a clear benefit for the group. In fact, they should be introduced with as much care devoted to design, training, and management as the core activities of the SG itself. When promoting additional activities, consider the following: Who will manage the activity? What expertise is required? How much additional time will it demand from SG members? What is the cost of the additional activity, and who will pay for it? Is there a demonstrated demand for the activity? What happens post-project? What is the risk if the activity fails?
Safety of additional services and activities	Ideally, introduce other activities once the group is well established and has built the needed confidence, trust, and solidarity to adequately manage that activity. Discourage investment of group funds in activities that yield benefits to only a few members. SGs eager to start a business should be guided toward options that retain their value and require limited management, time, and labor. These activities may include purchasing animals, stocking grain, or buying chairs to rent for large gatherings. Keep in mind that these investments, despite their safety and relative ease of management, may also lead to issues when members decide to leave the group. Before a group makes such an investment, urge its members to decide what will happen at the end of the cycle, and what part of the investment will accrue to those members who choose to leave.
Caution with the allocation of group funds for any purpose outside of savings and lending	Some new models of group formation rely on trainers to provide multiple services, such as literacy and health training. In the same way, external agents may be drawn to a group's resources and offer the group new technologies or inputs. Help trainers and external agents to understand that while members may decide to participate in the new activity, the decision to allocate group funds toward it must remain with the group. Stress this point with members, too. Similarly, help them to understand that opening their box to receive external funds can be risky, as such donations often come with strings attached and may alter group dynamics.

ELEMENTS OF PRINCIPLE 5	GUIDANCE NOTES
Caution with anyone who views the SG principally as a market for products and services	Facilitating agencies and other agents that both train SGs and view the group as a market for other activities, services, or products are unlikely to be objective about the group. Beware of incentive structures that reward group uptake of such opportunities, as they tend to shift the role of the trainer from honest broker to salesperson.

Principle 6: If choosing to promote a relationship with a financial service provider, empower SG members to make good choices based on their interests and demands.

IMPLEMENTATION

While building relationships with formal financial institutions has not traditionally been a central objective of SG programming, members and facilitating agencies are increasingly recognizing the benefits that these relationships may bring, such as security for excess liquidity, long-term savings, and access to larger loans. In some cases, SGs are opening accounts on their own; in others, facilitating agencies are actively bringing SGs and banks together and working with financial service providers (FSPs) to develop financial products especially intended for SGs. At the same time, however, many are concerned that some linkages may have a negative impact on group stability, group dynamics, and even members' financial well-being. Irrespective of the approach, these models require careful assessment of possible risks and thoughtful implementation guided by group demand.

ELEMENTS OF PRINCIPLE 6	GUIDANCE NOTES
Education of all parties involved in the financial relationship	If facilitating a financial linkage, promote informed decisions by all parties. Financial service providers need to understand how SGs work in order to design products that fit a group's process; members need to understand the terms of the product and the contract before them. For SGs entering into relationships with formal financial service providers, financial education is widely believed to be a necessary component of their preparation. Members need to understand how FSPs work, what they offer, and what they require of clients. Financial education should empower members to ask the right questions and choose both the providers and the products that are right for them. Remember that trainers also play a crucial role in empowering members to make informed decisions and must themselves be educated on risks and opportunities.
Careful assessment of the financial service provider	Before facilitating a relationship with a formal financial service provider, assess its motives for entering into a relationship with SG members. Look for financial service providers that demonstrate an interest in SG members as clients well into the future, rather than as immediate opportunities for profit. In other words, look for providers whose shared vision of poverty alleviation and financial inclusion of underserved populations motivate them to meet SG needs.

ELEMENTS OF PRINCIPLE 6	GUIDANCE NOTES
Care for the interests of the group	Be an advocate first and foremost for the SG members and only offer the opportunity to enter into a relationship with a formal financial provider if it responds to members' articulated needs. Before facilitating a relationship with a bank (whether for savings or credit), ensure that the group has the confidence to manage the relationship, and assess the interest of group members in pursuing this relationship. If promoting credit linkages, understand if the need for larger sums of capital is common or if it is limited to a few members. Only facilitate the credit linkage with groups that have 1) previous experience with financial institutions through a savings account and 2) a proven need for larger loans as demonstrated by high fund utilization rates and even distribution of loans among members. Keep in mind that group loans[7] guaranteed by members' savings have the potential to distort group processes and power dynamics, and may negatively affect members who might not need or want the external capital. Never promote the use of group savings as a guarantee for individual loans. As a general suggestion, leave the marketing of financial products to the financial service provider, and focus on representing the interests of the SG.
Understanding of the implications of mobile banking	Mobile banking promises greater convenience and security but requires careful planning, especially since availability is still uneven, at times products are unregulated, and in many cases, systems are unable to meet the liquidity needs of Savings Groups. Consider training the financial service provider, the mobile money provider, and their agents on consumer protection, and make sure they understand and respect the needs and dynamics of the group. Be aware that transacting through an MNO, such as using an individual wallet, may require the group to alter its procedures. It may also shift the power balance in favor of those members with access to cell phones. Any adjustments to procedures should strive to preserve the cashbox and the group's leadership structure, and guarantee proper documentation for each transaction.

7. Group loans are understood as loans from the formal financial institution to the group as a whole. The loan directly adds to the group fund and is managed according to the same rules that apply to the internally raised capital; in other words, all members have the same level of access to the funds, must follow the same request and approval procedures, and must repay the loan at the agreed-upon interest rate in the group constitution.

Young Person Savings Group (India)

Principle 7: Consistently monitor and evaluate program performance using responsible data collection, management and dissemination practices.

MONITORING

Increasingly, facilitating agencies are collecting data on SGs and their members, and carrying out operational and impact studies to better understand the benefits and challenges of membership. As the sector continues to grow, practitioners stress the need to adopt responsible data collection and dissemination practices, and to ensure that programs operate on well-researched and well-tested assumptions.

ELEMENTS OF PRINCIPLE 7	GUIDANCE NOTES
Varied methods for assessment	Choose to collect data that will inform decisions about program adjustments and future courses of action. Supplement quantitative data analysis on group and program performance (as obtained through tools such as an MIS and the SAVIX) with qualitative analysis and direct observation, ideally unannounced, of randomly selected SGs. Satisfaction surveys are also a good way to gather valuable member perceptions of the program and be responsive to their needs.
Respect for data ownership and security	The possibility of selling SG data, such as contact information, meeting times, and savings amounts, has recently sparked debate and highlighted the importance of responsible data management. Online record-keeping tools like eRecording have made it easier to produce complete, accurate, and centralized data systems that can then be released to third parties such as politicians or financial service providers. Irrespective of the debate, respect local regulations about informed consent and data use, and be transparent with groups about how their personal financial information will be used and who might benefit from it.
Monitoring of post-project outcomes	Whenever possible, monitor a sample of groups no longer receiving direct program supervision, such as failed groups, those with members who have dropped out, and graduated groups that are no longer receiving direct program support. Including these data points in the monitoring allows the organization to consider not only the impacts within the control of the program, but also any dynamics that might occur outside of its intervention. Make sure that donors understand the importance of monitoring post-project, and use ingenuity to develop low-cost or no-cost ways to acquire the monitoring data.

Principle 8: Put in place a clear exit strategy that leaves behind post-program structures for sustainability, expansion of services, and ongoing support.

EXIT

Although SGs are designed to function autonomously after approximately 12 months, most FAs have been experimenting with the best solutions for providing ongoing support to the groups. Some have started to leave in place cadres of trainers to continue group formation post-project, and to support groups at share-outs, elections, or during challenging times. Others have been shaping alliances with municipal governments, local organizations, and village councils as a way to guarantee the recognition and continuity of SGs and the resolution of any disputes.

ELEMENTS OF PRINCIPLE 8	GUIDANCE NOTES
Clearly planned and communicated exit strategies	From the outset, develop an exit strategy that describes what services will be provided post-project, who will provide them, and how they will be paid for. The best post-project models understand the importance of training trainers or volunteers to continue offering their services once the project has ended. These models have clear procedures and standards for allowing existing trainers to certify new trainers, which helps to assure both expansion and quality. If staff are expected to transition to fee-for-service trainers post-program, that expectation must be made clear to both trainers and group members in the initial stages of the program.
Culturally appropriate post-project contracts	Where fee-for-service structures will replace direct program investment, put in place simple, culturally appropriate contracts between trainers and SGs outlining the specific services, how long these services will be provided, and the expectations for payment. FFS trainers need guidance post-project to keep their motivation and professionalism, and to make sure that they are able to charge fees from the groups they serve. In the same way, group members need protection from trainers who might badger them into accepting perpetual training or demand annual dues even in the absence of any services provided.
Carefully designed oversight structures	Create pro-consumer codes of conduct for any trainers who continue to operate in a given area, and especially for fee-for-service networks. Ensure that these networks have occasional oversight post-program; inform local authorities and seek their acceptance of this structure. A system for post-project management of trainers that is heavily reliant on self-regulation by trainer networks has also been tried with good results.
Responsive redress mechanisms	Put in place a system for redress of grievances, such as a hotline that group members may call if they have experienced problems with local governments, external agents, or FFS trainers. Carefully monitor the problems reported to the hotline and devise and execute response plans. Make sure that members understand and trust this system of redress.

Contributors

The development of the Program Quality Guidelines has benefited from the input of a diverse range of contributors. Contributing organizations have included:

ABSCM

Access Africa

ACCODEO

Acholi Education Initiative

Africare

AKF / MSDSP

Arabella Advisors

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CARE Kenya

CARE Malawi

Carsey School

CBM, Nigeria

Chemonics International

Children of the World Foundation (COW Foundation)

Community Development and Relief Trust (CODERT)

CPALI

CRS

CRS Kenya

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DAI

EARDP-Community Initiatives

Evangelical Fellowship of Zambia

Fadhili Trust, Kenya

Freedom from Hunger (FFH)

FHI 360

Fidelity Bank

Fletcher School

Food for the Hungry

Frontline Associates Limited

FSD Kenya

FSD Zambia

Fundación Capital

Fundasaun Esperansa Enclave Oecusse (FEEO)

George Mason University

GHAMFIN

Global Communities

HOPE International

HopeFin Trust, Ghamfin

IDE

IED Microfinanzas

LGP Solutions

Light For Change

Maxwell School

Mercy Corps

Mercy Partnership Fund

MicamaSoley, Haiti

Microfinance Council of the Philippines

Microfinance Exposure

Microfion Plus Ghana

Microsave, Kenya

Mpendulo Savings

Mponya-Society

NAFAKA

National Economic Empowerment Council (NEEC)

Ndasunungurwa Trust

Ni Sisi

Nowa Moyie Foundation

Organization for Rehabilitation and Development in Ahmara (ORDA)

Oxfam

Pact Tanzania

PCI (Project Concern International)

Philanthropiece Foundation

Plan

Plan International

Plan International Tanzania

Plan International West Africa

Plan International, Zambia

Plan Niger

Plan Togo

Plan USA

PlaNet Finance

Plant With Purpose

Power Africa Project

Reach Global

Red Cross

S3IDF – The Small-Scale Sustainable Infrastructure Development Fund

SaveAct

Savings Revolution

SNV USA

Sterling Micro Development Consultants (Rwanda) Limited

Tanzania Micro-finance Association of Practioners (TIMAP)

TARANGO

The MasterCard Foundation

Trickle Up

University of Bath

USAID – US Agency for International Development

VSL Associates

World Relief

World Relief Canada

World Relief Germany

World Vision

World Vision Brazil

World Vision Ethiopia

World Vision International

World Vision Zambia

Zimbabwe Association of Microfinance Institutions

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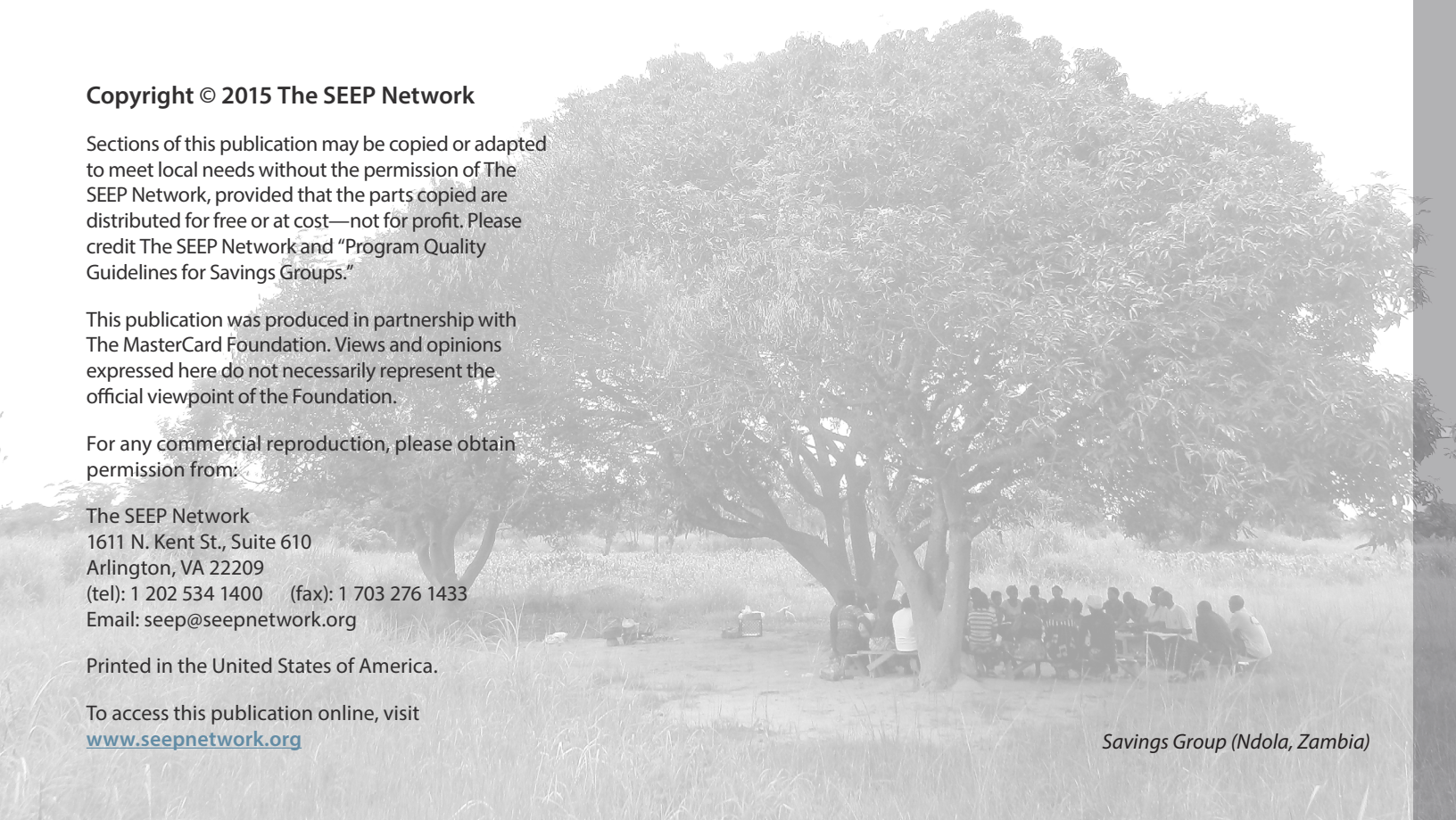

Savings Group (Ndola, Zambia)

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