The SEEP Network
HIV & AIDS and Microenterprise Development Working Group

Conference Synthesis

Paving the Path to Savings – Advancing the Savings-Led Approach in Communities Affected by HIV & AIDS
Conference Synthesis: Paving the Path to Savings
Advancing the Savings–Led Approach in Communities Affected by HIV & AIDS

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AIDS is the leading cause of death worldwide for people aged 15-49. There are more than 33.2 million people living with HIV & AIDS, nearly 22.5 million of which live in sub-Saharan Africa. Approximately 6,000 people die every day from AIDS.\(^1\) In response to this ongoing global challenge, The SEEP Network began a cross-sectoral initiative to bring together microenterprise development and public health professionals to confront and combat the challenge of poverty in the context of HIV & AIDS. One product of this initiative is the \textit{SEEP Network Guidelines for Microenterprise Development in HIV & AIDS-Impacted Communities: Supporting Economic Security and Health}. The SEEP Guidelines, designed for health professionals, microenterprise development practitioners, and policy makers, offer strategic guidance for simulating a positive spiral of economic security and well-being for people and communities affected by HIV & AIDS.

From July 1st to July 7th, 2009, the SEEP Network HIV & AIDS and Microenterprise Development (HAMED) Working Group hosted the online conference \textit{Paving the Path to Savings: Advancing the Savings-Led Approach in Communities Affected by HIV & AIDS}. This virtual forum was designed to be an open dialogue space for interested MED and public health professionals, in addition to being a learning platform and source of virtual peer review. The discussion was moderated by HAMED members and featured a guest panel of experts in savings-led financial services. These guests included:

- Rediet Abiy, Aflatoun (Orphans and Vulnerable Children and General Youth Issues)
- Sara de Paz-Castro, Aflatoun (Child-Led Banking)
- Jeffrey Ashe, Oxfam America (Community Finance and Saving for Change Program)
- Lisa Parrott, Save the Children (Technical Evaluator to the HAMED Kibara Case Study)
- Melita Sawyer, Catholic Relief Services (Program Specialist - Microfinance)
- Lloyd McCormick, ChildFund International\(^2\) (MED Technical Advisor)

Key discussion topics included:

- **Focus on Youth** – tailoring savings programs to youth, particularly OVCs
- **HAMED Savings-Led Promising Practices** – highlighting the HAMED Case Study Series \textit{Climbing the Ladder to Integrated Programming}, with an update on the case study from Kibara, Tanzania
- **ChildFund International/K-REP Challenge Paper** – a review of the new HAMED Challenge Paper that features the ChildFund International/K-REP partner project in Kenya

The theme of savings-led approaches developed as a priority topic in HAMED’s learning agenda for 2009, which aims to further develop existing and new HAMED resources and integrate them into the field of practice. The dialogue can be found on the SEEP Network community discussion website at \url{http://communities.seepnetwork.org/me_hiv_conference/discussion}, HAMED looks forward to transferring this discussion and future related activities to the new website: \url{http://members.seepnetwork.org}.

\(^1\)Source: UNAIDS, November 27, 2007.
\(^2\)Formerly known as Christian Children’s Fund.
This discussion centered around the issues particular to working with savings-led approaches to integrated programming focused on youth, including orphans and vulnerable children. Participants described the work being done by their respective organizations in this area and identified key challenges to implementing such programming.

**Aflatoun’s Child and Youth Savings Programs**

Aflatoun uses a graduated model to teach children and youth the social, financial, and entrepreneurial skills, as well as advising them of their rights and responsibilities, to foster a habit of savings as a way to build assets. Their five core elements, or thematic areas of intervention, are:

1. Personal Understanding and Exploration
2. Rights and Responsibilities
3. Saving and Spending
4. Planning and Budgeting
5. Child Enterprise (social and financial)

Aflatoun programs focus on the value of voluntary saving, whether it’s money or other resources. They also work with community adults by sensitizing parents and guardians to the importance of independent saving, in addition to developing savings clubs that are based in local schools and involve teachers. Such clubs allow children to put into practice the skills they have learned from the Aflatoun modules. Aflatoun Savings Clubs follow these “Golden” rules:

1. Saving is voluntary.
2. The savings process is operated by the Executive Committee (group members who are elected as President, Secretary, and Treasurer by their peers) and the teacher.
3. All children have their own account books, and each club keeps a ledger book.
4. Children can save and withdraw on a weekly, bi-weekly, or other predetermined basis.
5. If a deposit or withdrawal amount goes over the predefined amount, the child has to provide an explanation, which is recorded in the group ledger.
6. A proportion of the money can be saved for collective activities, which group members can agree on after consulting the teacher.
7. Parents play a supportive role, but they cannot participate directly in the savings program.

Aflatoun’s Child Friendly Banking initiative is currently working to link children in the program with the formal financial sector, which they have done in six of the 24 countries where the organization currently works.
MEDA Study: Supporting Working Children in HIV & AIDS-affected Communities

MEDA recently conducted a four-country study (Mozambique, Zambia, Haiti, and India) that focused on how microfinance operators support working children in communities impacted by HIV & AIDS. The study found that there is considerable demand for savings products, and that working children are saving even without access to commercial savings accounts. The study also indicated that the majority of the children who reported their savings being stolen were saving at home.

Key Challenges to Child Banking

- In communities impacted by HIV & AIDS, children face social dislocation, stigma, and discrimination, which can hinder their ability to benefit from financial services.
- Youth generally lack the financial, entrepreneurial, and negotiation skills needed to manage resources and generate a sustainable income.
- Banking regulations such as age limits, identification requirements, custodial requirements, minimum deposits, etc. can make it difficult for youth to access formal financial services.
- It is difficult to find banks that are willing to develop products that are tailored to youth and participate in outreach and education.
- Parents, guardians, and other community adults can discourage youth from saving, can confiscate savings from a child, or otherwise take advantage of children.
- Working with older youth to develop savings habits can be difficult because they are more set in their values than younger children.

Additional Stories and Experiences from the Field

- In Bangladesh, a child cannot have full bank account ownership until the legal age of 18.
- In Bolivia, parents sign a waiver renouncing their guardian right to transaction.
- In Kenya, the MicroSave-Population Council project with K-Rep allows the mentor/teacher to be the account signatory. Young girls participating in the Savings Program transact via the mentor. The Binti Pamjoa Center market research study in Kibera found that girls felt obligated by their families to contribute their savings toward household expenses.
- In Mali, the OxFam America Savings for Change Program, which targets women, found the most vulnerable women join the program only after they have seen the benefits in play.
- In El Salvador, negative pressure from spouses or relatives can prevent interested women from joining savings programs.
- In India, very young girls (10 -20 years) see their main challenge is they do not earn money on their own, but rather, through their parents.
In 2008, HAMED published four case studies to illustrate the principals described in The SEEP Network Guidelines for Microenterprise Development in HIV & AIDS-Impacted Communities: Supporting Economic Security and Health. Following a competitive selection process, each project was visited by an external evaluator who validated the project and developed a case study highlighting promising practices. Promising practices for the series were drawn from IMAGE in South Africa, the Kibara Mission project in Tanzania, PC3 in Ethiopia, and Kupfuma Ishungu in Zimbabwe. They are all available for download here (must be logged in to view the library).

Kibara Mission Hospital HIV Project

The Kibara project uses a village savings and loan (VSL) methodology, referred to by CRS as SILC (Savings and Internal Lending Communities). Members form self-selected savings groups, receive some training on group management, and begin regular savings deposits. Money is lent out to group members over time and is re-paid with interest and re-lent until the cycle is complete (typically around 12 months). Members then receive their savings back, as well as a portion of the accumulated interest, and can choose to begin a new savings cycle. Many of the groups also set up a social fund with their contributions in order to support group members in times of need or to support the larger community. Some groups include youth members, and some social funds support orphans and vulnerable children in the community.

Key challenges that discussion of this case study have highlighted:

- Group members take out loans and may not know how to invest the money in order to repay the loan.
- Group members may need larger loans than the group can provide; there is a gap that needs to be served between the products and services available to rural clients through VSL/SILC methodology and those available through urban-based Microfinance Institutions (MFIs).
- Community members may feel excluded because of the self-selecting process.
- Verifying the impact on HIV-positive people or those affected by HIV & AIDS is difficult.
- Groups that were formed with only HIV-positive people are often weaker than mixed groups.
- Linking rural groups to banks or larger MFIs is difficult and often fails.

CRS has been working to address the difficulty of determining impact on people living with HIV (PLHIV) in the current phase of the Kibara project. They are doing this by conducting anonymous surveys with HIV patients at the hospital to assess level of participation in SILC activities, as well as by promoting SILC both within target communities and at the hospital. This phase will wrap up in September 2009. Remaining questions to be addressed in this case include:

- Has a safe place to save encouraged better nutrition during treatment?
- Has access to loans allowed PLHIV to increase their incomes and thereby afford to make timely visits to the hospital and adhere to treatment?
Related HAMED Activities

HAMED is also launching a new Case Study Series: Climbing the Ladder to Integrated Programming. This innovative series introduces key HIV & AIDS and MED-integrated programs and tracks their progress and development as they aim to achieve sustainability and success in raising livelihood security in the communities served, thereby “climbing the ladder” from challenge paper to emerging initiative to promising practice to best practice. The proposed themes are: micro-insurance, savings-led approaches, and the use of cash transfer/social protection interventions. Ideas for case studies can be submitted to HAMED’s lead facilitator Kristen Eckert at Kristen_eckert131@yahoo.com.

ChildFund International/K-REP Challenge Paper Review

The HAMED Climbing the Ladder to Integrated Programming Series recently published a discussion paper on the ChildFund International and K-REP “Weaving the Safety Net” Program in Kenya. The microfinance component of this project targets a specific sector of the vulnerable population – HIV & AIDS sufferers and caregivers. The specifically-designed loan product is a link with the MFI and gives the MFI the opportunity to pilot and adapt the product over a trial period, determine if it is sustainable and meets the needs of the vulnerable population, and include it in its long-term product offerings if it is successful. This program is geared toward vulnerable clients who need more financial resources than traditional VSL groups can provide, and therefore is aimed at a different client type.

Key issues brought up in the discussion of this challenge paper include:

- Programs need to have strategies to address the link between poverty and HIV infection vulnerability.
- Integration of child protection, education, and financial literacy adds value to programs.
- Vulnerable clients should have access to both VSL groups and larger loans from MFIs, but mixing both types of services in a single intervention is risky.
- Financial education for youth is critical, and should be tailored to life cycle stages.
- Involving adults who are trusted by youth is important to the success of youth savings groups.
- Applying a uniform methodology to savings groups in ethnically and religiously diverse communities is difficult.
- Delivery of a wide spectrum of financial services to rural communities in a cost-effective manner remains a challenge for MFIs.
**Conference Synthesis**

**ongoing discussion to lead up to the november 2009 SEEP Annual Conference**

**Key Issues and Topics to Address**

- How to develop effective financial education for youth;
- Addressing issues of trust, independence, and valuing savings activities between youth and adults;
- Filling the gap between the services available through VSL/SILC methodology and those provided by MFIs.

**Outstanding Questions from Conference Dialogue**

- What internal mechanisms are in place to carry-out effective conflict resolutions in youth savings groups?
- If participation is voluntary, how do you ensure your services are reaching a target population?
- How do you overcome skepticism or disillusionment amongst children themselves?
- How much autonomy should youth savings clubs have in decision-making?
- Should youth savings club membership be based on similar socioeconomic status or other environmental factors?
- How can you protect youth from having their savings stolen at home?

**Next Steps**

- Expert synthesis post on CYES Network;
- Conference participants to confirm registration on the new HAMED website;
- Follow-up activity at the SEEP AC.
Additional Resources

- The SEEP Network Guidelines for Microenterprise Development in HIV & AIDS-Impacted Communities
- SUUBI & SEED Research Programs Presentation: Integrating Savings into Care and Support of Orphaned and Vulnerable Children in Uganda
- Discussion Paper: Banking Options for Children in Situations of Vulnerability Compounded by HIV & AIDS – Alliance in India
- CRS Learning Paper: Increasing Savings and Solidarity Among Households with Orphans and Vulnerable Children in Rwanda
- HAMED Promising Practices Case Study: Intervention with Microfinance for AIDS and Gender Equity (IMAGE) – South Africa
- HAMED Promising Practices Case Study: Kibara Mission Hospital HIV Project – Tanzania
- Children, Youth, and Economic Strengthening Network Homepage
- Aflatoun 2009 Children and Change Paper
- KSA Grid to Monitoring and Evaluation