Introduction

Collaboration among stakeholders is a crucial component of USAID’s Collaborating, Learning, and Adapting (CLA) framework. The learning visit is one of the ways to strengthen this collaboration. It entails cross visits in each other’s working areas to get exposure to varied context, program’s strategies, and good practices. In November, Sustainable Agriculture Production Linked with Improved Nutrition Status, Resilience, and Gender Equity (SAPLING), one of the Development Food Security Activities (DFSA) in Bangladesh hosted a learning visit for SHOUHARDO III staff. The learning visit was focused on SAPLING’s approach to the savings group.
In the Fiscal Year (FY) 19, SHOUHARDO III reviewed and revised the Village Savings Loan Association (VSLA) strategy to ensure its relevance to the local context as well as to comply with USAID/FFP’s minimum standards. The strategy revised following the recommendations of the Midterm Evaluation (MTE) 2018 and was based on a study. The program started implementing the strategy since January 2019. Through this learning visit, SHOUHARDO III aimed to learn about the savings group implemented by SAPLING. Specifically, this activity aimed at:
- Visit program areas and observe the actual savings groups’ meetings where loan disbursement and share-outs are taking place
- Participate in a SILC meeting facilitated by a paid agent
- Be oriented on the tracking and data management of SILC
- Introductory meeting on the staffing of SILC

Methodology

SHOUHARDO III team visited three SILC groups of which they had the opportunity to see two loan meetings and one savings meeting. They engaged in group discussions with these groups as well as the SILC agent. The team asked questions to the group members on their savings and loan activity and looked into their passbook and register to understand the documentation process in SILC groups.

Trip description

The SHOUHARDO III team included the Senior Team leader (Livelihood and Financial Inclusion), Senior Coordinator (Program Quality and Research), Senior Technical Coordinator (Private Sector Engagement and Financial Inclusion), Technical Manager (Private Sector Engagement), and four Technical Officers (Non-farm Livelihood and Financial Inclusion) from four implementing partners of SHOUHARDO III.

The first day of the trip began with a presentation by the SAPLING team at their regional office in Bandarban by Muhammad Lokman Hossain, Technical Advisor – Savings Group of CRS. SHOUHARDO III team had the opportunity to ask questions to the SAPLING team. Following this, the Senior Technical Coordinator, Private Sector Engagement & Financial Inclusion presentation on the program’s VSLA model. The teams wrapped the first half of the day with a question-answer session. During the second half, the team visited a savings group in Sadar Upazilla in Bandarban. The next day, the team visited two savings groups in Ruma Upazilla in Bandarban. One group did their loan meetings, and another did their savings meeting.

SAPLING Overview

Sustainable Agriculture Production Linked with Improved Nutrition Status, Resilience and Gender Equity (SAPLING) is a USD28.78 million project funded by the United States Agency for International Development (USAID) food security program implemented in Bandarban that aims to ensure improved gender equitable food security, nutrition and resilience of vulnerable people in the CHT region of Bangladesh. SAPLING works with the Ministry of Chittagong Hill Tracts Affairs (MOCHTA) and is implemented through consortium partners, including Hellen Keller International (HKI), Caritas, – Catholic Relief Services (CRS), GRAUS, TOYMU, and TAZINGDONG. Bandarban is one of the districts in
Bangladesh that has ethnic diversity, including 50 percent Bengali, 30 percent Marma, 15 percent Mro-Tripura-Bawm, and 5 percent others. SAPLING works with 1,579 paras out of 1645 para in five Upazilla that include 239,578 people. Out of the 51,111 households, around 77 percent (39,458 households) are poor and extreme poor. The program has three purpose areas focusing on livelihood and food security, maternal and child health nutrition, and disaster risk and resilience. The specific purposes are as following:

Purpose 1: Increased income and access to nutritious foods attained equitably by both women and men

Purpose 2: Improved Nutritional Status of Children Under Five Years of Age, Pregnant and Lactating Women and Adolescent Girls

Purpose 3: Sustained gender-equitable ability of people, households, communities, and systems to mitigate, adapt to and recover from human-induced and natural shocks and stresses

SAPLING’s saving group is called Savings and Internal Lending Community (SILC) that falls under purpose one. SILC is a CRS approach for the financial inclusion of the poorest. It has approx. 90 percent similarities with the Village Savings and Loan Association (VSLA). The record-keeping is based on accounting principles (e.g., ledger, balance sheet). Considering the context in SAPLING area, SILC model was customized in the area of (a) savings through purchase of share, (2) record keeping (passbook and simple register), share out (simple template for calculation). The program learned that one-off preparatory meeting was not sufficient to motivate community to form the SILC group; instead, it needed trust, confidence, and patience. Applying an integrated approach also brought positive results for the program in terms of forming SILC groups.

Some of the challenges shared by the SAPLING team included language barriers to communicate with ethnic groups and poor transportation systems. The high drop-out ratio of the SILC agents (frontline SILC group facilitator paid by the program) was another challenge for program implementation. The SAPLING shared that one of the UNDP projects did a lot of cash transfer after the peace pact in their operating areas, which raise the bar of expectation for the program participants accompanied by a lack of willingness to form savings groups. However, it seemed that the program had addressed most of these challenges. Some of the achievements of the program include 296 savings groups that are in their second cycle with approximate share out value worth BDT9 million. About 299 SILC members took a loan of BDT808,690 from their groups to recover from shock or damage caused due to heavy rainfall, flash flood, and landslides in July 2019. SAPLING was able to establish SAVIX, a global open portal of savings data for reporting on the SILC groups.

Debriefing session (on 14 November 2019)

During the debriefing session, the SHOUHARDO III staff shared their learning and recommendation for the SAPLING program. Following are some reflection from the SHOUHARDO III team:

- **Group formation approach:** SILC is open to all irrespective of gender, caste, religion, and age. The groups that were visited had young, old, married, unmarried, male, and female members.
- **Social fund**: In SILC, group members can borrow social funds, and it is not given as a grant. The lending process is free of interest and returnable within a month. Social fund disbursement is recorded in the passbook.

- **Loan repayment**: SILC group members pay the monetary fine for a delayed refund of loan/interest.

- **Group meeting**: Members’ attendance is recorded in every session in a register in the SILC group meeting. The groups met during this learning visit were very efficient in terms of conducting meetings within 40 minutes on an average.

- **Data management**: SAPLING is using iSTREAM and SAVIX for managing data on SILC groups. SHOUHARDO III team was curious to learn about the routine monitoring of groups that meet in the evening and on weekends. In response to that, the SAPLING team shared that this monitoring is mostly done by the technical staff.

- **Human resource**: SAPLING hired SILC Agents from the local community to ensure that they could work beyond usual working hours and at weekends when needed.

**Areas of improvement**

During the debriefing session, the SHOUHARDO III team suggested some areas of improvement, including the following areas:

- **SILC agents’ role in the 2nd cycle**: the SILC groups met during the learning visit were very efficient in conducting both savings and loan meetings. The group members could do all the work without the assistance of SILC agents. Hence, the role of a SILC agent in the second cycle was less clear.

- **Scale-up and replication**: SHOUHARDO III team was keen to learn from SAPLING about their scale-up strategy and replication process of the SILC model. It seemed that the SAPLING team is still working on its strategy related to this.

- **Sustainability (technical solution and inputs supply)**: SHOUHARDO III team had the opportunity to talk to SILC group members on their understanding of SAPLING phasing out. The group members were less aware of the fact that SAPLING is phasing out. Moreover, the SAPLING team’s plan to utilize the capacity of the SILC agents beyond the program’s lifetime was not clear.

**Next Steps**

Both SAPLING and SHOUHARDO III team agreed to work on some specific next steps to promote savings groups like SILC and VSLA. Firstly, to build an alliance of different organizations that are facilitating savings group and build scale in terms of the numbers of groups. Then, this alliance can move the agenda of promoting savings-led loan practice in communities as well as do policy advocacy in favor of this. Secondly, SAPLING team shared that they will review their sustainability and scale-up strategy with the supervision of their global advisor, who will visit Bangladesh in December 2019. They wanted to collaborate with the SHOUHARDO III team during the visit.