

SAVINGS AND INTERNAL LENDING COMMUNITIES PROJECT

OVERVIEW

CRS Ghana is collaborating with partners - the Dioceses of Yendi and Wa and Ghana Health Service (GHS) in the Upper East Region (UER) - to reach out to the poor yet economically active through its **Savings and Internal Lending Communities (SILC)** methodology as an intervention that would improve the livelihoods of financially poor households, particularly women.

SILC employs the holistic programming approach of Integral Human Development with a strategy to increase low household income by providing rural communities access to self-managed, savings-led financial services. The model provides financial management to those in need of savings mobilization, i.e. small loans no less than 50 GHC. The loan terms and interest rate are pre-agreed by the members during the formation of the group. This allows the funds to grow once the SILC takes off.

The SILC group belongs to its members, therefore, the operating principles (decisions about group size, loan terms and interest rates) respond to the needs and abilities of the group members. SILC members are able to reflect on their own experiences and identify the best practices which will work for their group. Unlike the traditional susu savings system, all monies remain with SILC group members. The benefits accrued, in the end of the loan cycles, returns profits to the investing group.



SILC members gather for their weekly meeting, Dapore Community, Talensi-Nabdam District. All photos by Sionne Neely, Ph.D./CRS (Dec. 2011)

PROGRAM VISION

1. **Serve the poorest clients.** To forward CRS' goal of advancing social and economic justice, we tailor our services to the poorest communities.
2. **Self-select group members.** Members of SILC self-select members based on similar social status, honesty, trust, hard work, friendship, reliability and proximity to each other.
3. **Practice participatory management.** A democratic process is key to empowering the poorest in a community, especially women.
4. **Plan the SILC integration.** Prior to launching a new SILC program, CRS plans how the program can become integrated into other development activities within the same community.
5. **Unveil the PSP model.** A strategy to sustain the impact of programs beyond infrastructural needs.

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SILC IN ACTION

The Yendi Diocese SILC project began in January 2008 and has so far assisted 137 groups and 3,296 clients. The Yendi SILC incorporates a peace-building initiative to bring together diverse ethnic groups with a history of conflict in hopes of increasing social cohesion, and social assets, for all SILC members.

In the Wa Diocese, the SILC project is integrated into agricultural activities. The project which began in July 2008 has so far assisted 133 groups and 2,244 clients. These clients have successfully graduated and most are currently operating their third or fourth cycles, an indication of clients claiming ownership of the project. Both the Yendi and Wa projects were initially supported with CRS funding of \$50,000 each. The dioceses are now in control, managing the operations and expansion of the SILC initiatives.

During 2010, SILC was integrated into CRS' **Community Initiative for Maternal, Child and Newborn Survival (CIMACS)** project in two districts in the UER. Ghana Health Services (GHS) is the main partner. By Feb. 2011, 139 SILC groups were formed with 3,115 trained clients.

In July 2010, the Country Program began the Integrated SILC, Agriculture and WATSAN step-up project. This project has reached 8,149 clients in the Upper West Region (UWR). It provides smallholder farmers with agricultural knowledge and financial information to increase productivity.

**16,804 direct clients have
been assisted through the
SILC program**



SILC member deposits her contribution, Dapore Community in Talensi-Nabdam District (Dec. 2011)

SOME ACHIEVEMENTS

- Clients are able to pay annual Health Insurance premium, school expenses and invest in personal and professional goals
- SILC meetings become a forum for social interaction, individual development based on mutual trust and the promotion of peaceful coexistence with other communal members
- Important dissemination of information by Ministry of Food Agricultural Extension Agents to alert smallholder farmers of up-to-date agricultural techniques