Redefining Sustainability

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Outline

- Rationale
- Approach
- Results
- PSPs and food security
- What’s in it for you?
Rationale – Demand for SILC

Commitment savings

- High demand for SILC
- Easy access to cash
- Lump sum at convenient time

Member-owner, member-managed
Meetings, cohesion, solidarity

- High demand for SILC
What is the best way to ensure that everyone who wants to belong to a SILC group can do so, and receive the necessary support?

- Projects are too short for paid agents to meet total market demand
- Need long-term, high-quality supply of SILC services, with the right incentives
Approach - Sustainability

**PSP model:**
Preparing community-based agents to offer SILC services on a sustainable basis.

**3 levels of sustainability:**
- Group-level
- Agent-level
- Area-level
Approach - Process

Recruitment -> Supervision

- FA (free)
- PSP (fee-for-service)

Training -> Examination

Networks -> Apprentices

- FGDs
- DCF
- Oral exam
Approach – Keys for success

- FA-to-PSP trajectory
- Communication at all levels
- Preparing the market
3 propositions

A: I would like to offer you a course on a new type of investments. You’ll have to attend a weekly class for one year, and invest money, but the course is free. Are you interested?

B: I would like to offer you a course on a new type of investments. You’ll have to attend a weekly class for one year, and invest money, and there is a tuition fee. Are you interested?

C: I would like to offer you a course on a new type of investments. Your neighbor took the course last year, and look at the new Prado in his compound. You’ll have to attend a weekly class for one year, and invest money, and there is a tuition fee. Are you interested?
Dealing with barriers

A: New Product barrier
   – overcome with project support

B: New Product barrier and Price barrier
   - avoid

C: Price barrier only, there is demand for the product
   – seed the area
Results from East Africa pilot

- 14 partners / 3 countries
- 750+ FAs, 93% passed PSP
- 3% dropout as PSPs
- 375,000+ members in 17,000+ groups
- deep poverty outreach
  - 41% < national poverty (KE)
  - 65%< $1.25/day (TZ)
- stronger group quality
Results from East Africa pilot

- FAs average 15 groups / year
- PSPs average 7 groups / year
- 76% PSPs earn; $55/month
- Wide variation in PSP performance
- 100+ apprentices, pilot certification

www.crsprogramquality.org
Ongoing work

- Consumer protection
- Quality control
- Other services
The PSP approach provides an expanding number of stable groups whose members know and trust each other; meet regularly for many years; have access to basic financial services; and have ongoing contact with trusted agents who belong to an organized network.

- What are the opportunities for food security programming?
What’s in it for you?

**Ongoing Savings Group projects:**
How can you transition your agents toward a sustainable, fee-for-service approach?

**Start-up Savings Group projects:**
What opportunities and challenges do you foresee in starting a PSP project?