



Feasibility Study Report
Saving for Change Peru



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Executive Summary

Freedom from Hunger is an international development organization with a vision of eradicating global hunger. Freedom from Hunger brings innovative and sustainable self-help solutions to the fight against chronic hunger and poverty. Together with local partners, Freedom from Hunger equips families with the resources they need to build futures of health, hope and dignity. Freedom from Hunger was founded in 1946 and its value-added microfinance programs currently serve over 2.4 million families in 17 countries throughout Africa, Asia and Latin America.

In 2005, Freedom from Hunger, Oxfam America and Strømme Foundation launched *Saving for Change*¹, a highly replicable savings-led microfinance program. *Saving for Change* currently serves nearly 400,000 members in seven countries. *Saving for Change* enables the very poor to form self-managed Savings Groups and to participate in simple, relevant, high-impact learning sessions on health, business and money management. The program provides basic financial services in regions that are usually beyond the reach of microfinance institutions and, in doing so, creates sustainable, strong groups that tackle social issues facing their members and their communities.

With the goal of expanding the program to Peru, Freedom from Hunger carried out the *Saving for Change* Peru feasibility study. Given the scarce access to financial services for poor women in the Iquitos area of the Amazon, Freedom from Hunger and Strømme Foundation identified two partners working in Iquitos: Asociación Dignidad and Asociación La Restinga.

The purpose of the study was:

- To determine the interest and capacity of the non-governmental organizations (NGOs) Asociación Dignidad and Asociación La Restinga to implement *Saving for Change* with very poor women in Iquitos (Amazon) who have limited access to financial services
- To determine the interest and demand of very poor women in Iquitos (Amazon) who have limited access to financial services to participate in *Saving for Change*.

Asociación Dignidad currently has a village banking program but wishes to achieve greater outreach and impact for their services and the organization believes that *Saving for Change* can help it achieve that goal. Asociación La Restinga currently works with children and youth, and to increase its programs' effectiveness, it is making an effort to increase parental involvement. They believe that *Saving for Change* would be an appropriate strategy for attracting mothers and involving them in their children's activities, while strengthening family relationships, promoting community development and improving families' financial situations.

The study design incorporates two main methodologies: focus group discussions with community members and interviews with community leaders. The study was designed to hold discussions with community members representing the target population: poor women in the Iquitos area with little access to financial services. The data analyzed in this report were compiled from 13 focus group discussions and seven community leader interviews in eight

¹ The *Saving for Change* program is referred to as *Ahorro Comunitario* in Spanish.

different communities. Although this report describes only the communities visited, the degree of variety reflected here makes it probable that the visited communities accurately reflect the majority of the communities in the area. Key data was also obtained through discussions with staff from the NGOs.

The results of the study indicate that women in the area generate income by selling products such as fruit, candy, or local food at their own front doors, at markets, or in the street. Men also generate income to cover household expenses but the majority of the sample said that women make decisions about how to use the household's money. Household money management represents a significant responsibility given that the families are quite large with an average of four to five children.

Families generate income throughout the year and experience higher incomes during the holidays in May, June, July and December when they can sell more of their products. Months with lower income are January and February, due to Christmas and New Year expenses and because they are preparing for school expenses to be paid in March.

The women explained that they currently save and borrow money but they do not have many good options. The most common manner of saving money in the area is with a person called a moneysaver or a moneylender. In addition to the moneysaver/moneylender, they said that there are commercial banks such as Mi Banco and cooperatives such as Caja Maynas. However, the women do not save at these institutions because they cannot meet the requirements.

Many groups told stories about how they had lost their savings by saving with a moneysaver/moneylender. They also explained that the moneysaver/moneylender is usually paid a fee. In spite of the risks of losing their money with a moneysaver/moneylender and the fee, many people continue to use this method of saving because there are no other options.

The majority of the groups would prefer to save at a place:

- That is secure and which they trust;
- Where the money is out of their reach;
- Where they do not have to pay a fee for the savings service; and
- That does not require extensive paperwork.

As with savings, most of the groups in the sample said that the most common source for loans was the moneylender. They also mentioned the commercial banks and cooperatives, but few used their services because of their requirements. In addition, some women mentioned Asociación Dignidad's village banking program but many are unable to participate either because they do not meet the requirements or a family member already has a loan from the program. Others said that they sometimes borrow from family members, but only small amounts and only for a day or two, in special situations such as emergencies. They prefer not to borrow from family members often or for large amounts because it could cause arguments or family problems.

The majority of the groups in the sample would prefer to borrow money from a place that:

- Allows them to obtain the loan quickly;
- Has few requirements;
- Is close to their home; and
- Charges a low interest rate.

The study team explained *Saving for Change* during the focus groups and the majority expressed interest in the program. To show their enthusiasm, some women asked, “When can we start?” The women expressed their interest in the program because of its advantages, including the earnings they would receive on their savings, low interest rates, flexibility and trustworthiness.

The study team, including representatives from Asociación Dignidad, Asociación La Restinga, Strømme Foundation and Freedom from Hunger, concluded that it is feasible to implement *Saving for Change* in the areas where Asociación Dignidad and Asociación La Restinga work. This is because the practice of saving and borrowing already exists and there is a clear need for better options. In addition, the program can help strengthen the family unit because of the calm that it can create in the household given more economic security and better management of household finances.

Given that women generate income throughout the year and they make decisions about how money is spent, it would be feasible for them to save regularly (once per week) as is required in a *Saving for Change* program. In fact, some women are currently saving regularly and with discipline. They also have experience borrowing from moneylenders. Therefore, it is probable that they would be able to take and repay loans in a *Saving for Change* program where there is structure, but also more flexible lending requirements. In addition, *Saving for Change* has many of the characteristics they are looking for in financial savings and credit services.

Saving for Change has potential in the Iquitos area. However, it is recommended that adaptations to the methodology and education topics be explored. For example, given the existence of commercial banks in Iquitos near the communities where the NGO’s work, the possibility of linking Savings Groups with commercial banks during the Groups’ second cycle could be explored. This would give the groups a secure place to hold their savings when the group fund has not been lent out in its entirety. It is also recommend that funding opportunities for program implementation be explored.

1. Introduction

In 2005, Freedom from Hunger², Oxfam America and Strømme Foundation launched *Saving for Change*, a highly replicable savings-led microfinance program. *Saving for Change* currently serves nearly 400,000 members in seven countries. *Saving for Change* enables the very poor to form self-managed Savings Groups and to participate in simple, relevant, high-impact learning sessions on health, business and money management. The program provides basic financial services in regions that are usually beyond the reach of microfinance institutions and, in doing so, creates sustainable, strong groups that tackle social issues facing their members and their communities.

Saving for Change began with a feasibility study conducted by Oxfam America and Freedom from Hunger in 2004 in Mali, after the Strømme Foundation expressed interest in funding the program. Based on this study, Oxfam, Freedom from Hunger and the Strømme Foundation selected two Malian NGO partners, CAEB and Tonus, to form the first *Saving for Change* groups. By 2008, *Saving for Change* had 95,000 members in Mali.

The shared experience of quickly growing a successful, high-impact *Saving for Change* program in Mali led Freedom from Hunger, Oxfam America and Strømme Foundation to begin developing *Saving for Change* programs, both independently and jointly in various other countries around the world including Cambodia, Senegal, Burkina Faso, Niger, El Salvador and Guatemala. The Bill & Melinda Gates Foundation provided funding from 2008–2011 to expand and refine *Saving for Change* in Mali and Cambodia, explore the feasibility of *Saving for Change* in Latin America and conduct rigorous research on the impact of *Saving for Change* in Mali. The Strømme Foundation also provided funds to expand *Saving for Change*, including the *Saving for Change* feasibility study in Peru.

Given the potential that this program has to improve the lives of the very poor, Freedom from Hunger plans to grow *Saving for Change* until it has worldwide outreach. *Saving for Change* is currently being implemented in two countries in Latin America (El Salvador and Guatemala).

In order to expand the program to Peru, Freedom from Hunger carried out the *Saving for Change* Peru feasibility study. Given the limited access that very poor women have to financial services in the Iquitos area of the Amazon, Freedom from Hunger and Strømme Foundation identified two partners working in Iquitos: Asociación Dignidad and Asociación La Restinga.

The purpose of the study was:

- To determine the interest and capacity of the non-governmental organizations (NGOs) Asociación Dignidad and Asociación La Restinga to implement *Saving for Change* with very poor women in Iquitos (Amazon) who have limited access to financial services

²Freedom from Hunger is an international development organization with a vision of eradicating global hunger. Freedom from Hunger brings innovative and sustainable self-help solutions to the fight against chronic hunger and poverty. Together with local partners, Freedom from Hunger equips families with the resources they need to build futures of health, hope and dignity. Freedom from Hunger was founded in 1946 and its value-added microfinance programs currently serve over 2.4 million families in 17 countries throughout Africa, Asia and Latin America.

- To determine the interest and demand of very poor women in Iquitos (Amazon) who have limited access to financial services to participate in *Saving for Change*.

2. Context



Iquitos, the largest city in the Peruvian Amazon, is the capital of the region of Loreto and of the province of Maynas. Located in the heart of Peru’s northwest jungle (see map) next to a secondary branch of the Amazon River, Iquitos is surrounded by countless rivers and streams. Given its geographical situation, communication depends as much or more on river traffic than on land transportation, which barely exists outside the city of Iquitos. The only way to travel to Iquitos from the most remote areas is by air, but within the city and its surroundings the normal means of transportation is by *motokar* (motorcycle taxis).

The primary economic activities are agriculture, fishing, mining and trade; transportation (principally of timber) and communications are also important but less so. The area’s main products include yucca,

banana, coconut, *caigua* (a native produce), cucumber, watermelon and oil.

Iquitos has a warm, rainy climate year around, with an average annual maximum temperature of 31°C (88°F) and an average annual minimum of 21°C (70°F). There are differences in the flora, fauna and climate between the dry season (June-October) and wet season (February-June). During the wet season some areas are flooded and their inhabitants can only travel by boat or canoe. This is the case in Belén, where homes are raised on rafts and piles of wood that can withstand immense rises in the river. Some houses have two floors; both levels are used during the dry season but, when the rains come and the river rises, only the top floor is used.

The study includes the following districts: Iquitos, San Juan Bautista, Punchana and Belén. These four districts have a combined population of over 406,340 people.

Asociación Dignidad

Mission

Asociación Dignidad Peru preferentially serves poor women who live in the Peruvian Amazon by providing financial and social services that seek to improve their quality of life.

Current Programs

Asociación Dignidad currently runs a village banking program that provides financial and nonfinancial services such as: credit, savings, education and supports the organization of women micro-entrepreneurs. .

Target Population

Poor women entrepreneurs who have no access to formal financial services.

Where They Work

Asociación Dignidad works in rural, semi-rural and peri-urban communities in the Peruvian Amazon. The communities are specifically located in the districts of Iquitos, San Juan Bautista, Punchana and Belén, all of which are within the province of Maynas.

Interest in Saving for Change

Asociación Dignidad is interested in implementing *Saving for Change* in order to reach a larger number of women, including those who are extremely poor and, due to their extreme poverty, are not eligible to receive credit. They want to achieve greater outreach and impact for their services.

Asociación La Restinga

Mission

To improve the quality of life for at-risk children and youth.

Current Programs

Asociación La Restinga's programs and projects are aimed at developing the potential of at-risk, marginalized children and youth.

- Schools open to the community
- Best use of free time, according to members' interests
- Learning healthy lifestyles
- Overcoming embarrassment and accepting ourselves as we are
- Finding happiness and eliminating prejudice
- Speaking clearly and creating confidence

Asociación La Restinga implements an educational Project for children and adolescents called "Crea Belén" with the financial and technical Support of Strømme Foundation.

Target Population

Children and youth, both male and female, in the district of Belén, specifically the low-elevation area known as Venecia which is flooded from December to April. This group ranges from poor to extremely poor, which severely limits (and even eliminates) development possibilities and places this group in a very high-risk, marginalized situation. The target population's age range is from 10 to 17 years old.

Where They Work

Asociación La Restinga works in the district of Belén (see photo at right) in the province of Maynas (peri-urban area outside the city of Iquitos). This district contains 13.6% of the population of Maynas. Belén has 35 rural communities in the Amazon River basin, 21 rural communities in the Itaya River basin and over 18 slums. Sixty-two percent of the district's total area (397 km²) is flooded.



Interest in Saving for Change

Asociación La Restinga currently works with children and youth, but it is seeking to create greater parental involvement in order to make its programs more effective. Parents are very busy meeting their responsibility to generate household income. *Saving for Change* would be an appropriate strategy for attracting mothers and involving them in their children's activities, while strengthening family relationships, promoting community development and improving families' financial situations

3. Methodology

The study design includes two main methodologies: focus group discussions with community members and interviews with community leaders. (See Annex A for the focus group discussion guide and interview guide.)

Focus group discussions centered on four domains of interest, with slight variations by group. These domains are:

- Income generation: who earns income and how, decisions on how income is to be used, months of high and low income during the year.
- Practices and preferences for saving money.
- Practices and preferences for borrowing money.
- Reactions to *Saving for Change* and suggestions for the program.

The study design relied on discussions with community members representing the target population: poor women in the Iquitos area with little access to financial services. Given that Asociación Dignidad works with village banks in these communities, they were asked to organize the focus groups with people who cannot or do not currently participate in the village banks.

The data analyzed in this report were gathered from 13 focus group discussions and seven interviews with community leaders in eight different communities. (See table below with the names of the communities.) In addition, important information was obtained through discussions with the NGO staff.

Communities in the <i>Saving for Change</i> Peru feasibility study	
Asociación Dignidad	Asociación La Restinga
Zúngaro Cocha	Belén, Sector 5
Delfines	Belén, Sector 7
Cardoso	Belén, Sector 9
15 de marzo	Belén, Sector 12

The study took place over nine days in January and February of 2011. The study team included nine members, including employees of Freedom from Hunger, Asociación Dignidad, Asociación La Restinga and the Strømme Foundation. Freedom from Hunger trained the team on implementing the study tools, which were tested and refined before being applied.

In general, participating groups and individuals were selected through community contacts. For that reason, the data does not tell us how representative the sample was of all communities in the area. Although this report describes only the communities we visited, the degree of variety reflected here makes it probable that those communities reflect the majority of the communities in the area.

Lastly, most of the information was gathered from focus groups in which the participants responded to questions during an open discussion with other members of the group. Thus, they did not share information that they wished to conceal from the others. The presentation of the results takes this limitation into account.

4. Results

4.1 Income

How Income is Generated

The majority of the study participants said that women in the area earn income by selling products such as fruit, candy, or local food such as *juanes* (chicken-filled rice balls), *tacachos* (mashed plantain balls) and *curichies* (ice cream flavored with local fruit). Women sell these products from the doors of their homes, at markets or in the street. Some women in Belén have spots at the market, principally selling fish.

Men also have various activities to earn income, depending on the area. Men in Asociación Dignidad's communities earn income mainly by selling firewood or coal, or as *motokar* drivers (see photo at right).



In Belén, men usually earn income by fishing and/or through day labor as porters, construction workers, on poultry farms, digging, or sales work outside Belén.

The river level also influences economic activity in Belén. For some people a rising river is profitable, such as for canoe owners, who use them to sell their products and to transport passengers. It is also positive for those who use the opportunity to buy and sell products arriving by river from remote areas. High river levels also bring *manitoas*, a species of fish highly valued by Colombian traders and residents of Tarapoto. Men purchase large quantities of *manitoas* at a good price from fishermen and hire women to cut them into filets. However, this is a very short-term activity. For most people who sell products from their homes a high river is unfavorable, as they cannot continue with their normal activities and must seek new ways of generating income or simply stop working during this period.

Who Makes Household Financial Decisions

Most of the study participants said that women decide how to use the household money because they are at home more and they make purchases for the home, the children and the family. In groups with single women, they indicated that they make those decisions because they are alone. In other groups, they said that men and women make the decisions jointly. Household money

management represents a significant responsibility given that the families are quite large with an average of four to five children.

High and Low Income Periods

According to the sample, people work year-around but there are high and low income periods. The highest-earning months are during the holidays in May, June, July and December when they can sell more of their products. The holidays include Mother's Day in May, the Day of San Juan in June, the 28th of July festival and Christmas in December. The lowest-earning months are January and February, due to Christmas and New Year expenses and because they must prepare to pay school fees in March. The holiday expenses and school fees are the largest expenses of the annual cycle.

4.2 Savings

Where Savings are Kept

Most study participants said that the most common form of saving money in the area is with a person called a moneysaver (*ahorrista*) or moneylender (*prestamista*). In discussions about savings, the groups seemed to use the term moneysaver when the person only collects savings but does not lend money, and the term moneylender when the person both collects savings and lends money. Some groups in the Belén area also used the term “mobile moneylender” (*ambulante*) to refer to the same concept. In addition to moneysavers/moneylenders, groups said that there are commercial banks such as Mi Banco and cooperatives like Caja Maynas but the women do not use their services because they cannot meet the requirements. As the majority have not used savings services from banks or cooperatives, they could not explain how such institutions work.

In Asociación Dignidad's communities, they said that people save money in boxes at home and under their mattresses, but savings could be lost to theft or to temptation to spend them. For these very reasons, in the Belén area they indicated that they do not like this method of saving and rarely use it.



How Moneysavers/Moneylenders Work

First, the saver and the moneysaver/moneylender agree on the amount of daily savings (between S/.1 and S/.10) and the period of time for the savings (between one and six months). The moneysaver/moneylender visits the home or business of the saver daily to collect the sum agreed upon. Some participants indicated that more can be saved if one has extra money on a particular day.

After the agreed period, the moneysaver/moneylender returns the money to the saver. It is rare for the entire amount to be returned; usually the moneysavers/moneylenders deduct a fee, which may be one day of savings per month. For example, if the saver saves S/.5

for 30 days, at the end of the month the moneysaver/moneylender returns S/.145 instead of S/.150.

In some cases, the parties agree that a basket of goods will be delivered instead of cash; they say that they like to *jugar su canasta* (“play for the basket”). Baskets contain a variety of foods that families use to prepare dinner on the Day of San Juan (San Juan basket, in June) or on Christmas (Christmas basket). Many people complain that they do not receive their full basket; in reality it is difficult to ensure that the basket contains products with a value equal to the amount of money saved. For example, if someone saves S/.300, the moneysaver/moneylender could deliver a basket of products worth S/.250. Although this situation is bothersome, people continue to consider this a useful method because it guarantees their dinner on the Day of San Juan or Christmas, while if they received cash they might spend it on other priorities. By receiving the basket of goods they are sure to have everything necessary for a good celebration; not having a good celebration is looked down upon in the community.

Participants in the study did not give examples of moneysavers/moneylenders paying interest on the savings they held.

The most important factor for those who save with moneysavers/moneylenders is that the person who collects the savings be trustworthy. Many groups told stories of moneysavers/moneylenders disappearing with savers’ money or of moneysavers/moneylenders not delivering the full amount due.

Important Characteristics of a Savings Service

In spite of the risk of losing their money with a moneysaver/moneylender, many people continue using this service because there are no other options and because it offers some benefits: they collect money at the saver’s home or business; savers can save small amounts at a time; savers are not able to spend the money because it is with the moneysaver/moneylender; and their savings serve as a guarantee for the moneysaver/moneylender to lend them money in case of an emergency.

The important characteristics of a savings services vary by area. Most of the groups in Asociación Dignidad’s communities said that they prefer to have a safe place to save, a place they trust. Some also said that they prefer the money to be out of their reach and they did not want to pay interest or fees for the savings services.

In the Belén area, most groups preferred to save with moneysavers/moneylenders because the service is very practical and does not require much paperwork. They also mentioned safety and trust when talking about their preferences.

4.3 Loans

Where Loans are Obtained

Most of the groups said that the most common place for obtaining a loan is from a moneylender. Other terms for this person included: moneyshark (*usurero*), mobile moneylender (*ambulante*), the neighbor (*la vecina*), market moneylender (*prestamista del mercado*) and “clandestine”

(*clandestino*). They also said that there are banks and cooperatives, but very few borrow from those places due to the requirements and because they would have to travel to the city to obtain the loan and make payments.

In Asociación Dignidad's communities, some people also said that they take loans from pawn shops in the city for emergencies even though they know they will probably lose the item they gave the shop as a guarantee. They also mentioned Asociación Dignidad's village banking program but many have no access to it because they do not meet the requirements or a family member already has a loan with them. They were familiar with the village banks because the focus groups were arranged by Asociación Dignidad staff and many of the focus group participants were family members of someone participating in a village bank.

In the Belén area, they also said that they occasionally borrow from family members. They do so only for small amounts for a day or two during emergencies. They prefer not to do so often or for large amounts because it may cause arguments or family problems.

How Moneylenders Work

Normally, the moneylender is the same person who collects savings (moneysaver/moneylender) or a community member, such as a neighbor who grants loans of S/.100 to S/.1.000 for 20 to 24 days at 20% interest. For example, on a loan of S/.100, the payments would be S/.6 per day for 20 days or S/.5 per day for 24 days (for a total of S/.120). The most common loan amount mentioned by the groups was between S/.100 and S/.300, and the amount is guaranteed by the borrower's business or goods or on the money that the borrower has saved with the moneysaver/moneylender. Moneylenders sometimes extend the term of the loan by a few days, but if payments are not made on time the interest rate will rise.

Important Characteristics of a Credit Service

Most of the groups in the sample prefer to borrow money from moneysavers/moneylenders because they can obtain the loan quickly, there are few requirements, it is near their home and in some cases because the only guarantee required are their own savings. These factors are considered to be very important, particularly in emergencies.

In Asociación Dignidad's communities most participants said they preferred to pay low interest. In Belén, some people who knew about banks and cooperatives said that the rates were lower at those institutions but it was easier to and quicker to borrow from moneylenders.

4.4 Saving for Change

In the focus groups, the moderator explained how *Saving for Change* works using a drawing and an example of how they save and loan money with interest. (See photo below.) After hearing how the program works, most participants expressed interest in the program. To show their enthusiasm, some women asked, "When can we start?"

When asked about the differences between *Saving for Change* and their current financial services, they said that *Saving for Change* provides earnings and they currently do not receive earnings on the money they save. They also said that their savings would be under their own control, thus safer.

In Asociación Dignidad's communities, most participants said that *Saving for Change* is different because of the low interest rate and ease of borrowing. They believe that *Saving for Change* provides a better option for saving and borrowing money.



An integral part of *Saving for Change* is education sessions on important topics such as health, business and money management. When asked about their preferences of education topics, participants were most interested in business: how to manage a business, invest and earn more. Several groups were also interested in health and nutrition, including dengue, which affects many families in the area.

5. Conclusions and Recommendations

The study team, which includes representatives from Asociación Dignidad, Asociación La Restinga, the Strømme Foundation and Freedom from Hunger, concluded that it is feasible to implement *Saving for Change* in the areas where they work. There are existing saving and borrowing practices but there is also an evident need to improve the current options. In addition, the program can help strengthen the family unit because of the calm that it can create in the household given more economic security and better management of household finances. Women expressed interest in the program's benefits such as earnings on their savings, low interest, flexibility and trustworthiness.

Given that women earn income year-around and they make the spending decisions, it would be feasible for them to save regularly (once per week) as is necessary in *Saving for Change*. They would also benefit from the loans, which could be used for their businesses or other needs. For example, Savings Groups could decide on a date to distribute the group's funds according to the periods when they need more money. According to the study, most women have lower incomes during January and February, because of the Christmas and New Year holidays and because they are preparing to pay school fees in March. So, they could plan on distributing the group's funds during those months.

Given that some women are currently saving regularly and with discipline, it is probable that they would be able to save in a program like *Saving for Change* where they would have to save a

set amount each week. *Saving for Change* also has some of the characteristics they seek in a savings service:

- It is safe and trustworthy because they choose trusted people to be members of the Savings Group; and
- The money is out of their reach because it is in the group fund;
- They do not pay a fee for the saving service; and
- It does not require extensive paperwork.

Some women also have experience borrowing from moneylenders, so it is probable that they will be able to borrow from *Saving for Change*. *Saving for Change* is structured but has flexibility, including a loan period of longer than 20 to 24 days. *Saving for Change* also has some of the characteristics the participants said they wanted in a credit service:

- It allows them to obtain a loan quickly (within a month at the beginning and within a week once the group matures);
- There are few requirements because loans are based on the trust among members;
- It is close to their homes because they meet in their own community at a place chosen by the members; and
- The group sets its own interest rates, so they are low.

Saving for Change has potential in the Iquitos area. However, it is recommend to explore how the methodology and education topics could be adapted to the context. For example, given the existence of commercial banks in Iquitos near the communities where the organizations are working, the possibility of linking Savings Groups with commercial banks during the Groups' second cycle could be explored. This would give them a secure place to hold their savings when the group fund has not been lent out in its entirety. It is also recommended that possible funding opportunities for program implementation be explored.

Annex A

Saving for Change Peru Feasibility Study **Focus Group Discussion Guide**

Opening

- *Introductions – whole team (name, position, organization, country).*
- *Thank participants for coming and explain the purpose of the meeting: understanding how people use money to see if a new program could be introduced in the area.*
- *Ask them if they are willing to participate in a discussion lasting an hour and a half. Tell them that refreshments will be served after the meeting.*
- *Thank them for their time and honest responses. Assure them that what they say will not be told to other people.*
- *Play the “hot yucca” game to have participants introduce themselves. Ask them to say:*
 - *Name*
 - *How long they have lived in the community*
 - *How many children they have**Give an example before passing the hot yucca around. Make nametags.*

Income

1. What do people do to earn money in the community?
2. Who does these activities? (<i>men, women, youth</i>)
3. Who decides how to use money earned from these activities? (<i>men, women, youth</i>)
4. Where does most money come from? (<i>pension, children working</i>)
5. What months of the year do you have the least money? Why?
6. What months of the year do you have the most money? Why?

Savings

7. Where do people in the community keep or save money? (<i>write the places on cards and place them on the floor where everyone can see</i>)
8. How does storing or saving money at this place work? (<i>how much they save, for how long, what they're saving for, how much it costs to save, how much they earn by saving</i>)
Now order the cards of places to save from most to least preferred. The favorite place goes first and the least favorite place goes last.
9. Why do you most prefer this method of saving? Why do you least prefer this method of saving?

Loans

10. Where do people in this community borrow money? (<i>write the places down on cards and place them on the floor where everyone can see</i>)
11. How do loans from work? (<i>application, interest, length of loan, etc.</i>)
Now order the cards of places to borrow from the most to least preferred. The favorite place goes first and the least favorite place goes last.
12. Why do you most prefer to borrow money from...? Why do you prefer not to borrow money from...?

Saving for Change

We are thinking about starting a program in this area called *Saving for Change*. And we want to know what you think.

Use the Saving for Change Facilitator's Promotion Meeting Guide (attached) to explain the program.

13. What questions do you have about <i>Saving for Change</i> ?
14. What are the differences between <i>Saving for Change</i> and how money is saved and lent in your community?
15. Would you like to participate in a program like <i>Saving for Change</i> ? Why?
16. If we decide to include educational sessions, which do you prefer? Health, business or money management? (<i>ask more questions to find out what types of health or business topics are of interest, i.e., dengue, budgeting, etc.</i>)

Closing

17. Do my colleagues have any other questions?
18. Does anyone have anything they'd like to say? What questions do you have for us?

- *Thank the participants and present the refreshments.*

Saving for Change Peru Feasibility Study Community Leaders Interview Guide

Opening

- *Introductions – whole team (name, position, organization, country).*
- *Thank them for coming and explain the purpose of the meeting: understanding how people use money to see if a new program could be introduced in the area.*
- *Ask them if they are willing to participate in a discussion lasting an hour and a half. Tell them that refreshments will be served after the meeting.*
- *Thank them for their time and honest responses. Assure them that what they say will not be told to other people.*
- *Ask them to say:*
 - *Name*
 - *How long they have lived in the community*
 - *Responsibilities as community leaders*

Income

1. What do people do to earn money in the community?
2. Who does these activities? (<i>men, women, youth</i>)
3. Who decides how to use money earned from these activities? (<i>men, women, youth</i>)
4. Where does most money come from? (<i>pension, children working</i>)
5. What months of the year do you have the least money? Why?
6. What months of the year do you have the most money? Why?

Savings

7. Where do people in the community keep or save money?
8. How does storing or saving money at this place work? (<i>how much they save, for how long, what they're saving for, how much it costs to save, how much they earn by saving</i>)
9. Why do you most prefer this method of saving? Why do you least prefer this method of saving?

Loans

10. Where do people in this community borrow money?
11. How do loans from work? (<i>application, interest, length of loan, etc.</i>)
12. Why do you most prefer to borrow money from...? Why do you prefer not to borrow money from...?

Saving for Change

We are thinking about introducing a program in the area called *Saving for Change*. And we would like to know what you think.

Explain Saving for Change.

13. What questions do you have about <i>Saving for Change</i> ?

14. If we decide to include education sessions, which do you think women in this community would prefer? Health, business or money management? (<i>ask more questions to find out what types of health or business topics are of interest, i.e., dengue, budgeting, etc.</i>)
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15. Would you support a program like <i>Saving for Change</i> in this community? Why?

16. How could you help us implement this program in the community?
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Closing

17. To my colleagues: What other questions do you have?

18. Does anyone have anything they'd like to say? What questions do you have for us?
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- *Thank the participants and present the refreshments.*