

Practice Brief

Six lessons for practitioners implementing Internal Savings and Lending groups (ISALs) – evidence from the SAFE programme, Zimbabwe

The SAFE programme is a four-year (October 2019 - March 2024), Gender Based Violence (GBV) prevention pilot programme funded by the UK's Foreign, Commonwealth and Development Office in Zimbabwe (FCDO Zimbabwe). SAFE is being piloted in communities in focal wards in three districts: Chikomba (rural), Mwenezi (rural) and Chiredzi (urban).

The SAFE programme is comprised of several components, namely:

- **Economic components:** Internal Savings and Lending (ISAL) groups in all three districts and cash-based transfers (CBT) in Chiredzi only.
- **A social empowerment prevention component:** 'Toose', meaning "Together" in Shona, an adaptation of the Gender Action Learning System (GALS)¹ model, initially developed by Oxfam.
- **A GBV response component:** Supporting delivery of quality services for GBV survivors and strengthening community-based response.

The SAFE Evaluation and Learning Unit (ELU), led by Tetra Tech and supported by Q Partnership, seeks to strengthen the evidence base on what works to prevent and respond to violence against women and girls in Zimbabwe. In October 2022, the ELU conducted a qualitative study that sought to understand the extent to which ISAL groups reduce household economic stress, and the effectiveness of linking them to social empowerment and other economic empowerment interventions. The study taught us six important lessons that could be of benefit to other practitioners working with ISALs.

Study methodology

- 14 participatory workshops with ISAL members
- 6 participatory workshops with partners of ISAL members in single-sex ISAL groups
- 26 in-depth interviews with ISAL leads and Toose facilitators

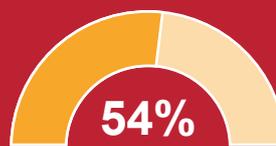


Lesson 1: ISALs do not necessarily benefit the most economically marginalised members.

ISALs contribute to a reduction in household economic stress, but these benefits may be experienced more so by beneficiaries who are more economically resilient to begin with and less so by those ISAL members who struggle to make ISAL contributions or pay back loans. This finding is in line with past literature that suggests that microfinance and savings and loans programmes benefit the poor, but not necessarily the poorest.¹



The majority (≈ 80%) of participants in Chiredzi and Chikomba struggled to pay their initial ISAL contributions.



In Mwenezi, more than half (54%) used funds intended for other necessities (such as food and school fees), borrowed money from family, or did more piecemeal jobs to pay their ISAL contributions.

Seed funding for ISALs was not provided at the inception of the ISALs, but several months after they were established.

For future ISAL programming, providing seed funding from the outset should be considered from an inclusivity standpoint. This could reduce the economic burden of ISALs on participating households, and prevent negative coping mechanisms, such as delaying the payment of school fees, to make ISAL contributions. However, mitigation measures need to be put in place to ensure ISAL sustainability. The injection of seed funding could have detrimental effects on the sustainability of ISAL groups, owing to issues of commitment, innovation, and dependency, as ISAL members may expect the implementing partner to continually provide seed funding.

¹ Copestake, J. (2002) Inequality and the polarizing impact of microcredit: Evidence from Zambia's Copperbelt. *Journal of International Development*, 14(6): 743-755; Van Rooyen, C., Stewart, R. & De Wet, T. (2012) The Impact of Microfinance in Sub-Saharan Africa: A Systematic Review of the Evidence. *World Development*, 40(11): 2249-2262.



Lesson 2: A strong Leave No One Behind (LNOB) strategy may help facilitate the participation of ISAL members with disabilities.

ISAL members with disabilities were more hesitant to take out loans, and generally took out smaller loans, than those without disabilities. This is because they were less able to work and engage in income generating activities (IGAs) and were therefore more concerned about repaying their loans. However, loan hesitance was dependent on the type and extent of the disability. In response to this, and to increase confidence in their ability to repay ISAL loans, SAFE ISAL facilitators conducted financial literacy training with ISAL members with disabilities to show them how to start viable businesses. This is an important example of a Leave No One Behind (LNOB) strategy in action and should be encouraged on other programmes involving ISALs.



Lesson 3: Pairing ISALs with social empowerment programming can provide mutually beneficial outcomes.

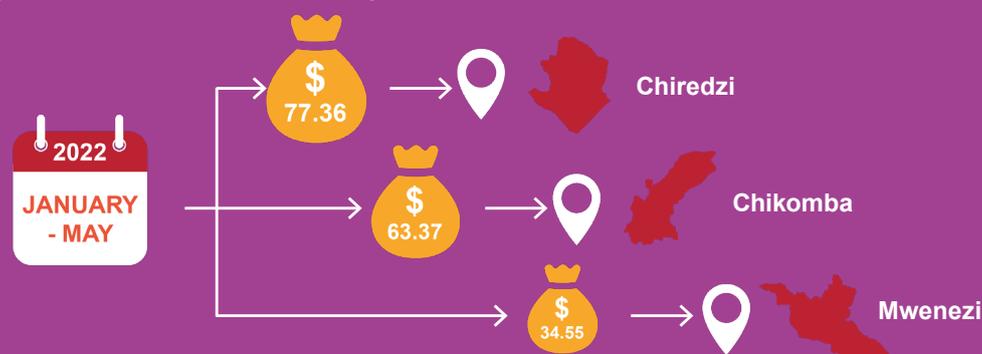
The Toose social empowerment component enhances the economic effect of SAFE ISALs by encouraging households to make joint economic planning decisions. Other development programmes have previously introduced ISALs to the three SAFE districts, but they had varying levels of success, primarily because households failed to make joint economic decisions and male partners reportedly spent much of the money on alcohol. A key driver of success of the SAFE ISALs, and distinguishing factor from previous programmes, is the Toose social empowerment curriculum that supports household members to make joint economic decisions, including what to spend their ISAL loans on and IGA profits for.

Participation in ISALs also strengthens Toose learning objectives by providing participants with the opportunity to put lessons learned into practice and by demonstrating the benefits of doing so. Respondents frequently reported that ISALs provided an opportunity to put into practice the non-violent conflict resolution and communication lessons learnt through Toose, as positive communication enabled them to work together to make their IGAs a success. This reinforced to participants the benefits of Toose sessions, which were primarily credited with reducing household violence.



Lesson 4: Layering other economic interventions, like cash-based transfers, onto ISALs can increase members' ISAL contributions and loan size, but sustainability implications should be considered.

ISAL participants in Chiredzi who received CBT saved more money in their ISALs and took out bigger loans compared to ISAL participants in Mwenezi and Chikomba, who do not receive CBT. The availability of CBT means that ISAL participants can save more money in their ISALS as their food needs are being met, resulting in bigger loans and larger IGAs. For example, the average loan amount taken was:



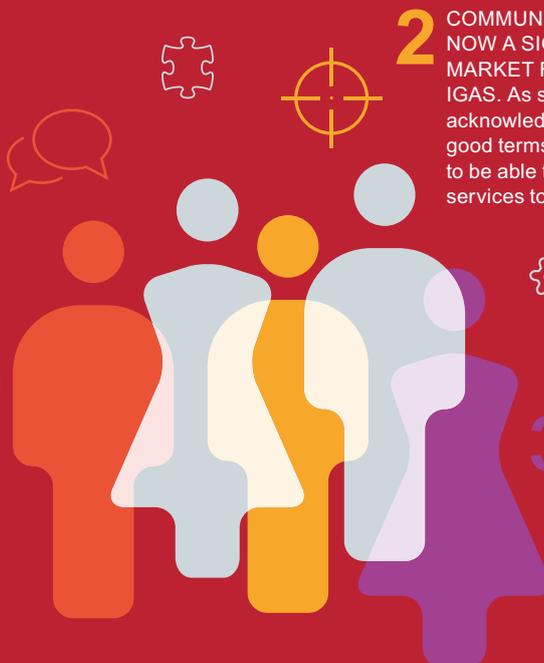
However, the availability of other economic programming could have detrimental effects on the sustainability of ISAL groups, owing to issues of commitment and dependency. For instance, target groups may not perceive participation in ISALs as necessary if their food security needs are being met by CBT, or they may be ill-prepared to make ISAL contributions once economic-support ends. Thus, mitigation measures like training content on the more sustainable benefits of ISAL participation vs. CBT would need to be put in place to ensure ISAL sustainability.



Lesson 5: ISALs can have additional positive unintended outcomes, such as enhancing community social inclusion and building social capital.

A positive unintended outcome of the SAFE ISALs was that participation enhanced community social cohesion and built social capital in the three SAFE districts. They did this in 3 ways:

1 BY INCREASING COMMUNITY MEMBERS' CONTACT WITH ONE ANOTHER AND PROVIDING OPPORTUNITIES FOR COMMUNICATION. This increased understanding between community members, irrespective of demographic differences that may have previously separated them. For instance, some respondents reported better understanding the capabilities and challenges of their neighbours with disabilities from participating in ISALs with them.



2 COMMUNITY MEMBERS ARE NOW A SIGNIFICANT TARGET MARKET FOR ISAL MEMBERS' IGAS. As such, respondents acknowledged the need to be on good terms with their neighbours to be able to sell their goods and services to them.



3 COMMUNITY MEMBERS HAVE MORE RESPECT FOR ISAL MEMBERS, as many now have successful IGAs and increased income as a result, which increases their social standing within their communities.



Research on ISALs typically focuses on economic and household wellbeing outcomes but rarely on individual or group social cohesion and capital. The SAFE study supports emerging evidence from other contexts that suggests that social cohesion and capital are important benefits over and beyond the economic gains of participation in savings and loans groups.²



Lesson 6: For ISALs that encourage participants to pursue IGAs, it is important that ISAL members are trained to focus on IGAs with a viable market.

In Chikomba and Mwenezi, a lack of markets for IGAs and poor performing businesses presented challenges to making ISAL contributions for a minority of ISAL members. This threatened their ability to save and to consistently pay ISAL contributions. Future ISAL programming should consider training ISAL members to pursue IGAs with a viable market in their community. It is also important to diversify ISAL members' IGAs so that all members are not producing the same goods/services and saturating the market.

"The only challenge that we have faced is lack of market for our products. We at one time reared chickens but could not find buyers and we made a loss"
(ISAL Lead, Mwenezi).

² Musinguzi, LK. (2015) The role of social networks in savings groups: insights from village savings and loans associations in Luwero, Uganda. Community Development Journal, doi:10.1093/cdj/bsv050; Entz, M., Karsgaard, J. & Salomons, M. (2016) An Overview of Savings and Self-Help Groups, their Contributions to Improved Food Security, and How to Improve their Function. A Review of the Literature. Canadian Foodgrains Bank.