

What financial institutions are getting right when they serve savings groups

The same panelists came back to answer a different question. Not what's broken, but what specifically fixed it. Each fix below is matched to the problem it solves from part one.

Panelists: Martina Crailsheim (VisionFund International, host) · Gerry Lanigan (FINCA Uganda) · Brice Kezimana (Turame Community Finance, Burundi) · Sbongile Mthembu Shongwe (Imbita Women's Finance Trust, Eswatini)

Why this session?

This was the second and closing session of the “Serving Savings Groups Sustainably” series, following Part One (“What We Got Wrong”). The same four panelists came back to name specific actions, partnerships, or features that measurably improved their ability to serve savings groups. Not general advice, but the one concrete thing each organization pointed to.

Four fixes, matched to four problems from part one

Part one grouped the panel's problems into four categories. Each one turned out to have a specific, named fix on this call.

Problem: the group isn't a legal entity

The fix: let a few trusted members move money for the group via instant transfer service, instead of relying on one SIM card

Burundi's central bank built a system that lets money move quickly between a bank or MFI and accountholders—including savings group members—using an instant payment or transfer service. Every financial institution in the country is now required to connect to this system. Before, with mobile money, the catch was that the group wasn't a legal entity and couldn't own its own SIM card or have a mobile money account in the name of a group. Now, Turame is using the new payment system where a few members that the group has authorized send and receive funds on its behalf, this way, the group doesn't need its own mobile money account. Turame is also building an online banking tool so that two or three of those authorized members can send money straight to mobile money or another bank account.

What worked: If your market has (or is building) a system like this for moving money quickly between institutions, build your disbursement and repayment process around it instead of around a single group-held mobile money account. *(Turame)*

Problem: the group's records are inaccurate or incomplete

The fix: turn group readiness into a clear checklist

Imbita addressed this problem in 2 ways. First, it set in place criteria-based decision-making for groups to qualify for loans. They only lend to groups that meet five basic conditions: 1) the group is past its second share-out cycle and at least three years old, 2) its passbook and ledger are complete and current, 3) all members vote to take the loan, 4) at least 75% plan to use it for income-generating activities, and 5) the group keeps using its own lending rules (its own interest rates and repayment terms). Imbita doesn't change how the group already operates. Second, they are working with World Vision to promote digitalization with DreamSave. They have found that the quality and accuracy of the records is much higher with DreamSave than without. While this is not a requirement for a first loan, they are finding that it is helping groups have records that the MFI can rely upon.

What worked: Turn “is this group ready?” into a simple checklist (group age, record quality, a unanimous vote, majority productive use) instead of deciding case by case. Digitize records whenever possible to increase accuracy. (Imbita)

Problem: digital tools don't change behavior on their own

The fix: connect good digital habits directly to a bigger next loan

FINCA's platform, built with Ensibuuko, mirrors the group's existing paper process instead of replacing it and tracks data over time: did the group meet on schedule, did it record the meeting, not just whether it repaid at the end. That ongoing data builds a credit score, and groups that keep up good habits qualify for a bigger loan next time. FINCA is honest that this isn't fully solved yet. Some groups meet reliably and repay reliably but still don't fully use the digital tools, something FINCA ties to how much trust exists between the group and its local community support person.

What worked: Connect steady digital record-keeping to a clearly bigger next loan, and keep the time between training a group and giving it its first loan as short as possible. Panelists said usage drops off when that reward takes too long to arrive. (FINCA)

Problem: Cost > Revenue—Small loans generate small revenue, while serving rural areas is costly

The fix: let a partner organization handle group prep and monitoring

Imbita lends on top of World Vision's own savings-group program: World Vision forms, trains, and monitors the groups and checks their readiness, and Imbita's role starts at the credit decision. Turame's product was co-designed with VisionFund for the same reason. FINCA built its Uganda pilot on Gates Foundation funding and a platform partner, Ensibuuko, that already had experience lending to VSLAs, and later learned that CARE International was an investor behind that partner too.

What worked: Put the division of labor in writing: have an NGO or platform partner handle group preparation and monitoring, so your own costs stay focused on assessing and disbursing credit. (Imbita, Turame, FINCA)

Imbita's lending criteria, in full

The complete checklist behind the 135% repayment rate reported in part one, as Sbongile described it on this call.

- ✓ The group is past its second share-out cycle, which usually means they are in their 3rd year together.
- ✓ Passbooks and the group ledger are complete and current, so savings, repayment history, and attendance are all easy to check.
- ✓ 100% of group members vote to take the loan, in a meeting, before it's approved.
- ✓ At least 75% of members intend to use their share toward an income-generating activity.
- ✓ The group keeps running its own existing lending rules, like its own interest rates and repayment terms, unchanged.

Where the three lenders differ on loan use

None of the three enforces the same rule, and none claimed to have the only right answer.

VisionFund / Imbita: productive use first, by design

This is a soft, coached preference, not a hard rule: a group can still lend its own money to whomever it wants, for whatever purpose, same as always. VisionFund and Imbita coach groups to put the loan itself toward income-generating activity, and to use the resulting profit, not the loan, to cover other expenses like school fees. That's also the logic behind

the 75% threshold described above: it's treated as enough members ready to put the money to work to generate a return that lets the group both repay the loan and increase its return on savings. VisionFund's own impact evaluations trace improvements in school attendance and nutrition back to that household income gain.

FINCA: no condition on use at all

FINCA doesn't ask what the loan is for and doesn't build it into approval. Its reasoning: the group had its own priorities and practices before digitization, and the product is designed to mimic those, not redirect them. Gerry gave an example of a group that collectively expanded its poultry operation. But approval is based only on what the group saves and repays, not on what it says the loan is for.

Turame: a split between the group's own money and the loan

Groups sometimes use their own savings for personal needs, like school fees or home improvements, while putting the external loan specifically toward productive investment. That split helps protect their ability to repay the loan.

Not every member has to borrow

Both Imbita and Turame look for about 75% of members wanting a loan, combined with a 100% vote to move forward as a group. That's agreement to take the loan as a group, not a rule that every member has to use it. Many strong VSLA members only save and never borrow externally, earning solid interest on their own group's internal loans (often around 10% a month), and that's seen as perfectly healthy. Rather than watching whether everyone borrows, FINCA monitors whether it's the same one or two members taking most of the money every cycle.

Digitizing a group often means two different tools, not one

Mobile money (for example, an MTN mobile money account): moves money. It handles loan payouts, repayments, and transfers between members, working like a bank account for the group.

A ledger app (for example, DreamSave): records the group's history. It tracks attendance, savings, and loans, replacing a paper passbook that can get lost or added up wrong.

Both are likely to be new to savings groups, and both require adoption support over a period of time. For a group's first loan, Imbita doesn't require either tool. But using both becomes a requirement for a second loan, and that's what actually got groups to adopt them. The two systems aren't connected yet, so transactions on mobile money need to be manually entered into the digital ledger. Imbita and the DreamSave team are talking about linking them so a mobile money transaction updates the ledger automatically. In the meantime, panelists pointed to two real benefits already showing up: less cash being handled at group meetings, and more transparency, since every transaction sends a message to all members.

On gender: Turame said digitization was initially harder for women to adopt, but making it mandatory rather than optional turned into a training opportunity. Brice described women who were relieved to keep their savings on a phone instead of carrying cash around.

What worked, at a glance

The same four fixes above, collected in one place.

- ✓ Use a system where a few trusted members can move money for the group, instead of relying on one SIM card.
- ✓ Use a standard eligibility checklist for group readiness (age, records, a near-unanimous vote, majority productive use) instead of deciding case by case.
- ✓ Connect steady digital record-keeping clearly to future loans, and get groups their first loan soon after training.

- 
- ✓ Partner with NGOs already supporting groups to handle group preparation, so your own costs stay focused on credit.

What's next

Recording and slides on the DSG Hub

Both sessions in this series, plus unanswered questions from the chat, have been posted for [continued discussion](#).

This closes the two-part series

Part one covered where linking to savings groups breaks down. This session covered what specifically fixed it. Together, they're the input the panel is carrying forward into future planning.
