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# Women's Savings Clubs

Developing, implementing and learning from  
the *Tugeda Tude fo Tumoro* model



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**Cover image:** Kalibae Women's Savings Club., Western Province. (Photo: Joanna Brislane)

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\*Image on page 15 far left and upper middle by Nelson Horipua (as above), remaining illustrations from Microsoft Word clipart.

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## CONTENTS

- i. **Acronyms and Key Terms**
- ii. **Executive Summary**
  
- 1. Overview**
  - 1.1 Solomon Islands
  - 1.2 Women and the economy in Solomon Islands
  - 1.3 The Tugeda Tude fo Tumoro (TTFT) Project
  
- 2. WHAT? The TTFT Women's Savings Club Model**
  - 2.1 Key Concepts
  - 2.2 The TTFT Savings Club Model
  - 2.3 Core elements of the TTFT model
  - 2.4 Adapting the TTFT model in response to lessons learnt
  
- 3. HOW? Establishing and supporting TTFT savings clubs**
  - 3.1 Community research including gender analysis
  - 3.2 Awareness raising for men and women
  - 3.3 Identification of women's groups
  - 3.4 Savings club establishment
  - 3.5 Consistent ongoing support and monitoring
  - 3.6 Improvement of savings club model
  
- 4. WHY? Developing the TTFT Savings Club Model**
  - 4.1 Findings from TTFT baseline research
  - 4.2 Feedback from TTFT Phase 1 and 2 Community Reflections
  - 4.3 Responding to lessons and selecting a microfinance model
  - 4.4 Lessons from savings clubs and revolving schemes in Melanesia
  - 4.5 Loans, interest rates and loan repayment
  - 4.6 Addressing Risk
  
- 5. Key insights and recommendations for TTFT**

## ACRONYMS AND KEY TERMS

|              |   |
|--------------|---|
| <b>TTFT</b>  | <i>Tugeda Tude fo Tumoro</i> is a multiyear project led in partnership by LLEE and IWDA, supported by the Australian Aid Program of the Department of Foreign Affairs and Trade as part of the Solomon Islands NGO Partnership Agreement (SINPA). |
| <b>IWDA</b>  | International Women's Development Agency  |
| <b>LLEE</b>  | Live & Learn Environmental Education  |
| <b>SINPA</b> | Solomon Islands NGO Partnership Agreement   |

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|  |   |
|--|---|
| <b>Financial services</b>                    | Financial services are the economic services provided by the finance industry- this includes banks, microfinance institutions, credit unions, credit card companies, insurance companies and more. The most common financial services offered are savings and loans.  |
| <b>Livelihoods / Sustainable Livelihoods</b> | A person's livelihood is their means (way) of securing the things they need for their life; this includes food, water, shelter and clothing. A sustainable livelihood is a long term way of securing the things needed for life that can be used both now and in the future.  |
| <b>Passbook</b>                              | A book issued by a bank or financial institution to an account holder, recording amounts of money deposited and withdrawn.  |
| <b>Resource Management</b>                   | The way resources are used and how decisions are made about resource use. This can apply to financial resources (cash, credit), natural resources (land, forests, water etc.), human resources (people's time and skills), production resources (tools, machines) and more.   |
| <b>Savings Club</b>                          | Savings Clubs are generally informal groups that have opened a joint savings account with a bank or another financial institution. See Section 2.2.1 for more details.  |
| <b>Strengths-based approach</b>              | A strengths-based approach (SBA) concentrates 'on the inherent strengths of individuals, organisations, communities, groups, sectors or networks as the basis for identifying, connecting and mobilising them, for planning to achieve development or change and for working in partnerships' <sup>1</sup> . See Section 2.2.3 for more details.  |
| <b>Unregulated logging</b>                   | If something is regulated there are rules about how it is carried out or used. If something is unregulated there are no rules about how it is carried out or used. Unregulated logging is logging that takes place outside the rules. This might be because there are not strong enough rules in place, because the logging is illegal or because people who are responsible for making loggers follow the rules are not doing their job. |

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<sup>1</sup> Rhodes and Dureau (2009), p.3

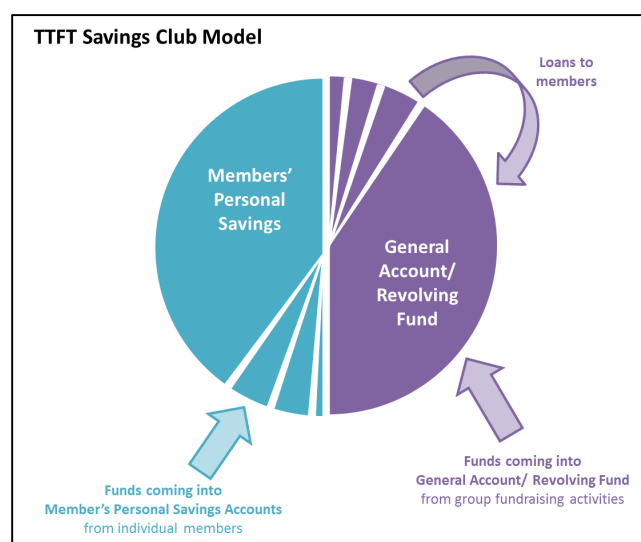
### EXECUTIVE SUMMARY

The livelihoods of rural Solomon Islanders are intimately connected to natural resources and the unsustainable use of natural resources, including logging and changes in land use, is placing increased pressure on rural communities. An estimated 80% of Solomon Islanders do not have access to financial services<sup>2</sup>, including the credit, savings, insurance and money transfers that are essential to enabling them to build up usable lump sums of money for emergencies, investment, education and health<sup>3</sup>. Women are particularly affected by this due to exclusion from decision making both within the family and the wider community. Women have limited social mobility due to the threat of violence, traditional gender roles and limited access to cash, and the burden of responsibilities in and around the home.

The Tugeda Tude fo Tumoro (TTFT) project was established in 2009 to support communities to achieve gender-inclusive sustainable natural resource management. As part of this project, the TTFT women's savings club model was developed as a means of promoting sustainable livelihoods and increasing women's participation in decision making in order to bring about sustainable natural resource management. Women's savings clubs present an opportunity for women to mobilise resources to invest in community and personal initiatives and provide a space for women to gain confidence in decision-making, financial management, budgeting and record keeping. Improving women's confidence, capacity and standing erodes barriers to women's participation in decision making and enhances their contribution to their community.

### THE TTFT WOMEN'S SAVINGS CLUB MODEL

The TTFT women's savings club model involves members depositing savings into two distinct funds; personal savings and the general account. Income from group fundraising activities is deposited into the general account, which is used to support community initiatives and to provide loans to members.



The defining features of the TTFT women's savings club model are:

- Savings Club members and leaders are exclusively women.
- Community awareness and engagement to ensure the support of community leaders and male family members of members.
- The club manages two funds: General Account and Personal Savings. Loans are made from the General Account only and a member's Personal Savings are used as security against loans taken.
- Interest rates are set at the discretion of individual clubs.

<sup>2</sup> See <http://www.pfip.org/what-we-do-in-pacific/projects-activities/financial-inclusion-policy-regulation/national-financial-inclusion-task-force-fiji.html>

<sup>3</sup> McCaffrey (2010a), p.1

## Women's Savings Clubs: Developing, implementing and learning from the TTFT model

- Community ownership- no funds input into club savings by the donor.
- Once established, all clubs develop a Group Action Plan, and support its implementation to be 'General Account' savings.
- Ongoing monitoring and support from TTFT staff.

After two years of implementing the TTFT women's savings club model across five provinces in Solomon Islands, it is clear this model is having a positive impact on both individual women and the community as a whole. To date, 19 women's savings clubs have been established, all clubs are consistently saving and over 80 income generation or community development initiatives have been supported by savings club loans or capital. All clubs continue to save consistently and project monitoring reports show that women have maintained control of money within savings clubs, with increasing support from their husbands. There is clear potential for this model to be implemented in other locations. TTFT's experience has shown that supporting women's savings clubs while facilitating ongoing discussions about gender equality and inclusive leadership<sup>4</sup> can influence gradual attitude change in support of women's right to manage and control their savings.

### SUMMARY OF KEY INSIGHTS

There are several key lessons from the implementation of the TTFT savings club model that could be applied to strengthen existing and proposed microfinance activities in Solomon Islands and potentially in similar contexts. These insights and recommendations for action are detailed in Section 5: Key insights and recommendations for TTFT.

#### 1. Gender inequality is multidimensional in nature and needs to be addressed multidimensionally.

In-depth gender analysis is essential for activities to impact positively on women and therefore benefit the community overall. Savings clubs have the potential to make a significant contribution and catalyse wider changes for women, however ensuring equality not just of opportunities but also of outcomes requires change across many areas of life, at many levels, sustained over time and reinforced by institutional and relational change. (See Sections 1.2 and 2.1.4)

#### 2. Women need to be able to define for themselves what is valuable about economic engagement

For some women, engaging in the economy is about empowerment; it is aimed at increasing their freedom, status or security. For others, it is simply a matter of survival. Often economic empowerment initiatives include an externally defined goal or end point however it is important to see empowerment as '*an expansion in the range of potential choices available to women*'<sup>5</sup> and enable women themselves to make those informed choices about their level of engagement with the economy.

(See Section 2.1.4)

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<sup>4</sup> TTFT Community Facilitators, supported by the TTFT Gender Officer, use the *Gud Disisions, Gud Lidasip* Community Facilitation Guide, developed by IWDA/LLEE as part of TTFT, to facilitate discussions in target communities about the inclusive leadership and governance. See: <http://www.livelearn.org/resources/gud-disisions-gud-lidasip-community-facilitation-guide>.

<sup>5</sup> Kabeer (2001), p.81

**3. Women's clubs create space for women's leadership.**

Supported women's savings clubs increase women's access to and control of financial resources and provide women with leadership opportunities that have resulted in women's increasing participation in other community decision making bodies. Conscious integration of programming to build women's leadership within a savings clubs project has the potential to result in women's increased confidence, skills and community support as leaders. (See Section 2.1.2)

**4. Male community members and leaders can be very supportive of women's savings clubs, but need to be consciously engaged.**

Men are not necessarily opposed to women's savings clubs, and will not always use their relative power to protect the 'status quo' of male-dominated financial management, as is sometimes assumed. Expectations and assumptions need to be carefully managed and men need to be consciously engaged in supporting savings clubs. (See Sections 2.3.2 and 3.2)

**5. Savings Club models need to allow for meeting short-term needs, as well as income generation activities.**

Accumulated savings have the potential to '*buffer expected or unexpected spikes in household expenses due to childbirth, school fees, home repairs, life-cycle celebrations, or widowhood (by death, divorce, or abandonment)*'<sup>6</sup>. Regardless of their motivation for being savings club members, the flexibility to borrow for purposes other than income generation is important for supporting women to deal with daily needs and contribute to their community. (See Section 2.4)

**6. Savings Clubs do not need external funds to be established or sustainable.**

TTFT has not given any funds to individual clubs to be loaned to members or to support the operation of clubs. TTFT has focused on the capacity development of clubs in order to equip members with the skills necessary to successfully manage the club. As of March 2014, 19 clubs had been established and all had been running for between one and two years. A further ten clubs have been established in villages surrounding TTFT target communities by community members without support from TTFT. (See Sections 2.1.3 and 2.3.4)

**7. Savings clubs need ongoing support to increase sustainability.**

Closely monitoring savings club progress and providing responsive follow-up training in financial literacy and management, governance, leadership and gender equality strengthens the ability of clubs to manage funds, give out loans, increase membership and maintain operations. There need to be clear systems in place, within clubs and in the broader community, to maintain and transfer the knowledge and skills necessary for successful club operation. (See Section 3.6)

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<sup>6</sup> Vonderlack & Schreiner (2002), p. 605

## 1. OVERVIEW

### 1.1. SOLOMON ISLANDS

Solomon Islands is a nation of over 900 islands located in the South Pacific Ocean, with a population of approximately 600,000 people<sup>7</sup>. In 2013, Solomon Islands was ranked 143 of 187 countries on the UN Human Development Index<sup>8</sup>. The majority of services and development initiatives are centered in Honiara. Provincial communication and transport services are limited, despite the fact that the majority of the population (83%) lives in rural areas<sup>9</sup>. Many people reside in small villages with 60% of the population living in communities with less than 200 members<sup>10</sup>. One third of the country's income and 70% of household income is earned through subsistence farming<sup>11</sup>.

Households which rely on subsistence farming must still access cash to cover education and medical costs. Subsistence gardening is commonly led by women, and 90% of all produce is retailed and bought by women<sup>12</sup>. Local market places provide 70% of household incomes. Access to regional markets is currently limited by distance, infrastructure and services; however, if transport and freight was more accessible and affordable, livelihood and income generation options could expand significantly.



There are complex interactions between the social, environmental, economic, cultural and political realms in which women and men operate within Solomon Island communities. Achieving a balance between using land and sea resources sustainably for subsistence and cash livelihoods is not easy and resources are under stress. Both Solomon Islands communities and Solomon Islands governments have exploited natural resources for short term gain. Natural resources in Solomon Islands are under growing pressure from logging, over-fishing, and lack of collaborative and sustainable management. The World Bank predicts the imminent (by 2014) exhaustion of commercially harvestable forest stocks<sup>13</sup>. The incremental effects of climate change are also evident with low lying islands becoming increasingly salinified, and communities relocating, moving inland, or building artificial islands. Conflict over natural resources, between and among tribes and clans, poses a significant threat to sustainable management and decision making. The presence of prospecting, mining, and logging camps has led to the sexual exploitation of women and young girls, unplanned pregnancy, substance abuse, and tribal conflict.

<sup>7</sup> See CIA data available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/bp.html>

<sup>8</sup> See UNDP data available at: <https://data.undp.org/dataset/Table-1-Human-Development-Index-and-its-components/wxub-qc5k>

<sup>9</sup> See Global Education Foundation data at: <http://www.globaleducation.edna.edu.au/globaled/go/cache/offonce/pid/143>

<sup>10</sup> See US Department of State data at: <http://www.state.gov/r/pa/ei/bgn/2799.htm>

<sup>11</sup> United Nations Development Program (2002) in Hutchens (2008), p.2

<sup>12</sup> Hedditch and Manuel (2010), p. viii

<sup>13</sup> See World Bank data at:

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXTEAPHALFYEARLYUPDATE/0,,contentMDK:20275253~pagePK:64168427~piPK:64168435~theSitePK:550226,00.html>

### 1.2. WOMEN AND THE ECONOMY IN SOLOMON ISLANDS

Women in Solomon Islands have low status and are marginalised from educational, political and economic systems. The current Solomon Islands Government (SIG) has indicated its support for the Solomon Islands National Policy on Gender Equality and Women's Development (2010) and Solomon Islands has signed the United Nations Convention on the Elimination of all forms of Discrimination against Women (CEDAW); however progress towards gender equality remains slow. Women are largely excluded from leadership and decision making at all levels of society and gender is often narrowly defined as 'women's issues'. There is currently only one woman in the fifty-seat Parliament of Solomon Islands. This lack of formal representation of women contributes to gender inequality because women do not have the authority to influence policy and define policy priorities in order to address pervasive gender discrimination.

Violence against women in Solomon Islands is prevalent. A recent study showed that almost 64% of ever-partnered women aged 15 – 49 had experienced physical and/or sexual violence at the hands of their intimate partner; 42% of these women reported experiencing violence in the last 12 months<sup>14</sup>.

An estimated 80% of Solomon Islanders do not have access to financial services<sup>15</sup>, including the credit, savings, insurance and money transfers that are essential to enabling them to build up usable lump sums of money for emergencies, investment, education and health<sup>16</sup>. While a lack of financial services affects the whole rural population, there are multiple factors that contribute to women being more excluded from financial services than men. Some of the reasons women are particularly affected include:

- norms and customs that support male dominated decision making, both within the family and the wider community;
- limited mobility, due to traditional gender roles, threat of violence and limited access to cash;
- limited access to financial capital and collateral;
- low levels of literacy and financial literacy;
- limited control over the use of natural resources, including marine and land resources such as trees, minerals, fish and coral; and,
- the burden of responsibilities and associated time demands in and around the home.

Women do not have a large role in formal economy, are under-represented in the formal labour market and encounter barriers as entrepreneurs. There are no specific laws on equal opportunity, equal pay, or sexual discrimination or harassment in the workplace<sup>17</sup>. The World Bank ranked Solomon Islands at 135 out of 182 countries on access to credit<sup>18</sup> in 2008, the most recent data available. For a small business loan, women can borrow 30% of their collateral. Collateral typically comes in the form of land,

<sup>14</sup> Secretariat of the Pacific Community (2009), p.3

<sup>15</sup> See <http://www.pfip.org/what-we-do-in-pacific/projects-activities/financial-inclusion-policy-regulation/national-financial-inclusion-task-force-fiji.html>

<sup>16</sup> McCaffrey (2010a), p.1

<sup>17</sup> Hutchens (2008), p. 8

<sup>18</sup> See Hutchens (2008), p.3 and UN Human Development Index. See: <http://hdr.undp.org/sites/default/files/Country-Profiles/SLB.pdf>

income or National Provident Fund<sup>19</sup> savings, none of which rural women typically have access to or control over. It is common for women who do have access to collateral to be asked to nominate men as guarantors and women are perceived as high credit risks. This lack of gender-responsive services from banks, coupled with women's lack of financial literacy means that there is little likelihood of rural women accessing commercial loans.

Women also face discrimination in obtaining business licenses. They may wait months for an application to be processed, where men may only wait weeks. Reports show that there is a perception in the registry that women should not be running businesses<sup>20</sup>. International markets are inaccessible for most Solomon Islanders: there are high freight costs and low availability of freight services; irregular shipping schedules; two weeks loading time; limited refrigeration facilities, and traders have reported that exporting goods requires approximately 14 licenses. While these barriers to engagement with the formal economy are experienced by all Solomon Islanders it is important to recognise that men and women are likely to be affected in different ways and to different degrees '*given their differently valued roles and responsibilities, opportunities and constraints*'<sup>21</sup>. Socially and economically, men and women in Solomon Islands are distinct. Women's access to and control of financial resources, their time and their mobility are all more limited than men's. In times of scarcity, it is likely that due to their status in the family and the community, women will face direct discrimination in accessing resources. So, for example, in the case discussed here, women may struggle to negotiate freight space when it is in demand, may not have access to the funds needed to acquire multiple export licenses or could face direct discrimination from stakeholders who believe they should not be running a business.

In rural areas, the unequal sharing of benefits from cash-based natural resource economies has become a defining feature of poverty in many communities, and a major cause of conflict<sup>22</sup>. Powerful men in communities, often Chiefs, land owners or appointed leaders, are the prime beneficiaries of major developments such as commercial logging. Women and men of lower social status often receive no benefits from land developments. Women commonly have no access to benefits apart from small returns from selling goods or produce at the local market. This is due to the confluence of multiple factors, such as land and natural resource decision making norms and customs, gender and wider social inequality, corruption, personal self-interest, and limited regulatory enforcement. The unequal distribution of the benefits of logging is further detailed and explored in the TTFT baseline research (Research on Aspirations and Perceptions, 2009).

Women's ability to save money is severely limited due to challenges accessing banks in rural areas. Some major islands do not have access to banks at all. IWDA's experience with savings clubs shows that women prefer to hide money in their houses rather than pay bank fees and cover the cost of transport to reach bank facilities. The expense of saving (bank fees, and transport costs) forces women to expend

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<sup>19</sup> National Provident Fund (NPF) is the Solomon Islands public social security scheme which provides a cash sum, or in course of time, an annuity for workers at the end of their working lives. For more information see: <http://www.sinpf.org.sb/>

<sup>20</sup> Hutchens (2008), p.4

<sup>21</sup> Moser (1993) and Kvam et al. (2005) in Willets et. al (2013), p.992

<sup>22</sup> Asker (2009), p.23

hard-won income in order to safely store their savings, often for minimal benefit in terms of interest earned. Furthermore, the time and opportunity costs associated with travelling to banks forces women to choose between depositing savings and fulfilling other responsibilities. Considering these factors, it is clear why rural women usually opt to store funds at home; however this is not without risk. Husbands and male relatives sometimes search women and houses hoping to find cash, which can lead to conflict and violence in the home. The *wantok* kinship system emphasises sharing resources and can lead to women who don't share being labelled selfish and greedy. This can be the case even when women's savings are to be spent on family well-being and the alternative purposes for which the funds are sought are unproductive. If a woman withholds money from her family or a close family friend, there is a significant chance she will be subjected to punishment that may include emotional and/or physical violence<sup>23</sup>.

### 1.3. THE TUGEDA TUDE FO TUMORO (TTFT) PROJECT

Tugeda Tude for Tumoro (TTFT) is a five year (2009 – 2014) project led in partnership by Live & Learn Environmental Education and International Women's Development Agency, supported by the Department of Foreign Affairs and Trade- Australian Aid Program (DFAT-AAP) as part of the Solomon Islands NGO Partnership Agreement (SINPA).

The livelihoods of rural Solomon Islanders are intimately connected to natural resources. The unsustainable use of natural resources, including logging and changes in land use, is placing increased pressure on rural communities. The goal of the project is to support communities to achieve gender inclusive sustainable natural resource management.

TTFT works in 50 communities centred around seven hubs in five provinces (Malaita, Makira, Rennel, Isabel, Western) to support communities to manage natural resources sustainably. The project is implemented by Live & Learn Environmental Education Solomon Islands with the support and guidance of International Women's Development Agency. TTFT target communities are supported by a team of Honiara based staff and by locally based Community Facilitators (one male and one female per hub).

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<sup>23</sup> IWDA in partnership with State, Society and Governance in Melanesia at Australian National University, is undertaking research to understand more about the relationship between increased command over resources and violence against women, to inform policies and tools that support women's economic advancement without increasing their risk of violence. More information is available at [http://ips.cap.anu.edu.au/sites/default/files/SSGM%20IB%202014\\_3.pdf](http://ips.cap.anu.edu.au/sites/default/files/SSGM%20IB%202014_3.pdf)

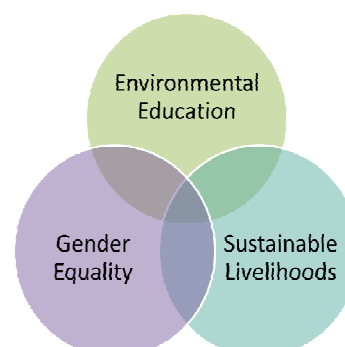
### The TTFT project has three key components:

#### Environmental education:

Raising awareness in communities about the value of the environment, and the environmental and social consequences of unsustainable natural resource management, such as unregulated logging.

#### Gender Equality:

Women are largely 'invisible' in current decision-making processes about land and resources due to their lack of voice within the home and community. As a result, natural resource management in Solomon Islands does not reflect women's knowledge and perspectives, including about the importance of conservation for long-term community survival. Promoting women's inclusion in decision making regarding natural resources is essential so that women can enjoy their full right to take part in making decisions that affect their lives. It is also key to bringing about more sustainable natural resource management.



Given their higher status in the community, men have greater freedom to take up emerging opportunities to meet their needs without consulting others or being held accountable for resulting impacts on the community. Also, expectations associated with men's traditional role as 'provider' can result in pressure for them to generate income and bring in funds. While many men advocate for sustainable land and resource management, some male decision makers are heavily influenced by perceived expectations linked to their role as 'provider' and personal financial interest. Women's traditional roles on the other hand encourage them to take responsibility for the provision of fresh food and water and to look after the health of their family. This is one of the many reasons women contest unsustainable practices, given the significant negative environmental and social impact these practices can have on rural families. This was evident in the baseline research that informed the design of TTFT<sup>24</sup>.

#### Sustainable Livelihoods:

Greater support for livelihoods that provide alternatives to logging and mining is critical. As such, TTFT works to promote ways for individuals and families to meet their needs, so that communities do not support unsustainable practices, like unregulated logging. Sustainable livelihoods are supported by TTFT through the promotion of conservation, eco-tourism, small business, organic farming and sustainable resource management. TTFT recognises that sustainable livelihoods cannot be developed in isolation from the wider social and biophysical context including issues such as environmental management, gender inequity, conflict management and general community well-being.

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<sup>24</sup> Asker (2009)

## Women's Savings Clubs: Developing, implementing and learning from the TTFT model

Microfinance was recognised from the design phase as a vital component of TTFT. The TTFT project aims to support communities to engage in sustainable activities to support their livelihood, rather than turn to activities that quickly generate cash at the expense of environmental destruction, such as unregulated logging.

Solomon Islands cultures provide a strong foundation to build on, given the tradition of communal decision making and the many examples of traditional conservation practices shared during the Research of Aspirations and Perceptions (RAP) process, which was undertaken as part of the TTFT design. In line with the Strengths-Based Approach (SBA) adopted by the TTFT project, any savings and income generation initiatives needed to be based on the existing strengths, resources and capacities of communities. Work also needed to focus on existing groups and networks to foster women's leadership with attention to space, voice and influence.



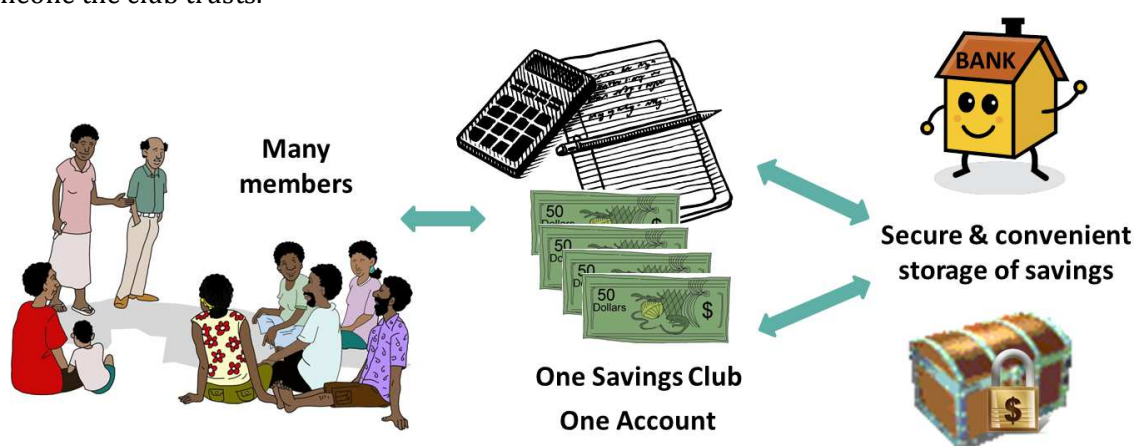
From the TTFT Design Document it is clear that the sustainable livelihoods component of TTFT should aim to help sustain alternative livelihood activities at the community level, while at the same time empowering women to play active roles in community-based decision-making over natural resource management. The TTFT design document provides minimal instructions for the use of funds, although it clearly states that women should lead financial savings schemes and/or revolving funds to support sustainable livelihoods. It is clear from the design that communities where TTFT sustainable livelihoods activities are implemented need to understand the links between livelihoods initiatives and plans for community development initiatives developed by the community.

## 2. WHAT? The TTFT Women's Savings Club Model

### 2.1. KEY CONCEPTS

#### 2.1.1. Introduction to Savings Clubs

Savings Clubs are generally informal groups that have opened a joint savings account with a bank or other financial institution. Money deposited in this account is the joint property of all club members, however individual savings club members usually track their personal savings using a passbook and have the right to withdraw funds from the group at different times depending on the rules of the club. Many savings club accounts mature on a regular basis (e.g. annually)<sup>25</sup> however some are ongoing, allowing members to withdraw and loan when they need to. Depending on the location of the club and the availability of commercial banking services, cash is usually deposited either in a single bank account in the name of the club or in a locked box, stored in the home of someone the club trusts.



Savings clubs are emerging in developing countries in response to the lack of rural services offered by commercial banks, low levels of literacy and financial literacy among the population, and the low level of technical skill and capital investment needed to support club operations. Savings clubs also present an opportunity to build the foundational skills and confidence necessary to engage with microcredit institutions and/or the formal economy in the future. Building these skills enables community members to make more informed choices about which economic opportunities they do and do not wish to engage with.

Encouraging saving is vital to supporting sustainable livelihoods. Savings can '*buffer expected or unexpected spikes in household expenses due to childbirth, school fees, home repairs, life-cycle celebrations, or widowhood (by death, divorce, or abandonment)*'<sup>26</sup>. They can also reduce the vulnerability posed by risks such as '*illness, theft, or job loss or structural risks due to war, floods, or fire*' and allow people to take advantage of unexpected investment opportunities<sup>27</sup>.

<sup>25</sup> See: <http://www.investopedia.com/terms/s/savings-club.asp>

<sup>26</sup> Vonderlack & Schreiner (2002), p. 605

<sup>27</sup> Vonderlack & Schreiner (2002), p. 605

### 2.1.2. Safe spaces and women's leadership

Research has shown that *'establishing a safe space for learning and experimentation and building a community of peer support are critical elements of any effective leadership development program'*<sup>28</sup>. This is particularly important for women's leadership, and women-only programs have been shown to foster learning by putting women in powerful positions that they may not have the chance to occupy in a mixed-sex group<sup>29</sup>.

The term 'safe spaces' is widely used by feminists and those engaged in women's empowerment work to talk about the importance of *'women-only forums'* in providing women with *'a safe experimentation environment'*<sup>30</sup>. Women-only spaces offer women *'a separate space apart from men, in which [they] can build confidence and collectively explore and define their needs'*<sup>31</sup>. These *'transitional space[s] where exploration is allowed and encouraged'*<sup>32</sup> can act as incubators for women's leadership and equip them to exercise leadership in the wider community. They are also spaces in which existing gender hierarchies are less present.

The following excerpt from Kirton and Healy (2004)<sup>33</sup> summaries the key processes and outcomes that 'safe spaces' encourage:

|  |
|--|
| <b>Processes</b>   |
| <ul style="list-style-type: none"> <li>▪ Women talk more openly, free from the constraints of patriarchal relations.</li> <li>▪ Less formal arrangements (i.e. free flowing contributions, rather than ordered through the chair/tutor.)</li> <li>▪ Women take risks and make mistakes (in their contributions), but encourage and support each other</li> </ul> |
| <b>Outcomes</b>  |
| <ul style="list-style-type: none"> <li>▪ Women develop a language in which to voice their experiences and perceptions.</li> <li>▪ Women develop the confidence to participate.</li> <li>▪ Women practise the art of public speaking and develop the skills of articulating opinions.</li> </ul>  |

Women's savings clubs present an opportunity for women to mobilise resources to invest in community and personal initiatives and provide a space for women to gain experience in decision-making, financial management, budgeting and record keeping. Improving women's confidence, capacity and standing erodes barriers to women's participation in decision making and enhances their contribution to their community. As such, the women's savings club model ties together two of the core components of TTFT; promoting sustainable livelihoods and increasing women's participation in decision making in order to bring about sustainable natural resource management.

<sup>28</sup> Ely, Ibarra & Kolb (2011), p. 486

<sup>29</sup> Ely, Ibarra & Kolb (2011), p. 488

<sup>30</sup> Kets deVries & Korotov (2007), p. 383

<sup>31</sup> Kirton & Healy (2004), p.313

<sup>32</sup> Kets deVries & Korotov (2007), p. 383

<sup>33</sup> Kirton & Healy (2004), p.313

### 2.1.3. Strengths-Based Approaches

Strengths-based approaches (SBAs) concentrate *'on the inherent strengths of individuals, organisations, communities, groups, sectors or networks as the basis for identifying, connecting and mobilising them, for planning to achieve development or change and for working in partnerships'*<sup>34</sup>. According to the SBA, *'all individuals are considered to have inherent capabilities and communities or environments are considered to be rich in resources that can contribute to constructive change'*<sup>35</sup>.



SBAs provide a framework for working and a set of methods which take into account *'the realities, complexities and/or challenges inherent in each context'*<sup>36</sup>. As such, *'a practitioner's role is as a facilitator and not the expert on what changes are needed or the best ways to achieve change'*<sup>37</sup>. SBAs encourage beneficiaries to *'take responsibility, initiative, lead, and [be] owners and directors of the change process. If this happens then resulting changes will be sustained and people will become more self-reliant'*<sup>38</sup>.

SBAs reflect both a philosophy about how to respectfully engage in participatory development as well as a set of tools for practical application<sup>39</sup>. They proceed from where individuals, organisations or communities are and, as such, are less likely to be perceived as externally-driven, and more likely to be realistic. As noted by Rhodes,

*'SBAs are founded on the belief that people involved in development processes are more likely to achieve sustainable and relevant change or development when they have:*

- *A good (and shared) understanding of what works well in a particular context and the contributing success factors*
- *A good sense of what resources are available in the context*
- *Agreement among stakeholders about what objectives they want to achieve*
- *A clear understanding about what steps are necessary to achieve their objectives, based on the evidence available'*

All organisations participating in SINPA agreed to use SBAs in the implementation of their projects and in their partnerships with each other. The goal of SINPA is to support Solomon Islanders to work together to improve their long-term health, well-being and livelihoods and it was designed as *'an innovative, future-oriented, creative and flexible program with the specific desire to test models and approaches encouraging and improving Solomon Islander –led development'*<sup>40</sup>. SBAs are aimed at fostering *'an increased sense of ownership and thus a greater sense of engagement with development*

<sup>34</sup> Rhodes and Dureau (2009), p.3

<sup>35</sup> Willets et al. 2013, p.994

<sup>36</sup> Rhodes and Dureau (2009), p.3

<sup>37</sup> Willets et al. (2013), p.994

<sup>38</sup> Willets et al. (2011), p.9

<sup>39</sup> Rhodes and Dureau (2009), p.3

<sup>40</sup> Katie Greenwood, SINPA Steering Committee Chair presenting at Fourth ACFIC Development Futures Conference 2013

*processes*'; factors which are 'critical to the achievement of sustainable development results at any level'<sup>41</sup>. It was agreed by SINPA partners that SBAs were necessary to encourage ownership, self-reliance and sustainability.

### 2.1.4. Women's economic engagement and empowerment

Women's economic inclusion and empowerment is an important goal in itself and is essential for gender equality and effective, sustainable development. However, success in enhancing women's earnings and their decision-making power within the household is most evident in programs that have gender equality at the heart of their strategy<sup>42</sup>. A single initiative such as a savings club may make a significant contribution and catalyse wider changes for women, but ensuring equality not just of opportunities but also of outcomes requires change across many areas of life, at many levels, sustained over time and reinforced by institutional and relational change.

While women's economic engagement can lead to many positive outcomes for women and their communities, it is important to acknowledge that *'microfinance practitioners have come to understand that small loans are not always appropriate for poor women'* for whom borrowing is often riskier than saving<sup>43</sup>. The significant gap between what is claimed for microfinance and what it can deliver in reality, given the complex, multidimensional nature of gendered poverty<sup>44</sup> is being increasingly recognised. Access to income does not automatically *'right the power imbalances which result from inequalities in the way society treats men and women'*<sup>45</sup> and studies have shown that increased contribution to household income is not often linked to an ability to renegotiate other gendered responsibilities<sup>46</sup>. Women's access to income does not guarantee that they can control how it is spent. As such, microfinance initiatives have the potential to generate unintended consequences, such as confining women to low value-added activities, burdening them with debt and unrealistic repayment schedules, increasing vulnerability to domestic violence and adding to women's workload<sup>47</sup>. Women's increased workload can lead to what Chant terms the *'feminisation of responsibility and/or obligation'*<sup>48</sup>; where women's increased responsibility for financial contribution is not accompanied by an enhanced capacity to negotiate a different sharing of their traditional responsibilities.

For many reasons, including the burden of existing responsibilities and the impact of gender roles, women's economic empowerment is not necessarily a linear process and savings clubs are not necessarily always the precursors to engagement in microcredit and formal banking services. Often inherent in conceptions of 'economic empowerment' is an externally defined goal or end point - for

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<sup>41</sup> Rhodes and Dureau (2009), p.3

<sup>42</sup> Ackerly (1995); Hailie et al (2012); Mayoux, L. (2001)

<sup>43</sup> Vonderlack & Schreiner (2002), p. 604

<sup>44</sup> Mohamed (2010)

<sup>45</sup> Johnson (n.d), p.1

<sup>46</sup> Chant (2006); (2007); (2010)

<sup>47</sup> See, for example, Mohamed (2010), Sweetman, (2010) in Chant (ed.) (2007); Ruben (2007) and The OECD DAC Network on Gender Equality (2012)

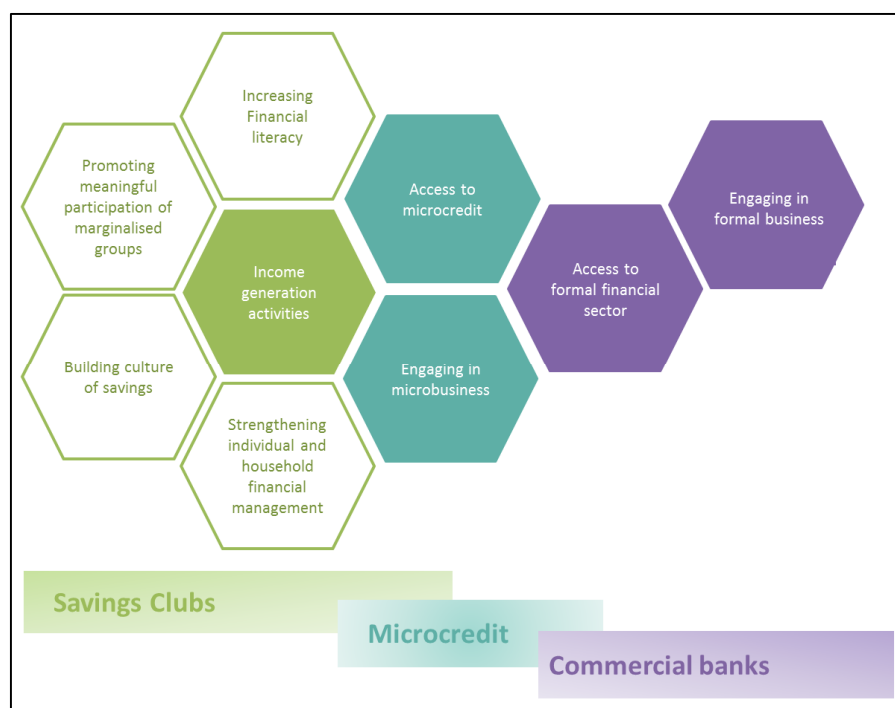
<sup>48</sup> Chant (2006)

## Women's Savings Clubs: Developing, implementing and learning from the TTFT model

example, engagement in the formal economy, employment, and access to microfinance loans. Approaching women's economic empowerment from a feminist perspective one sees 'women's empowerment as an end in itself'<sup>49</sup> rather than as a certain path to integrating women into an economic system that many argue is patriarchal and disempowering<sup>50</sup>. As Kabeer reminds us,

*...it is important to avoid a 'narrow, unidimensional conceptualisation of empowerment which feeds into dichotomous models of change [where] women are judged to be either empowered or not empowered on the basis of how closely they conform to a particular indicator. Instead we [need to] see empowerment as an expansion in the range of potential choices available to women so that the actual outcomes reflect the particular set of choices which the women in question value'<sup>51</sup>.*

Women need to be able to define for themselves what is valuable about economic empowerment. Across Melanesia, women engage in the formal, informal and non-cash economy for many reasons. For some women, engaging in the economy is about empowerment; it is aimed at increasing their freedom, status or security. For others, it is simply a matter of survival. Savings clubs present an opportunity for women to build the foundational skills and confidence necessary to engage with microcredit institutions and/or the formal economy in the future, but do not require such engagement. Building these skills allows women to make more informed choices about their participation in the informal and formal economy. As such the promotion of savings clubs aligns closely with the TTFT goal of supporting community members to make their own choices about managing resources to consistently meet their needs in a way that is environmentally sustainable and equitable. For some women, the confidence, skills development, solidarity and financial flexibility provided by savings clubs will be sufficient and valued ends in themselves.



<sup>49</sup> Mahmud (2003), p.581

<sup>50</sup> Mahmud (2003), p.585

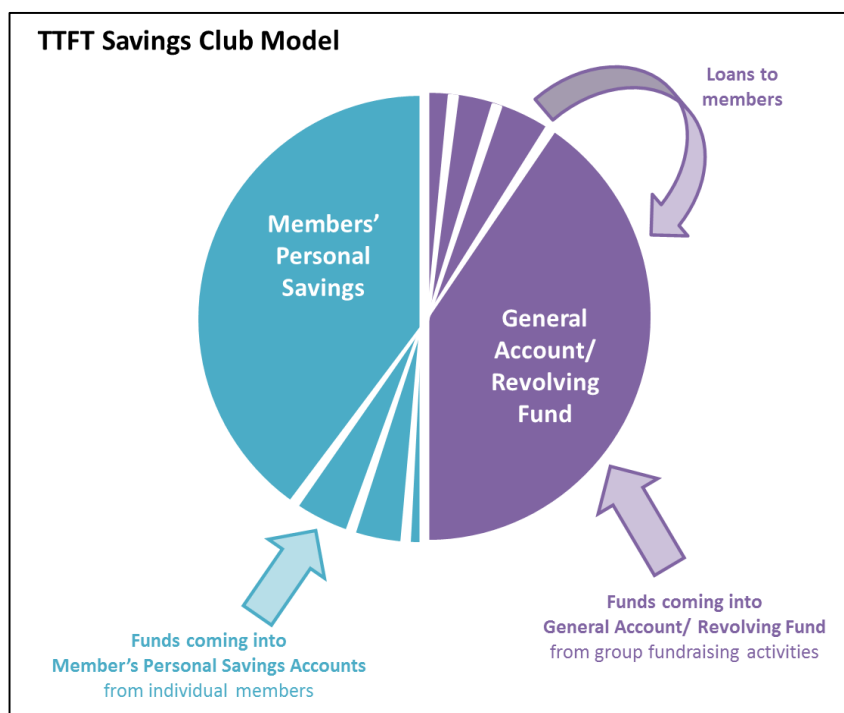
<sup>51</sup> Kabeer (2001), p.81

## 2.2. THE TTFT SAVINGS CLUB MODEL

The TTFT women's savings club model is characterised by the following key elements:

- Savings Club members and leaders are exclusively women.
- The club manages two funds: General Account and Personal Savings.
- Loans are made from the General Account only and a member's Personal Savings are used as security against loans taken.
- Interest rates are set at the discretion of individual clubs.

In the TTFT women's savings club model, each club has a General Savings Account and all members each have a Personal Savings Account. Members work individually to earn money to add to their personal savings account. The group works together to add to the General Account, for example through fundraising activities, such as 'neck to neck', 'bring and buy' and 'pot to pot'<sup>52</sup>. Loans can only be made from the General Savings Account. This account is sometimes also called the Revolving Fund Account.



For the first six months, members save only and do not borrow any funds. After six months members can access loans from their Group Savings/Revolving Fund account. In order to loan, members must make an application to the executive of the committee and show that the loan will be used for a purpose that fits the club's agreed loans policy; for example to support the applicant to generate further income (e.g. a loan to start or support a small business) or to be spent on family needs like schools fees and health related expenses. Members are only eligible to loan up to a maximum of 80% of their personal savings. This is so that their personal savings can be used as security to guarantee their loans. This means if they are unable to repay their loan, their personal savings will be used to repay the loan and the group savings will not be reduced. Loans are repaid back with interest at a rate which is agreed upon by individual groups.

<sup>52</sup> 'Neck to Neck', 'Bring and Buy' or 'Pot to Pot' is a fundraising activity common in rural Solomon Islands that involves participant bringing a plate of food to share and then paying a small fee (i.e. \$10 SBD) to share in the food that everyone had contributed.

## 2.3. CORE ELEMENTS OF THE TTFT MODEL

### 2.3.1. Exclusive women's membership

The TTFT savings club model has exclusive women's membership. This means that men can be involved as supporters and advisors of clubs and can save money by asking their wife/ female family member to deposit into her account, but they cannot themselves withdraw funds or take out loans from the club. Exclusive women's membership was agreed upon for various reasons, summarised here and detailed in Sections 1.1.4 and 1.2.

- Recognition of the disproportionate exclusion of women from access to financial services and decision making around household and community finance management.
- Studies have shown that microfinance programs designed with and for women have the potential to be more effective for two key reasons:
  - Women usually manage the daily financial processes for the entire family such that their financial management skills positively impact all household members<sup>53</sup>.
  - Financial literacy education is more effective when provided to women because women are more likely to adopt better financial planning practices and women borrowers tend to have higher repayment rates relative to men<sup>54</sup>.

Given the complex, multidimensional nature of gendered poverty<sup>55</sup>, programs must be designed with to address barriers to women's participation and empowerment, above and beyond those directly related to the economy. See section 1.1.4 for more.

- Women's spending priorities differ from men's spending priorities. Women are more likely to buy goods and services that improve family welfare, such as food, health and education<sup>56</sup>. One estimate suggests that women and girls reinvest some 90% of income they earn into their families, compared with 30% to 40% by men.<sup>57</sup> Typically, then, families benefit more when extra income is earned and controlled by women compared with men<sup>58</sup>. Furthermore, when women earn a greater proportion of a family's total income, even if that total income does not itself increase, families also typically benefit. Studies from across developing and developed regions (for example, from places as diverse as Brazil, Ghana, South Africa, and the United States) show that income in the hands of women positively affects their female children's health and commonly, the marginal effects of income and assets in the hands of mothers are larger than effects of similar income and assets in the hands of fathers<sup>59</sup>.

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<sup>53</sup> McCaffrey (2010b), p.9

<sup>54</sup> McCaffrey (2010b), p.9

<sup>55</sup> Mohamed (2010)

<sup>56</sup> Goldman Sachs Global Markets Institute (2009), p.1

<sup>57</sup> Nike Foundation. (2009) The Girl Effect: Not Just about Girls: Engaging Men and Boys is Key to Girls' Ability to Achieve their Full Potential [Internet]. [www.nikefoundation.com/media\\_room.html](http://www.nikefoundation.com/media_room.html). Accessed 19 May 2009.

<sup>58</sup> World Bank East Asia and Pacific Regional (2012), p.5

<sup>59</sup> See Duflo (2003) and Thomas (1995), cited in World Bank East Asia and Pacific Region (2012)

- IWDA's experience, as well as research on women's leadership, has shown the importance of 'safe spaces' in fostering women's leadership. Women's only savings clubs have the potential to act as a space in which women can gain new skills in decision-making, financial management, budgeting and record keeping, increase their confidence and practice leadership skills. The experience of TTFT has shown that women's savings clubs allow women to take on leadership roles on projects that benefit the whole community which has led to increased respect, both within clubs and the wider community, for women's leadership. Improving women's confidence, capacity and standing erodes barriers to women's participation in decision making and enhances their contribution to their community.
- The overall outcomes sought by TTFT require that gender equality is integrated throughout the project and the TTFT design reflects this. Achieving the goal of inclusive natural resource management required addressing women's exclusion from decision making. Women's savings clubs are one of many strategies used to promote women's leadership so that their confidence and capacity to lead is strengthened and others can see a living example of the benefits of women's leadership for the community.

### **2.3.2. Engaging men**

Engaging men in target communities where women's savings clubs operate is essential to their sustainability and program success (See also Section 3.2). Furthermore, the promotion of gender equality and women's economic empowerment must involve men in order to accelerate community acceptance, changes in attitudes and beliefs about women's rights, capacities and opportunities and support individual behaviour change. TTFT has been conscious to engage with men to raise awareness around the need for savings clubs, the women's savings club model, and ways in which men can support women members. Men are invited to take part in selected income generation trainings and invited to play an advisory role to savings clubs. However, the need to create safe space for women to practice leadership skills, and for women's leadership to be increasingly visible and valued, is prioritised over the involvement of men in savings club operations.

### 2.3.3. Savings Clubs Policies

TTFT has some minimum requirements for Savings Clubs established within the project, outlined below. However, the project made a conscious decision to allow clubs to set their own policies in regards to meeting times, minimum deposits and interest rates:

- All have exclusively female membership
- Awareness sessions must be run with all community members (by TTFT staff) and village elders must be supportive of Savings Club establishment.
- Once established, all clubs must:
  - Elect a Committee of Management and provide names to TTFT
  - Registered with Solomon Islands Credit Union League (SICUL)
  - Develop a Community Action Plan, to be supported with 'General Account' savings, and provide details of this plan to TTFT.
- Complete monthly financial reports for TTFT/ SICUL.
- All clubs must undertake conservation activities and must not engage in unsustainable natural resource management as a means of income generation.

It is not a requirement that all clubs have an account with one of the commercial banks, however TTFT does encourage the establishment of a bank account with three signatories in order to ensure savings are stored safely in the long term.

### 2.3.4. External support to Savings Clubs

An important part of the TTFT model is ensuring that funds from IWDA/LLEE are used entirely for education, training, follow up and mentoring, leadership and governance training, business trainings, stakeholders meetings and to support strengths-based community development plans. To encourage strengths-based, community-led and sustainable development, external funds are not deposited into savings club to be distributed as loans under any circumstances.

## **2.4. ADAPTING THE TTFT MODEL IN RESPONSE TO LESSONS LEARNT**

IWDA/LLEE made a conscious effort to support the development of the TTFT Women's Savings Club model by engaging key staff in learning exchanges with other women's microfinance initiatives. Notably the TTFT Program Manager and the TTFT Livelihoods Officer travelled to Vanuatu on a learning exchange trip with Vanuatu Women's Development Scheme (VANWODS). VANWODS is arguably the Pacific's strongest women's microfinance organisation. Established in Vanuatu in 1996 they currently provide savings, loans and other financial services serves to in excess of 6000<sup>60</sup> members across four provinces. After visiting the head office and field sites, the TTFT staff amended the model to include 'flexi savings'. Flexi-savings allows members to withdraw from their personal savings whenever they need to on the condition that they their personal savings exceed an amount agreed on by all group members.

TTFT staff also noted the following ways that VANWODS operations differ from TTFT operations. Staff are considering whether applying similar rules to TTFT Savings Clubs would be beneficial and how current TTFT practices can merge with these new policies.

- Limiting group membership to 35 members per group.
- Appointing one Project Manager, one Money Collector and one Auditor per group to support the Management Committee.
- Strict rules around minimum contribution to the club on a regular basis.
- Requiring members who want to take out a loan to complete a business plan.

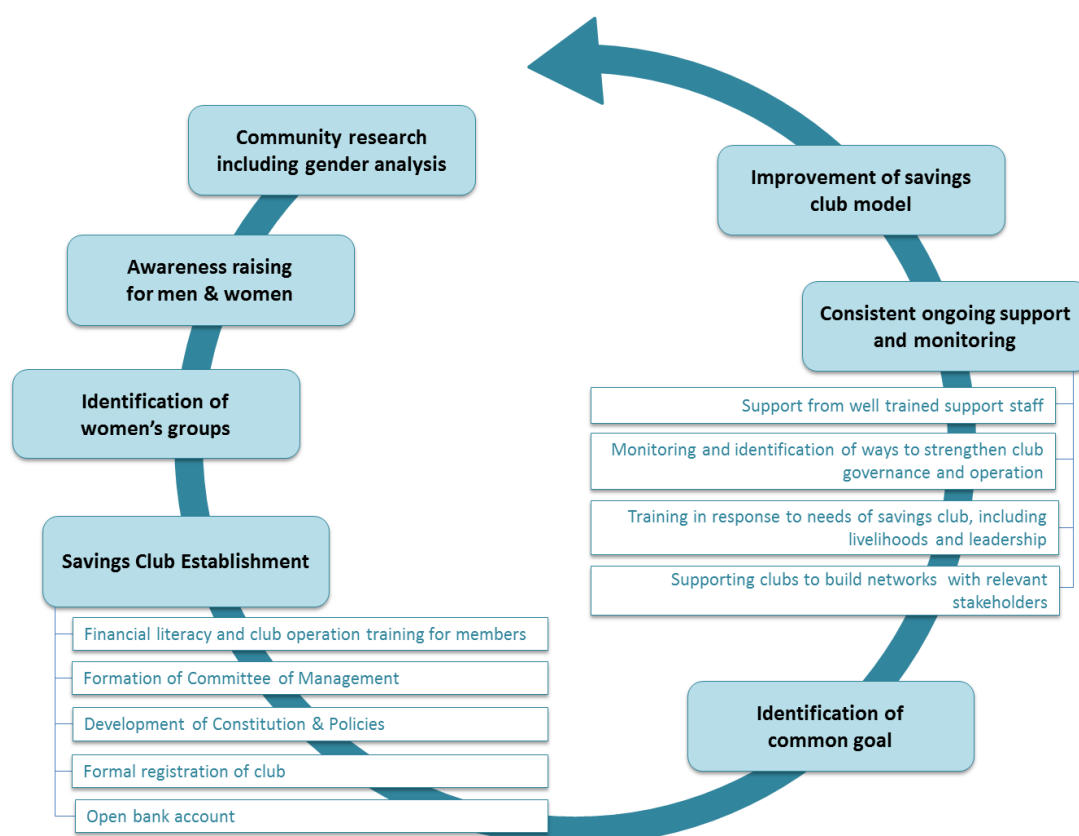
TTFT has also engaged in learning exchanges with West Are'Are Rokotaniken Association (WARA), Solomon Islands' only women's microfinance organisation. Running for over 13 years, WARA serves over 800 women members. Supported by the Australian NGO Cooperation Program (ANCP), leaders from the twelve rural zones of WARA have begun to travel to TTFT target communities to spend time sharing lessons and skills with TTFT savings club members. As a result of these exchange visits, TTFT has simplified its recommended record keeping practices following WARA's example and is encouraging individual savings clubs to develop their own practices depending on their needs and level of financial literacy.

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<sup>60</sup> See Daily Post (2011). Available at: <http://www.dailypost.vu/content/vanwods-has-big-impact-lives-clients>. Accessed April 3, 2014.

### 3. HOW? Establishing & supporting TTFT savings clubs

Initially it was decided that TTFT would trial supporting two existing savings clubs and establishing a further ten. Since that time (Phase 3- 2011) the project has expanded to support 18 savings clubs and a further 9 clubs that follow the TTFT model have been established independently by communities surrounding TTFT target communities (as at Dec 2013). The process used to establish and support clubs is detailed below.



#### 3.1. COMMUNITY RESEARCH INCLUDING GENDER ANALYSIS

Prior to the implementation of any community development initiative it is imperative that thorough baseline research, including gender analysis, is undertaken in order to understand community dynamics and inform project design. Gender analysis is critical to understanding *'the impact that a development activity may have on females and males, and on gender relations'*. It can help to *'ensure that men and women are not disadvantaged by development activities, to enhance the sustainability and effectiveness of activities, or to identify priority areas for action to promote equality between women and men'*<sup>61</sup>. TTFT baseline research (Research on Aspirations and Perceptions, 2009) included rigorous gender analysis and the design of the TTFT project responded to the findings of this analysis.

<sup>61</sup> Hunt (2004), p.139

### 3.2. AWARENESS RAISING FOR MEN AND WOMEN

Prior to the establishment of women's savings clubs, an awareness raising activity on the importance of savings clubs, especially in rural communities, benefits of savings clubs and the important role of both women and men in savings clubs was run with communities. It is critically important to make sure that during the awareness activity, men (usually husbands of women members), Chiefs and other important men within the community governance system are involved so that there is community support for initiatives even though only women are eligible to be members. It is important that men are involved in advisory roles but are not directly involved in the operation of the scheme so that women are given the space and opportunity to take up leadership roles.

### 3.3. IDENTIFICATION OF WOMEN'S GROUPS

During awareness programs in the communities Community Facilitators, in collaboration with village elders and women leaders, need to identify existing women's groups to establish if these groups are interested in starting savings clubs. There must be a clear message coming from men in the community that they are prepared to be supportive of the women's savings club. It is advised that the identified groups have space to increase women's membership so that over time more women in the community can join. Engaging with established women's groups is important for the sustainability of savings clubs, as the experience of TTFT has shown that newly convened groups are less likely to be cohesive, need to invest significant time in establishing governance and decision making structures and can be vulnerable to losing members whose expectations are not met by the group.

### 3.4. SAVINGS CLUB ESTABLISHMENT

#### 3.4.1. Establishment of club and formation of committee

After a general agreement by the community to start a women's savings club, women members need to hold their first meeting to elect committee members. Each savings club must have a savings club committee whose members are elected by all recognised members. The committee must have five or more members. Committee members include the President, Vice-President, Secretary, Treasurer, Assistant Treasurer and two or three ordinary members.

TTFT provided some support for initial set-up costs, such as the provision of stationery and cash boxes and savings clubs contributed to meet the remainder of these costs. Funds to meet the establishment costs of clubs are usually earned from their usual income generation activities at the community level, such as marketing and community fundraising.

#### 3.4.2. Initial training for Savings Club members

The Solomon Island Credit Union League (SICUL) is the umbrella body of all credit unions in the country. SICUL has a training manual for savings clubs and sometimes conducts trainings for new savings clubs in Solomon Islands. LLEE worked in collaboration with SICUL to conduct a training of trainers in each TTFT hub using TTFT microfinance materials and the SICUL savings club manual. TTFT Community Facilitators, savings club committee of management and members participated in these trainings. During these initial trainings, the capacity of the TTFT Livelihoods Officer who is

coordinating this component was strengthened so that she could continue to support existing clubs and provide training for new clubs, without the assistance of SICUL facilitators.

### **3.4.3. Development of Savings club constitution/policies**

Upon receiving a savings club manual, each savings club works on developing policies or rules to guide their operations. All copies of completed policies are shared with TTFT management to make sure that clubs have sound financial management, consider women's safety, engage men as important contributors, promote women's participation in decision making and identify ways for women to become active and influential decision makers in the home and community.

### **3.4.4. Formal registration of Savings Club**

All Savings Clubs were registered with Solomon Islands Credit Union League (SICUL) and hence became more formally recognised by both SICUL and Central Bank of Solomon Islands. (CBSI). SICUL does sometimes provide training for the establishment of savings clubs, however due to both ongoing resource constraints and their mandate being limited to supporting credit unions, SICUL rarely provides follow up training or support to savings clubs. There is currently no other body mandated to support savings clubs in Solomon Islands.

### **3.4.5. Storing Club Savings**

Given the inherent risks posed by holding cash in the community, Savings Clubs are encouraged to open a bank account with any one of the three commercial banks (ANZ, BSP and Westpac) wherever this is feasible and cost effective. If an account is opened, three bank signatories need to be appointed by the savings club members.

For many rural savings clubs however, formal banking services do not provide appropriate services and the cost and effort of reaching banks is too high to justify opening an account. Given this, TTFT works with individual groups to help them identify the best solution for cash storage. Clubs are encouraged to store their savings in a locked cash box. The box is either made or purchased and is usually locked with a minimum of three padlocks. The key to these lock as are held by three different members of the Club Committee of Management and the box is stored in the home of a community elder or leader, who is often male.

TTFT recognises that the preferred method of cash storage may change over time depending on both internal factors (club membership, total savings, accessibility of transport etc.) and external factors (rural service provision from commercial banks, mobile and branchless banking etc.). As such, TTFT work to ensure all savings clubs are informed of the options available to them and revise their cash storage procedures regularly.

## **3.5. IDENTIFICATION OF COMMON GOAL**

A process is facilitated to help savings clubs identify a goal to work towards, for example improving sanitation in the community or building a meeting hall or market house. This process is sometimes undertaken by the savings club alone, and sometimes with a wider community group that the savings

club is happy for their work to support, for example a natural resource management committee, the church or a community-based organisation. TTFT Community Facilitators lead discussion to help ensure that all community members have a chance to contribute ideas and to mitigate the risk of powerful individual dominating discussions and formulation of action plans.

Working towards an agreed goal helps to motivate women members to work together to build savings in their group account, which can be used both for loans to members and to fund community projects and initiatives. When the wider community is involved in the identification of the goal, or in helping to plan for how they will support the savings club to meet a goal (i.e. by providing resources and/or labour for building, by giving technical advice etc.), it increases support for the clubs as community members see how their work will benefit more than just club members. It also increases understanding and awareness of club operations among non-members which can lead to increased levels of support for the group in the community.

### 3.6. CONSISTENT ONGOING SUPPORT AND MONITORING

#### 3.6.1. Support from well-trained support staff

Support in context of the TTFT project means training or education, not the provision of funds for loans. All TTFT Savings Clubs are educated about how savings clubs work and how they can be adapted to different community settings. The clubs are trained on a standard savings club model, but there is space for continuous review based on club needs and their experience of the model. TTFT staff conduct ongoing regular follow-up visits to monitor progress and effectively respond to challenges faced by clubs. Commonly the support TTFT staff provide includes advising on appropriate record keeping practices, building the financial literacy and management skills of club leaders, discussing governance issues clubs are facing and providing advice on the resolution of issues. Where challenges raised by clubs cannot be addressed by TTFT staff, appropriate stakeholders are engaged to provide training and guidance.

All Honiara and community based TTFT staff are responsible for supporting the success of the whole TTFT project. While Honiara based staff have specialist focus areas (such as natural resource management, gender and livelihoods) all are trained to understand the savings club model and the recording keeping procedures used by clubs so that they can provide support when visiting target communities. Likewise, the two TTFT Livelihoods Officers, who take primary responsibility for supporting savings clubs, fully understand and promote other aspects of the TTFT project when in communities. This multidisciplinary approach is supported by a shared understanding of the strengths-based approach and by TTFT developed resources including:

- Our Resources, Our Future: Sustainable Natural Resource Management in Your Community<sup>62</sup>
- *Gud Disisions, Gud Lidasip*: A Community Facilitation Guide<sup>63</sup>

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<sup>62</sup> *Our Resources, Our Future* is available for download at: <http://www.livelearn.org/resources/our-resources-our-future>

<sup>63</sup> *Gud Disison, Gud Lidasip* is available for download at: <http://www.livelearn.org/resources/gud-disisions-gud-lidasip-community-facilitation-guide>

### 3.6.2. Monitoring progress of Savings Clubs & identifying ways to strengthen club governance and operation

The aim of establishing and supporting women's savings club is both to improve members' livelihoods and to give women opportunities, skills, confidence and space to lead. As such, monitoring does not focus solely on financial achievements.

| Indicators  |
|---|
| <p><b>As part of project monitoring, TTFT routinely report on the following indicators:</b></p> <ul style="list-style-type: none"> <li>▪ Number of women's savings clubs established to date.</li> <li>▪ Number of active members and number of total members.</li> <li>▪ Total savings (personal savings + general fund) of all clubs.</li> <li>▪ Number of income generating activities established with loans from savings clubs.</li> <li>▪ Number of community projects initiated by women's savings clubs in their communities.</li> <li>▪ Number of savings clubs reporting confidence to implement and sustain savings and natural resource management activities, without the support of LLEE.</li> <li>▪ Number of (percentage of) women reporting increased control over household income.</li> <li>▪ Number of (percentage of) women reporting more influence in decision-making in: <ul style="list-style-type: none"> <li>○ the family</li> <li>○ women's groups</li> <li>○ other mixed community groups</li> </ul> </li> </ul> |

TTFT also has a strong focus on sustainability and a commitment to community-led development so it is important that monitoring is aimed not just at evaluating the project, but at creating space for community members to identify ways to strengthen their clubs operations, governance and leadership. Livelihoods Officers conduct consistent follow up visits with savings clubs and TTFT staff reflections are held twice each year to allow community based staff to share community feedback on the support they need to strengthen the operation of their clubs.

### 3.6.3. Responsive training for members

Alongside closely monitoring savings club progress, responsive follow-up training in areas identified by the community to be important is vital. TTFT training covering financial literacy and management, governance, leadership and gender equality has strengthened the ability of clubs to manage funds, administer loans, increase membership and maintain operations. Developing strong networks (as discussed in Section 3.6.4) is key to identifying local resources and expertise to support training needs.

### 3.6.4. Supporting clubs to build networks

In order to support the sustainability of savings club it is important to pay attention to networks and recognise the importance of social, business and community relationships to the long term survival of clubs. Working with club members to recognise and strengthen existing networks, as well as to extend networks to include new groups or individuals not previously connected to clubs will help to ensure club members have access to the resources necessary to sustain operations in the future. These resources may be human, natural, financial or technical and could potentially

come from sources such as community groups, local leaders, club members, churches, national and provincial governments and more.

### 3.7. IMPROVEMENT OF SAVINGS CLUB MODEL

It is vital any lessons learnt from ongoing monitoring of savings club operations, management and support are integrated into the model. These lessons can be sourced both from the experience of implementing the model and from the experiences of other savings groups working in similar contexts.

Consistent ongoing monitoring should include:

- How the project is impacting on men, women, young men, young women, boys and girls and their communities given their differing access to and control of resources and opportunities.
- The impact on women, both in terms of access to income and resource and control over income and resources.
- Impacts directly related to the savings club, as well as what is happening for the women involved in a wider context, paying particular attention to women's time use, voice, agency and safety, in order to assess whether the impact of an initiative is positive overall.
- The reporting of unintended consequences of the project, such as conflict potentially caused by women's involvement in economic activities.

Reviewing the savings club model to respond to relevant outcomes of consistent monitoring and acting on opportunities to maximise benefits and minimise risks for women at all stages of the project cycle is vital to ensuring savings clubs are equitable and efficient.

## 4. WHY? Developing the TTFT Savings Club Model

### 4.1. FINDINGS FROM TTFT BASELINE RESEARCH

The Research of Aspirations and Perceptions (RAP, 2009) that was undertaken at the start of TTFT found that the services of financial institutions, including commercial banks such as ANZ, Westpac, Central Bank and BSP, are not easily accessible to people within TTFT target communities. Renbel province, for example, does not have any commercial banks or financial services. Difficulty accessing financial institutions and services can contribute to unsustainable management of money in rural communities. The research also highlighted that most participants believed natural resources could only sustain their families for a maximum of 15 years if current mismanagement regimes continue<sup>64</sup>.

**“This showed the need to strengthen existing savings institutions, as well as establish savings clubs where they do not yet exist.”**

It was determined that the establishment of local financial schemes or savings clubs in rural communities would support communities to manage income more sustainably. Only approximately 20% of all TTFT communities had ever operated a savings scheme. It was evident that those operating saving clubs had limited knowledge and understanding about the management and other operational needs of savings clubs.

For example, Sausama Women and Youth Farmers Network had operated successfully for five years, but indicated that new members needed training in the basic operations of savings clubs because there were no processes in place to maintain and transfer knowledge. In another locally established financial institution, Vinako (Ughele, Western Province) members also requested specific financial management training. This showed the need to strengthen existing savings institutions, as well as establish savings clubs where they did not yet exist.

### 4.2. FEEDBACK FROM TTFT PHASE 1 AND 2 COMMUNITY REFLECTIONS

As part of TTFT, two community reflection workshops are held each year that bring together staff to reflect on and strengthen the project. During the Phase 1 reflection workshops, Community Facilitators raised concerns about poor financial management in communities which resulted in rural income earners not properly managing their income. In Western Province, Isabel and Makira, there were potential means of income generation at the community level, however cash flow was still limited. In other locations, such as Rennel, there were very few local economic activities to encourage cash flow. This was attributed to lack of market venues and banks. Unlike other provinces, Renbel's capital (Tigoa) had no marketing center which made it more difficult for vendors, who are predominately women, to sell their products. The existing locally established financial institutions in Sausama and Ughele, Western Province were providing lending services to their members, but needed financial support to increase their lending capital. Furthermore, feedback from initial Community Reflection and Action Planning workshops showed that some of the activities that were prioritised by communities needed financial support (e.g. poultry enterprises) while other plans would encourage and increase

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<sup>64</sup> Asker (2009), p.9

community production and therefore generate income that would need to be managed at the community level (e.g. market house and community hall).

It was agreed that supporting communities to establish local financial systems would support them to save money by engaging in income generation activities using their strengths (skills, talents, potential) and then help them to use their savings to venture into further income generating activities. TTFT (in collaboration with APHEDA), delivered simple financial management and basic livelihoods skills training in all provinces except Isabel during Phase 2 (2010). Community Facilitators were expected to continue financial training with community groups, to encourage people to engage in income generating activities and sustainably manage their income.

### 4.3. RESPONDING TO LESSONS AND SELECTING A MICROFINANCE MODEL

Live & Learn Solomon Islands had not previously managed microfinance projects so technical advice was sought to support the implementation of the livelihood component of TTFT. Significant research was also undertaken with the support of IWDA, which has supported microfinance initiatives in other countries in the past. This research and experience pointed towards the potential for savings clubs as an effective model for meeting the immediate and medium term financial needs of rural communities in Solomon Islands.

**“This research and experience pointed towards the potential for savings club to be an effective model for meeting the immediate financial needs of rural communities in Solomon Islands.”**

As the Pacific Financial Inclusion Program (PFIP) state *‘the financial services sector [in Solomon Islands] is represented by large, modern and profitable institutions based in Honiara while financial services and infrastructure elsewhere is extremely limited’*<sup>65</sup>. PFIP research also indicates that *‘microcredit will be challenging in rural areas without a basis of economic activity’* and *‘any new model should focus heavily on deposit taking’*<sup>66</sup>. The experience of IWDA staff working on microfinance in Melanesia supports PFIP’s assertion that savings clubs *‘have proven resilient and may also offer an indigenous, immediate strategy for offering financial services in these very rural areas’*<sup>67</sup>.

TTFT staff recognised that savings clubs had the potential to draw on the strengths of rural target communities, who have a long history of organising themselves into community cooperatives for various purposes. They also acknowledged the absence of a ‘culture of saving’ in target communities and recognised that strengthening individual and household financial management skills was essential to achieving the goal of sustainable inclusive natural resource management. Savings Club operation was supported without major financial input from outside the community, which was consistent with the approach of encouraging community-led and funded initiatives that can be sustained beyond the life of the project (TTFT).

<sup>65</sup> McCaffrey (2010a), p.2

<sup>66</sup> McCaffrey (2010b), p.1

<sup>67</sup> McCaffrey (2010b), p.1

## Women's Savings Clubs: Developing, implementing and learning from the TTFT model

The reality of the Solomon Islands rural context, coupled with the aims of the TTFT project, require any financial service supported by TTFT to:

- Increase financial literacy
- Promote the meaningful participation of women and girls
- Promote and nurture women's leadership
- Build a 'culture of saving'
- Strengthen individual and household financial management
- Allow members to make choices about the degree of their engagement with the microcredit and formal banking services.

### 4.4. LESSONS FROM SAVINGS CLUBS AND REVOLVING SCHEMES IN MELANESIA

Research to inform the establishment of savings clubs through TTFT, undertaken by a local technical advisor, found the following key points about microfinance initiatives in Solomon Islands<sup>68</sup>.

1. Sadly, *'there has never been a model that follows global best practices or has reached sustainability on a significant scale'* in Solomon Islands<sup>69</sup>. Most microfinance institutions lack the necessary management skills, institutional capacity, expertise and resources to operate sustainable schemes. The Pacific Financial Inclusion Program (PFIP) identify that inadequate management structures, internal controls and lending practices contributed to the failure of credit unions in the Solomon Islands<sup>70</sup>. Among the constraints on the successful implementation of microfinance initiatives in the Pacific, Bablis (1999) includes the cost of accessibility; the limited participation of women, the need for capacity building and appropriate training; and pressure to expand too soon<sup>71</sup>.
2. History has shown that most microfinance institutions and initiatives (savings clubs, microcredit initiatives etc.) which have men in leadership roles were unsuccessful due to mismanagement, so current revolving schemes encourage women to take up leading roles. For example: the Sausama Women and Youth Farmers Savings Club in Western Province experienced mismanagement from male members in the past and since giving women leadership roles within the club have seen significant improvement and many positive outcomes.
3. In Solomon Islands most microfinance institutions and initiatives have men in leadership roles, but current trends show women being included in committees. Some communities may say they don't have women capable of taking up leadership roles, but with the right support and training, women can be encouraged to actively participate in savings club executives. At a

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<sup>68</sup> Based on content of briefing paper on savings clubs and revolving schemes in Melanesia prepared by independent consultant Andrew Manepora for Live & Learn Solomon Islands in 2010.

<sup>69</sup> McCaffrey (2010a), p. 1

<sup>70</sup> McCaffrey (2010a), p.34

<sup>71</sup> Bablis (1999), p.1

minimum, the composition of committees should be such that men and women are equally represented.

4. Certain microfinance institutions don't work in harmony with the local Solomon Islands culture. Many schemes that target women and the poor are undermined by lack of support from men, other family members and local elites who feel they are excluded. The local context must be understood and responded to for microfinance schemes to attract local support.
5. Microfinance institutions that charge low interest rates and do not require compulsory savings generally don't foster a sense of sacrifice and ownership and often result in poor repayment rates and can experience depletion of lending capital.
6. Many initiatives do not carry out realistic assessments of income generation potential in different locations before implementation, which contributes to the failure of some schemes. For example, limited cash flow means that Renbel is not particularly conducive to the establishment of savings clubs. As PFIP recognise, microfinance models in rural areas where there is limited economic activity should focus heavily on deposit taking and domestic money transfers (i.e. safely transferring funds between two places or people within Solomon Islands)<sup>72</sup>.
7. Credit alone does not guarantee the success of income generation projects. Financial literacy and management skills, the ability to identify potential markets and assess feasibility and the support of family and community are just some of the skills and resources needed for effective and efficient operations.
8. Copy-cat income generation activities and projects are very common in Melanesian countries; coming up with novel income generation ideas is difficult, especially in the smaller islands. Experience shows that in other contexts successful repeat borrowers continually engage in different income generation activities, rather than expanding on existing activities or following what others are doing. Opportunities for innovation are limited; however there is potential for doing something new.
9. Often there is little effort made to build capacity at the community level and to use community-based organisations to manage microfinance schemes. This is usually because government officials view grassroots organisations as being made up of poorly educated village people who cannot manage finances. However, there are schemes that are managed locally that have proved to be very successful (eg. Sausama Women and Youth Farmers Network, Vinako, Aiana, West Are'Are Rokotainkeni Association and Lodahau Women's Savings Club).



<sup>72</sup> McCaffrey (2010a), p. 1

10. Where institutions or initiatives are donor funded, seed funds are often perceived as 'free money'. For example, in one case an MP gave \$300,000 SBD as seed funds for a microfinance institution in Malaita and they experienced problems with the repayment of loans, in part due to money being perceived as government money. The colonial and development history of Solomon Islands contributes to a 'handout' mentality among some rural community members, who do not feel responsible for the repayment of loans or 'government money' and expect funds to be replenished by external entities, for example MPs, NGOs or the church. There are however indications that people are willing to pay market interest rates as long as they get efficient, quality service.
11. Some microfinance institutions and initiatives have poor loan repayment performance which maybe a symptom of, and often results in, the group being poorly operated. Lack of self-sufficiency, limited institutional capacity and inadequate financial resources to expand can all contribute to unsustainability of microfinance institutions and initiatives.

### 4.5. LOANS, INTEREST RATES AND LOAN REPAYMENT

IWDA/LLEE found mixed results from past savings schemes regarding the repayment of loans from externally provided funds. As such, when developing the TTFT Savings Club model it was agreed that funds would be loaned exclusively from the General Account that was generated from the Savings Clubs and IWDA/LLEE would not, under any circumstances, deposit lump sums into the General Account to be used for loans to members.

The rationale for this decision was threefold:

- The deposit of external funds for loans would be contrary to the strengths-based approach being promoted as part of TTFT;
- The sustainability of the savings club model is dependent on the ability of community members to generate, save and loan funds; encouraging local generation of funds aimed to foster ownership and self-reliance;
- In response to *lessons from savings clubs in Melanesia* (see Section 3.4) IWDA/LLEE wanted to test if loans would be reliably repaid when funds loaned were those earned by members themselves, rather than when funds were loaned from an externally deposited lump sum which may be seen as a 'handout' or 'free money' and consequently not be repaid.

#### 4.6. ADDRESSING RISK

Addressing risk is key to the sustainability of any savings club scheme. The following risks and risk mitigation strategies were identified during the development of the TTFT Savings Club model.

| EXPECTED RISKS  | SUGGESTED ACTIONS   |
|---|---|
| <b>Safe storage of money</b>                                  | Use a cash box with 3 to 5 locks. The keys to the different locks are to be held by different women and the keeper of the cash box holds no key. When the amount of money in the cash box reaches a certain amount agreed on by the members then it has to be deposited into a bank account, where appropriate.   |
| <b>Lack of management skills and knowledge</b>                | It is important that those who will be assigned to keep cash records and complete report writing know how to read and write as registered savings clubs are required to produce financial reports. Literate community members to be identified to assist with club operations and financial literacy to be integrated into support visits for clubs.  |
| <b>Loans not being repaid</b>                                 | Borrowers' security must be ensured before loans can be made. Individual savings to be treated as security when borrowing from the revolving fund and loans to made to a maximum of 80% of total personal savings. If loan is not repaid, personal savings will be used to cover loan.  |
| <b>Non-members taking credit</b>                              | Non-members of the club should not be allowed to borrow money from the club. This must be included in the club's agreed policies.   |
| <b>Little growth of group's savings</b>                       | Savings clubs are advised to set minimum interest rates above 10%, to support the club's progress and viability, however all clubs retain the right to set their own interest rates.  |
| <b>Trained members moving to another locality</b>             | Training of members should be ongoing so that capacity to run savings club is maintained within the group despite trained members moving to other locations. Trained members must train other members in the group and this must be contained within their policies.  |
| <b>Men feeling excluded and not being supportive of group</b> | Support and respect from men is vital to the success of the clubs. It is important from the outset to discuss women's savings club with male community leaders to make sure they understand why club membership is for women only and how the success of the club will benefit both women and men in the community. Men can be given advisory roles, allowed to attend meetings and to, support their wives, but not be members of the clubs. Indirectly, men can be members of the club through their wives. Working with existing women's groups, such as church groups, has contributed to ensuring these groups are respected and seen as legitimate. |

| EXPECTED RISKS                                 | SUGGESTED ACTIONS  |
|--|--|
| <b>Limited income generation opportunities</b> | In many remote locations, lack of access to markets can make it difficult to generate income. In this situation networking and building partnerships with stakeholders is necessary to advocate for infrastructure development. Where markets exist but necessary skills and ideas for product development and production are lacking, networking and building partnerships can also help to increase community exposure to new income generation ideas and connect them with those who can facilitate the development of technical skills.  |
| <b>Violence against women</b>                  | <p>The potential exists for women's increased access to money to lead to an increase in violence in the home. IWDA, in partnership with State, Society and Governance in Melanesia, Australia National University, is undertaking research on this topic to ensure potential risk is recognised and to identify strategies to mitigate risk.</p> <p>Within TTFT, engaging men and increasing understanding of how the women's savings club model can benefit them and their family was a key strategy to mitigate potential conflict in the home. Furthermore, ensuring the support of male community leaders and working with existing church groups aimed to reduce this risk by increasing the perceived legitimacy and value of the clubs.</p> |

## 5. KEY INSIGHTS AND RECOMMENDATIONS FROM TTFT

### 1. **INSIGHT: Gender inequality is multidimensional in nature and needs to be addressed multidimensionally**

To ensure '*positive gender-related development outcomes, gender analysis needs to be explicitly integrated into microfinance programming*'<sup>73</sup>. While women's economic engagement can lead to many positive outcomes for women and their communities, access to income does not automatically '*right the power imbalances which result from inequalities in the way society treats men and women*'<sup>74</sup>. Women's access to income does not guarantee that they can control how it is spent. As such, microfinance initiatives have the potential to generate unintended consequences, such as confining women to low value-added activities, burdening them with debt and unrealistic repayment schedules, increasing vulnerability to domestic violence and adding to women's workload<sup>75</sup>.

Gender inequality is multidimensional and women's lives are multifaceted, so understanding the potential impact of an initiative requires monitoring not only activities directly related to the initiative, but also monitoring what is happening for women in a wider context. A single initiative such as a savings club may make a significant contribution and catalyse wider changes for women, but ensuring equality not just of opportunities but outcomes requires change across many areas of life, at many levels, sustained over time and reinforced by institutional and relational change.

Gender inequalities are experienced in many areas of life and at different levels, from the family to the institutions that shape social, economic and cultural life. These include the impediments of cultural norms that define status and acceptable behaviour, gender roles and relationships; freedom from domestic violence, and; equal access to and control of education and training opportunities, healthcare and natural resources. While discrimination on the basis of gender requires attention be paid to women's disadvantage as a collective, it is important to recognise that they are not a homogenous group. Disability, poverty, sexuality, marital status, health status, location, relationships, education, race and religion are just some of the many layers of disadvantage that contribute to varied levels of marginalisation among women.



**For more information, see Section 1.2. and 2.1.4**

<sup>73</sup> AusAID (2010), p. 12

<sup>74</sup> Susan Johnson (n.d.), p.1

<sup>75</sup> See, for example, Mohamed (2010), Sweetman, (2010) in Chant (ed.) (2007); Ruben (2007) and The OECD DAC Network on Gender Equality (2012)

#### RECOMMENDATIONS:

- Always conduct ongoing rigorous gender analysis to ensure understanding of how the realities of men, women, young men, young women, boys and girls differ and how the initiative will/is likely to affect them and their communities given their differing access to, and control of, resources and opportunities.
- Identify where a proposed initiative needs to be complemented with other activities to address barriers and sources of discrimination in women's lives. Either integrate activities into project designs or link project participants to activities being run by other initiatives and services working to address these barriers.
- Respond to relevant outcomes of in-depth gender analysis in the design of microfinance interventions. Act on opportunities to maximise benefits and minimise risks for women at all stages of the project cycle.
- Throughout the project consistently monitor the impact on women, both in terms of access to income and resources and control over income and resources. Be sure to monitor both impacts directly related to the savings club, as well as what is happening for the women involved in a wider context. Pay attention to women's time use, voice, agency and safety, in order to assess whether the impact of an initiative is positive overall.
- Ensure that monitoring allows for the reporting of unintended consequences of the project, such as conflict potentially caused by women's involvement in economic activities.

#### 2. **INSIGHT: Women need to be able to define for themselves what is valuable about economic engagement**

Across Melanesia, women engage in the formal, informal and non-cash economy for many reasons. For some women, engaging in the economy is about empowerment; it is aimed at increasing their freedom, status or security. For others, it is simply a matter of survival. Often economic empowerment initiatives include an externally defined goal or end point - for example, engagement in the formal economy, employment, and access to microfinance loans. As Kabeer reminds us it is important to avoid judging women on whether they meet a given project indicator or not, instead we need to see empowerment as '*an expansion in the range of potential choices available to women*'<sup>76</sup> and enable women to make those informed choices themselves.

Savings clubs present an opportunity for women to build the foundational skills and confidence necessary to engage with microcredit institutions and/or the formal economy in the future, but do not require such engagement. Building these skills allows women to make more informed choices about their participation in the informal and formal economy. For many reasons, including the burden of existing responsibilities and the impact of gender roles, savings clubs are not necessarily always the precursors to engagement in microcredit and formal banking services, but that does not discount their value.

**For more information, see Section 2.1.4**

<sup>76</sup> Kabeer (2001), p.81

### RECOMMENDATION:

- Be mindful of pressures external to savings club operations that impact on women's economic lives and choices. Ensure that support for savings clubs includes building foundational skills such as financial literacy and awareness of various financial services as well as women's confidence to make informed choices about economic engagement.
- Allow women themselves to define what 'success' looks like for them and how they wish to engage with the economy. Use this information to inform project design and the development of appropriate indicators and outcomes for the project.
- Equip women with skills to assess the feasibility of loan repayment to mitigate the risk of women being burdened with unrealistic loan repayment schedules and amounts.

### 3. **INSIGHT: Women's clubs create space for women's leadership.**

Supported women's savings clubs increase women's access to and control of financial resources and provide women with leadership opportunities that have resulted in women's increasing participation in other community decision making bodies. Research has shown that women only spaces can allow women to talk more openly and feel more comfortable to take risks and make mistakes in their contributions to group discussions. Women only spaces also allow women to *'develop a language in which to voice their experiences and perceptions'*<sup>77</sup>.

This increased voice and confidence can translate to increased participation in mixed-sex spaces. Emerging and increasing evidence from the TTTT project<sup>78</sup> demonstrates that the conscious integration of programming to build women's leadership within a savings clubs project has the potential to result in women's increased confidence, skills and community support as leaders. Several women leaders from TTFT savings clubs are now being appointed to mixed-sex village committees as a result of being recognised for their leadership within the savings clubs.



**For more information, see Section 2.1.2 and 2.3.1**

### RECOMMENDATION:

- Limit savings club membership to women and girls only. Women's savings clubs can provide a safe space in which women can gain new skills, increase their confidence to lead, and control their finances.
- Consciously integrate programming to raise awareness of gender inequality and build women's leadership within savings clubs projects.

<sup>77</sup> Kirton & Healy (2004), p.313

<sup>78</sup> See Live & Learn Environmental Education Solomon Islands and International Women's Development Agency, *Tugeda Tude Fo Tumoro, Phase 3 Annual Report* and *Tugeda Tude Fo Tumoro, Phase 4 Annual Report*.

**4. INSIGHT: Male community members and leaders can be very supportive of women's savings clubs, but need to be consciously engaged.**

The experience of the TTFT project has shown that men are not necessarily opposed to women's clubs, and will not always use their relative power to protect the 'status quo' of male-dominated financial management, as it is sometimes assumed. However, the project has also shown that expectations and assumptions need to be carefully managed and men need to be consciously engaged in supporting savings clubs.



**For more information, see Section 2.3.2 and 3.2**

**RECOMMENDATIONS:**

- Always run awareness sessions about the purpose of savings clubs for the whole community and answer questions openly before commencing the project/establishing clubs.
- Openly and clearly explain the rationale behind women-only clubs and emphasise that clubs benefit the whole community/whole families, not just individual members.
- Ensure you have the support of male community elders/leaders before establishing the club.
- Invite men to save through their wife – i.e. by giving her money to deposit into her account.
- Invite appropriately skilled male community members to act as advisors to the group or to be engaged in group led projects (such as the implementation of savings club supported community development initiatives).

**5. INSIGHT: Savings Club models need to allow for meeting short-term needs, as well as income generation activities**



While some women aim to take out loans, generate greater income and start small businesses to secure their livelihood, for others saving is simply a matter of day-to-day survival. Accumulated savings have the potential to *'buffer expected or unexpected spikes in household expenses due to childbirth, school fees, home repairs, life-cycle celebrations, or widowhood (by death, divorce, or abandonment)'* <sup>79</sup>. Saving is also a way of 'smoothing' out irregular income.

Regardless of their motivation for being savings club members, the flexibility to withdraw or borrow for purposes other than income generation is important

for supporting women to deal with daily needs. Furthermore, women in the TTFT project have reported feelings of increased value and self-worth upon being able to contribute to meeting family needs and community events and initiatives.

**For more information, see Section 2.4**

**RECOMMENDATION:**

Allow savings club members to take out loans to meet certain immediate needs, such as health and education costs and contributions to community events such as funerals and weddings. Meeting family and community obligations is important.

**6. INSIGHT: Savings Clubs do not need external funds to be established or sustainable.**

TTFT has not given any funds to individual clubs to be loaned to members or to support the operation of clubs. TTFT has supported some set up costs and has supplemented funds raised by clubs in order to support community-led initiatives, such as the building of savings club offices, market houses and sanitation facilities. As of March 2014, 19 clubs had been established and all had been running for between one and two years. A further nine clubs have been established in villages surrounding TTFT target communities by community members without external support.



**For more information, see Sections 2.1.3 and 2.3.4**

<sup>79</sup> Vonderlack & Schreiner (2002), p. 605

### RECOMMENDATION:

Resist the temptation to provide external funds to clubs for the purposes of loaning to members. Focusing funds instead on skills and capacity development, to equip members with the skills necessary to successfully manage the club, including income generation and business development. This will increase the chance of the club continuing operations after the life of the project and help community members recognise the strengths and resources they already have, rather than relying on external sources to supplement their livelihoods. It will also allow for the club to grow at a pace suitable to its members, rather than advancing from minimal savings to managing loan repayments in a short space of time. This reduces the risk to individual members and to the club itself.

### 7. **INSIGHT:** Savings clubs need ongoing support to increase sustainability.



Lack of establishment and follow up support is a major challenge to the sustainability and growth of savings clubs in Solomon Islands. There is currently no organisation or institution sufficiently resourced to give consistent ongoing support to savings clubs. Experience in the TTFT project has shown that even strong groups are thirsty for organizational and individual capacity building to strengthen their club, particularly in the areas of financial management, governance and leadership. This lesson is supported by Pacific Financial Inclusion Programme (PFIP)

research which notes that savings clubs *'could greatly benefit from some systems to help them improve their operations and take advantage of opportunities available to them'*<sup>80</sup>. Institutional support for savings clubs is severely lacking in Solomon Islands. Clubs would greatly benefit from clear systems in both clubs and in the broader community (potentially through government or civil society), to maintain and transfer the knowledge and skills necessary for successful club operation.

**For more information, see Sections 3.6**

### RECOMMENDATION:

Closely monitoring the progress of savings clubs and providing responsive follow-up training in financial literacy and management, governance, leadership and gender equality strengthens the ability of clubs to manage funds, grant loans, increase membership and maintain operations. Consistent ongoing monitoring should be planned for and resourced sufficiently from the beginning of any project.

<sup>80</sup> McCaffrey, Mike (2010b), p.3

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## Women's Savings Clubs: Developing, implementing and learning from the TTFT model

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**Annex 1**

**Savings Clubs currently supported by TTFT (as at February 2014)**

| PROVINCE       | WOMEN'S SAVINGS CLUB   |
|----------------|--|
| <b>WESTERN</b> | <ol style="list-style-type: none"> <li>1. Kalibae Women's Savings Club</li> <li>2. Noda Women's Savings Club</li> <li>3. Kena CFC Women's Group (Bolgabe Savings Club)</li> <li>4. Peoro Women's and Young Women's group</li> <li>5. Agagana Women's Savings Club</li> <li>6. Lokaniau Women's Savings Club</li> <li>7. Ponia Women's Savings Club</li> <li>8. Nanda Women's Savings Club</li> </ol> |
| <b>MAKIRA</b>  | <ol style="list-style-type: none"> <li>9. Kaonasugu Mothers Union</li> <li>10. Tawatana Mothers Union</li> </ol>   |
| <b>ISABEL</b>  | <ol style="list-style-type: none"> <li>11. Baolo Mothers Union</li> <li>12. Goveo Mothers Union</li> <li>13. Bolitei Women's Savings Club</li> <li>14. Sisigar Women's Savings Club</li> </ol>   |
| <b>RENBEL</b>  | <ol style="list-style-type: none"> <li>15. Teabamagu Women's club</li> <li>16. Avatai Women's Savings Club</li> <li>17. Lavangu Women's Savings Club</li> </ol>  |
| <b>MALAITA</b> | <ol style="list-style-type: none"> <li>18. Oloburi Women's Savings Club</li> <li>19. Sumoska Women's Savings Club</li> </ol>   |