SUSTAINABLE AGRICULTURE AND PRODUCTION LINKED TO IMPROVED NUTRITION STATUS, RESILIENCE, AND GENDER EQUITY

HELPING MARGINALIZED FAMILIES REACH THEIR GOALS THROUGH MEMBER-RUN SAVINGS AND INTERNAL LENDING COMMUNITIES (SILC)

The USAID-funded Resilience Food Security Activity, Sustainable Agriculture and Production Linked to Improved Nutrition Status, Resilience, and Gender Equity, (SAPLING) has engaged over 57,000 households across five sub-districts (upazilas) in Bandarban District of the remote Chittagong Hill Tracts (CHT) region of Bangladesh. SAPLING focuses on improving gender-equitable food security, nutrition, and resilience of vulnerable households.

Families in the CHT struggle to meet day-to-day expenses with little money available for savings. Many families rely on farming for primary income and supplement with day labor work. The cycle of poverty is perpetuated when families have no money for children to complete school or eat nutritious foods or when a disaster strikes and there is no financial asset to help with recovery.

SAVINGS AND INTERNAL LENDING COMMUNITIES (SILC)

Beyond tangible benefits, savings can motivate people to set goals and make future plans. SAPLING trained 15,000 people, mostly women, from 9 ethnic groups, to form and manage 815 Savings and Internal Lending Communities (SILC). This was intended to increase the resilience capacities of these poor and extreme poor households.

SILC are community-based, member-run savings and lending groups that bring a missing financial service to geographically isolated communities with limited access to essential services.

SAPLING formed groups where no savings or lending opportunities had previously existed, and the residents, who were entrenched in vicious cycles of poverty, had little belief in their ability to have savings.

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SAVINGS IN BANDARBAN DISTRICT BEFORE SAPLING

31% of households had any form of savings[1]

22% of households had cash savings[2]

4% of people used savings after experiencing a shock in the previous year[3]

Cash savings were identified as critical to increasing resilience capacity for SAPLING families.

SAPLING SUPPORTED SILC

ACROSS 5-SUB DISTRICTS

815 Groups

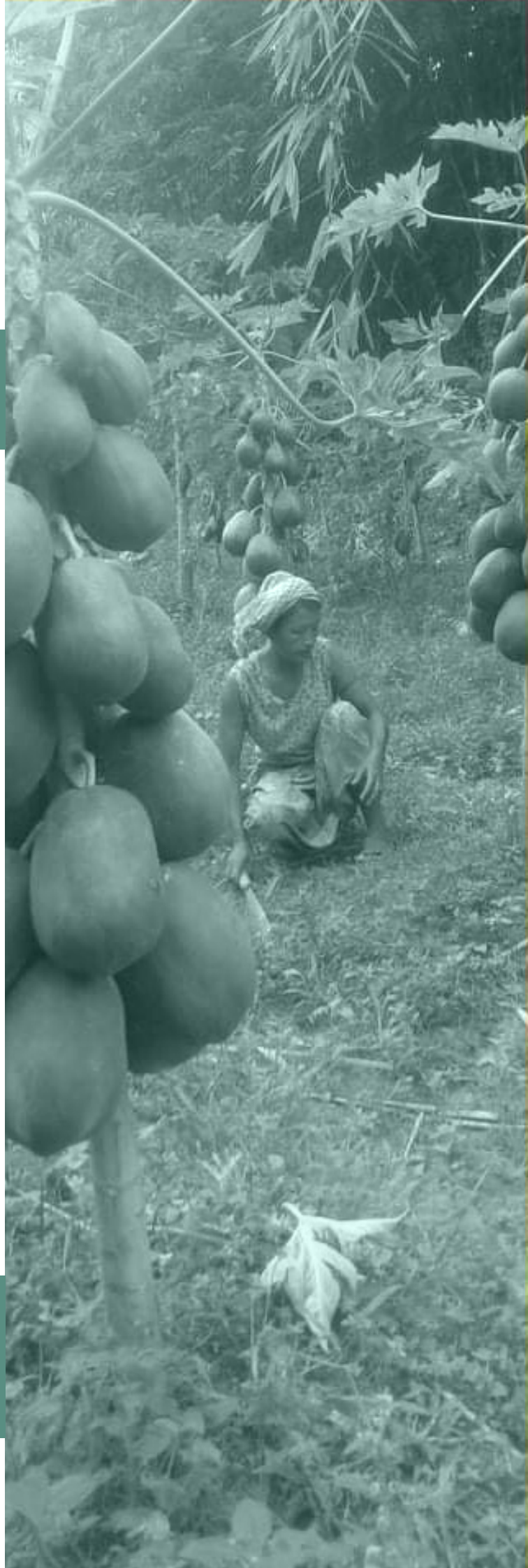
550 Paras (villages)

IN FY20 THE SILC GROUPS HAD

MEMBERS	14,982
TOTAL POOR/EXTREME POOR HOUSEHOLDS	30%
WOMEN MEMBERS	12,547 (84%)
MEN MEMBERS	2,435 (16%)
ADOLESCENT GIRLS' GROUP	5

Ethnic minorities have unequal access to financial services, but SILC groups are an inclusive way to increase access. **63% of SILC members are from 9 different ethnic minority groups.**

[1]SAPLING Household Census and Wellbeing Analysis Report. September 2018.
[2]Bangladesh Resilience Research Report – Final. Prepared by TANGO International. August 15, 2017.
[3]ibid



SILC EMPOWERS WOMEN THROUGH

- Increased access to financial resources
- Increased personal agency and decision making over assets and health
- Increased role in decision-making bodies
- Increased self-efficacy and internal locus of control and health
- Increased human capital with financial literacy
- Increased status and respect

40% of members have taken loans to invest in their own agricultural production and income generating activities.

SILC FOSTERS SOCIAL COHESION

- Supports civic norms and values
- Promotes solidarity and social order
- Provides an identity as a "saver"

Cohesion in SILC has been notable during the COVID-19 pandemic. Group members have held regular meetings and engaged in collective decision making, fostering a sense of community that is demonstrated in group actions.

SILC INCREASES RESILIENCE

SAPLING's SILC groups have paved the way for families to better cope with unexpected events and disasters.

ACCESS TO SAVINGS

By the end of FY20, member savings were approximately

USD $240,000 in total | **USD $15.97** per member

ACCESS TO LOANS

Access to low-interest, low-risk loans has brought opportunity for SILC members.

USD $39.56 average loan size per member

Members have taken loans for agricultural production, income generating activities, seasonal business, treatment of family member, and recovery from sudden shocks/stressors.

PROFIT FROM INTEREST

Interest from the loans paid back to the group provides a profit when the groups payout to members. In FY20:

464 groups members received | **USD $34.52** per member

representing approximately 30% in profit ($8.50 USD) above the average savings.

EMERGENCY FUND PRODUCTS

Emergency funds (EFs) are non-interest-bearing loan products that 410 of the 815 groups have chosen to offer their members. In FY20, EFs provided:

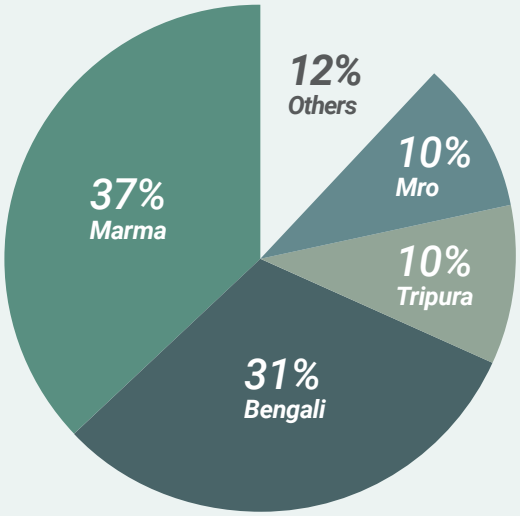
USD $4,510 in total | **USD $11.48** per group

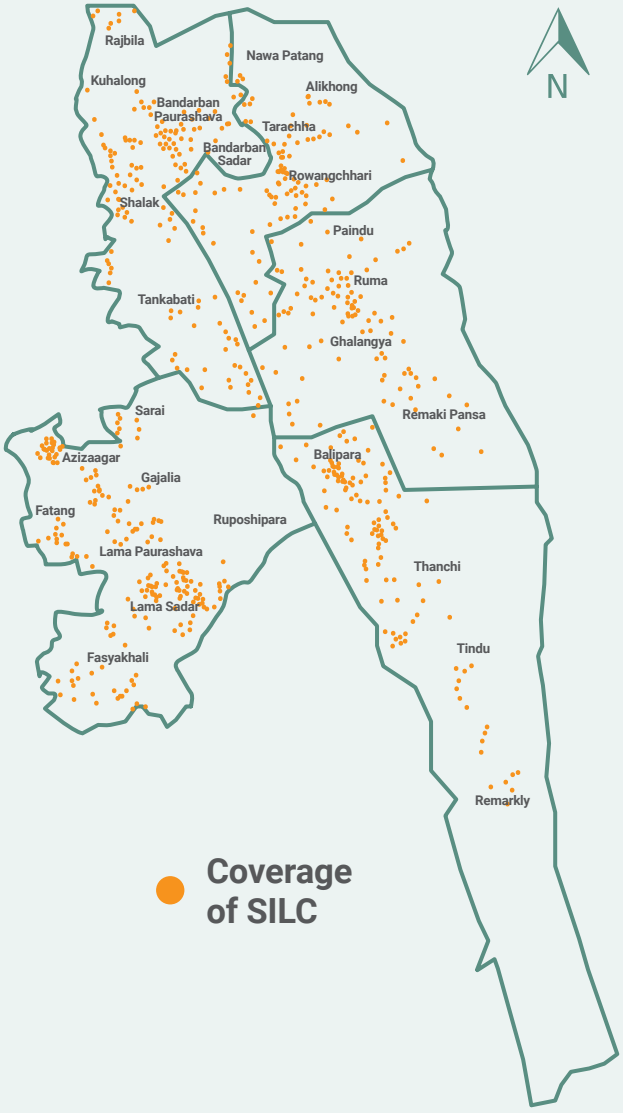
Members who took emergency loans used them to cover the cost of medical treatment, education, and disaster recovery.

GROUNDED IN SUSTAINABILITY PRINCIPLES

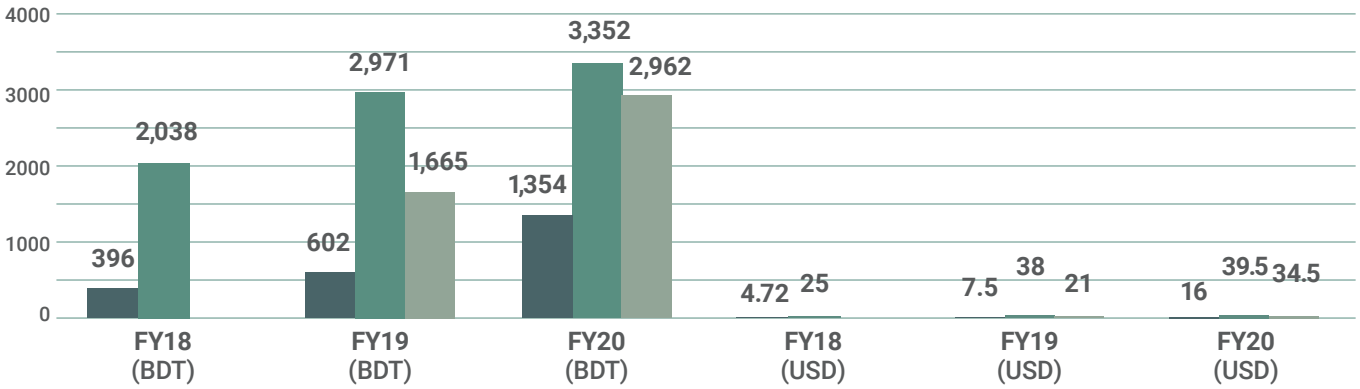
SILC is self-sustaining as returns motivate members to adopt regular savings habits, enhance their livelihood opportunities, protect household assets, and repay their loans.

SILC PARTICIPANTS





TRENDS OF SAVINGS, LOANS, AND PAYOUTS



- Avergage savings/member
- Avergage loans outstanding/member
- Avergage share out/members

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