

# Inclusive Finance Programme (IFP)



<b>INTERVENTION:</b>	<b>Organizational Development of Community Savings &amp; Lending Groups (Mavuno)</b>
<b>REGION:</b>	Central, East & Southern Africa
<b>COUNTRIES:</b>	Kenya, Uganda & Tanzania
<b>PROGRAMME PHASE:</b>	January 2017 – December 2020
<b>FUNDING:</b>	Swiss Agency for Development Cooperation (SDC), Swiss Private Sector and ESPERANZA Kooperative Hilfe gegen Armut



## RATIONALE

Financial institutions constantly try to out-do each other by deploying strategies that aim to reach the underserved poor market. Many have been able to penetrate the urban population but struggle to reach the majority who live in remote areas. Community savings & lending groups have become a viable alternative for this vast number of people who face the challenge of limited supply of entry-level financial services. These groups are achieving rapid growth and increasing in number and scale but are still unable to access financial products and services.

*Peter Kamau happily loading his milk cans on his cart in preparation for milk collection*



Ruth Wangui attends to the cows she was able to buy using a loan from her mavuno group

## INTERVENTION DESCRIPTION

Swisscontact acknowledges the group savings and lending model as a key contributor towards increasing inclusivity of financial products and services among the excluded population. Mavuno is a Swahili word that is derived from *kuvuna* which means to harvest. Mavuno forms part of the programme intervention of developing community savings and lending groups. When applied in the financial context, community members are organised into groups called mavuno and provided with essential training and linkages to formal financial institutions. Mavuno advocates for smallholders, particularly in the rural setting, to sow seeds of savings so as to be able to reap financial benefits. Mavuno provides an entry point for financial literacy and access to financial services. In addition to building a savings culture, group cohesion and social support are also fundamental aspects of mavuno.

The intervention identifies Community Based Trainers (CBTs) from different rural communities and trains them on financial literacy and the importance of community savings groups. They are empowered to mobilize, form, train and continuously provide guidance and support to the different mavuno groups which warrants self-reliance and financial independence in the long run. With the improved capability of the members to demonstrate knowledge of financial concepts, products and services, they are able to mobilize savings and access loans from within their groups and formal financial institutions which they use to invest in existing and new businesses. Ultimately, the group members realize increased incomes from increased sales of products and services and can further develop themselves.

## EXPECTED INTERVENTION IMPACT



Improved access to finance for:

- 26,450 smallholders in Kenya, Uganda and Tanzania.
- 16,277 youths in Kenya, Uganda and Tanzania.
- 200 Micro-Small and Medium Enterprises (MSMEs) in Tanzania.



Increased investments into productive assets.

## TESTIMONIAL

*"Five years ago, I made a life changing decision. I joined the Kajembe Self-Help Group after being introduced to the mavuno concept by Mr. Nahashon Maina, the area Community Based Trainer. I had always dreamt of financial independence. The financial literacy lessons gained from the mavuno group really helped me channel my dreams into what is becoming a comfortable reality. I have been able to save money within the group and have taken a loan worth CHF 989. This has helped me buy a dairy cow, milk storage cans and a donkey cart which I use to transport milk from my village to the dairy society. I am able to get 5litres of milk from my cow daily which I also sell for income to the local milk societies. From the transportation business and my milk harvest, I make approximately CHF 198 a month which has allowed me to comfortably provide for my wife and two children. Many of my peers have now seen the foresight I had and are eager to form their own mavuno groups, so they can become self-reliant and have easier access to financial services."*

**Peter Kamau** | 25-year-old member of a mavuno group in Engineer, Nyandarua County, Kenya.

### CONTACT INFORMATION

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