Savings for Change
Responding to financial exclusion in Cambodia
What is savings-led Microfinance?

It is groups of poor women and men prepared to come together and help each other help themselves. 

*All we ever do is training and support so that they have the tools*

Some key principles

- NEVER subsidized inputs to the groups
- Trainers NEVER holds the group’s money
- The groups ALWAYS decide their membership
- The groups ALWAYS decide their group leaders and rules
- The groups ALWAYS decide who gets a loan and for what!
A simple framework to navigate the market

REGULATED MARKET

Invest/Commercial Banks etc.

Savings Banks

Credit-led microfinance Institutions (MFIs)

People living on $2USD/day

Savings-led microfinance

Informal money lenders

Extreme poor

Subsidized development interventions

POVERTY LINE
Market performance

At 100,000 rural poor (85,000 women) in Cambodia. Annualized savings of $6.6 million loaned amongst group members for:

- $4.2 million for agricultural inputs,
- $1.9 million for small business,
- $1.1 million for health
- $0.6 million for household security.

This is before we consider

- interest earned,
- retained savings
- return on productive investments.

It is also before we consider the enormous impact of the social cohesion that this program brings, or the opportunity for new leaders to emerge. <link>
New finance instruments mean new partnerships

Cambodia’s Garment sector as an entry point for the e-banking market
New finance instruments mean new partnerships

Development Impact Bonds - A new financial instrument for performance-based contracting at scale

Projected financial costs and projected financial benefits of four possible DIB projects over a 10-year timeframe.
Some of the development agencies championing Savings-led Microfinance