



Community savings

A basic building block in the work of urban poor federations

Celine d’Cruz with Elizabeth Amakali, Peter Chege, Molin Kohli Chakamba, Beth Chitekwe-Biti, Skye Dobson, Maria Sonia Vicenta Fadrigo, Wonderful Hunga, Sarah Kalenjeka, Viviane Kandundu, Edith Mbanga, Patience Mudimu, Lutwama Muhammed, Anna Muller, Selma Namwandi, Niloke Niingungo, Mphatso Njunga, Shellie Price, Ma. Regie E. Ruego, Albertina Shenyange, Hendrina Shuunyuni and Susan Waniru

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About Slum/Shack Dwellers International (SDI)

www.sdinet.org

SDI is the international umbrella organisation that supports its member urban poor federations in 33 countries.

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This paper describes the community savings groups that are the foundation of many federations of slum/shack dwellers/homeless people in Africa, Asia and Latin America. It reports on discussions with federation members in Kenya, Namibia, Malawi, the Philippines, Uganda and Zimbabwe on how savings groups are set up (mostly by women living in informal settlements) and managed; how these groups support their members working together to address difficult issues; and how the savings groups help change relations for the better with local and often national governments as they demonstrate their capabilities. The challenges that savings groups face and how these are addressed are also discussed.

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Summary

This paper describes the community savings groups that are the foundation of over 20 federations of slum/shack dwellers/homeless people. Drawing on discussions with federation members in Kenya, Namibia, Malawi, the Philippines, Uganda and Zimbabwe, it describes how savings groups are set up to meet the need of members (mostly women living in informal settlements) for quick access to credit for daily needs. It also describes how these can develop to support their members in addressing collective needs and to help address difficult issues such as getting tenure of the land their homes occupy or getting land plots on which to build and access to services. This paper also discusses the difficulties that savings groups face – for instance when they lose momentum or when households cease to be active savers (for instance when they have got a house).

The paper includes detailed accounts of the role of savings in six national federations. For Kenya, it discusses how the savings schemes that form the Kenyan federation Muungano wa Wanavijiji began in Nairobi and now there are more than 150 savings groups in 11 cities. This expansion also underpinned a more successful engagement with the state that included negotiating land tenure and upgrading for many informal settlements on public land and new policies on resettlement for those on land unsuited for residential developments. This chapter includes a case study of one informal settlement, Kambi Moto, on how the local savings groups were key to negotiating a reblocking of the settlement so all existing residents (both landlords and tenants) got plots. Also, how space constraints were addressed by developing starter houses that could have two additional stories built on them when the household could afford this. There is also a detailed account of how savings schemes operate and the care with which savings are collected and recorded and of how the reason for savings groups that become dormant was investigated and addressed.

For Namibia, the paper described the growth of savings groups over the last 25 years and how the Shack Dwellers Federation of Namibia developed. By June 2012, there were 643 savings groups with 19,547 members and savings equivalent to US\$1.6 million. Community savings groups developed to help meet members' daily needs and then to include savings that allowed them to access land for housing and for

building and getting access to basic services. The Federation came to understand that savings group members had to learn to manage their own loans, reports and activity plans. By June 2012, federation members had completed 3,100 houses – and had also benefitted from 1,406 loans to get services and 1,556 loans to develop livelihoods. The chapter on Namibia includes testimonies from federation members about how this community-driven approach has improved their lives: securing affordable land and shelter, developing livelihoods and building members' confidence to act and speak out. Communities acting together were able to access resources that would have been unreachable to them individually. The strength of this community-based approach also encouraged the national government to accept the federation and to work closely with its members to provide funds and access to land.

In Malawi, the first savings group was created in an informal settlement in Lilongwe in 2003 and after this, the number of savings groups and the amount of savings expanded rapidly to form the Homeless People's Federation of Malawi (with 13,509 savers in over 1,000 savings groups in four cities). Some savings groups opened bank accounts but these offered very poor terms and interest rates for fixed deposits did not keep up with inflation so these were closed. The Federation savings groups had many successes including getting land for housing from Blantyre City Council. But there were challenges in, for instance, setting up savings groups for men, financing the allocation of land for housing (many savers exaggerate the scale of their savings in the hope of getting a plot) and creating a savings system that is accountable to savers. A national forum in 2010 with representatives from 616 savings groups brought a reorientation of savings groups so each saver saved 'for a cause' and with more careful monitoring of savings. The Federation is looking into how community savings can push local authorities to support their development projects with savings leveraging local government support.

Two hundred urban poor communities are members of the Philippines Homeless People's Federation across in 14 cities and 16 municipalities. Over the last decade, the Federation's savings programme progressively developed from 'piggy banks' for a few savers into a resource leveraging strategy that empowered

communities to drive their own development and address more complex and overarching needs. This is illustrated by the account of how savings schemes grew in the city of Iloilo and how these led to partnerships with the local government in resettlement processes, post-disaster intervention and housing and settlement development projects. In Iloilo, there are 626 savings groups spread over 23 settlements and the 5,587 individual savers have mobilised the equivalent of more than US\$600,000. There are a range of different savings types that includes savings for land and housing and for community projects. Area Resource Centres have been set up to manage savings collection, administer savings and loans and manage finance and reporting. The Federation and the Iloilo City Urban Poor Network have seats on various local government technical working groups and committees. Through these, the Federation was able to propose simplified procedures and more realistic standards for land acquisition and housing. It could also access logistical support from local government, craft policies that address the basic upgrading needs of urban poor communities and establish institutional support to community-driven initiatives.

The National Slum Dwellers Federation of Uganda was founded in 2002 and now has more than 400 savings groups in six cities. Chapter 6 draws on the testimonies of federation leaders and members to illustrate the ways in which savings are used to provide for the needs of members and mobilise an urban poor federation. It describes the central role of women in the federating process. It also describes the mechanisms through which savings built the federation's collective capacity to work with and influence slum upgrading initiatives. This was supported by a range of funds set up by the federation to expand the capacity to undertake development initiatives. This chapter also describes the challenges faced. These included the initial reluctance of women to join savings groups because so many savings schemes had not worked in the past, and the constant challenge to ensure absolute transparency and accountability in savings collection and management. They also include the difficulties in managing savings during periods of high inflation and in stopping evictions

Despite the economic and political difficulties in Zimbabwe, by June 2012, the Zimbabwe Homeless People's Federation had more than 51,000 savers in 635 savings groups in 73 urban centres with savings equivalent of close to a million dollars. Daily savings in each savings group is the foundation for the federation – and all savers also contribute to the Gungano Urban Poor Fund (a revolving fund that gives loans to savings groups to purchase land, install basic services or for small businesses). The initiatives funded by Gungano

help set precedents to show the capabilities of the federation to local government that also helps leverage support from national government and other external institutions. The savings groups also have special funds for savers for a range of other needs including accessing health care, purchasing land and meeting the costs of burials.

Some issues that all six federations have in common:

How daily savings and being part of a larger federation of savers appeals in particular to women.

It is mostly women who get engaged in savings groups, in large part because they are generally the people who need quick access to money to cope with short-term crises like sickness and running out of food (common events in the life of low-income households) or with eviction. Membership of a savings group provides the means for women to work together in addressing needs such as sourcing water and coping with children's sanitation in settlements with no toilet. It also provides the basis for savings group members to visit other savings groups and learn from what they are doing.

The importance for all savings schemes of keeping careful records and transparent recording of savings.

Each saver and savings' collector has a complete and up-to-date record of savings, loans and loan repayments. In most of the federations, each saver can add to their savings or take a loan each day as the savings group manager visits all members each day. It is easier for members to contribute small amounts daily than pay a larger amount weekly or monthly.

Membership of a savings group expands what is possible.

Community savings expand the perspectives of members beyond addressing their individual problems to looking at collective problems and possible responses. It is a great leap for someone to look at her own problems in the context of those of her neighbours and the rest of the community. This opens up a whole new universe for the women who through the savings group are able to engage with other women in their own settlement and in other communities in their city. It is the beginning of how a network and a federation begin to take shape. The stronger the savings group, the larger the community capacity to learn and move from supporting savings and providing loans to work on more complex projects that benefit the community. And the greater the ability to address problems and to stay together during crises. Regular meetings are also valuable for identifying leadership and understanding and addressing issues around evictions, lack of security of tenure and basic services.

The challenges in maintaining momentum and supporting active savings groups. Each of the chapters also discusses challenging and often difficult issues that savings groups face. These include savers who have stopped savings or who have withdrawn from the group, or around the fact that not everyone who saves actually participates in group activities. It takes courage for savers and their savings group to acknowledge these, and reflect within the group or wider federation on ways to address this.

As federations expand, so too do the range of loan finance they support. This includes savings schemes for particular groups (for instance youth) and for particular purposes (for instance land purchase or health care or enterprise development) and federation funds to support collective initiatives.

City-wide and national federation of savings groups help change relations for the better with local and often national governments. In each of the chapters describing the work of the federations, accounts are given of how relations with local and often national government greatly improved as the savings groups grew and demonstrated to government their capabilities. These included undertaking projects and the community-driven mapping and enumerations of informal settlements. Communities acting together were able to access resources and government support that would not have been possible were they acting individually.

Introduction

Celine d'Cruz

Community savings has always been a fundamental component of the practice of the organised slum/shack dwellers¹ who are part of the Slum/Shack Dwellers International (SDI) network.² This was true in the very early days in the 1980s, before the SDI network had even been dreamed of, when a handful of women living on the pavements in Byculla, Mumbai, began to develop their community savings strategies. It is still true now that the SDI network has grown into an urban poor movement working in around 33 countries.

Over the years, there have been many articles and papers documenting the federations' work on savings, both by outsiders and from within SDI. (See, D'Cruz and Mudi (2013); also Patel and D'Cruz (1993); Boonyabanha (2001); D'Cruz, McGranahan and Sumithre (2009); Mitlin, Satterthwaite and Bartlett (2011); and Archer, (2012).) This working paper is different from these since it is a collation of reflections by people from several SDI member federations, documenting their own activities. The objective for preparing this paper was to encourage these people to think critically about the processes they were engaged in and to build their capacity to articulate and write about their work. In many instances, colleagues from the support NGOs of the federations have worked as documenters alongside the federation leaders. But the documentation for this paper sought to open the space for both the leaders and the support NGO members to reflect on their national savings process. This began in 2012 with a workshop in Nairobi that included people from 12 countries. Here, we mulled over the best ways to go about documenting the savings process, the concerns that might be included and the forms these accounts might take. Then everyone went home to work on their contributions.

This process went more slowly than expected. As the drafts came in, they were sent back several times with questions that helped the authors, and the groups they

worked within, to reflect on what they were doing. It asked them to think about some of the uncomfortable issues that they might be addressing locally, but that they seldom think of sharing with others – despite an SDI culture that is very much built around sharing. Most of the federations' community exchanges and learning tend to be around things that have worked – not so much about what to do when things do not work.

Thinking about why groups get stuck and what it takes to get unstuck is not always easy. It took a lot of courage to acknowledge these, and to use that reflection within the team to find ways to release themselves from this inertia. The kinds of issues that came up were around savers who have stopped saving, or groups that lose momentum, around withdrawals, around the fact that not everyone who saves actually participates in the more general activities. These are real issues for those working with community savings and they have often remained unexpressed in past documents where the thrust was to prove to the external world how well the process works. The insights that grew out of this critical reflection were valuable, not only for our shared knowledge, but for helping us build yet another tool in the SDI methodology, one that we want to continue to build on with the hope that this process of questioning and self-documentation becomes another routine practice within the federations.

So what did we actually learn? First, to reflect on how community savings works, and why it is so fundamental to the members of SDI. Savings, more than any other process undertaken by the federations, has the potential to energise or weaken a local organisation. Money has the power to make or break. Money also has the power to attract the attention of the community and its leadership. The daily, weekly and monthly savings are a conduit for meeting and identifying leadership and understanding and addressing issues around evictions, lack of security of tenure and basic services. Very often

¹ The term 'slum' usually has derogatory connotations and can suggest that a settlement needs replacement or can legitimate the eviction of its residents. However, it is a difficult term to avoid for at least three reasons. First, some networks of neighbourhood organisations choose to identify themselves with a positive use of the term, partly to neutralise these negative connotations; one of the most successful is the National Slum Dwellers Federation in India. Second, the only global estimates for housing deficiencies, collected by the United Nations, are for what they term 'slums'. And third, in some nations, there are advantages for residents that their settlement is recognised officially as a 'slum'.

² See www.sdinetwork.org

city officials and financial institutions are attracted to this concept and ready to engage when they see financial possibilities and organised communities ready to engage and share the political risks.

The federations that make up the SDI network have chosen to work on issues of shelter and basic services that are often controversial politically and difficult to solve. But shelter and livelihood are two sides of the same coin and in the process of finding solutions for alternative housing, issues of livelihood cannot be ignored. The community savings mechanism becomes a tool for mobilising and creating a voice and an identity for the urban poor to engage around shelter and livelihoods within their cities. They are able, with their savings, to provide loans to cover immediate crises, to address their short- and medium-term needs around livelihood and to improve their living conditions, and the long-term issues of housing and basic infrastructure. Integrating these three aspects is what creates the distinction between community savings and microcredit programmes. Communities in the SDI network save in order to find solutions to both their individual and their collective problems. Positioning savings in this more holistic way automatically involves the women in these settlements, since they are generally the people who deal with the burden of finding solutions to short-term crises like evictions, sickness and running out of food (all of them common events in the life of a poor family).

Collectivising these needs and their solutions is very attractive to women as it lightens the financial, social and psychological burdens that result from the lack of money on a daily basis. Women experience how community savings helps them make a shift from addressing their individual problems to looking at the collective situation. It is a giant leap for someone to look at her own problems in the context of her neighbours and the rest of the community. This opens up a whole new universe for the women in these groups who are able to engage with other women in their own settlement and in new communities in their city. It is the beginning of how a network and a federation begin to take shape. This camaraderie is both empowering and comforting. Individual needs are not abandoned. They are solved – while collective needs are also addressed.

Where community leaders only see savings as finance (and thus also miss how they underpin community organisations) there are issues that need to be addressed in relation to sustaining the savings process and the groups that undertake it. Community exchanges become an important tool in supporting the learning and refinement of the savings concept. Only when communities are organised are they able to think of alternative solutions, build their collective capacity to prioritise their needs, design alternative plans and are ready to begin an engagement with their local

and national governments for land, housing and basic services. All this transpires within the savings meetings.

The contributions within this working paper make it clear that, while the principles of savings are similar for most groups affiliated to the SDI network, the way this process unfolds is different in different contexts. There is no ideal good (or bad) savings process. The emphasis is on maintaining a routine and a consistency. The more often the savings groups meet each other through their savings collections and transactions, the stronger the capacity of the groups to work on more complex projects. Savings made regularly are like the lifeline of the community. The community learns that there are no quick fixes and that sometimes there is a long wait for progress. The simple discipline of saving regularly prepares them for this and builds the stamina and strength much needed to sustain the movement for their long-term quest for shelter. For some groups, coming to the savings meeting is like going to Sunday church – it is not always a motivation for further action. The number of savers in a community or the amount of money is not always an indicator of the level of participation within a community. One of the concerns often mentioned is that not everyone who saves actually participates a hundred per cent in the process. This can sometimes be disheartening. Some savings groups grow while others shrink, which also reflects the impermanent nature of a people-driven process. The dependency on a couple of leaders to carry their constituencies without losing sight of the longer-term goals is not always easy to ensure and sustain. This highlights the need for community savings as opposed to individual savings.

The power of money, along with the collection of information about their settlements, is what makes these organisations sustain the process. This process is not about turning community saving into a mantra, but being able to recognise that money, if positioned strategically, has the power to make a difference in the lives of the low-income communities. Harnessing that power is the business of the activists and community leaders working towards building this movement. The process of articulating our collective experience also opens up the space for a collective reflection, and this helps all of us to come closer to the truth. This document contains some important insights that will help us continue to refine our practice.

1

Savings Schemes in Nairobi

Peter Chege and Susan Waniru

1.1 Introduction

Muongano wa Wanavijiji, Kenya's federation of slum dwellers, has been an affiliate of Slum Dwellers International since 1999. It has more than 150 savings groups in 11 cities. As with affiliates in other countries, its work to address eviction and the upgrading of housing and infrastructure in negotiation with government is built on a foundation of settlement-based community savings schemes. This section outlines the federation's history and achievements, and then presents a case study from one settlement that highlights key details of the savings group work on the ground that underpins these achievements. Although Muongano's successes have been substantial, it is also important to note that about one third of these savings groups have become dormant. This section draws on a 2011 survey exploring the reasons. An understanding of this is an important part of the kind of reflection and learning that is characteristic of the larger movement.

1.2 Background

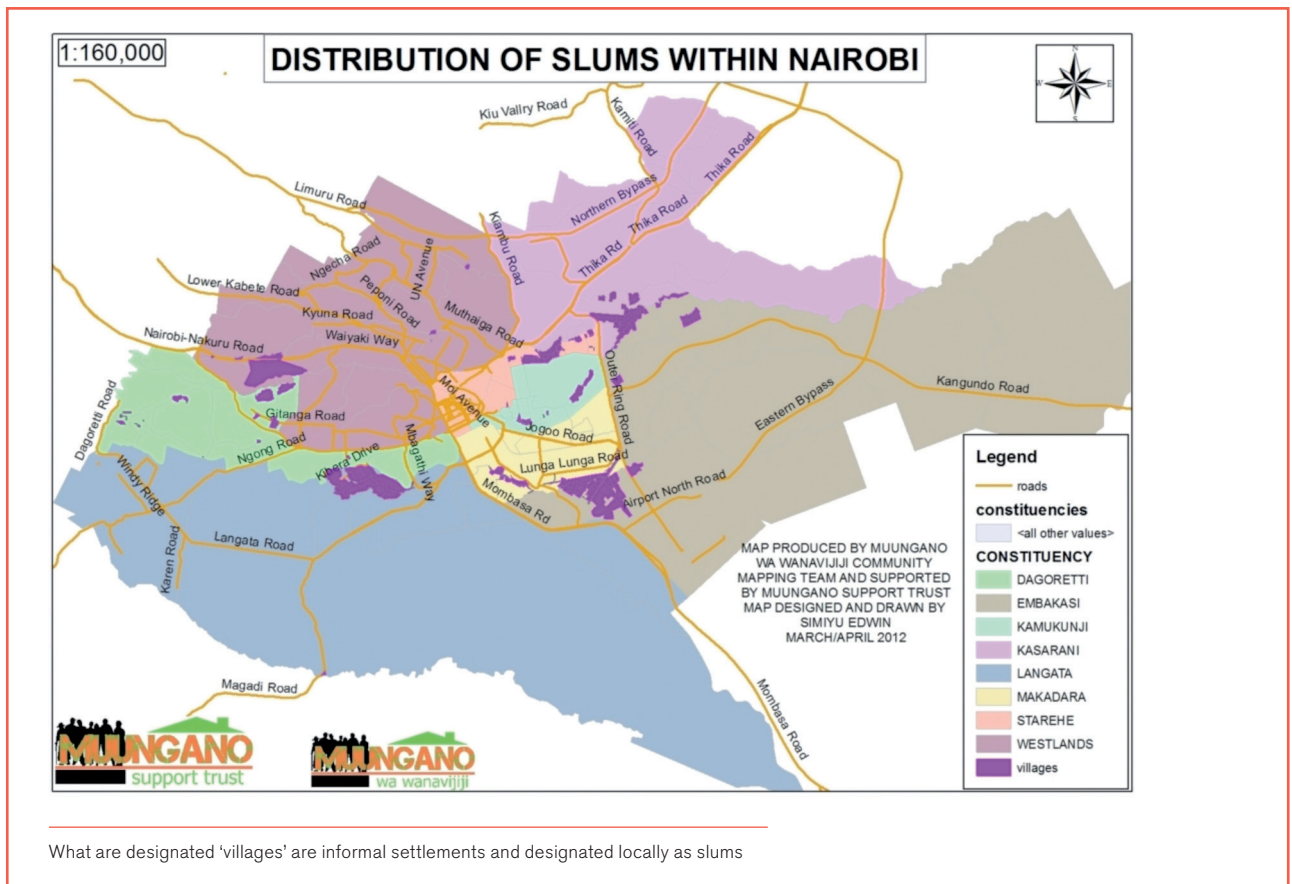
According to the 2009 census, Nairobi has a total population of 3,138,369 people. Half of this population lives in informal settlements, which occupy less than 5 per cent of the land in the city (Figure 1). In 1996 the community-based organisation called Muongano wa Wanavijiji (federation of slum dwellers) emerged in response to widespread forceful slum demolitions

in the city, mostly the result of the politically motivated transfer of public lands to private hands. In some cases slums were being removed because they were located on utility reserves; in other instances the evictions were carried out purely for city beautification.

In 1998, the Muongano wa Wanavijiji community activists developed links to movements of slum dwellers in other countries through Shack Dwellers International. These connections influenced the way Muongano framed its approach to slum evictions. First, their approach evolved from a demand to government for an end to slum evictions into engagements that sought to achieve win-win solutions to land disputes, as well as proactive actions such as upgrading of the slums. The second influence was on the structure of the movement, which evolved from a group of individual activists into a federation of settlement-based community savings schemes.

The latter shift changed the engagement on forced evictions in several ways. Many more slum dwellers became involved – the creation of settlement-based community saving groups provided the space for ordinary men and women living in the slums to contribute to issues affecting their settlements. This had a tremendous knock-on effect: confrontation shifted to negotiation; the community demand sharpened considerably from addressing the entirety of government into specific interactions between settlements and the government departments responsible for land issues; and most significantly, each settlement acquired a face,

Figure 1: Slums located within Nairobi



a unique identity with an individual case to make and a recognised leadership with whom to hold discussions.

By 2002, within three years of the consolidation of Muungano into a federation of community saving schemes, the number of eviction threats resulting in actual evictions had declined to almost zero. Instead, government had adopted slum upgrading as an approach and some settlements situated on uncontested lands had embarked on housing and infrastructure upgrades. Over time the federation spread to towns and cities outside Nairobi. By 2000 there were 37 groups. In 2002 there were 167 and in 2003, 252. Two years later more than 400 schemes had been established.

1.3 Muungano's growth and evolution

The initial thrust of Muungano was *horizontal*: to grow the number of savings schemes across Kenya. To sustain the more than 400 groups that emerged across the country in the first seven years, the federation developed area-based clusters of schemes that

acted as learning and support nodes. These were called local networks and they were the beginning of a *vertical* system of accountability for the growing national network of savings groups. Subsequently, city networks and a national coordinating office were formed. Accompanying this vertical structure was the development of slum upgrading projects and service delivery relationships with cities; these acted as models for emerging community saving groups.

Tenure and upgrading on public lands

Initially the federation focused on achieving land tenure rights for slums situated on public lands. By organising slum communities through savings and undertaking settlement enumerations, a process of dialogue with the Nairobi City Council was born in 2001. By 2003 the Council had passed a 'Full Council Resolution' giving five settlements on public land 'special planning area' status. This anchored the process of upgrading of these settlements. The resolution meant:

- A model for the transfer of tenure rights to residents living in slums situated on council lands had been adopted and tested.

- A framework within which the federation resolved intra-settlement contestation between owners of the slum structures and their tenants on the right to be recognised as bona fide beneficiaries of the upgrading. A community consensus procured by the federation held that both tenants and structure owners had equal rights of access to the lands.
- The resulting slum upgrading provided a model for an *in situ* solution that provided affordable housing and accommodated high population densities, ensuring the inclusion of marginalised groups such as single mothers, the elderly, the infirm and the very poor. This was enabled by exemptions from city building standards attained through the special planning area status.

By 2007, the federation had signed a memorandum of understanding with national government agreeing that all slums sitting on uncontested public lands would be considered for tenure regularisation through the special planning area model.

The case for relocation

Many of the public lands where slums are on infrastructure reserves such as land each side of roads or railways or underneath power cables. Many other slums are located on lands that are unsuitable and dangerous for residential use, including riparian reserves and wetlands. The usual course of action by government on these has been and continues to be the removal of the slums.

In 2004, the government issued eviction notices to all slums on infrastructure reserves. This triggered a process initiated by the Kenyan federation that invited delegations of senior government managers to visit India to see the solutions developed there to railway and other infrastructure encroachments, and to discuss these solutions with their Indian government peers. This process was facilitated by the SDI affiliates in India.

This motivated the Kenyan government to undertake a World Bank loan towards resettlement for all slum dwellers living along the railway reserves in Nairobi. The Kenyan federation was requested to develop a resettlement plan, based on the federation's methodology of savings mobilisation and enumeration. The implementation of the project, resettlement of 10,000 slum households and businesses, is currently ongoing.

The 2007 Memorandum of Understanding (MoU) did not lay out provisions for situations where slums were located on public utility reserves or lands unsuitable for living. However, other civil society organisations (including Haki Jamii – Economic Social Rights Centre – and Kituo Cha Sheria) had a parallel campaign

aimed at getting government to set guidelines for evictions, regardless of the nature of tenure dispute. The railway relocation action plan fed into this campaign. Agreements that were reached to enable realisation of the relocation plan were taken up by the anti-eviction campaigners and framed into what was to become the first draft of an Eviction Guidelines policy proposal. In 2008 this first version of these Guidelines was adopted by the Ministry of Lands for development as a policy document. Kenya's revised constitution, promulgated in 2010, adopted the principals of the Evictions Guidelines. Subsequently, a government taskforce was set up to draft a legislative Bill which would regulate eviction conduct. HAKI Jamii ESRC represents civil society within the taskforce. A model for relocation had been established.

The strategy on private lands

Currently, the federation is working through its strategy on privately owned lands. Approximately 50 per cent of Nairobi's 1.6 million slum dwellers have not directly benefited from the policy gains achieved on public lands. In Kenya, city authorities have little power to intervene in disputes over private lands. Further, these lands do not and cannot attract government investment in infrastructure – leading to seriously poor living conditions. For instance, a 2011 USD 100 million World Bank-funded national urban infrastructure programme, the Kenya Informal Settlement Improvement Programme (KISIP), specifies that infrastructure investments will be limited to slum settlements located on public lands. Therefore, the federation in Nairobi seeks to set a precedent in unlocking private land for investment by the city.

In all previous federation strategies to address systemic challenges, the desired policy position has been attained through the development of 'precedent setting' projects. These show what the federation is capable of and create a strong constituency for positive change. The federation has embarked on a greenfields housing development to accommodate 2,000 families currently living on private lands. This housing project is underscored by a popular campaign called the Jubilee Land Campaign, the culmination of which coincided with Kenya's 50-year independence celebration in 2012. The campaign targets privately owned slum lands in the Mukuru slum belt in Nairobi – with a direct impact for an estimated 20,000 families. It draws in a broad range of stakeholders on the formulation of financial instruments and legal precedents that inform appropriate legislative means of resolving the land dispute between ownership rights and community possession rights.

1.4 The foundation of Muungano's success: a case study of the savings group in Kambi Moto

Muungano's successes in addressing systemic challenges in government policies and in the lives of its urban poor have been substantial and far-reaching. Yet these achievements are built entirely on the modest daily work on the ground of its numerous community savings groups, the building blocks for all higher level activity. In order to understand the federation, it is critical to understand how these savings groups operate day to day, and the most concrete way to do this is to look at the history and practices of one of these groups. What follows here is an account of the savings group in Kambi Moto settlement, drawing on information from local residents and savings group members Peter Chege and Susan Waniru.

Kambi Moto, located in the Starehe constituency (Figure 2) was established in 1975 as a market for vegetables and charcoal within a Nairobi City Council estate. The chief, the District Officer and village elders allocated stalls to government officials. By 1978 the population in this area had increased and the traders put up slum housing on the land; ten years later, there were 600 business and residential structures. On 20 December 1995, a fire destroyed almost every home in Kambi Moto, and most structures erected after that were residential. Three other serious fires in 1997, 1999 and 2004 earned the settlement the name Kambi Moto, or 'camp of fire'.

Kambi Moto's savings group was started in the year 2000 by five women. They heard about Muungano from women in a settlement nearby (Redeemed village), and each began saving 10 shillings a day (equivalent to around US\$0.12 at this time). Over the next year, the membership grew to 30. When the village burned down in 2002, the number grew to 150. Current membership (as of 2013) is 306, with 187 females and 169 males. The objectives of the group are to secure the land they lived on and upgrade housing for all residents, to prevent the tragedy of fire outbreaks, and to fight drug and substance abuse among their youth. Projects associated with their group have included not only housing, but also car wash, poultry raising and catering businesses.

In 2001 the Kambi Moto group joined a network of five other settlements in Huruma, (Mahira, Redeemed, Upendo wa Ghetto, Madoya and Gitathuru). Most of these groups had formed between 2005 and 2011 – Upendo wa Ghetto and Gitathuru date back to 1996. This network set up an advocacy team to negotiate with Nairobi City Council for land. They carried out

enumerations in five of the six Huruma settlements. Madoya settlement was the exception. Almost all the structures in the settlement belonged to one family and by threatening their tenants with eviction from their shacks the family managed to resist an enumeration.

The network then took the enumeration reports to the City Council, which had never before seen such a level of detail and community organisation and realised that this was a model that could be extended to numerous other slum land disputes that they had to deal with. The council agreed that the best course of action for the Huruma settlements would be upgrading, which led to the development of an MoU that sought to anticipate the next steps to take. At a later date the MoU would form the basis for a full council resolution that declared *all six* Huruma slums to be special planning areas for slum upgrading.

Kambi Moto applied the SDI house modelling tool as a way of determining how the space would be distributed among residents. A significant factor in this discussion on entitlement was that 90 per cent of the residents in Kambi Moto were also members of the community savings scheme. The impact of a strong saving scheme was illustrated in the distribution of individual opportunities for housing.

Both the owners of the slum structures and their tenants had equal access to housing plots. Of the 270 housing units planned for Kambi Moto, 94 will go to structure owners and 176 to tenants. The broad principle in this is one family – one house. The saving scheme negotiated with absentee and multiple structures owners to settle for a single housing opportunity without compensation for their other structures.

Gender and child concerns were also addressed in the upgrading. Ninety five of the 270 beneficiary households are female headed. More significantly the community agreed that the names of every member of the families should be entered into the land and house ownership documents to protect all family interests.

The house modelling exercise also produced consensus on house types to be developed in Kambi Moto. In July 2003 construction started. An initial phase of 34 houses was built over an 18-month period. In subsequent phases, 28 and 26 were built, each phase taking significantly less time. The third phase was completed in six months. The fourth and last phase of 50 houses, undertaken in 2011, represented a major change. All previous phases had been financed by the federation's urban poor fund, Akiba Mashinani Trust. The fourth phase was entirely financed by savings of the Kambi Moto savings scheme members.

Kambi Moto has a structure density of 252 shacks in an acre (around 0.4 of a hectare). To accommodate the settlement's entire population each upgraded house has a footprint of 3.5 metres by 4 metres with two additional

rooms incrementally constructed above the ground-floor room. Accommodating the Kambi Moto densities would not have been possible without additional storeys.

A significant link between the savings and construction model is that the houses could be built incrementally. A member can built a 'starter unit', which consists of one room with a kitchenette, toilet and shower. This requires a 20 per cent loan deposit that is currently US\$300. Later, when they have saved enough to place further 20 per cent deposits, they can construct two other bedrooms.

The choice of building technology was also suitable for the community savings model. Kambi Moto, influenced by exchanges with the Indian federation, adopted a pre-cast floor and roof slabs called ladhi slabs. The ladhi slabs are cast by community members on the construction site. This allows the community to take complete charge of storied construction. Conventional methods of storied house construction would not only have required far greater technical input by contractors, but it would also have pushed the cost of housing far

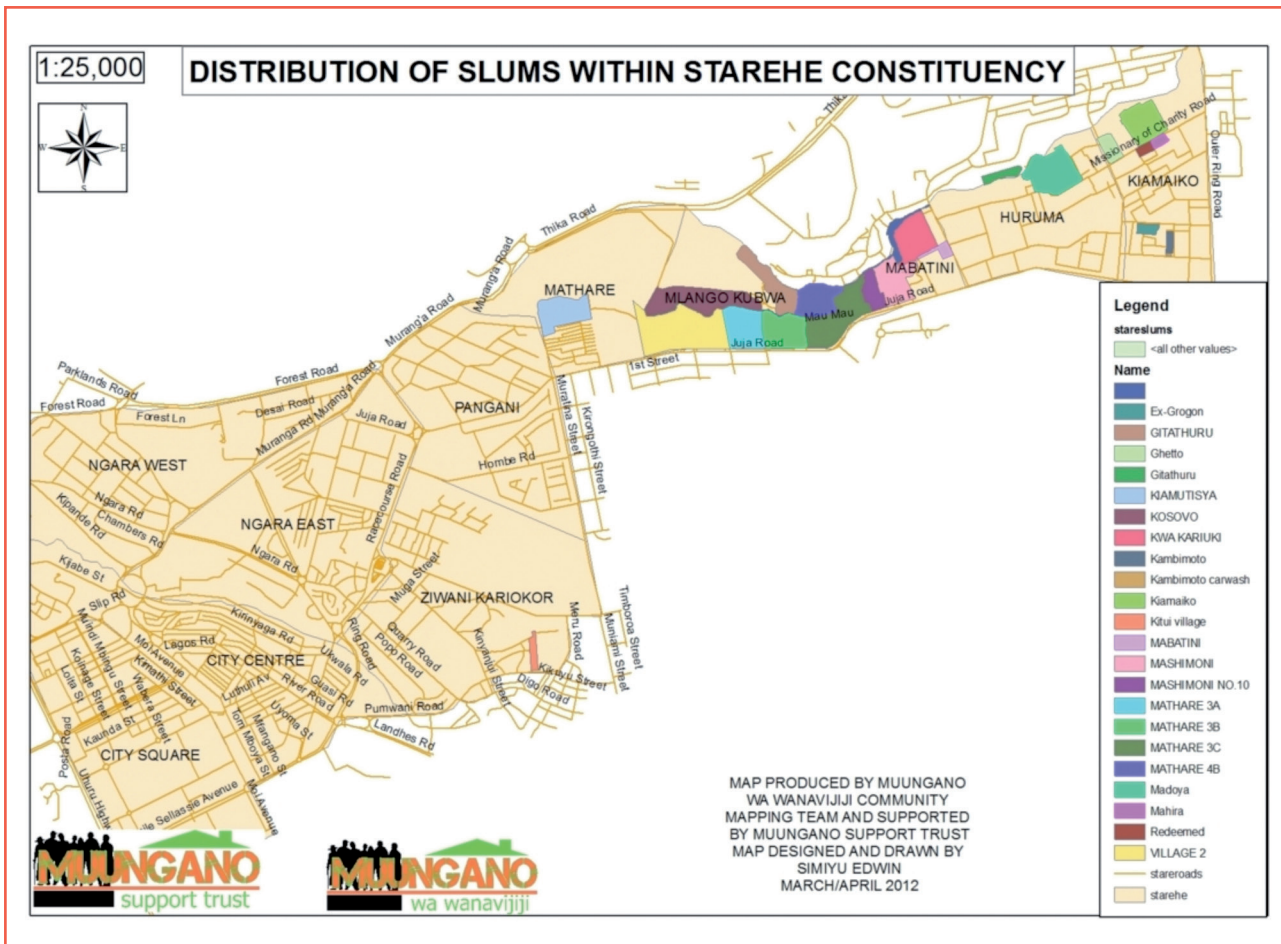
beyond the reach of the community. As it stands, the average house costs US\$5,000.

When a review of the saving scheme was undertaken in 2012, the group had US\$18,125 as savings in the bank. They also had two other bank accounts, one for the housing project and another for group administration. The group also had US\$750 share investment in the Nairobi Stock Exchange. The group runs its own internal micro-finance scheme where members can access loans up to US\$1,150. Forty members have benefited from loans of this amount, and many more have taken smaller loans. The group has participatede in all activities of the federation as well as SDI activities globally, having 20 members with passports. .

Susan Wanjiru describes the Kambi Moto group's practices and activities.

"We meet every Sunday. The first thing we do is pray. We read the minutes (from the previous meeting). Afterwards, we select the collectors for the week. Three collectors. We can have two women and one man for

Figure 2: Slum settlements within Starehe constituency



security. When collecting, we go either in the morning or evening so we can have a man for security. And of those three collectors, one is to carry the collecting book, and one carries the small books. Like now this is mine (holding up her members savings passbook). It's with me, and when the collectors come, they find me with my book and maybe with something to save.

"They come and call out, 'Muungano' (federation), and I reply, 'Nguvu yetu' (our strength). Then I see that they are the collectors we selected on Sunday. Then whatever I have... We don't have a limit of saving. This is because we have small businesses. Most of our federation is not employed. They have the small amounts. So when the collectors come, and let's say it's a day like yesterday. The collectors came and found me with 20 shillings. So that is what I will save because that is what I have. And if I don't have, there is no problem. I do not feel guilty that I do not have savings that day, because tomorrow I might have.

"So I give the collectors my 20 shillings. So one writes in the collector's book, one takes the money, and the third one writes in my passbook. Then I have to look at what they write, because in the past we have faced some challenges. I might give one hundred shillings and if I do not look at the collecting book a corrupt collector can write ten shillings. So I look at what has been written in the collector's book and what is written in my passbook. We have another book for recording – which the secretary also goes through and records what I have saved and sometimes they see that there is a mistake.

"My passbook may say I gave one hundred but the collector's book will say I gave ten shillings. So I could face a problem. And in our book we have the saver's number, the saver's name, and the amount we have saved. We also have the collector's name and signature and we also have the total amount. So if there is a problem in the collecting we have to face the three collectors and we check the writing thoroughly. And sometimes you find that I, for example, have been selected to be a collector for the week. But I have work that week so I get someone else to collect on my behalf. And when he or she is filling in the collector's name, they have to write my name. So if there is any problem I have to answer.

"And at the end of the day the collectors go back to the treasurer and present the money collected that day. About the treasurers, we propose that they have to be women – so most of the treasurers in our saving schemes are women. This is because women are the most available in their homes and they understand the importance of savings because when problems arise in a slum you find women suffer the most. Then the treasurer will check if the amounts are correct. If the

amounts and records are correct the treasurer will take the money and sign that she has received the money. After two or three days the treasurer must take that money to the bank and return with a banking slip. So when we meet on Sunday, the treasurer will have two or three slips and will give a report of what she or he has collected the whole week and how much we have banked. And if we have a cash float they also have to report it. They will check our passbooks to see how we have recorded. And we tell our members, if you have money and maybe you are in town, you can bank that money. So we give the members the account number. If he or she banks, then at the collection time they can give the banking slip to the collectors and it is recorded in the ordinary way. The treasurer also records this and reports in the Sunday meeting. We do this so that the treasurer is transparent and every member can see what has been collected, banked and what is at hand. So in our meeting all bank slips are presented and must tally with what is written on the blackboard at the meeting hall.

"After every month, internal auditors of each group give a report on how much money is being collected and how much is being loaned. The auditors are a team of five from the same group who are different from the leaders, treasurers and secretary. But after three months we have network auditors from outside saving schemes who come to compile everything. Also we have a team called the Muungano Development Fund (MDF), which gives loans to the group. The MDF is formed within a local network which has different saving schemes. We have a project team that deals with projects. We also have the welfare and the youth team, which has its own activities.

"We also have challenges in savings. In Kenya we have daily savings, but you can see some members are not able to save daily. And sometimes we check on members when they change how they save to see what the problem is. For example a member saves three times a week but changes and starts saving once a week. In some cases we give small loan amounts to lift up members with problems so they can go back to their normal saving rate.

"This is our normal savings activity, as we work to fulfill our vision for the community. So we have to push people to save daily so that they can achieve their vision. It's a good activity as it keeps us busy and because of those challenges we are able to know each other and trying to solve our own problems. 'Muungano'... 'nguvu yetu'".

1.5 Why some groups become dormant: the 2011 survey

Although all the federation savings groups share certain basic principles, their circumstances differ and their level of activity differs. Kambi Moto is typical in some respects, but there are also groups that have failed to generate the commitment and energy that is evident in Kambi Moto. Some have become dormant over time, and it is critical to understand the reasons why these groups failed to evolve and develop.

As a result of all the rapid horizontal growth, federation building, development of models for different kinds of land, and the numerous projects on housing, water, sanitation and livelihoods, the national Muungano leadership was unable to give the kind of attention it would have liked to individual groups. Pulled away to service new frontiers for the federation, the leadership found it increasingly difficult to keep tabs on groups.

In 2011, the federation developed a team that would check on every saving scheme. Their inventory of savings groups in Nairobi was the first phase of a national inventory process that would form the basis for future actions by the federation. The information collected in this process deepened the federation's own understanding of its approaches – an unintended benefit. By putting information together from the community schemes, previously unseen trends became visible, including the dormancy of many groups, and the understanding of the dynamics underlying successful savings was thus enhanced.

The process of gathering information

This 2011 inventory built on an established activity that the city networks undertake – the identification of all slums within their city.³ This is done mainly to frame the activities that communities undertake at the scale at which municipal governments work. In Nairobi this process, last updated in 2009, had identified 174 settlements, and enumerations had been conducted in each. The federation's operational records established the existence of Muungano schemes in 89 of these settlements. The 2011 inventory survey consisted of follow-up visits to all settlements with a saving scheme; GIS imagings of the city were used to aid in

identification of the settlements. There were interviews with scheme members and officials and reviews of scheme documentation. In some instances the team sat in on the weekly scheme meetings attended by members. The interview process was guided by a set of questions to record standard information about the saving schemes. Further open-ended interviews captured more detail and nuance about different groups' operations.

In instances where the boundaries of slums had not been established in previous data-collection processes, the team worked with local federation and other settlement leaders to rectify this. A walk around the boundary was then plotted on an aerial image, and the transfer of data to electronic format, editing, analysis and presentation was undertaken by Muungano's support NGO, Muungano Support Trust (MUST).

Findings

The 89 slums with community saving schemes were found to have a total membership of 6,155 slum dwellers. However, it became apparent that fully one third of the savings schemes were no longer active. Of those that were dormant, 14 still retained a communal bank account and held a total of US\$7,926 in member savings. But this amount was negligible compared to the US\$149,082 collectively held by the 58 active schemes. A number of characteristics of the groups were explored in the effort to determine what lay behind dormancy or activity – among them, the age of the groups, their gender make-up, the model of savings that they employed and the kinds of projects they had been engaged in. External factors, beyond the control of the group, were also considered.

Age of group: Groups can vary considerably in age. Some groups have been around for as long as 15 years, others have only recently been formed. Kambi Moto is among the older groups, having been in existence for 12 years. As Table 1 indicates, the vast majority of dormant groups were either among the original groups or had been around for some years. The age of the group does not necessarily determine whether it remains functional or stops carrying out activities. But it certainly plays a role. Only a small fraction of the newer groups had stopped functioning, but one third of the older groups had. Frustrations that accumulate over time clearly can discourage members. This information is perhaps not all that revealing, however. The longer a group has existed,

³ The members of the team that led the rest of the Muungano members in carrying out this exercise included: Emily Mwangi – Mathare Saving Scheme – Nairobi Eastern Region; Felistus Ndunge – Muungano Mariguini Cooperative – Nairobi Southern Region; Henry Otunge – Korogocho Saving Scheme – Nairobi Eastern Region; Ida Muthoni – Kibera; Joseph Mwendo – Mukuru Saving Scheme – Nairobi South Region; and Wilberforce Onyango – Toi Market – Nairobi Southern Region. The research design, logistical support and reporting generation aspects of the inventory were undertaken by Edwin Simiyu and Jane Wairutu from Muungano Support Trust.

Table 1: Age and activity of savings groups

STATUS	AGE RANGE			TOTAL
	NEWLY FORMED	OLDER SCHEMES	FOUNDER SCHEMES	
Active	17	21	20	58
Dormant	2	10	31	31
Total	19	31	39	89

the more opportunity there is for it to become either more or less active. And it is unlikely that a group would form and immediately cease to function.

Gender make-up: Currently, federation membership in the city has a gender ratio of four men to three women. All the savings schemes were categorised by the team into groups based on the extent of their female participation (Table 2). Of the 89 schemes, only three had very little participation by women, but of these three only one remained active. At the other end of the scale, only one scheme with high female participation had discontinued its activities. In other words, active status appears to be closely tied to the level of women's involvement. The gender ratio of groups in Kenya is atypical of most SDI-affiliated federations around the world, where the participation of women is usually far higher than that of men. While the reasons for higher male participation has not been established, it was flagged as a matter of importance for the federation to consider, since it clearly has an effect on outcomes.

Savings models: Instead of collecting savings door-to-door on a daily basis, as in Kambi Moto, many of the dormant groups had adopted weekly or monthly savings models that did not necessarily entail door-to-door collection. It appears that this compromised aspects

of communication and responsiveness to community needs, as well as discouraging the daily commitment from members that is fundamental to the process. The safety of savings was also entrusted entirely to the leadership and lacked the kinds of checks and balances described by Susan Wanjiru as integral to the Kambi Moto practice.

Projects and networks: The functional status of groups also appeared to be related to the functioning of the local network. Active groups identified with their local networks and engaged actively with them. In the case of Kambi Moto, for instance, it was through the local six-village network that much of the group's activity was accomplished. By contrast, many members from dormant groups failed to see the role that neighbouring groups within their local networks could play in their situation.

Although a lack of projects was identified in a number of dormant groups, this was not necessarily the reason they folded. It appeared rather that causality went in the other direction – that projects were an outcome of active groups, and that once established, they bolstered the membership and energy of a group, contributing to its further activity.

Table 2: Group status by gender participation

GROUP STATUS AND GENDER RATIO					
STATUS	GENDER RANGE				TOTAL
	VERY LITTLE FEMALE PARTICIPATION	LESS THAN EQUAL FEMALE PARTICIPATION	STRONG FEMALE PARTICIPATION	HIGH FEMALE PARTICIPATION	
Active	1	13	35	8	57
Dormant	2	13	15	1	31
Total	3	26	50	9	88

Land tenure: The type of land tenure in a settlement has had an impact on both the establishment of community saving schemes and their subsequent survival. Settlements situated on public lands, like Kambi Moto, appear to adopt the community savings model more readily than those on privately owned lands. Settlements where there is active dispute over privately owned land have the lowest savings adoption and savings group survival rates. This is seen as one reason that half the settlements in the city have not taken up the Muungano organising model. However, threats of eviction appear not to affect community organisation in the same way that the type of tenure does. In fact the higher the immediate threat level, the more responsive communities are to community organisation and the adoption of community savings.

Leadership issues: Interviews with members of dormant groups revealed the importance of group leadership. In some cases there had been poor or authoritarian leadership. Some leaders, for instance, had lost savings or the documentation of savings. In other cases strong leaders or key group members had relocated from the settlement, and there had been a failure to manage leadership transitions. In some places, the leadership of the group had been hijacked by party political processes, or the group itself had been absorbed into other interventions within the settlement.

1.6 Conclusions

It is clear from Muungano's achievements over the last decade and more that even in a context where one third of the constituent savings groups have failed to be sustained, the movement itself has had the capacity to grow and make constructive changes in the climate of urban poverty in Kenya. However, the movement's strength relies on the strength of its constituency, and an understanding of what stimulates or discourages the vitality of individual savings groups is critical. The capacity to focus not just on successes, but to identify failures and learn from them is a signature of the movement and key to its overall health.

2

The Role of Savings in Namibia

Edith Mbanga, Selma Namwandi, Albertina Shenyange
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Hendrina Shuunyuni, Anna Muller and Shellie Price

2.1 Background

This case study reports on the experiences of low-income urban communities in Namibia addressing their needs through their own collective organisations.⁴ The first initiative started before independence in 1990 in the capital Windhoek and this developed into a national movement of urban and rural poor.

Before independence, the urban poor in Namibia lived in overcrowded houses built during the apartheid era in formal townships. Informal settlements and backyard structures were not prominent features of the urban landscape due to strict controls on people's right to move to urban areas until 1980 and the fact that most of the authorities in formally declared urban areas strictly enforced a zero tolerance policy for both informal backyard structures and for informal settlements.

After independence, the urban population in Namibia increased rapidly, from 27 to 42 per cent of the country's population, changing the traditional mainly rural settlement patterns of this sparsely populated country of 2.1 million people. This meant a rapid increase in the number of urban settlement areas.⁵ As a result of the lack of capacity on the part of the state and private sectors to respond to the needs arising from this, the proportion of the population living in informal settlements and shacks increased significantly. According to a report by the Institute for Public Policy Research, only 2 per cent of the lowest-income citizens in need of housing have been able to access housing through government funded programmes.⁶ The largest urban area, with 29 identified informal settlements, is the City of Windhoek (with a population of 325,000 people), followed by Rundu and Walvis Bay, each with a population of about 61,000. What are

⁴This case study is compiled from stories narrated and written by members of the Shack Dwellers Federation of Namibia and edited by staff from Namibia Housing Action Group (NHAG). Contributors and editors included Edith Mbanga, Selma Namwandi, Albertina Shenyange Niloike Niingungo, Elizabeth Amakali, Viviane Kandundu, Hendrina Shuunyuni, Anna Muller and Shellie Price.

⁵In 2009 Namibia declared 15 municipalities, 15 towns, 17 villages, and 50 Settlement Areas. There are also non-declared settlement areas.

⁶Calculated over 2007/2008 using National Housing Enterprise, Build Together Program of the Ministry of Regional and Local Government, Housing and Rural Development and Shack Dwellers Federation of Namibia Data, and using a backlog of 75,000 in the income segment up to N\$4,600.

termed non-declared settlements have also developed spontaneously around areas of economic activity, without yet having been identified as settlement areas.

The number of households living in over 235 informal settlements is now close to 130,000⁷ – 25 per cent of Namibia's population and around 70 per cent of its urban population. The people living in these insecure areas lack proper sanitation and have limited opportunities for development. Their incomes are too low to afford formal housing. The National Government's Build Together Program, which provides subsidised loans makes it possible for households to borrow money to construct their own houses. But the lack of available and affordable formally developed land on which to do this is a serious constraint, meaning that the majority of the urban poor are unable to improve their shelter conditions.

2.2 The early days of savings in Namibia

The Namibian homeless, led mainly by single mothers, started to organise themselves in Windhoek during the 1987 United Nations International Year of the Homeless, three years before independence. Saamstaan (Standing Together), the first group to come together to address their housing issues collectively, also initiated Namibia's first Credit Union. This brought the concept of saving together to address their needs to the urban poor in Namibia for the first time. Groups in Keetmanshoop and Mariental followed Saamstaan's example and by 1992 there were eight communities organising themselves to address their shelter needs. They formed a voluntary association of housing groups called Namibia Housing Action Group (NHAG) in 1992, with a Support Service unit to assist them.

The initiatives of these communities resulted in the development of different savings models, including savings to meet basic daily needs, to access land, to secure loans for building houses (which later became advance payments on house loans) and to access basic services. The learning and sharing from these models among housing groups and low-income communities led to the development of a locally owned, community-led saving model which became the organisational tool for a people's movement. Around independence in 1990, vacant plots became available to households for

purchase⁸ in the North Western Suburbs. Saamstaan members extended their basic needs savings to saving for the deposits required to buy their own land. Saamstaan managed the first housing credit initiative and those with land started to save to qualify for housing loans.

Edith Mbanga, who later became one of the key facilitators of the Namibian Federation, joined Saamstaan in 1992. She recollects that at that point the notion that a person could build his or her own house in an urban area was unheard of in Namibia.

“After hearing in the beginning the idea to build a house yourself, I went back to my small room – thinking this ‘Building your own house’ was not for me! But living in the small room with my family was not good enough and I went back to Saamstaan.”

She explains that, initially, saving with Saamstaan was to allow them access to loans when required for daily needs like food and school fees. This was followed by larger savings, which were initially used as security for the house loans. The Saamstaan savings were held at the office where staff members⁹ received the money and did the bookkeeping. Although a finance committee was informed by the staff about how much money was paid in and paid out, the members had very little idea about how the money was being managed, and just listened to what the staff reported at the annual general meeting (AGM).

As the number of groups in Namibia increased, the need for replicable savings and credit models grew. The Namibians learned for the first time about daily savings in 1995 when members of the South African Federation came for an exchange. This was followed by a visit to South Africa by five women (including Edith) and one man. This was Edith's first exchange and her first time on an aeroplane. They learned how a community group could manage and monitor its own savings, approve loans collectively, be accountable to each other by opening their own accounts and share knowledge on a regular basis. With the lessons learned in South Africa, the Namibians embarked on a new way of recording their savings that could be managed by the community members. Initially only Edith's group, People Square, followed this new process; later other groups followed.

⁷ Estimates from the Informal Settlement Profiles facilitated by the Shack Dwellers Federation of Namibia (SDFN) and Namibia Housing Action Group (NHAG) in collaboration with the Ministry of Regional and Local Government, Housing and Rural Development (MRLGHRD).

⁸ Land was mainly available in the low-income areas with a house constructed on it. These houses, constructed by a para-statal called National Building and Investment Corporation (NBIC) were not affordable to the poor.

⁹ Saamstaan as an association employed staff and was also supported by a group of professionals in the Saamstaan Support Committee.

Exchange visits became the core approach to learning. According to Edith

“The exchanges helped us a lot by letting us learn from others. Groups came to visit us and we visited India and learned daily savings, which I committed myself to implement in Namibia... Members’ leaders would come together from different settlements and I asked them to go back to their informal settlements and start saving groups there. This is how we were able to establish saving groups in all the informal settlements in Windhoek... People really did not believe that they would eventually get a house from one dollar saving per day.”

According to Elizabeth Amakali from Longashoye Saving Group in Windhoek, when people come together as groups to share their needs and make savings, they share information around issues affecting them, they build communication and assist each other. Through this, the savings groups become families. One lesson that they learned was that the community is better mobilised through sharing personal experiences. As Edith Mbanga explains,

“...we need to tell our own story first rather than try to explain the process. We learned that we do not mobilise with an explanation; we have also realised that we need to talk about our own experience when we are mobilising people.”

In this way, says Edith, members are encouraged, are able to understand the process and relate it to their needs.

With the greater exposure to other practices, the process of community-led savings became linked in time to the idea of a poor people’s fund that could provide greater access to credit. The housing groups affiliated to NHAG decided at their Annual General Meeting (AGM) in 1996 to establish their own loan fund and name it ‘Twahangana Fund’. It started off as a savings and loan project, involving ten housing groups. Edith and other members formed a Twahangana team and joined the Support Service to visit communities in the south of Namibia, organising new groups in Keetmanshoop, Maltahohe, Gibeon, Schlip and Rehoboth. The Twahangana Fund allowed members to borrow for the construction of houses, development of services, income generation, credit and other community ventures. This new initiative would serve to inform the methodology and organisational model of the Shack Dwellers Federation of Namibia, a national network of the organised urban and rural poor.

2.3 Forming a people’s movement

But the work moved slowly, and in 1998, according to Edith, the NHAG members and their Support Service felt the need to re-examine their process. With the assistance of Joel Bolnick from South Africa and Lindi Kazombaue from Windhoek, the NHAG members evaluated their activities and process and decided to become a people’s movement called the Shack Dwellers Federation of Namibia (SDFN). This happened at their annual meeting in the presence of members from the Zimbabwean Federation and their NGO staff. The SDFN initially came up with a ‘governing body’ for the Twahangana Fund, which consisted of one member from each of the five federation regions. The word ‘governing’ confused the members, however, as they interpreted it to mean that they controlled all the activities in the region and that everything had to go through them. This body had to approve all loans, for example, and this was a slow process. The fact that the groups had no role in loan approval also resulted in a lack of ownership in the process.

As they learned about how federations in other countries organise themselves, the Namibian federation started to realise that the group members have to do the work themselves – own their activities and manage their own loans, reports and activity plans. Elizabeth Amakali explains how they worked in Windhoek to create and build this kind of ownership in the federation. The 141 groups in Windhoek divided themselves into networks to enable more people to participate in the federation work. Working in networks eased the collection of reports to measure the progress of the groups. It also became a learning process whereby one group with skills to solve a problem could share their experiences with another group facing a similar problem. The network structure also proved cost-effective in that no funds were required for travelling, as other network members were living in the same neighborhoods.

The networks took over the loan approval process, which made the loans faster and ensured that the process was actually changing members’ lives, explained the process and preparing them for the loans. Loan teams at the network level, made up of loan committee representatives, only came to check that everything was done according to the requirements. For a member to qualify for a loan he or she needed to be active in regular savings, regularly participate in meetings and all activities of SDFN and have a clean record when it came to water and land payments.

Initially, groups were very reluctant to manage the savings books. During an SDI meeting in 2008 in Windhoek to learn and share experiences around the respective Poor People’s Funds, the Namibians

introduced the monthly forms recording each member's monthly payment. The groups struggled initially with the different forms, but are improving every day. According to Edith,

"... we started to learn more about reporting, we started to put the figures on the flip charts and read it to understand it. We needed to know how much money we saved as Namibians, what we had contributed towards the fund and how well we do our repayments. The facilitators also needed to understand in order to facilitate the process."

In the Khomas region, members decided to check their savings books every month to make it easier to prepare for the six-month reports. For transparency reasons, a group cannot check their own books and are visited by another group in the same area to do this. Two people from each group give a report on how they have progressed with savings and monthly reporting at the network meetings.

Combining information among networks enables members to measure progress towards planned targets on a six-monthly basis. The Khomas region, for instance, planned to save US\$6,700 for land and US\$5,300 for daily savings, with each of the 11 networks in the region required to measure their own progress. All 13 regions in Namibia follow this process every six months. The bi-annual national meetings of the SDFN then serve as a platform for sharing information and planning how members can help each other in different regions. It is important that groups take decisions and make proposals to share at network, regional and national levels and that the national meeting does not make decisions for the groups.

2.4 Addressing the challenges

Much as the federation members have learned to manage savings over the years, there are still challenges to be addressed. Some of the problems that members point to are interpersonal conflict, apathy and issues around communication within groups. When people have obtained the housing they need, they can, for instance, become defensive if they are struggling to repay their loans. This is where exchanges between groups can provide support to members in resolving conflict. Elizabeth is concerned about people coming to the federation only to get land and houses and becoming inactive after these needs are met.

"This should not be the case because the federation process is endless – you do not only save for the house and after getting the house you stop saving. There are so many reasons why we are in the federation. We can save for our children's education and come up with new activities and projects. Because of this we have started reviving the savings by creating awareness about the federation."

Another challenge faced by members in the City of Windhoek is remaining patient despite land delivery being very slow. To address this, the federation remobilised in Kilimandjaro, Babilon and One Nation informal settlements around loans designed for small business, especially for those who are unemployed, to improve their income and to start saving again. Ownership and accountability is gained when people are aware of what is going on in the federation, learning from each other and sharing information.

Those who have bought land and developed it also face challenges around municipal water and service payments. Groups normally have one water account that they divide between the households. Sometimes there is a group where members are not cooperating; some are paying, some not, and they all find themselves without water. In Self Service Group, their solution was to install individual water meters. There is still only one account, but the individual meters help the group monitor the consumption of each household. Payment is according to usage, rather than equally shared regardless of the consumption. And for those who don't pay, their water connection can be closed immediately unless they share their problem with the group. So it is up to the group to take ownership and control the situation.

It is important that groups take ownership and that all members in the group are active. Twelve members in Elizabeth's group of 28 households became active with daily savings and remobilising. Each one took a turn to do daily collection and they share their problems. One day when Meme Alvina did house-to-house visits, she met Meme Kauna, asked why she was not saving and heard that she was unemployed. Meme Alvina explained that they needed to come together as a family, to help each other out. So Meme Kauna was given a small business loan from Twahangana to start a tuck shop in her house and over weekends she sells barbequed meat from it.

The group decided to give each other loans without interest. Meme Alvina needed money to fix her husband's car to take their children on holiday and they paid it back after the holiday. Meme Claudia, who is unemployed, needed US\$33 to install a floor in a shack, and now gets income from renting it out. Three members had saved enough to think about extending their houses. They were able to demonstrate to the

other members the advantages of continuing to save after you get a house. When a group member has a funeral or a wedding, they also collect money to give support. Even children contribute to the daily savings. Elizabeth's 15-year-old son, for example, knows that their lives improved when they moved out of their rented room, even though they had to go without electricity in the beginning. He helped to excavate the land when her house was constructed in 2005 and when Elizabeth decided to extend their home so that he could also have his own room, he helped with the foundations.

2.5 Progress by June 2012

As of June 2012, there were 643 saving groups in Namibia with 19,579 households and a total of US\$1.6 million in savings. The federation is active in most of the urban areas in Namibia and in all the 13 regions.

The Twahangana Fund was initially started with donations to channel resources to the urban poor. As saving groups were also identified as a beneficiary group of the Government's Build Together Program, the fund started to pre-finance loans that could be refunded by the programme. In 2000, the Ministry of Regional and Local Government, Housing and Rural Development, undertook to give an annual donation to the SDFN to match their savings. This donation has become part of the Ministry's annual budget and was increased to over US\$ 3 million per annum over the last two years, expanding the capacity of the Twahangana Fund and enabling more members to benefit. By June 2012 a total amount of US\$ 6.6 million had been given to

- 2,883 members for house loan,
- 1,406 members for service loan and
- 1,556 members for income-generating loans.

Of the total disbursements, 22 per cent come from the Build Together Program, 21 percent from the annual grant from the Ministry of Regional and Local Government, Housing and Rural Development, 32 per cent from member repayments, and the remainder from other partners and the Urban Poor Fund International (UPFI). As of June 2012, the SDFN members had completed 3,100 houses. Members usually build two-room houses of 34 square metres at a cost of about US\$94 per square metre. They also install their own water and sewer services.

2.6 The impact of savings on people's lives

The experiences of federation members demonstrate that group savings promote community solidarity as members support each other and hold each other

accountable with their financial decisions. This empowerment is especially significant for women, who are most often the ones affected by unemployment, unstable income, and lack of adequate housing for their families. Selma Namwandi of Jambidhidha Group had no income and lived in a shack made of plastic when she joined the federation.

"If I had to compare my life (now with how it was in the past," she claims, "I would say I have a better life – more than I ever expected. I happily own a house and I can say that proudly. When we started under the tree we didn't have money but we never gave up, we worked hard to improve our lives. We went from one area to another mobilising people to join the federation. As a member I worked with savings, survey and general information about the SDFN. When I first joined the federation I couldn't speak any language but Oshiwambo and I was shy to speak in public. Now I can communicate in Afrikaans and have the confidence to speak in front of large groups."

The process of taking out loans from the Twahangana Fund has proved especially beneficial to women, for they are given the tools to help themselves, and they recognise that they do not have to rely for this on the support of men. Through this system, individuals and communities come to understand that their ability to build a house or start a business begins with their own efforts and resources.

BOX 1: ALBERTINA'S STORY

Albertina Sheuyange joined the federation in April 1999. She used to sell sweets on the street until she met two women who told her about the federation and said that even low income or unemployed people could own a house or start a small business. She then decided to start saving from the little money she made from selling sweets, until she qualified through saving US\$16 for a Small Business Loan. She borrowed US\$67 with which she expanded her business to include the selling of traditional food. This enabled her to not only make daily savings but also start saving for land.

Because it was difficult living in the house of a family member, she decided to save for her own shack, which she built in the Okahandja Park informal settlement. When she repaid her first Small Business Loan she took out another loan and once again expanded the business. Her life became easier and she was able to bring her children from the north to live with her and ensure they received a good education.

But life in the shack was overcrowded and the area she lived in was not ideal for raising children, so she enrolled them in a school in the south of the country, where they lived in a hostel. She was able to afford this due to the increased income from her small business. In 2003 her group heard from the City of Windhoek that their area would be upgraded and that they would not be relocated. Even though she had seen through exchanges that members managed to get their own houses, she did not fully realise that she could also achieve this. The group signed an

agreement in 2004 and her children contributed to the savings as they began to understand that the process would result in a house. In 2005 her group's loans were approved and they learned through exchanges how to manage loans and the whole construction process. She then managed to bring her children back to Windhoek and her eldest daughter got a place in a prestigious school in town. Albertina was able to pay for the taxi fares because her business was doing so well. When her daughter completed Grade 12 she was admitted to the University of Namibia, although she did not get a loan. Fees were quite high, but Albertina managed to pay for the first year until her daughter qualified for a study loan. Albertina's family had been anxious that they would be expected to help to pay for the studies, but the relationship improved when they realised that she could support her daughter herself.

Albertina extended her house from a one-bedroom to a two-bedroom with sitting room and kitchen.

"The federation not only helped me to build a proper house and get a small business, but it also helped me to become confident, open up in front of large groups and fight for what I want. Before it was very difficult to speak in front of people, I was very shy. I use to panic when it was time to speak, but now I can even share my story with different people. In the past when I was staying in the shack I had no friends and no family visited me but now I am able to accommodate my family and friends. Thanks to the federation for being the father of the poor and mother of those who went through difficult times."

BOX 2: NAILOKE NIINGUNGO'S STORY

"Four years ago before I join Shack Dwellers Federation of Namibia (SDFN), I heard a presentation from a local radio by federation members talking about saving groups helping to improve lives by building houses and starting small businesses. The reason why I did not join SDFN at that time was that I thought I didn't have enough money and I didn't know where and how to get in contact with these saving groups.

"In July 2007, when I move to Tsumeb, renting a place was too expensive and it was difficult to live under somebody else's roof -- you will always be reminded that 'you are living under my roof'. This is when I realised my own housing need and decided to join a saving scheme for good and started to save.

"I have learned to record books, taking minutes during meetings and I have also improved on what I like to do, 'translating' from English to vernacular language. I have learned to find solutions to problems in a group and share information and prepare reports for a group,

network, regional and national level. I can prepare short-term future plans for a network.

Through regional and national exchanges I have learned how to share information with others and how to report back home. I also learned other languages like Afrikaans, not fluently but I can speak key words. I have also grown professionally by this. I mean I have learned to negotiate with local authorities and present our problems and ideas to our leaders, including political leaders.

"What's more is that I have realised that in my life as a low-income person I can never afford to secure land or acquire a house loan on my own. It is only possible when we are a group that we can manage to get house loans and I strongly believe that in a group we can accomplish so much more as poor people. Thanks to the SDFN for the exposure and the good life I'm living today."

2.7 Conclusion

The activities of the Namibian Federation build on 25 years of communities learning from each other and addressing challenges across cultural and spatial barriers. These communities have been exposed to new ways of making decisions from the bottom up, breaking away from traditional hierarchical leadership and decision-making practices. Women in particular benefit from the process when they take the lead to secure their own shelter. This community-driven approach has improved the lives of poor people in many ways; securing affordable land and shelter, improving the living conditions of those excluded from commercial housing and finances, building confidence to act and speak out. Communities acting together are able to access resources that would have been unreachable to them as individuals. Women and the most vulnerable have been empowered through active participation of the federation activities. The strength of this community-based participatory approach has been sufficiently evident to persuade the national government to accept the federation and to work closely with its members to provide funds and access to land.

3

The Evolution of Savings in Malawi

Wonderful Hunga, Sarah Kalenjeka and Mphatso Njunga

3.1 The genesis

In Malawi, the first federation savings groups started in 2003 in Mtandire, one of the best-known informal settlements in Lilongwe City. Women in the settlement were not formally organised in any savings groups before that. Those who wanted to save money had to look to banks, mostly located at the city centre some eight kilometres away from the settlement. The banks only accepted substantial amounts of money; otherwise the women had to find other alternatives, using under-the-mattress, or under-the-pillow 'banks.' This money was saved with purpose but with little security.

When the federation was introduced to the women in the settlement, it was presented as a convenient and affordable community bank with almost zero transaction costs. The first groups were just encouraged to save money. In the words of Sarah Kalenjeka, one of the national federation leaders:

"We saved any amount of money, particularly small change from the market that could just be spent on sweets and some other less useful things. We were encouraged to do this because it would help us as women to take care of some of our needs on our own..."

More enterprising groups went a step further, using their savings to meet specific needs at the household level. However, most of the savers used their money for Christmas and New Year celebrations. The groups shared their funds during this period and savers used their money to buy food for the festive season to enjoy with their families.

Building a savings structure that works

The savings groups' arrangements were not complex. Each group appointed a treasurer, usually an elderly woman seen as trustworthy by the group members. She was responsible for keeping all the savings that were collected from her group members by a chosen collector. There was one collector for each group, with an open term of service. The collector was responsible for collecting savings from members on a daily basis and she reported to her group during weekly meetings. It gradually became clear that the collectors' efficiency tended to wane over time. One of the problems was that the collectors did not rotate. As the number of savers grew, collection became a more arduous task and could interfere with household responsibilities. Without any incentives for more regular collection, the collector might be inclined to skip visits for a number of days without many questions being asked. But if members were unable to contribute their savings for two or three consecutive weeks they easily gave up on the process.

Understanding the implications of moving savings from boxes to banks

The group treasurers and secretaries were responsible for record keeping. Initially, the groups kept their money in boxes. However, when the amount of cash piled up, it was thought unsafe for one person to keep all of it and the groups started opening bank accounts. The treasurer, the secretary and the group's chairperson were the signatories to the group's bank account. Bank accounts were seen as a mark of maturity among the savers, and it was a matter of pride for a group that had come of age to have cash deposit slips.

However, the marriage with the banks did not last long. Most of the groups opened their bank accounts without understanding the routine bank conditions such as the deduction of ledger fees, service charges and other 'hidden costs'. These charges and fees ate up some of their savings and became a source of mistrust among the group members. Hitherto, there had been no discussion with the banks regarding a waiver of their normal procedures for the savings groups.

Interestingly, there were some groups that made relatively good use of the banks. These groups usually had two accounts: a savings account and a fixed deposits account. According to some founding members of the Malawi Federation, the savings accounts took care of immediate needs such as intra-group lending and borrowing, while the fixed account kept money safe and let it accumulate interest.

The fixed accounts soon became a disappointment. *"The interest we earned on our savings was insignificant, and we started feeling that the banks were benefiting more from our savings than we did,"* observes one federation leader. Indeed, the interest rates for fixed deposits in Malawi are dependent on the amounts deposited as well as the period of the deposit. Interest on fixed deposits can be as low as 1 per cent per month. Most of the groups put their money in interest bearing accounts for less than a year, and the interest realised was far below the inflation rate of the time. With more and more of these kinds of predicaments with the banks, the savers took their money out and returned to their boxes.

Thus the realities of dealing with banks were one problem that the Malawi Federation confronted in the initial stages, and that they continue to find problematic. There were other challenges too that the groups wrestled with – issues of trust, accountability, and general management of the savings. Mphatso Njunga, a national federation leader recalls:

"Besides the problems associated with the use of the banks, we also had our own problems. We had no loan system in place. As a result, people could just take out loans without the blessing of the group, and without paperwork. When groups would meet at zone level, people did not have to present any reports on their savings for scrutiny. And there were general problems to do with embezzlement and poor recording of savings..."

Misappropriation of funds was a common characteristic of a savings groups whose leadership and accountability systems were lacking. There was a group of coordinators at national level, but they focused on the overall social movement and not on the quality of the savings process, amounts saved and general recording keeping. Without strong leadership at the local group level, trust could easily be eroded.

Enter men

Most men did not understand the federation process, particularly savings. The most cynical men claimed that the savings were a 'devil in cassock' whose aim was to con the women out of their hard earned money. In late 2004, the first exclusively male savings groups emerged in Mtandire and Chinsapo, another informal settlement in Lilongwe City. Women insisted that men should have their own groups because they would be an oppressive presence in the women's. Machismo attitudes in these first savings groups were a problem, and the men's groups died. Their downfall, according to Lackson Phiri, one of the federation's male members, was the men's urge for immediate benefits.

Later on, the Malawian support NGO facilitated gender training, responding to suspicions from certain quarters about what the women were doing in their savings groups and exchanges. Rumours had it that the groups would cause women to subvert their husbands' authority with their savings and businesses that came out of them. The gender training brought the women and men together in 2005 to demystify the economic empowerment of women. It emphasised the perspective of partnership within the family and the way this would help in poverty alleviation. This training managed successfully to clear away the myths and fears that surrounded the groups' activities. It also motivated the men to join the federation.

3.2 Successes and challenges

In 2005, the federation in Blantyre, Malawi's commercial centre, successfully engaged with Blantyre City Council and was offered land for low-income housing development. This was unprecedented in Malawi. The resultant euphoria about the galvanising force of 'coins from the market that used to be spent on sweets for the kids', was felt even by the previous naysayers of the federation process.

Individuals had always managed to buy small plots, but this was usually a lengthy process with numerous pitfalls and frustrations. The very fact that the local authority had offered land for housing to the federation spoke to the effectiveness of savings in community mobilisation and the capacity of the organised poor to change the attitude of government institutions from passivity to responsiveness.

A more difficult dimension to the savings also emerged. The prospect of getting a plot and a loan to construct a house attracted many people. Federation membership swelled. And there were extremes in behaviour: some people naively took loans from friends, begged money from their better-off relatives and even sold their household items to boost their savings, to have 'clean' savings books that would pass them through the vetting (selection) process. But to their frustration, the vetting process looked not just at the balance, but at the track record in their savings books, which many of them did not have. Such 'savers' easily gave up their quest to save for a house. Their hope for an easy solution disappeared and many quit the federation. People began to realise that it was impossible for the organisation to build houses for everyone. As some gave up on their savings, overall national savings figures fell rapidly.

There were other problems with the savings groups. Some money was being embezzled. The savings systems of that time lacked mechanisms for accountability and transparency. The collectors simply went around and collected the savings from their group members, recording them on any piece of paper – a wrapper for yesterday's fish or a page taken from a child's exercise book. These pieces of paper could get lost and people had to recall the figures from their heads, making them susceptible to error.

This created room for the abuse of funds. It was possible for collectors to record only the money that they had taken to the bank, not what they had taken for their personal use. During a centre meeting, a collector could omit figures and misinform the group members on how much she or he had collected. In this way, a lot of money went unaccounted for and disagreements arose when it was time to 'share' the savings. There

were often mismatches between what people thought they had saved and the money that was in the keeping of the treasurer. The lack of loan systems also opened the group savings to abuse. Those who were in the treasurer's good books could get loans over a chit-chat without the group's formal approval or even knowledge of such transactions.

It was hard to come up with adequate sanctions in response to these incidents of embezzlement and malfeasance. Those who misused this money, usually treasurers, collectors and members who got loans without the group's knowledge, should ideally have been required to refund the money, but this was difficult to enforce. There were no police reports or incarcerations for misappropriated money. Even now, federation members who have reportedly misused a group's money escaped with a verbal rebuke. The lack of transparency led to distrust and quarrels among the savings groups' members and subsequently to a decline in savings as well as federation membership.

3.3 Creating trust in the savings process

There was need to change the savings process to guard it against abuse and mismanagement. In 2008, the Southern Africa Hub of Slum Dwellers International (SDI) affiliates convened a savings workshop in South Africa, to which each country sent one representative. According to the Malawian representative at the workshop, one of the things that the training established was that members were just saving, but not making changes to their lives. Mismanagement of funds, lack of proper savings documentation and record keeping, were also identified as constraints to savings in the hub.

The results of the savings workshop were nationwide and revolutionary. Countrywide trainings on new savings systems were facilitated. Lifetime collectors were abolished and a rotational system was introduced. Collectors had to make reports on what they had collected during their turn before handing over to the next person. That every group member could be a collector was promoted and embraced throughout the country.

A loan monitoring and tracking system also developed: person could only borrow an amount equivalent to their savings. A savings sheet that allowed members to follow up on their daily savings was also introduced. This created a sense of ownership as people could easily ask for the details of their account. Knowing this gave people the drive to save. A register book was enforced to curb absenteeism and some groups have introduced penalties, including fines, that latecomers as well as absentees pay. These fines are used for the group's

welfare activities such as transport to hospitals to visit group members who are ill.

3.4 The September 2010 reflections and the birth of Kusonkha Ndicholinga (Saving with a purpose)

From August 28 to September 4, 2010, the Malawi Federation held its first ever national forum that brought together 616 savings groups from across the country. The forum was a period of intense reflection on the work of the federation, seven years after its inception. The forum can also be seen as the first ever mass learning exchange of the federation groups, as they shared and learned from each other what they were actually doing rather than hearing it from their leaders. Stories people read in the federation newsletter, *Halala*, for instance about a woman in Chiradzulu district who had opened a grocery using her daily savings and planned to buy a motorcycle, became more real to other members during face-to-face district reports.

Out of the national forum came a new federation mantra: *Kusonkha ndicholinga*, literally meaning 'savings for a cause'. Responding to this, all federation centres resolved to save purposefully. Each member of a savings group now has to state at the beginning of the year exactly what they want to do with their savings, which is recorded. The group members monitor the savings collectively. If a saver stops saving, she is always reminded that if she does not save, then her wish will not be fulfilled. The savings-for-a-cause approach has seen members become more ambitious in their wishes; where once, when savings had no major specific purpose, they saved, perhaps, for a packet of salt, now they began to save for school fees for children, a sofa set, iron sheets for house walls or roof— or a plot for housing. Saving is no longer a ritual in Malawi; it is a tool for self-actualisation.

For competitiveness in savings at all levels, there are savings trophies. The group, district, region, with the highest average savings are the winners of the trophy. This competition happens monthly and has resulted in an important increase in savings in weak centres. The recognition that goes with the trophy has reinforced their savings performance.

3.5 New directions to savings in Malawi

Community savings in Malawi has helped to galvanise the poor and make their collective voices heard. The federation has 13,509 savers in over 1,000 savings groups in four cities. Savings have built the capacity of the urban poor to leverage resources, such as land from the government for housing. Savings have also built women's capacity to participate in running their predominantly patriarchal communities.

Through savings, the Malawi Federation has been able to mobilise communities for slum upgrading projects. The savings have been an effective entry into local leadership dynamics. The federation is looking into how community savings can push local authorities into action by having the communities save for their own development projects, using their savings as leverage.

4

Savings as an Empowering Tool for Urban Poor Communities in the Philippines

Maria Sonia Vicenta Fadrigo and Ma. Regie E. Ruego¹⁰

4.1 A historical overview of HPFP savings mobilisation initiatives in Iloilo City

The Homeless People's Federation Philippines (HPFP) is a national federation of 200 urban poor communities in 14 cities and 16 municipalities from all over the Philippines. It was organised as a result of the various independent attempts of urban poor communities in the country to address land tenure issues and homelessness. Using community savings as its organising tool, HPFP's work centres on low-income communities in high-risk areas, disaster intervention, reconstruction processes, voluntary resettlement and

post-relocation activities. Its development priorities focus primarily on securing land tenure, decent housing, emancipation from poverty and protection of dignity and rights of its member communities.

Launched as a social movement in 1998, the HPFP started as a welfare-based organisation in Payatas, Quezon City, with the support of the Vincentian Missionaries Social Development Foundation (VMsDF). The Payatas community was the first to implement the savings programme, the backbone of HPFP's community-driven interventions. Learning from the experience of Payatas, various communities from other cities also formed savings groups that later evolved into a self-help network of urban poor communities that use savings to address their need for secure tenure, housing and settlement upgrading.

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In Iloilo City, the idea of savings was first introduced by parish priest Fr. Marcellano Oabel, as an attempt to respond to the daily emergency needs of parishioners from the seven villages that comprise the Our Lady of Miraculous Medal parish. As recounted by pioneer savings members, most of the parishioners initially relied on the priest for financial assistance whenever they had emergencies. It became clear that introducing the savings programme could help parishioners to move away from this hand-out assistance. In 1996, 11 residents from the Parish went on a ten-day exposure trip to Payatas. There they observed the savings schemes implemented by the community, and learned how to run a community-led savings initiative. After they returned to the parish, the KABALAKA (Kapisanan ng Bayanihan Laban sa Kahirapan) Savings Group of 600 members was started in September 1997.

By late 1997, community residents were threatened by displacement. Actual demolition started in Barangay Santo Niño Norte, Arevalo, with the house of the village chief as the first casualty. When the landowner ordered demolition teams to start dismantling the informal structures in the village, the parish sided with the community. Armed with improvised explosives and shields, they erected barricades to stop the demolition process. The parish supported the community in their negotiation with the city officials and local government to explore the possibility of land expropriation for Barangay residents. Under this process, the local government expropriates the land with the land owner and the city agreeing on a price.

Compounding the issue of demolition in the area was the constant threat of disasters from typhoons, tidal surges and floods that are so common in the city. Most houses in the community are on riverbanks, which exposing them to rising river water or in areas at risk of high tides, making them vulnerable to strong winds and tidal surges.

Faced with the challenge of acquiring a safe and tenured relocation site, the pioneer savings members from the seven villages decided to form an association and registered with the Housing and Land Use Regulatory Board (HLURB). The savings group was transformed into KABALAKA Homeowners Association, which in 1998 was one of the original convenors of the national network, Homeless People's Federation Philippine. By then, the KABALAKA Homeowners Association had moved into savings for land acquisition.

In 2001, the savings initiative of the homeowner's association paid off after the community acquired 3 million pesos (US\$71,429) worth of foreclosed property from the Bank of the Philippine Islands (BPI). The 7,145 square metres of purchased land in Zone 1, Calumpang, Molo, Iloilo City, was subdivided among the 72 active savings members of the KABALAKA Homeowner's Association.

While the savings activities expanded, the association also expanded its network. Various community associations were eventually organised and integrated with HPFP-Iloilo City. Among these are Himakas sang Magkasilingan Ulugyon sa Lupa nga Tinutuyo (HIMULAT) Homeowners Association (HOA) (Phases I, II and III), a community formed in 1999 to answer the need for land tenure security through the Community Mortgage Programme (CMP); the West Habog-Habog Neighborhood Association (WHHNA) organised in 2002 to respond to the challenge of on-site land acquisition, and the North Baluarte Homeless Association (NBHA) formed in 2002 as an off-shoot of HPFP's secure tenure campaign. These communities form the base of HPFP Iloilo Chapter, which also adopted the savings programme and tested a pioneering collaborative endeavour with the city government.

As secure tenure issues were not unique among the federation members but were also relevant to other parts of the city, HPFP started to link with other urban poor communities. In year 2002, the HPFP-Iloilo forged a partnership with two other urban poor federations in the city – the Iloilo City Urban Poor Federation (ICUPF) and the Iloilo Federation of Community Associations (IFCA) – to form the Iloilo City Urban Poor Network (ICUPN). The creation of a unified urban poor network widened the opportunity to promote community savings on a citywide scale. The network is currently partnering with the local government in various phases of implementation of resettlement processes, post-disaster intervention, housing and settlement development projects in the city.

4.2 Savings structures and systems

The Homeless People's Federation Philippines in Iloilo City implements different types of savings to cater to the varying needs of its member and network communities. Below is the list of these with their corresponding features and policies:

- **Compulsory savings** – usually done in groups of 5–10 members. The maximum savings per week ranges from Php250–Php500 (USD\$6–12) per savings member. The maximum amount of savings per week and the repayment performance of members serve as the basis for the loanable amount, which ranges from 1.2 to 1.8 per cent of the total amount of savings.
- **Voluntary savings** cater to individuals instead of groups. This type of savings is not loanable but can be withdrawn at any time. There is no maximum amount of savings specified under this category.

- **Land and housing savings** – usually implemented by communities/groups that intend to acquire land. These savings can be withdrawn only for housing and land acquisition payments.
- **The Urban Poor Development Fund (UPDF)** requires a Php50 (USD\$1.2) monthly savings per individual member. This type of savings can be withdrawn only by the community (not by individual members) to finance community projects involving land purchase, house construction, basic infrastructure, small-scale settlement upgrading projects, and livelihood support. This serves as the federation's counterpart to a pool of funds to which donor agencies, national and local government agencies also contribute.

The Area Resource Centres (ARCs) and satellite offices serve as the nerve centres that manage all the financial activities of savings members of HPFP and its urban poor network communities. The ARCs are responsible for savings collection, administering savings and loans, recording of financial transactions, consolidating the reports of satellite offices and preparing regular financial reports.

Apart from its collection and disbursement facilities, the ARCs serve as the nexus of communication, repository of plans and legal documents and source of technical support to communities. Each ARC has a designated ARC-in-charge and a coordinator whose functions are to oversee and manage the financial operations and facilitate community mobilisation, organising regular meeting and updating with savings members.

The organisational structure of HPFP is rooted in the savings and housing groups. These groups collect the savings and remit collections to the ARC. Iloilo City started with only one ARC that served savings members from the initial seven villages or barangays. There are several savings groups in one barangay/village, each with varying policies and purposes for savings. The savings groups usually have 7 to 10 members, and each has its own savings collector who remits savings to the ARC.

Not long after the establishment of the first ARC, the HPFP began to expand its savings membership to other communities and homeowner's associations that were either organised through HPFP initiatives or by other network urban poor federations. As it was no longer practical to manage the increasing number of saving groups on a city-level scale, the ARC found the need to set-up satellite offices or similar ARCs in these communities where savings, withdrawals and loan transactions can be made. Some of the administrative tasks including fund management, monitoring and financial reporting were already delegated to the satellite offices.

The ARCs and satellite offices are linked together regionally through the regional offices, which consolidate reports and assist member communities in areas like financial management, land acquisition procedures and participation in local governance structures and public sector engagement. The national office supports regional activities and coordinates tasks with a national scope, such as surveying high-risk and disaster-affected communities, learning activities, community exchanges, policy advocacy and guidance on monitoring. All these levels, from savings groups to the ARCs and the regional offices, are managed by community leaders.

The financial accessibility of the savings and loan programme is ensured through the following mechanisms:

- **Simple process/procedures** Only minimal documentation is required from members who wish to open a savings account as compared to the detailed requirements and rigid procedures of formal banking institutions. A savings program orientation is given to interested individuals, groups and communities, complemented by a hands-on training on proper recording, bookkeeping and accounting through the assistance of ARC-in-charge. There is no minimum amount required to open an account. As little as one peso is acceptable provided members save regularly. Savings and loan transactions are flexible; members can just go directly to their group collectors any time of day to get a loan, and deposit and withdraw their savings. However, an authorisation letter is required for those who wish to make transactions on behalf of the owner of the savings passbook. This system is helpful for members who are unable to leave their workplace and remit or withdraw their savings. Women in particular benefit from the practice since they can continue with their household tasks with little interruption.
- **Savings tools** Savings members have individual passbooks where their savings, withdrawal and loan transactions are recorded. These transactions must coincide with the records maintained by the group collectors in their booklets or '*mother passbooks*'.
- **Affordable interest rate** Active savers can avail themselves of loans up to a maximum of 1.2 times the total amount saved at an affordable interest rate. For example, if a member has saved Php1,000, he or she can take a loan of up to Php1,200 (1,000 x 1.2). For non-HPFP member communities who have their own respective ARCs, interest rates are determined by the local community association.
- **Flexible repayment terms** Savers can opt to repay their loans on a daily, weekly or monthly basis. Members who save regularly and have good track records in loan repayment are given priority on new

loans after they have fully paid their outstanding loan balance.

To date, there are 626 savings groups spread over 23 settlements in Iloilo City. The 5,587 individual savers have amassed a total of Php25,425, 309 (USD\$605,364).

4.3 Bridging communities through savings

In the beginning, the savings programme of HPFP in Iloilo City started with small savings groups whose purpose was simply to address members' daily necessities and emergency needs such as food, electricity, water, children's education, hospitalisation of family members, and capitalisation for microenterprise. As their goals became even more complex than the usual household concerns, the savings system shifted from a mere 'piggy bank' to a facility that bridges the financial gap in achieving secure tenure. The high cost of urban land and housing often puts these beyond most low-income households. Although there are formal financing programmes for land acquisition and housing, most of these are not ideal nor appropriate to the conditions and needs of the poor.

Savings groups facing common issues like forced eviction, displacement due to disaster events or private-induced developments and lack of funding support for community upgrading projects eventually banded together into associations to address their range of shared problems. By then, land and housing savings had become institutionalised to facilitate land acquisition and self-help housing initiatives.

With the successful demonstration of savings as a viable finance facility for land acquisition, non-members were encouraged to join the savings programmes. Savings membership grew in scale as a result of the creation of the Iloilo City Urban Poor Network. By forming a broader community base through a unified city-level network, urban poor communities developed their bargaining and negotiating capacities to secure land at a lower cost. Communities have also been able to leverage resources (e.g. equipment/technical services) from various government and private agencies and lobby for exemptions from paying documentary stamps and other processing-related fees for land and housing. Because of its unified representation and participation in urban governance platforms, it was easier for the urban poor sector to raise their issues, advocate for pro-poor policies and programmes, and influence government practice. Branching out from purely savings-based activities, the federation and the Iloilo City Urban Poor Network have now successfully gained seats as on various technical working groups, special committees and mutisectoral councils created

by the local government. Among these planning bodies and committees are the Local Housing Board that formulates the local shelter plan of Iloilo City; Local Committee against Squatting Syndicates and Professional Squatters; Resettlement Monitoring Task Force; and a Special Technical Working Group for Iloilo River Rehabilitation Project. Participation in these governance structures makes it possible for the federation to propose simplified procedures and workable standards for land acquisition and housing, access tangible resources, particularly land and logistical support from the local government, craft policies that address the basic upgrading needs of urban poor communities and establish institutional support to community-driven initiatives through appropriate legislation.

Community savings linked to slum upgrading

Whether or not communities or settlements have secured their tenure, upgrading of settlements and decent housing are basic to them. It is therefore important to develop a finance model that enables the poor to carve out their own space and to generate necessary resources to meet their basic needs. It is in this context that the HPFP in Iloilo started to impose a non-negotiable savings policy for those communities who intend to avail themselves of upgrading and housing loans. In this way, a community's local resources (e.g. their own savings and labour) are maximised and merged with external funding support in order to address their upgrading needs. At the same time, savings provides them with a learning laboratory to test their financial management, organisational and project management capacities.

In Iloilo City, community upgrading initiatives started in 2008. This was the first demonstration of how savings could be effectively linked with small-scale project implementation. Priority communities availed themselves of a maximum loan of Php140,000 (USD\$3,333) as seed capital for their upgrading projects, which was payable in two to three years. It went to the following community projects:

- *CHB perimeter wall and earth dyke*, implemented by the KABALAKA Phase I Homeowner's Association, Inc. in Zone I, Calumpang, Molo. It involved a 21-metre perimeter wall of concrete hollow blocks, at a cost of Php140,000.
- *Land-filling, main road widening and footpath construction*, implemented by West Habog-Habog Neighborhood Association. in its riverside-community. The cost of the project amounted to Php69,235.
- *Home lighting system*, implemented by the Taytay Zone II Urban Poor Association. It involved the installation of five sets of solar home lighting,

benefiting 15 families in Jaro, which formerly relied on candles and kerosene. The project cost was PhP140,000.

- *Concrete lampposts*, implemented by the Purok Albacia Dwellers Association. Completed after four months, it involved the construction of 18 concrete lampposts for street light in the community, for a total project cost of PhP57,500.
- *Land acquisition* in Jaro, Iloilo City, by the Association of Disabled Persons in Iloilo. This benefited more than 200 families, at a project cost of PhP120,000.

Another community upgrading project was implemented through a PhP55,000 loan from the HPFP. It was undertaken in Sooc Project 5, part of the largest in-city resettlement area in Iloilo, the Sooc Socialised Housing Zone in the Arevalo District. The project involved the construction of bamboo footbridges, to deal temporarily with the problem of flooding.

The most recent federation initiative is the community-managed resettlement housing which is divided into two sub-projects:

- **KABALAKA** demonstration housing project – involves the construction of 21 core housing units for pioneer savings members of KABALAKA Homeowner's Association and vulnerable group members (family members with physical disabilities, elderly, low-income overseas Filipino workers). The project was constructed on the land acquired by the Homeowners in 2001 using their community savings and UPDF counterpart. It was completed in 2009, total project cost PhP3.95 million (USD\$94,047).
- Community-led infrastructure finance facility, San Isidro Resettlement Housing Project, caters for 172 families affected by the massive Iloilo Flood Control Project constructed on the 1.6 hectares of land (portion of the 16.2 hectare San Isidro Resettlement Site) allocated by the city government. The total project cost was PhP 19 million (US\$452,380).

For all the projects described above, community savings played a crucial role as this initially served as the federation's mobilising and organising strategy. Savings gives the community more leeway to access flexible and low or even no-interest loans, and lessens the pressure when they are required to produce their labour equity counterpart and monthly loan repayment. And since HPFP has successfully demonstrated that savings can stimulate the inherent capacities of the poor to pay out and manage their own resources, the government has now recognised the importance of this scheme and has integrated savings as part of their programmes. The Department of Social Welfare and Development Office (DSWDO) tapped the federation to introduce and promote savings among the beneficiaries of its Pantawid Pamilyang Pilipino Program (4Ps). Under this program,

indigent families receive financial assistance to support the education and health care of children. Communities that have been organised by HPFP into savings groups are currently being considered by the local government as the target for a proposed livelihood cooperative, a program under the Chairman of the Committee for the Urban Poor.

4.4 Linking community savings to urban poor funds and external resources

Iloilo City is among the local HPFP chapters that have adopted a finance model that links communities together in addressing a common issue through the Urban Poor Development Fund (UPDF). This type of fund emerged out of the need to support direct purchase agreements between communities and landowners and site development costs, because the communities cannot afford to finance these investments up front.

The UPDF is a mechanism and a practical financing model that involves the pooling of resources and relationships by encouraging communities to initiate savings programmes that they operate and manage themselves. At the same time, it facilitates a joint response to community-wide issues by promoting spaces for collective discussion and decision making as part of the process of arriving at solutions.

As a longer-term financing facility for shelter and housing-related purposes, UPDF requires a stake from members through their PhP50.00 (USD\$1.2) monthly contribution, and at the same time leverages contributions from other stakeholders to finance more substantial investments, such as land purchase, site development, and housing construction. The fund is also made up of community repayments from the use of revolving grant funds from different stakeholders, including national and local governments, donor agencies, multilateral agencies, and the private sector. UPDF is not a fund that money can be withdrawn from by individual members. Rather, it serves as a communal fund that can be accessed by the community association to finance their priority upgrading projects. Out of the accumulated UPDF counterparts of individual savings members, the community or homeowner's associations can avail itself of a group loan at 6 per cent interest per annum. This loan can be used solely for community projects ranging from housing construction or repair, to water system installation, electrical connections, or for livelihood operations. The loan fund is replenished through repayments by borrowers over a longer period of time, such as five to ten years. The collection of loan repayments is

delegated to the association and is remitted to the Area Resource Centre.

As a savings product primarily concentrated on the collective efforts of the community to generate resources, the UPDF concentrates on the following values:

- *It facilitates the formation of management structures for community capacities.* Merging resources together enables communities to plan collectively and come up with practical solutions to their problems. Through this, they develop confidence in their own capabilities and learn appropriate management skills, which are utilised for the development of communities.
- *Trust is cultivated within the community since it manages its own savings programme.* This becomes a basis on which community leaders and volunteers are able to respond to issues on behalf of the community; share their skills with other interested members; and facilitate UPDF loans for the needs of the community.
- *The community generates and maximises its own resources.* Primarily, this allows the community to stand on its own through the efforts of its members; and it becomes the way for the community to help individual members. It is a learning tool so that members take pride in what they have accomplished as a group and this moves them to resolve issues without being dependent on external assistance.
- *It strengthens the federation as a focal point in responding to urban poor issues.* The federation becomes the vehicle for engagement with other groups, institutions, the private sector and government.

4.5 Challenges, issues and federation responses

With continuous expansion of savings programmes at the city level, the Federation is also facing several bottlenecks in setting up systems, policies and processes appropriate for existing and newly organised savings communities. Frequently-cited challenges and issues on funds, savings and credit management are detailed below:

- ***Savings and loan repayment performance varies from one community to another***, with some exhibiting frequent savings and high rates of repayment and others experiencing irregular savings and incurring past due accounts. Some communities experience 'savings fatigue', a term coined by HPFP Regional Coordinator Sonia Cadornigara – community members can simply tire of savings and give up. Some members give up on savings because

they simply want to stop; others give up when the benefits for which they were saving can no longer be achieved. In such cases, the federation provides alternative options to which members can divert their savings. For example, instead of saving for land, they may opt to divert their savings for upgrading or infrastructure projects.

When loan borrowers have past due accounts, the federation encourages them just to continue savings rather than reminding them to pay their loan. This has proved most effective since borrowers come back to the system and make deposits with the understanding that they can in the end decide to offset their savings against their loans. Written reminders issued by the ARCs to delinquent borrowers serve both as a moral pressure to non-payers and as an invitation to those who may be willing to pay but are embarrassed to approach the savings office on their own.

- ***Limited capacities of newly organised savings groups to manage savings and enforce internal savings policies.*** Although collection and savings management functions were decentralised to local ARCs and savings groups in some communities, this does not mean that all are able to maintain effective management and monitoring of savings and credit. Some members, for example, have incurred high loan defaults but have not paid their debt because of loose loan policy enforcement. The federation responds by providing appropriate hands-on trainings on bookkeeping, accounting and savings collection and fund management to newly organised savings groups or communities. Regular monitoring is done through daily cash counts and the preparation of daily, weekly and monthly financial reports. Also, organisational development training is given to HOAs or CAs to clearly define the roles and functions of officers and members and to build their capacity on aspects of decision making and problem solving.
- ***The lack of committed community leaders involved in savings mobilisation activities.*** This issue stems from the fact that involvement in these initiatives is purely volunteer based. Some community leaders are unable to sustain their involvement because the time they devote to the community is at the expense of their family and work. As a response, the federation has encouraged the CAs/HOAs to allocate an allowance for community volunteers out of their interest income or from monthly contributions of individual members of the association. In this way, volunteer community members can be motivated to continue with their volunteer work, at the same providing incentives to others to also be involved in the savings programme.

For more than a decade, the HPFP's savings programme progressively developed into a resource leveraging strategy that empowered communities to drive their own development. What started out as simply a 'piggy bank' concept taken on by small groups of savers, later evolved into a locally based and locally managed programme that aimed to address more complex and overarching needs of poor communities.

As a process, community savings played a vital part in bringing together communities with a clearly defined mission to discuss their cross-cutting problems and collectively implement realistic solutions. Together, they were able to use their financial stake – and tap valuable resources from the government and other relevant actors – for their range of development initiatives (i.e. settlement upgrading, land acquisition and housing). Through harnessing communities' innate capacities and their own resources, they have been able to build a reputation that has led to meaningful partnerships with the government and the private sector. It is well recognised that these partnerships have become apposite venues for the urban poor to air their issues and influence policies that affect their access to land and decent housing.

Amidst the multi-layered challenges faced by HPFP (from the federation down to communities and individuals) resulting from its expanding networks and savings membership, it is envisaged that savings will continue to evolve as a powerful community finance model. At this point, more organised and formal systems, policies, processes and institutional support need to be set up to sustain the programme and spread its reach beyond the pilot stage and the current citywide scale.

5

An Examination of Savings and Federating in Uganda

Skye Dobson and Lutwama Muhammed¹¹

5.1 Introduction

This section outlines the ways in which savings are used to mobilise an urban poor federation in Uganda. It provides a brief history of the National Slum Dwellers Federation of Uganda (NSDFU), the central role of women in the federating process, the mechanisms through which savings build collective capacity and contribute to slum upgrading.

When people hear that the federation is a collection of savings groups, it is sometimes very hard for them to imagine that it is more than a micro-credit or typical community-based self-help organisation. The link between savings groups and city federations capable of partnering with government to upgrade slums can be hard to understand. This section seeks to illuminate this link.

5.2 History

The National Slum Dwellers Federation of Uganda (NSDFU) was founded in 2002 following the visit of a team of federation leaders and support NGO staff

from India, South Africa and Kenya. During the visit, the members were able to identify key community leaders and mobilise communities in Kampala and Jinja, as well as draft a partnership MoU between SDI and the Ministry of Housing and Public Works (as the housing ministry was then known). The MoU, signed in early in 2003, stipulated that the Ministry would directly support SDI in its mobilisation of slum dwellers in Uganda's primary cities of Kampala and Jinja. Peer-to-peer exchanges began between the nascent Uganda federation and more mature federations in the SDI network. This process was as integral to the formation of the National Slum Dwellers Federation of Uganda as it was to all other federations in the SDI network. Betty Kisakyw from Jinja explains:

“When Jockin (SDI president) visited Jinja, we met in Kamuli, which was doing so bad at that moment. It was characterised by a lot of unhygienic conditions and so this talk from Jockin really helped when he spoke of setting up a sanitation building for the community. He also told us how we can save and get help to build our own houses. The other visitors with

¹¹ Special thanks to the staff of ACTogether Uganda and members of the National Slum Dwellers Federation of Uganda (NSDFU) for the information they provided in the compilation of this piece.

Jockin told us about numbering, profiling and enumerations. I was selected to do numbering (numbering all households in a settlement for data collection and mapping purposes) in Kamuli and taken for a learning exchange in Kenya. In Kenya, I found out that savings was really working for them. I visited Toi Market and found out that savings were doing so good because market people were near each other and they collected money daily. They had also constructed a toilet and some houses were also being constructed by savers.

"When I came back to Uganda, I was on fire! I wanted to mobilise everyone in Kamuli to join the federation. I was selected treasurer of my saving group in Kawama, called Kawama Savings Group, and we would meet every Sunday under a Mukongo tree in Kamuli High School. I was afraid of sleeping with the money especially because I was a young lady then, but luckily I was never attacked. We opened up an account later and I would bank the money first thing on Monday morning."¹²

The mobilisation of savings groups and federating of these groups continued and slowly – federation governance structures emerged that would allow slum dwellers to generate and implement a shared agenda. Of course the process was not easy. Federation members report that mobilising people to save daily was difficult because many had been cheated in the past and were sceptical. As one member explained, *"They thought we were an organisation that had come before and taken all the people's savings. They were calling us thieves. But we kept coming back and talking to local leaders and eventually they came on board."*

Federation savings groups see savings as a tool for uniting the community and building collective capacity to address larger issues, issues that affect more than just the members of a particular group. Traditional savings associations work to the benefit of the group's members, whereas federation savings groups use these groups as the building blocks of community institutions that enable them to address and invest resources in issues that affect the entire community/city and that stretch beyond livelihoods concerns.

Today the federation has over 400 savings groups in six cities. (See Table 1.)

Managing savings in the Uganda federation

Savings groups were mobilised with very clear instructions as to how to manage savings. In each savings group in Uganda there is a collector and a treasurer. The collector is responsible for the door-to-door collection of the daily savings of members. There is no expected minimum or maximum daily amount. The monies collected are recorded both in the *collector's book* and in the individual's *savings book*. The collector is then responsible for giving these funds to the treasurer. The treasurer records all transactions in the *treasurer's book*. The treasurer is also responsible for banking the savings, which is typically also done on a daily basis. The treasurer must keep all bank receipts and present these to the group at weekly meetings. Most of the collectors and treasurers are women. While men are not excluded, women have proved to be well suited to these roles owing to their intimate knowledge of the community.

In each savings group there is also an auditing committee that is responsible on a weekly basis for reconciling the collection and withdrawal records of the collector and treasurer. All financial transactions and loan approvals will be noted in the group's meeting minutes, recorded by the group secretary. There is also a loans committee for each group, which is responsible for evaluating the loan approvals made by the savings group and monitoring loan repayments. The members of this group determine the interest rate and repayment period for loans. Members are free to withdraw their savings as needed by presenting their book to the treasurer or collector; they record any loans taken and repayments made in their individual savings books. Each savings group account has three signatories to ensure oversight of any withdrawals.

The groups' loaning programme became more efficient after members of the Uganda Federation visited the Kenya Federation in Toi Market, and learned to streamline the community loaning process. Subsequently, Bamu savings group in Jinja and Zibula-aTudde savings group in Kampala have been instrumental in sharing and training others on the most effective ways of loaning and auditing.

¹²Federation quotes for this piece were mostly taken from: Nimusiima, Catherine; Nshemerirwe Fiona; Nyamweru, Hellen; and Skye Dobson, Eds. (2012) *10 Years of Okwegatta: A History of the National Slum Dwellers Federation of Uganda (NSDFU) Narrated by Members*. Kampala: ACTogether, Uganda. Others were taken from: Dobson, Skye. (2013) *A Learning-by-Doing Approach to Active Urban Citizenship in Uganda: The Toolkit*. Kampala: ACTogether, Uganda.

Table 1: Savings and loans data from Uganda (December 2012)

REGION	SCHEMES	TOTAL MALE	TOTAL FEMALE	TOTAL SAVERS	DAILY SAVINGS	SUUBI* SAVINGS	LOANS OUT	REPAYMENTS
Arua	106	919	2773	3692	115,652,000 \$48,188	18,105,000 \$7,544	22,556,000 \$9,398	14,000,000 \$5,833
Mbale	52	850	1950	2800	30,291,050 \$12,621	6,116,950 \$2,549	11,048,500 \$4,604	4,352,800 \$1,814
Mbarara	60	400	1700	2100	10,000,000 \$4,167	3,027,000 \$1,261	7,130,000 \$2,971	5,810,000 \$2,421
Kabale	38	300	996	1296	15,303,620 \$6,377	3,294,100 \$1,373	1,380,000 \$575	103,500 \$43
Jinja	45	1270	2750	4020	142,250,750 \$59,271	17,140,000 \$7,142	19,221,000 \$8,009	9,452,000 \$3,938
Kampala	124	1664	5111	6775	116,362,590 \$48,484	6,341,500 \$2,642	24,375,000 \$10,156	13,455,000 \$5,606
Total	425	5403	15280	20683	429,860,010 \$179,108	54,024,550 \$22,510	85,710,500 \$35,713	47,173,300 \$19,656

* Suubi is the national Urban Poor Fund of Uganda. It will be explained in detail below.

5.3 The role of women

The centrality of women in the NSDFU movement is unquestionable. Over 70 per cent of members are women and women comprise over 60 per cent of the NEC leadership. 'In all of the groups the women are more than men and the women beat the men in savings,' says federation member Edith Samia from Jinja.

The reason NSDFU encourages women's leadership is because it believes that the greater the presence of women, the stronger the mechanisms for horizontal accountability become. For many women in Uganda's slums a reliance on the financial support of men results in vulnerability and abuse. Women in the federation have learned to better their situation in a sustainable manner by achieving a level of financial independence, social support and political capital.

NSDFU member Namakula Sophia from Wakiso says:

"Women are leaning how to save their little money though the federation. We save and from that we can loan it and start small businesses, which has improved our status of living. For me, I started a tailoring shop, which can help me to cater for my kids' school fees. As women we can share information on how to do projects – I learned how to weave and how to make cakes from other federation members. The federation has helped the local leaders to listen to women more."

Most women in the federation agree that the federation has helped them to support their children and become more independent.

As Kabahuma Gladys from Kawempe explains:

"I have five children and my daughter, who is 19 years of age, has even joined the federation. She loved to watch me save the UGX100 (US\$0.4 cents) every day and wanted to follow my footsteps. I encouraged her to join because every woman should try to save some money whenever she can because relying on a man or on others all the time is not good for a woman, as we all know. Girls and women are very vulnerable, people take advantage if you do not have anything, but when you have your little, it's better. I am a trader; I sell fast moving goods in my small stall in Kamwokya near my home. I rent, but I dream to have my own place one day. I am saving to buy a plot one of these days. I get loans from my saving group, Kisenyi I, which I struggle to ensure I pay in time. I am the group's chairperson and we have two projects of candles and mushrooms, which help us generate some money."

Kakaire Jane adds:

"The women in my group have learned a lot of handcraft skills that they never had before. We have also learned how to save our money and not rely on men all the time."

Women in the federation have demonstrated a sustained commitment to saving and organising, which often outstrips their male counterparts who can be prone to looking for quick gains and access to resources or political influence. Aisha Nanono explains:

"Since I have been in the federation, I have found out how women are ready to save. Men are a bit rigid and they take time to start saving. Men save where they see projects. That is where they want to be, but for ladies, they hope and they save that little, knowing it will be much someday."

The federation and its affiliates in the SDI network have inspired Ugandan women to take positions of leadership and to develop confidence in their capacities and right to be heard, which impacts upon their empowerment in the public and private spheres. Katana Goretti's testimony is poignant:

"I was inspired by other women in the Ugandan federation and in the SDI network. I saw these strong community women leaders speaking and I thought I can also be a leader."

I saw Rose Molokoane talking about travelling all over the world as a leader and I thought, yes I can do that. I realised from these women that to be an effective leader you can't just talk. You must work hard. I'm hardworking. Me, I do every job. I got that spirit from my mother. Through the small I have, I have done something. I am proud. Today I sit together with my husband and we together send the kids to school. Since I work so hard, I get very tired. When I can't do any work at home, my husband helps and if I have to travel to Arua, he takes full responsibility for the children. This never happened before I was in the federation. Before, we were parallel. Now we work together. He has also changed you see. He now says 'If we assist women they can also assist us.' With the federation women we are thinking big – we want businesses, we are also planning, we can buy a piece of land, we can acquire a loan, we can become a society and do things for ourselves. We do not have to wait for begging."

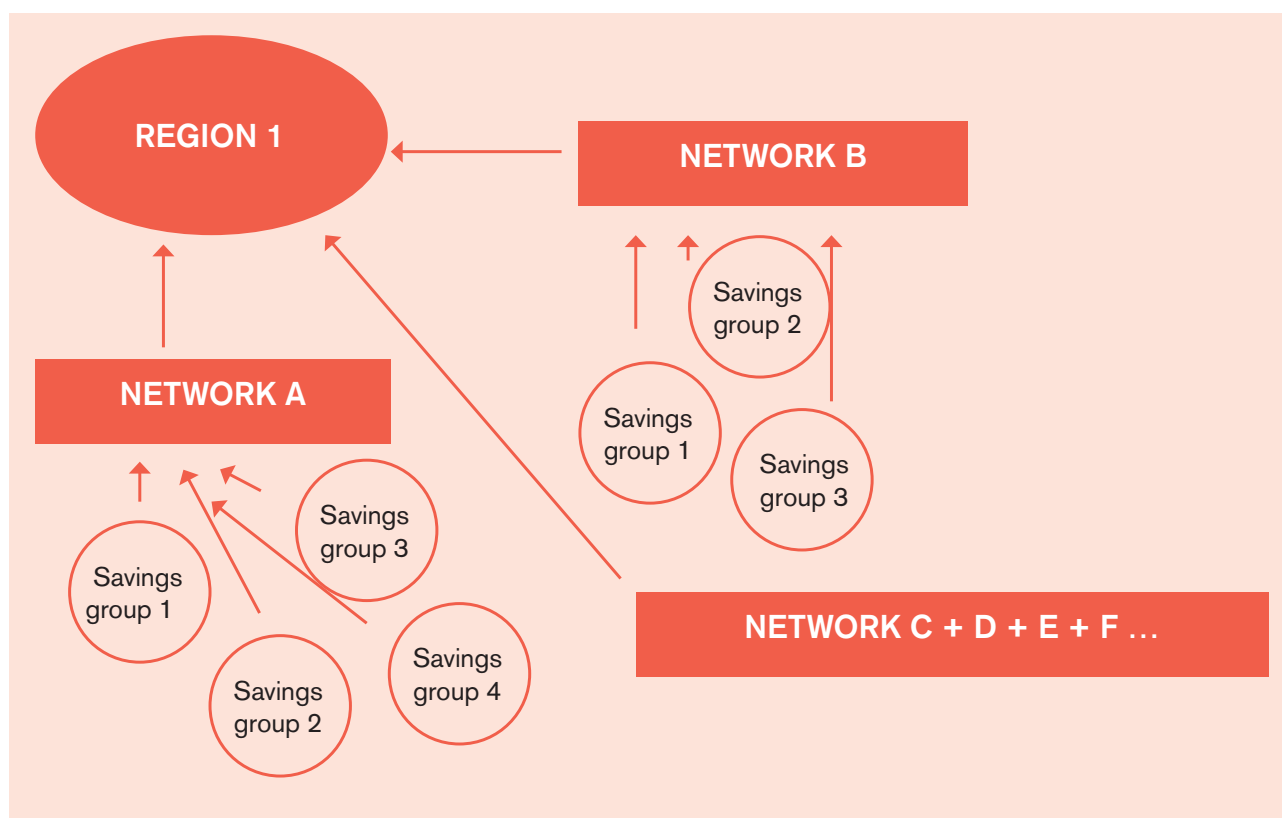
Savings groups and the building of a federation

So, how do these female-dominated savings groups form a federation that can drive a slum upgrading agenda? The development of the city and national-level federation is inextricably linked to the federating of these savings groups. The city-level federations of Uganda grew out of the networking and institutional structures that arise from the coming together of savings groups in the same settlement or network, regional, and national level.

This process started in Kampala and Jinja regions, then later spread to others through community learning exchanges. The issue-based committees that are established in each savings group, such as health and hygiene, loaning, auditing, and eviction, are replicated at the network, regional and national levels of federation governance. Leaders groomed at the savings group level, who have demonstrated their capacity and dedication, have risen to positions of leadership at higher levels, where they can provide mentoring to others in the context of the citywide agenda that is firmly rooted in the priorities of those in the savings groups.

Representatives come from the savings group level to the network level meetings and from there to the regional meetings. Thus, the city federation is driven by the urban poor mass, not the top, to inform the city agenda. The meetings held at the network, regional

Figure 1: NSDFU governance structure up to regional (municipal) level



and national level are critical to maintaining this bottom-driven process. These meetings, rather than specific projects, are what make the savings groups feel part of a larger process, a larger agenda, a movement.

In Jinja, for instance, there are 42 savings groups that come together as six networks. Each network has eight programme facilitators, 60 per cent of whom are women. These facilitators (for the issue-based committees listed above) come together to form the regional council. In Uganda, the Federation 'region' can be equated to a municipality. The regional council is a planning forum, a space where the representatives of the savings groups come together to plan.

Federation leaders are chosen for the capacity and accountability they have demonstrated in their savings groups. Five representatives from the regional council – three of whom are women – sit on the National Executive Council.

5.4 Federation negotiation with the city

At the city level, representatives of the savings groups are able to negotiate with city authorities to improve slum conditions. Savings is the tool for mobilising

people into organisations that can collectively determine slum upgrading priorities and implement solutions. The recently launched settlement forums – initiated by the federation – have proved to be an effective way for the communities to mobilise, organise and later send their issues to city authorities for consideration. These forums bring together all stakeholders ranging from opinion leaders, savers, women's groups, disabled people, religious leaders and local politicians within a particular locality to discuss and agree on the pressing issues that should be pushed to the authorities, the strategies the community has for addressing them and the partnerships they seek.

For example, in Mbale a forum was convened in Mission Settlement. At the forum the participants identified malaria as a major issue for the settlement. Drainage in the area was poor and the resulting stagnant water was the perfect breeding ground for mosquitoes. The forum committee took this issue to the municipal council and successfully negotiated for malaria channels¹³ to be incorporated into the municipal budget. The municipal forum that was institutionalised by the municipalities in 2011 has led to more community and city engagement around the most pressing issues identified by the communities.

¹³ Drainage channels to reduce the occurrence of stagnant water.

Community savings are used to contribute 20 per cent of slum upgrading project costs and sometimes to repay the loans secured for these projects. Twenty per cent is suggested as a means of demonstrating settlement level community commitment to a project and leveraging support from other actors. The whole process of project determination, negotiation and implementation is rooted in the skills developed as part of the activities of the savings groups. Money management, collaboration, organisation, accountability, and problem solving are skills honed in the savings groups. The community base behind the few that engage directly with the city is what gives the federation the weight to engage meaningfully with these authorities.

Negotiation impact upon slum upgrading

The federation's critical mass and organisational capacity allow it to apply pressure on officials and strategise so that this base cannot be ignored. As Michael Kasede, a federation member from Jinja states bluntly, 'We scare them because of our numbers.'

We must be listened to... We are the ones making them [municipal council] plan for slums.' The case of the Kawama Housing Project in Jinja supports this assertion. Here the federation leadership has managed to negotiate for 7.6 acres of land from the municipal council for housing for the urban poor and the federation has commenced construction. Other successful negotiations with local authorities have enabled the federation to secure land for sanitation units in Kampala, Mbarara, Mbale, Jinja, Kabale, and Arua. This has tremendous benefits for the slum upgrading agenda as it subsidises the cost of upgrading and demonstrates council commitment to work with slum dwellers. The following box captures some of the outcomes of the negotiations the federation has had with city officials.

These outcomes have led to an increase in the number of slum upgrading construction projects undertaken by the federation. Pilot projects are used to engage municipalities and have proved to be a highly effective tool for building a working relationship, demonstrating the capacity of the federation, and highlighting changes to practice and policy that could support the work of the urban poor to upgrade their settlements. The table

BOX 1: NEGOTIATION OUTCOMES

Citywide enumerations in five cities

These enumerations (community-conducted household surveys) were completed in all the slum settlements of Jinja, Mbale, Mbarara, Arua, and Kabale in 2011. These federation surveys gathered information on land tenure, access to services and basic infrastructure, and employment. The resulting reports were endorsed by the municipal councils and serve as a vital planning tool for informal settlements.

Citywide slum profiling in Kampala

Profiles (qualitative surveys) were conducted by the federation in all slum settlements in Kampala and will be updated again this year (2013). The profile data has proved useful for council and the federation in the planning of upgrading projects such as sanitation units, water points and a proposed market redevelopment.

Urban forums

Urban forums have been convened at the national, municipal, and settlement level and have largely been driven by the federation. The forums have institutionalised spaces for community participation in urban governance and development.

Transforming Settlements of the Urban Poor in Uganda (TSUPU)

The federation is recognised as the key community mobiliser in the national government's Cities Alliance-funded TSUPU programme. This programme emphasised the importance of federation rituals such as daily savings, exchange, and urban poor funds to sustainable urban development.

Social Tenure Domain Modelling (STDM)

Global Land Tools Network/UN Habitat have worked closely with the Government of Uganda and the federation to pilot an innovative new land administration tool in Mbale.

City-cleaning programmes

The federation has spearheaded city-cleaning programmes in partnership with local authorities, such as Keep Mbale Clear and the Model Settlement in Kawempe. Typically these programmes involve federation members clearing drains, sweeping streets, sensitising the public and extending municipal services to the informal settlements.

Municipal budgeting

The federation has negotiated a seat on a number of budget councils at the municipal council level which enables it to ensure the priorities of slum dwellers are incorporated into municipal planning.

Table 1: Slum upgrading projects resulting from negotiations between city authorities and the NSDFU

Kisenyi Sanitation Unit (2004)*	\$60,000
Kawama Low Cost Housing Project (2010)	\$87,000
Rubaga Sanitation Unit, Jinja (2011)	\$18,600
Kinawataka Sanitation Unit (2012)	\$15,600
Arua Water Point Project (2012)	\$6,316
Mbale Sanitation Unit (2012)	\$15,600
Transit Housing, Jinja (2012)	\$22,000
Makindye Water Point Project (2012)	\$280
Masese Sanitation Unit (2012)	\$18,800
Mbarara Sanitation Unit (2013)	\$15,600
Kabale Sanitation Unit (2013)	\$10,000
Bugembe Water Point Project (2013)	\$280
Danida Water Point Project (2013)	\$280
Bwaise Sanitation Unit (2013)	\$19,000
Arua Sanitation Unit (2013)	\$10,000

* Federation sanitation units are typically two-storey structures with toilet and bath facilities for men, women, and the disabled. On the second storey community halls are constructed to host community meetings and to rent out for income-generating purposes.

above lists the Federation's slum upgrading projects to date.

Urban poor funds

The funds listed for the projects in Table 1 have been channelled through urban poor funds so that the capital investment can be recovered and revolve to other slum upgrading projects.

Urban poor funds are a tool for financing community-driven development in the SDI network. They provide simple but structured access to development credit. The aim is to offer finance to the urban poor and other forms of support for community-based development processes on terms and via institutional arrangements designed around their own needs and practices – not those of the state or the private sector. This capacity building seeks to enhance the capacity of poor communities to address their own developmental needs on a sustainable basis.

A number of funds have been developed in Uganda to supplement the savings of federation members and expand the capacity to undertake development projects. The funds are in the early stages of development, but have already demonstrated great promise.

a) The Suubi Development Initiative (urban poor fund): The Suubi Development Initiative is a national urban poor fund established by the federation, with support from ACTogether Uganda, SDI, and Urban Poor Fund International (UPFI). Suubi was launched

in 2010 and is jointly managed by the federation and its support NGO, ACTogether. As with other urban poor funds in the SDI network, it is designed to allow communities to drive the decision-making and design processes for development on a large scale. In Uganda, over 60 per cent of the population cannot access credit either formally or informally. In Uganda's local language, Suubi means hope and, indeed, this fund represents a tremendous opportunity for communities to access and manage the resources they need to combat urban poverty. The bulk of project funds listed above were channelled through Suubi. Formalisation processes currently under way endeavour to increase the resources Suubi is able to leverage, particularly from government.

b) Kampala Community Development Fund (KCDF): The Kampala Community Development Fund (KCDF) was established in 2011 to support the transformation of the lives and living conditions of the urban poor. It is a city fund committed to nurture, sustain and develop the growth of proper dwelling and housing facilities in Kampala in partnership with stakeholders in the community development fraternity and other development partners. The fund became live in June 2012. Five loans worth 29.6 million Uganda shillings (US\$12,300) have been issued to groups in the five divisions of Kampala. A new board was recently formed, comprised of 60 per cent community members, 20 per cent government representatives, and 20 per cent representatives from support NGOs.

c) Community Upgrading Funds (CUF): The Government of Uganda established these city funds with support from Cities Alliance as part of the Transforming Settlements of the Urban Poor in Uganda (TSUPU) programme. The funds were launched in the municipalities of Jinja, Arua, Mbale, Mbarara, and Kabale. The funds target improved community infrastructure. The first round of funds was issued in 2012, with much of it going to projects planned and managed by the federation such as sanitation units, water points, drainages and footbridges. The federation has been pushing the municipalities to appreciate the enhanced cost effectiveness of upgrading projects that use community contractors rather than those required by municipal procurement policy. In the next round of CUF projects, scheduled for finance in the first half of 2013, these community contractors will have more opportunities.

5.5 Challenges to savings-based federating

We have shown the way savings brings the urban poor – particularly women – together and builds trust and the space for forging a collective agenda. We have shown how the federating of these groups into municipal and national structures allows for a city and national slum upgrading agenda that is rooted in the aspirations and concerns of the membership. We have also shown that these city and national federations can negotiate with local authorities for pro-poor policy and practice and that the use of urban poor funds can support the urban poor federation to invest in slum upgrading projects to further that agenda.

Of course, the savings-based federating process is not without its challenges. The following challenges are recognised by members to be especially problematic:

Community monitoring: For the savings and loans systems of the federation to work effectively and accountably, there needs to be adequate peer-to-peer monitoring within federation systems. This requires resources and when these are not available, there can be slips in accountability and transparency. Such slips can have a negative impact on the incentive to save.

Inflation: A major challenge to the savings of the urban poor in Uganda has been inflation, which approached 30 per cent for some time, but has now reduced. Periods of high inflation erode the value of the precious savings of the poorest.

Evictions: A major setback to savings is eviction. In Uganda, communities have worked hard to mobilise and organise, only to be evicted. While forced evictions have become much less common, more subtle evictions that occur when slum landlords are bought off by developers are still frequent. These evictions disrupt the collective capacity building process and break community bonds that rely on proximity.

Fund delays: Federation members become discouraged by the long delays operationalising funds. New finance systems for the urban poor need to be established slowly and carefully and it takes time for outsiders to gain confidence in the approach.

Government commitment: Repeated promises by government to contribute to Suubi remain unfulfilled. Though Suubi has managed to leverage considerable government land contributions, it aims for budgetary allocations from local and national government.

5.6 Looking ahead

This year, the Uganda Federation has intensified its exchanges with other federations on the topic of growing and formalising the Urban Poor Fund. Immediate neighbour Kenya has established a very successful fund, Akiba Mashinani Trust, which has provided much guidance to the Ugandans as they formalise their own fund. The Zimbabweans also have a great deal of experience to share and the Ugandans are confident that the Suubi they are building will benefit from the best practices of these funds in order to grow a Ugandan urban poor fund that strengthens the saving group base and encourages more government and donor partners to work with the urban poor. As the federation plans to move into an additional nine municipalities this year, many more savers will be brought into the fold. The Uganda Federation knows the challenges this will present in terms of monitoring and how critical it is, therefore, to mobilise with clear guidance based on the learning of the NSDFU in the past ten years. The federation constantly monitors itself to ensure its leadership is responding to the membership base. This is of absolute importance to the savings-based federating process.

6

Savings in Zimbabwe

Patience Mudimu, Molin Kohli Chakamba,
Beth Chitekwe-Biti

6.1 The history of SDI-modelled savings in Zimbabwe

The first SDI-modelled savings schemes in Zimbabwe started in 1996 in Victoria Falls. They were mobilised by members of the South African Homeless People's Federation, who had come for a brief visit. The Victoria Falls groups were comprised of people who were living in backyards in the Chinotimba High Density suburb and the Baghdad informal settlement. The families in both Chinotimba and Baghdad had experienced regular evictions, were anxious to secure their tenure as well as improve their living conditions and were seeking ways of achieving this.

While the South Africans had impressed upon Victoria Falls residents the principle of saving small amounts on a regular basis to accommodate the poorest among them, the savers were pushed by local leaders to increase the savings in order to 'achieve something' quickly. The logic of saving small amounts daily seemed to be contrary to their goal of better housing, so the groups adopted fixed subscriptions per month as their savings model. This model was more suited to people who were formally employed with a fixed income per month. But a majority of the members in these saving schemes were not formally employed, instead surviving through a variety of livelihood strategies that included vending and piecemeal domestic jobs in the more

affluent neighbourhoods. They therefore could not afford the relatively high monthly subscriptions. The groups collapsed as a result, as they were now excluding the very people they should have been serving.

In 1997, contacts were re-established with the South Africans and an exchange visit was organised. People from two communities in Harare (Dzivarasekwa Extension and Hatcliffe Extension) visited informal settlers in Cape Town and Durban. The Harare settlements had been created by the government to accommodate victims of evictions that were part of a 'clean up' before the Commonwealth Heads of Government Meeting in 1991. (Although they were meant to be temporary settlements, they continued to exist and were only finally demolished in 2005 when another wave of evictions occurred.) The women who visited South Africa observed the power of daily savings – how this ritual connected the community, enabled very poor women to address their daily struggles and develop a voice in their communities that eventually resulted in better housing and more secure tenure.

When these leaders returned, they organised meetings in their communities where they spoke about what they had seen in South Africa and how saving 'just a dollar' a day was changing people's lives in a very profound way. On a subsequent return exchange the South Africans assisted people in the two Harare communities to establish saving schemes. Teams from these new savings schemes then started visiting other informal settlements in Harare and other cities, mobilising new savings schemes. The groups in Victoria Falls

were revived using the model of small, voluntary daily savings appropriate to poor families living in informal settlements. As of June 2012, 635 savings schemes were operational in 73 urban centres throughout Zimbabwe. More than 51,000 families save and are part of the network of savers that now calls itself the Zimbabwe Homeless People's Federation.

While membership in a saving scheme is by household, the federation process tends to attract more women in informal settlements than men. Women in Zimbabwe are the main caretakers within the household, which often also include extended family members. In addition to working outside the home to supplement their husbands' incomes or as the main breadwinners, they face, firsthand, the brunt of challenges of everyday living such as sourcing water and coping with children's needs in settlements with no toilets. They often have to deal with abusive landlords who demand exorbitant rents and continuously create arbitrary rules and regulations. These daily hardships motivate women to join savings schemes, which result in benefits for the whole household. The women also get other members of their families involved, some of whom end up actively participating in many of the federation's activities, including savings.

6.2 Savings systems in Zimbabwe

In Zimbabwe, savings schemes or groups consist of about 80 members, but can vary in size and geographic spread. The standard group has three treasurers and collectors but this also varies by group. Collectors pay daily visits to members' homes to collect savings and take note of any problems a particular household might be facing.

While at the beginning the purpose of savings was mainly for better housing and security, different groups now save for different purposes. The group decides on its objective before they start saving to ensure that savings are effectively used to meet their needs.

Daily savings: For most group members, income is earned daily through vending, and each member is encouraged to save on a voluntary, daily basis. In general, these daily savings are used to meet basic needs such as food, clothes and school fees for children. Each group keeps its own savings, which are not formally banked because of the high demand for their use among members. Also, there is little trust in the formal banking system after the Zimbabwean banking crisis of 2008. Members apply to the group for loans, and each group sets up its own lending conditions.

Health and burial savings: In addition to daily savings, members are also encouraged to save US\$1.00 per

month for health and burial costs. The federation has started a health fund with these savings, which has been used to establish herbal community clinics throughout the country as well as community clinics manned by a qualified doctor. In the event of illness, patients who contribute to the fund are treated at no additional cost. Those who are not saving pay US\$2.00 per visit to a clinic. In the event of death, group savings are used to meet the burial costs.

Gungano Urban Poor Fund Savings: All members of the federation contribute US\$1.00 per month to the Gungano Urban Poor Fund. This is specifically for capital expenditure and gives loans to the saving group. This money is deposited in a formal bank in either national or regional accounts set up for the purpose. Saving groups then apply to the fund for a loan for its members as required.

In total, the federation has now saved US\$950,000.00. The same collectors who collect the daily savings also collect the health and Gungano contributions. All these transactions are entered into the collector's book as well as the member's savings book and countersigned for transparency. Amounts are reported at weekly savings scheme meetings where overall bookkeeping is done, and where members decide on the use and administration of specific savings.

Loans: As noted, each group sets its own terms and conditions for loans from daily savings. While the loan addresses an immediate need or crisis, an added advantage is that members get to practise borrowing and repayment, and the practice of individual repayment can then be used to inform future bigger loans such as capital loans. Loans from the Gungano Fund are borrowed as a group and it is the group that ensures that members fulfil agreed loan conditions. Members encourage each other to repay as well as assist those who might be struggling for one reason or another. Often groups save towards loan repayment. Most groups will have a dedicated team that follows up on defaulting members using carrot and stick methods to encourage payment.

The federation structure: Saving schemes come together as a network on a monthly basis to share their experiences. Each network comprises several saving schemes in the same geographic location. Results from these meetings are reported at regional meetings, which are also convened monthly. At least once a year, the federation holds an annual forum where all 11 regions are represented, reports are given, and the priorities for the coming year are collectively agreed on.

The federation has devised methods of bookkeeping that enable them to effectively account and monitor their savings. Table 1 shows the national saving statistics by region as of June 2012.

Table 1: Federation national savings information as at June 2012 (figures in US\$)

REGIONS	NO OF GROUPS	MEMBER-SHIP	DAILY SAVINGS	GUNGANO SAVINGS	HEALTH SAVINGS	LAND SAVINGS	BURIAL SAVINGS	STATIONERY SAVINGS	OTHER SAVINGS	TOTAL SAVINGS
Harare	177	17,481	173,772	84,770	63,849	46,827	19,852	254	4,050	418,549
Manicaland	5	567	18,769	5,566	1,072	961	746	803	-	27,917
Mash West	74	5,075	21,592	30,469	12,637	14,106	2,138	1,782	3,198	85,924
Midlands	62	1,818	4,679	5,525	555	1,069	-	45	-	11,873
Mat North	62	5,044	22,630	12,309	1,093	3,787	1,132	2,238	-	43,192
Mat South	34	1,104	39,101	8,449	7,456	2,482	12,675	5,582	2,306	78,051
Masvingo	47	3,041	35,565	9,003	3,700	11,390	1,440	767	-	61,865
Bulawayo	88	6,208	42,443	20,941	1,528	18,572	8,829	2,568	-	94,882
Mash central	14	1,502	6,102	8,187	1,492	2,285	295	1,141	307	19,809
Mutare	23	5,832	40,229	3,858	3,858	286	122	2,696	75	69,007
Watershed	49	3,318	11,299	5,564	5,564	5,619	2,110	1,050	-	39,423
Total	635	51,090	416,883	220,039	102,806	107,385	49,341	44,102	9,936	950,493

6.3 Connecting communities and building citywide federations

The federation has a repertoire of practices that have become ritualised over the years, including collective savings, slum enumerations, learning exchanges at the local and international level, and regular meetings where decisions are made by consensus. This common platform of rituals is practised by every federation savings scheme in Zimbabwe.

The community savings process has been life changing for individual members as well as whole communities. At the local level, savings create ownership and trust within the group. By building a collective voice, federation members own the process and work hard for its sustainability. In addition, the community savings are used for land negotiations and leveraging more resources. The federated communities have been able to approach their local authorities and government and have managed to effect policy change.

6.4 Linking community savings to the Gungano Urban Poor Fund and for community mobilising

Daily savings are the backbone of the federation and form the basis for the Gungano Urban Poor fund. The ritual of daily savings helps create and nurture the practice of members getting loans and repaying, which is critical for owning and managing a capital fund.

The Gungano Urban Poor fund was set up in 1998 as a capital revolving fund. While daily savings have been used in Zimbabwe to meet the material needs of members, the principal reason for them joining savings schemes was to secure tenure. At a time when illegal settlements were being demolished en masse by the authorities, the members' aspiration was therefore understandably to have security of tenure and end the vicious cycle of evictions. Securing tenure for housing has meant either acquiring undeveloped land to build houses or regularising the informally occupied land. Both options are expensive and unaffordable to the urban poor. The Gungano Urban Poor Fund

was therefore set up to meet the capital needs of the members of Zimbabwe Homeless People's Federation.

The needs, the Gungano Urban Poor Fund addresses can be broadly divided into two categories. The first category relates to ensuring secure tenure and/or the improvement of shelter, improved access to basic services such as water, sanitation and access roads. This category also includes the purchase of land, the installation of basic services such as water and sanitation, and the construction of houses as well the upgrading of existing structures and services in informal settlements even where the tenure is insecure. Secondly, the fund is used to provide capital for small businesses to boost the incomes of members. The landless members use the profits from these businesses to save for land and the members with land use the profits to service their land development loans. The fund is flexible enough to cater for the varying and changing needs of the saving groups and communities.

The Gungano Urban Poor Fund has four sources of income. Firstly, all the members contribute to the fund. A monthly contribution currently set at US\$1.00 per month per family is collected by the groups from their members and deposited into a central account. The contributions are deliberately low to ensure that all members can afford to contribute regularly. This fosters a sense of ownership of the fund among the federation members. Secondly, community savings are used to leverage grants from funding partners and central and local government to augment the members' contribution. For example, the Dzivaresekwa slum upgrading project in Harare is funded by finance from other funders and supplemented with contributions from community savings. For instance, the trunk road and trunk water lines servicing the area are funded by central government; the City of Harare is providing the technical services required for the project as a grant; Selavip is funding transitional housing and the Bill and Melinda Gates Foundation has provided funding for all on-site conventional services. These funders support an organised community that used its own savings (the Harare federation members have contributed US\$84,770.00 to date) to provide basic water and sanitation services to the community. The challenge is finding funding partners who accept that the effectiveness of the fund is underpinned by the people's processes, which are anchored in the savings rituals and principles at group level.

The third source of income for the fund includes repayments from loans that would have been previously given to groups. The repayments revolve into the fund so that other groups can access them as loans. The fund also leverages resources from central and local governments. To date no funds have been received directly from the government but land as well as free technical assistance has been, both from central

government and local authorities. A commitment has been made by government to match the members' contributions; however, to date, no disbursements have been received. It is unlikely in the short term that the government will make good on this commitment in the context of the prevailing economic conditions and perhaps until such time as the government might feel they have sufficiently recovered from the decades-long economic crisis.

The Gungano Urban Poor Fund is governed by a board made up of federation members. The board has scheduled meetings to assess loan proposals from groups as well as monitor the performance of the fund. There are representatives at all levels of the organisational structure of the federation – from group level to national level. Follow-up and feedback are therefore a critical element of the fund's operations.

6.5 Working towards a citywide fund

Within the context of its current partnership with the City of Harare, the Zimbabwe Homeless People's Federation is researching the possibility of establishing a city-level fund that both communities and the city can contribute to and jointly govern. Previously, the City of Harare used to have a budget allocation called the Estates Account that funded city housing projects. This fund is no longer functional. Instead, organised communities have set up their own development funds and these are usually used for settlement upgrading. Therefore there is no funding specifically for the upgrading of slum settlements. Citywide upgrading projects initiated by the partnership of the city and the Zimbabwe Homeless People's Federation need to be scaled up and an appropriate funding mechanism created to finance these processes.

6.6 Precedent setting models

In addition to funding the developmental needs of the federation members, the fund has many other uses. It has been used to finance precedent setting models that have influenced the review of the housing policy in Zimbabwe. For instance, incremental construction of houses by the poor has been accepted in Zimbabwe since the 1980s. The federation used the fund to demonstrate that incremental installation of infrastructure is also feasible for the urban poor. As the government's capacity to provide houses for the poor decreased, cities and the state resorted to allocating virgin land to them. However, the cost of servicing this land with water, roads, sanitation and electricity was

beyond the reach of most of the urban poor. At the same time families were not allowed to occupy the allocated land until it was fully serviced with tarred roads, reticulated water and sanitation systems.

The fund has financed different types of projects. Initially the federation developed housing projects that demonstrated the capacity as well as feasibility of the savings schemes methodology for collective development. This enabled the federation to configure and implement housing projects that improved the living conditions of members. In the early years the federation's aim was to develop its profile as an authentic organisation that offered viable solutions to the problems that communities of the urban poor faced in Zimbabwean cities. Infrastructure and housing projects in Victoria Falls, Mavambo, Harare and Beitbridge were developed with this intention. To gain credibility the projects were done the conventional way as dictated by central and local government regulations and policies. But it became increasingly clear that the conventional way of housing development was not appropriate for the poor. It relied on the use of middleman such as consulting engineering firms and contractors to interface with the city during the project implementation. Communities had little say in how the projects were being executed as they relied on the advice of professional consultants who had experience and know-how in conventional approaches of project development. In addition, engaging consultants and contractors proved to be very costly. The federation was, however, able to use this experience to develop their own capacity in managing large-scale projects as well as test what was possible, improving with each subsequent housing project.

6.7 Slum upgrading and its challenges

Subsequent projects were geared more towards meeting the needs of the savers by looking e closely at affordability rather than following a rulebook as prescribed by the local authorities on a settlement-by-settlement basis. It was also important that projects were not only affordable but could be replicated throughout the network. This phase saw the federation coming up with alternative methods and technologies for infrastructure and housing projects.

The federation successfully negotiated with central and local government for incremental infrastructure provision starting with basic levels of water and sanitation provision such as boreholes and Ecosan toilets. Using these services, families were allowed to take occupation of their plots. This was a major achievement as hitherto and according to the existing bylaws, families were only

allowed to occupy their plots after they had fully installed conventional water, sanitation and road grid systems.

The fund has also financed projects that benefit whole communities and not just members of the federation. At the moment four slum upgrading projects are being implemented in Zimbabwe using this model. With time the federation realised that some of the challenges they were facing could be solved if the whole settlement worked together and not just members of the federation. The federation spearheaded the collection of socio-economic and spatial information pertaining to informal settlements. This resulted in the quantification and qualification of the challenges faced by the settlements such as the inadequacy of water and sanitation facilities. The sharing of this information provided a basis for communities mobilising around common issues. Slum upgrading programmes were therefore designed and implemented by the residents of the settlement and not just members of the federation. Such developments have in turn resulted in the creation of partnerships between the city governments and communities of the urban poor.

Settlement-wide projects revealed the need for leveraging external finance beyond community savings. The challenges of informal settlements is that they require huge capital outlay that is beyond the means of the poor communities. It is necessary for governments to partner with communities in upgrading slums and developing housing for the poor.

6.8 Engagement with government

The Zimbabwe Homeless People's Federation has entered into partnerships with central and local governments in order to take a proactive and constructive role towards improving the lives of the urban poor. This is different to a focus on slum demolition and evictions without an alternative. The partnership has yielded a number of results that include the inclusion of informal settlements on the cities' spatial maps, leveraging resources such as free land and technical assistance for community projects, concessions in restrictive development conditions (some of which have been institutionalised), as well as the implementation of joint slum upgrading projects between the city and communities of the poor. An example of the latter is the five-year, US\$5 million dollar slum upgrading project being implemented by informal slum communities and the City of Harare. It is envisaged that this partnership will lead to the establishment of a city-level slum upgrading fund that communities and the city will own and manage and that will be used exclusively for the development of informal settlements. If this is successful, it will represent a major shift in

policy and practice regarding informal settlements in Zimbabwe from the recent demolitions of 2005 across all urban centres nationwide. This shift is attributable to slum dwellers organising themselves around savings.

The process of savings in Zimbabwe can be summarised as follows:

Daily savings to Gungano urban poor fund (precedent setting upgrading models by federation) to *community-wide* projects to *citywide* projects in partnership with cities across the nation (this part of the process is still planned for the future)

6.9 Personal histories

The following stories demonstrate the aspects of the savings process in Zimbabwe.

Sheilla Magara

"I was an illegal resident of Harare as soon as I was born in 1964. I lived with my mother in the domestic quarters of her employers. This was illegal in the colonial days for blacks to live in the same suburb with whites. Only domestic workers were allowed to live in the backyards of their employers' houses. Spouses and children were not allowed. The kindness of my mother's employer only made this arrangement possible. I therefore started my life as an illegal backyard dweller. My father was working as a general hand for a bottling company. He lived communally with a group of other male employees in a hostel called Charles Bricks single quarters in the oldest black township of Mbare. As a result we lived separately from my father.

"In the late 60s my father was offered a better house in a flat designed for married couples. We moved into Matererini Block 6 as a family. It was a two-roomed unit. As our family grew the flat became too small to accommodate all of us. At one point there was ten people living in these two rooms – my parents, my five siblings, well as my two step-siblings as well as myself. My parents occupied one room, all of us children shared the other room. We separated the room with furniture so that there was some form of privacy between the boys and girls. Others even slept on the dividing furniture as the room was too small to accommodate all of us.

"I left school at the age of 14 years as my parents could not afford to send me to the secondary school. My mother had given birth to twins and I had to look after them. A year later at the age of 15 I got married. My husband and I rented one room. We were struggling to fend for ourselves and when I was five months pregnant he send me to live with his parents in his rural home. We lived separately for many years. I only came back to the city to nurse him after he broke his leg in an accident. Fortunately, my parent's neighbours were moving into another settlement. They offered me their two-roomed

flat next to my mother's. I lived with my husband and five children in this until I secured better accommodation through the Zimbabwe Homeless People's Federation in 2004.

"I was introduced to the Zimbabwe Homeless Peoples Federation in 1999 by my husband. I did not understand what the federation was all about. My husband used to go on exchange visits to other slum settlements with members of this federation, most of whom were women. Naturally I was jealous and suspicious about these exchange visits. When I started attending the savings meetings myself I began to understand that I had the power to improve my life. I did not want to live the same life of poverty my mother lived.

"I joined a savings group in my neighbourhood and started saving with others. However, we did not trust each other so even though we were encouraged though exchanges with other groups to give each other loans we were very resistant to this. We were more interested in having an accumulating bank balance – for the sake of it. After all the majority of us had never had a bank account of our own. Other groups continued to encourage us to give each other loans. Their reasoning was that this accumulated balance was being given as loans to other people by the bank anyway – our money was benefiting others and not us. The first loan we gave was to a group of women in our saving scheme who wanted to buy and sell grain. The women did not repay the loan. This increased our mistrust. The other savers in the federation encouraged us to trust each other again and get loans so that we could start to benefit from these savings. We gave another loan to another group of women and like the first group they did not repay the loan.

"We sat as a group and looked at why people were not repaying their loans. We realised we needed a system that took into account how people made their living. We started to collect repayments daily and also created a team we called the 'black boots' to follow up defaulting member. We realised in keeping with the reputation and notoriety of our settlement, Mbare, some members were taking advantage of this not to repay their loans and therefore we needed not only carrot strategies but also stick strategies to follow up on loans. The black boot team acted more like debt collectors but would also discuss with a defaulting member the reasons for their failure to pay back the loan. We continued to draw lessons from this and ultimately we devised systems of lending and the loans would be repaid.

"I started getting small loans as well from the group to improve my vending business and I repaid the loans. I joined other members of the group and got a bigger loan and we started a collective business of buying and selling snacks from our vegetable markets. This was a huge success and we never looked back. With the profits from this business we started to buy and

stockpile building materials even though we were landless. Armed with our savings records we engaged the City of Harare to allocate us land to build houses. We used our savings booklets as evidence of the capacity of the poor to collectively save hence we could argue we were in a position to build our own houses. The officials were surprised by how much we had saved. We earned their respect. In turn they changed their conditions for registering on the city's waiting list for accommodation.

"Anyone who did not have payslip was required by the city to join a savings scheme and use their savings record in lieu of a pay slip to register. Even though it took us five years the city eventually allocated us land to build houses. Using the same method we started talking to national government ministers as well. Our message was simple – that we were slum dwellers but we were not hopeless. We wanted government to change the policies that make it difficult for the poor to live decently in towns. We wanted the government to allocate in their budgets resources that would augment our savings. That way more poor people can have decent homes and safe water to drink and proper toilets. Mayors and government ministers in Zimbabwe now know me by name because, with other federation leaders, we never get tired of fighting for other poor families.

"I am now a very confident woman by sharing ideas with other savers and visiting different communities to learn from and teach them on how by coming together and saving we can improve our lives. Through the federation I now have a house for my family. The houses the federation has built help in convincing government that the poor are not hopeless. This has made government change its housing policy. For the first time we have a policy that recognises that there are poor people in the urban areas as well as recognising the positive role that savings scheme play in providing houses. The policy is not perfect but we will continue to fight for the improvement of poor people lives. The federation is now working in partnership with the City of Harare in identifying and upgrading slums in and around Harare. 53 slum settlements have identified to date. In these settlements we have also mobilised people to save towards upgrading their settlements."

Patricia Fungai Sibanda

"My name is Patricia Fungai Sibanda. My mother named me Fungai (meaning Remember). She was reminding my father, a heavy drinker, to remember to come home after his drinking sprees. I was born in Zambia where my father was working. My parents later returned to Zimbabwe but I remained with my husband and four children in Zambia. When I divorced my husband I came back to Zimbabwe with my four children and lived with my parents at a farm in Muchichiri. The need to fend for my children forced me to move to Chinhoi,

the nearest town from Muchichiri in 1994. I rented a backyard shack. I worked as a farm labourer on one of the farms near the town. With my wages I could not afford to rent anything better than a shack and could not afford to bring my children to live in town with me either. I went to the municipality to look for better and cheaper accommodation. I was asked to register on the waiting list of people seeking accommodation like myself. For the next 12 years I continued to update my status on this list but no accommodation was ever offered to me. I do not even know how many people were in front of me on this list and whether any one of them had been offered accommodation by the municipality either.

"In 1999 I met some women at a funeral in the neighbourhood. The women were talking about how they were members of a savings scheme that was helping them change their lives. I was interested. I joined the Sunganai (Unite) Savings group on 3 March 1999. However, I was not actively participating in the group's activities at this time. I was now working as a builder's assistant for a construction company. The company invited me to go and work in Zambia where a new building contract had been awarded. Unfortunately, my mother fell ill and later died and I missed the opportunity to work in Zambia. I found myself unemployed and with more time on my hands I decided to participate more in the activities of the savings group. Up to this point I was sceptical about how small voluntary savings could improve my life. To test waters, I started taking small loans from my group. One small loan led to another. I invested the loans in small income generating projects like buying and selling soap. The small businesses gradually grew. Now I am a cross-border trader buying and selling clothes from Zambia and selling them in Zimbabwe. This income enabled me to rent a better place and to finally bring my children to live with me. I lived in the shack with my children and later on managed to rent a room in a formal house.

"Sunganai savings scheme is part of a national network called Zimbabwe Homeless People's Federation. As members we all contribute USD1 per month to the Gungano National Urban Poor Fund. With the support of other savings groups within the network, we started negotiating with the municipality for land where we could build our own houses. The municipality did not believe that small regular savings by the landless poor could enable us to build houses. After all as a local authority with all the resources they had they were failing to provide houses for the poor.

"The question then became how can the poor could succeed where the municipality was failing? To convince them we took them to a project in another town that had been developed through the savings of the poor. The savers in Kariba had managed to install water and sewer reticulated systems on a virgin piece of land. As a result of this visit the municipality became

convinced and they allocated us land which could accommodate 252 families. As a group we applied for a loan from the Gungano fund to install basic water and sanitation units so that we could occupy the allocated land. The fund requirements are that a savings scheme can only access a loan if it can prove that members were saving regularly. Other savers from other towns came to verify that we were saving indeed and a loan was given to us.

With the loan we have managed to establish a brand new settlement in the town. The settlement is even called Federation! We have drilled three boreholes and built 96 ecological, waterless sanitation toilets as well as 132 two-roomed houses. I now own and live in one of these houses with my children. I now have five children. However, the number of landless families continues to increase in our savings schemes. More than 4,000 savers need houses. The municipality has promised to allocate us more land once we finish constructing 150 houses. We have already started negotiating for more land for the landless. We are proud that the municipality is bringing other municipalities to our project. Our project is seen as a success story of how poor women can improve their lives through savings. We are continuing to save and we are using the savings to repay the loan. We hear that other savers in other towns have already finished repaying their loans and are using their savings to extend their houses. We are looking forward to doing the same."

Dairesi Watch

"My name is Dairesi Watch. I was born on the 23 of March in 1994 on a farm called Highbury in Mhangura. My parents were staying on this farm where my father was working as a farm labourer. My father was a gambler and I am named after one of the games my father was playing on the day I was born. My parents later divorced and with my six siblings we stayed with our father and step-mother. After my parents' divorce I stopped going to school because no one was paying my school fees. When I was 13 years old I ran away from my father's house because an arrangement that I should marry an older man who was a soldier had been made by my father and step-mother. I went to live with my mother and step-father on a farm in Banket. This is where I met my husband and who I married at 16 years of age. Even though I was still young I had at least made this choice on my own.

"My husband worked at a mine. In 1990 my husband lost his job and we moved to Chinhoyi town looking for employment. He found a job with a construction company. He was working as a carpenter. We rented a room. He was later transferred to work in another town. When my husband failed to send me money I ended up failing to pay rent and had no money for food. Fortunately, I was a very active member of the Church

of Christ and I was leading the women's fellowship. The church was looking for a caretaker for the church's premises and I took up the offer. I stayed at the church for 10 years.

"During this time, I met women from the church who introduced to me the concept of collective savings. I was sceptical about the concept but I joined a savings group in 2006 out of curiosity. Two weeks after joining the group I was asked to lead the land component. This involved negotiating with the municipality for land. Being a leader in this group forced me to know more about the savings concept. People with savings accounts at the bank were rich people with a lot of money to spare. I did not understand how, a poor woman like myself, being looked after by the church, could save. I hardly had enough to feed my family let alone save.

"I am a curious person by nature. I started asking the other savers a lot of questions. I went on exchange visits to other savings schemes in other towns. I did not miss an opportunity to learn. I saw how other savings groups were giving each other loans from their collective savings. I learned how they were using the loans and how they were repaying the loans. I saw houses built through savings. I drank safe water that was installed by other communities using their savings. These visits motivated me to save and to encourage others to save. This knowledge also helped us in negotiating for land with our municipality.

"After three long years of negotiations, the municipality finally allocated us a piece of land to build our houses. They were testing us to see whether these small savings could build us houses. We have passed the test. We have built houses for ourselves. We have improved sanitation units as well as safe drinking water from boreholes. All those who decided to wait for the municipality to provide them with houses are still waiting. For the past 20 years or more the municipality is not building any houses. They are saying they do not have any money. Maybe municipalities should also start to save! What saddens me is that more and more families do not have houses and are drinking polluted water from the municipal taps. Everyone knows this but they have no choice but to drink this water. Our borehole water is safe for drinking. We regularly test it. Also, the municipal water is not enough. Residents go for days without water. Our toilets are waterless so even when there is no running water in town, toilets in our settlement remain functional. At first we used to be smug about our success. Now we have taken it upon ourselves to help other settlements to improve access to water and their sanitation. We have mobilised 11 other settlements in the town that have different problems. Some have filthy communal toilets, others are dumping mountains of trash in their neighbourhoods, others have erratic water supplies, others lack secure tenure and risk being evicted. In many cases, these settlements have

all these problems. We are hopeful that our experiences will soon benefit many poor families in the city not just members of the federation.”

6.10 Conclusion

The process of savings has not been without challenges. The greatest challenge has been hyper-inflation of more than 2,100,000 per cent a year experienced in Zimbabwe in 2008. Financial institutions closed down and the federation lost the savings it had deposited. For the financial institutions that remained open, the communities were unable to withdraw their savings due to cash shortage. Shortage of cash flow also resulted in communities failing to utilise their savings when they needed it. Construction projects stalled or were stopped. The federation had to devise a non-monetarised version of loan repayments called Dombo to Dombo. Under this model loans were recorded as bill of quantities and not in monetary form. Loan balances were indexed using a bag of cement as a unit of measurement. As a result, payments were expected in material form as well. Even though this was useful in managing the hyper-inflation, it was reactive, and some of the savings were lost before the system was started. Zimbabwe now has phased out its own currency and is using the major foreign currencies as the currencies of choice. However, uncertainty remains on how sustainable this is and what effect reverting to the Zimbabwean dollar would have on people's savings. What is certain though is that despite hyper-inflation and multiple crises that the country experienced, the role of community savings in improving the lives of poor communities is undisputed.

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This paper describes the community savings groups that are the foundation of many federations of slum/shack dwellers/homeless people in Africa, Asia and Latin America. It reports on discussions with federation members in Kenya, Namibia, Malawi, the Philippines, Uganda and Zimbabwe on how savings groups are set up (mostly by women living in informal settlements) and managed; how these groups support their members working together to address difficult issues; and how the savings groups help change relations for the better with local and often national governments as they demonstrate their capabilities. The challenges that savings groups face and how these are addressed are also discussed.

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