



SAVINGS AND LOANS GROUPS

Mangrove Best Practices



Wetlands
INTERNATIONAL



The issue

Overexploitation of mangrove ecosystems – from overextraction of firewood to land conversion for agriculture – usually occurs because local communities lack alternative means of support. Enabling mangrove-dependent communities to improve their capital and develop sustainable alternative livelihoods while conserving the mangrove ecosystem is the best long-term solution to this issue, both socially and ecologically. However, this approach requires targeted investment, and communities typically lack access to the funding needed to get alternative livelihoods off the ground.

▶ THE SOLUTION

Village Savings and Loans Groups provide a source of finance for local entrepreneurs to create opportunities by funding business ideas, without having to depend on banks or microfinance institutions for access to credit. Wetlands International provides equipment and training, for women in particular, to set up family businesses for livelihood activities, in return for their contribution to conservation and restoration. This allows communities to diversify their livelihoods while conserving their mangrove resources. As new livelihoods are created, new value chains and new markets emerge around them, organically upscaling the reach and impact of the initial intervention, and a surplus is generated for reinvestment in the community. What's more, since many of these livelihoods depend directly on healthy mangroves, community motivation for protection and restoration is increased.



"I can never forget what Wetlands did for us," says Laura Sania, a palm oil business owner in the village of Apilho. "They showed us the importance of mangroves and helped us set up a Savings and Loans group, which has allowed me to borrow money and pay the people who help me make palm oil. We've stopped cutting mangroves, and now we have so much fish."

Laura Sania,
Apilho village, Guinea Bissau

The process

We've been refining the Savings and Loans model, and the process involved in creating it, as part of our conservation and restoration activities in Senegal and Guinea Bissau. It works as follows:

1. **Assessment:** Conduct initial assessments to identify community groups, organise them in 20-25 members and identify livelihoods they would like to get support for.
2. **Provision:** Supply materials and build capacity for the governance, operation and financial management of the Savings and Loans Group
3. **Groups savings:** Groups, largely composed of women, regularly contribute small amounts to a savings box. Members can then access these savings as loans to invest in small-scale livelihoods and entrepreneurial projects within their communities. This simple system enables individuals to focus on their businesses and reduces their reliance on unsustainable mangrove resource use.
4. **Solidarity mechanism:** Community members contribute a portion of their income to create a 'Communal Fund'. This grows over time to act as a safety net for all members who need financial support, and to strengthen overall community resilience by financing solutions to social and environmental problems (e.g. more efficient cooking stoves, restoration activities).



5. **Borrowing:** Community members can also borrow money from the Savings and Loans Group, to a maximum of three times the amount they have saved. Interest is charged on each loan, which usually must be repaid in full within two to three months.
6. **Regular meetings:** The Savings and Loans Groups have weekly meetings at which contributions and repayments are collected, new loans are approved, and the money in the Communal Fund is counted. During the session important topics related to mangroves or societal issues are also discussed.
7. **Surplus distribution:** As the loans are paid back the schemes become self-sustaining, and begin to generate a surplus. Some profits are distributed among members when they close the year, to pay some expenses such as school supplies for kids - and in many cases a percentage has also been voluntarily invested in mangrove restoration.

Impact in the field

Senegal

- 21 Savings and Loans Groups
- Serve more than 120 villages in Grand Saloum and 50 villages in Casamance
- 630 direct beneficiaries and 5670 indirect beneficiaries
- 90% are run by women

Guinea Bissau

- 45 Savings and Loans Groups established
- Supporting 1,044 women and man and over 6,264 community members

Our monitoring for Senegal and Guinea Bissau shows that within a year of an association's launch, many local livelihoods diversify away from mangrove-based products, boosting alternative employment opportunities, especially for women, and reducing pressure on mangrove resources.

In Senegal diversification rates range from 30% on the mainland to 80% on the islands. Funded businesses achieve profit margins of 20% to 50%, enhancing household resilience and covering expenses like school supplies and healthcare.

Female participation in non-mangrove livelihoods increased to 57% (from 48%), with women engaging in selling goods (e.g., food, cosmetics, clothes), offering services (e.g., tailoring, housekeeping), and small-scale farming. This boosts women's autonomy, unity amongst women and community respect. Savings and Loans Group also foster social cohesion by investing in community needs, such as places of worship and disaster resilience.

Village chiefs report no issues with loan repayments, and authorities appreciate the flexible system. This success has led to growing male participation in these groups.



"I am a shopkeeper and every week I take a loan of 50,000 francs regularly to buy products and develop my small business. I used to go to Foundiougne and bank credit was difficult and there was a lot of time wasted. Now we have a system in the village that allows us to keep our money and have money to work."

Amy Sarr,
Djirnda

Contact us

To find out more about Savings and Loans Associations, and how Wetlands International can support their creation and development, please get in touch with **Therese Musabe**, Programme Director Mangrove Capital Africa, Wetlands International.
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Lessons learned

Our experience in setting up Savings and Loans Groups in Senegal and Guinea Bissau highlights some key practical considerations:

- It is worthwhile **investing in the training of facilitators and village agents** to provide financial and technical advice in their communities, as well as practical knowledge of mangrove management.
- Women should receive training in **business and practical skills** – such as entrepreneurship, processing, packaging etc. – to maximize the potential of the village enterprises they run.
- **Monitoring tools** are important to track progress. They should be harmonized and digitized (as mobile apps) wherever possible.
- This intervention is most impactful when run **in parallel with other livelihood development activities** (e.g. oyster farming, market gardens, beekeeping)

Replication and scalability

The Savings and Loans Groups model is simple, robust, low-cost and ultimately self-sustaining – and as such it has enormous potential for replication and scalability. Seed capital, a governance structure and community support are the key ingredients needed.

Key stakeholder groups can encourage further replication and scaling of the Savings and Loans Groups in the following ways:

1. **NGOs:** Implement Savings and Loans Model to reduce dependence on mangroves and promote alternative livelihoods. Train communities in financial management and conservation practices.
2. **Funders:** Provide seed funding to kickstart Savings and Loans Groups and support sustainable livelihoods.
3. **Governments:** Institutionalise Savings and Loans mechanisms in national conservation projects. Provide training and technical support to strengthen governance. Create incentives for sustainable community businesses linked to conservation.