Bath Social & Development Research Ltd

QuIP Qualitative Impact Assessment Protocol

Linking formal financial services with informal savings: reflections from QuIP studies of the Savings at the Frontier programme, 2018-2022

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1. Introduction and overview

This report presents the findings from a qualitative impact evaluation studies into the impact of a series of financial innovations designed to link informal savings mechanisms (ISMs) to formal financial services (FFS) under the Savings at the Frontier (SatF) programme. The evaluation studies were based on use of the Qualitative Impact Protocol (QuIP), a research method designed specifically to elicit evidence of the impact of an intervention as perceived by its intended beneficiaries in a way that reduces the risk of confirmation bias. The subject of the research was a set of innovative informal savings linkage products introduced in Tanzania, Zambia and Ghana over a five-year period. The findings are based on relatively small samples, selected to capture the diversity of causal processes affecting respondents. Rather than quantifying impacts in a way that is statistically representative they provide a set of detailed empirical cases or vignettes against which to test prior thinking about the main drivers and barriers to adoption and effective use of financial services.

In the first part of the report, findings on users' response to the financial innovations are presented. Two distinct issues emerged from the data: first, the role of bank agents in facilitating adoption and use of FFS, and second, specific features of the 'linkage products' themselves that affected their uptake. We find that the relationship with bank agents – rather than specific technical characteristics of financial products - is critical to encouraging linkages with informal savings groups. Product design, on the other hand, did influence take up of FFS by individuals, but not particularly via linkage with informal savings mechanisms.

The second half of the report illuminates these results by providing findings on both product-side barriers to accessing financial services, and the social and external factors that influence adoption and use of financial services, and thereby open up impact pathways for financial services on the lives of ISM users. A recurring theme is variability in use of the financial linkage innovations and their impact, including preference for cash within savings groups, and preferences between personal and group accounts. We find that these preferences are influenced less by product innovations and more by social relations and social norms, with respect to use of cash, for example. In addition to highlighting variability in impact pathways, the QuIP was particularly insightful in revealing the many contextual factors - economic, cultural and social – that have a more profound influence of ISM users' lives, and on their take-up financial services.

Summary table of studies

Financial service provider (FSP)	Linkage product	Date of roll-out	Country	Date of QuIP study or studies	Study code
DSS App	DSS App	2020	Ghana	2019, 2020 and 2022	GDD19 GDD20 GDD22
Madison Finance Ltd	Mobile banking (no name)	2019	Zambia	2020	ZMM20
TPB	M-Koba	Feb 2019	Tanzania	2020 and 2021	TTM20 TTM21
EBTL	Eazzy-Kikundi & Inua	2022	Tanzania	2020 and 2022	TEE20 TEE22
NMB	Pamoja	May 2020	Tanzania	2021	TNP21
Bizy Tech	Kilimo Akiba	May 2021	Tanzania	2022	TBK22

Notes to table

- Code = first letter of country, first letter of FSP, first letter of the linkage product, year of the study.
- Each study was based on individual interviews with 24 ISM users, 2-4 key informant interviews and, in some cases, 2-4 focus group interviews.
- Many FSPs changed product features and product names over the five years.
- In Ghana, the first study (GDD19) was not able to interview respondents with experience of the DSS App. The second round (GDD20) was just key informant interviews, the third round (GD22) was still being analysed at the time this report was written.
- EBTL's latest product innovations were not formally introduced to many groups in the sample at the time of interview.
- Madison Finance in Zambia, and Pamoja and Kilimo Akiba products in Tanzania were the subject of only one round of data collection due to roll out dates.

1.1 The Savings at the Frontier programme and the QuIP methodology

In 2018, Bath Social and Development Research were commissioned to conduct a series of qualitative impact studies over a three-year period to explore initiatives of five financial sector providers (FSPs) to link informal savings mechanisms (ISMs) with their formal financial services (FFS). The research was designed to understand whether these efforts to expand the use of formal financial services were having an impact at an individual as well as at community and institutional levels, and if so, what these impact pathways were. The resulting findings have been fed into the wider evaluation work of the Saving at the Frontier programme (SatF). The programme, a partnership between Oxford Policy Management and MasterCard Foundation, supports a broad range of financial service providers in Ghana, Tanzania and Zambia. Started in 2016, it sought to identify innovative approaches by commercial FSPs to extend financial inclusion, and to provide support for the design and roll out of formal financial products that complemented established informal financial services such as *susu* (deposit taking) enterprises and savings groups. The aim was to drive financial inclusion in positive ways that built on potential clients' existing knowledge and practices by tailoring products to complement and connect with the informal services they were already using.

To evaluate the various tailored products and their impact pathways, SatF chose to use the Qualitative Impact Protocol, QuIP for short. The QuIP is an impact assessment method devised by the Centre for Development Studies at the University of Bath, United Kingdom (now developed and curated by Bath Social & Development Research Ltd – www.bathsdr.org). It is designed to collect credible information direct from intended beneficiaries on significant drivers of change in selected domains of their life (based on the project's theory of change) and what respondents perceive to be the reasons for those changes over a predefined period. The method is particularly useful in complex contexts where a variety of factors that are hard to disentangle could influence the outcomes of an intervention. Narrative data collected by 'blindfolded' independent field researchers (that have little or no knowledge of the hypotheses being tested), is cross-analysed against the commissioner's project activities to identify unexpected as well as anticipated drivers of change. Partial or total 'blindfolding', the method by which researchers and respondents are not made aware of the commissioning partners of the specific objective of the study, is an important element in mitigating the problem of pro-project or confirmation bias that is otherwise regarded as a major weakness in qualitative research in financial inclusion.

The causal maps used in this report were taken from the individual studies and show a visualisation of the narrative data collected in interviews, using a form of causal qualitative data analysis. The maps show where respondents have made a causal connection between factors, and how many times that was made by different respondents in the sample.

1.2 Limitations of the research

The impact of COVID-19 had a disruptive effect on the roll-out of the various financial products intended to link with informal savings, as FSPs needed to reconsider their operations and priorities during lockdowns across the different countries. As a result, some of the product innovations were rolled out late, reducing the time available for their take-up and use during the project window, and thereby limiting the range of possible impacts that the QuIP studies could potentially reveal.

2. Users' response to the financial innovations

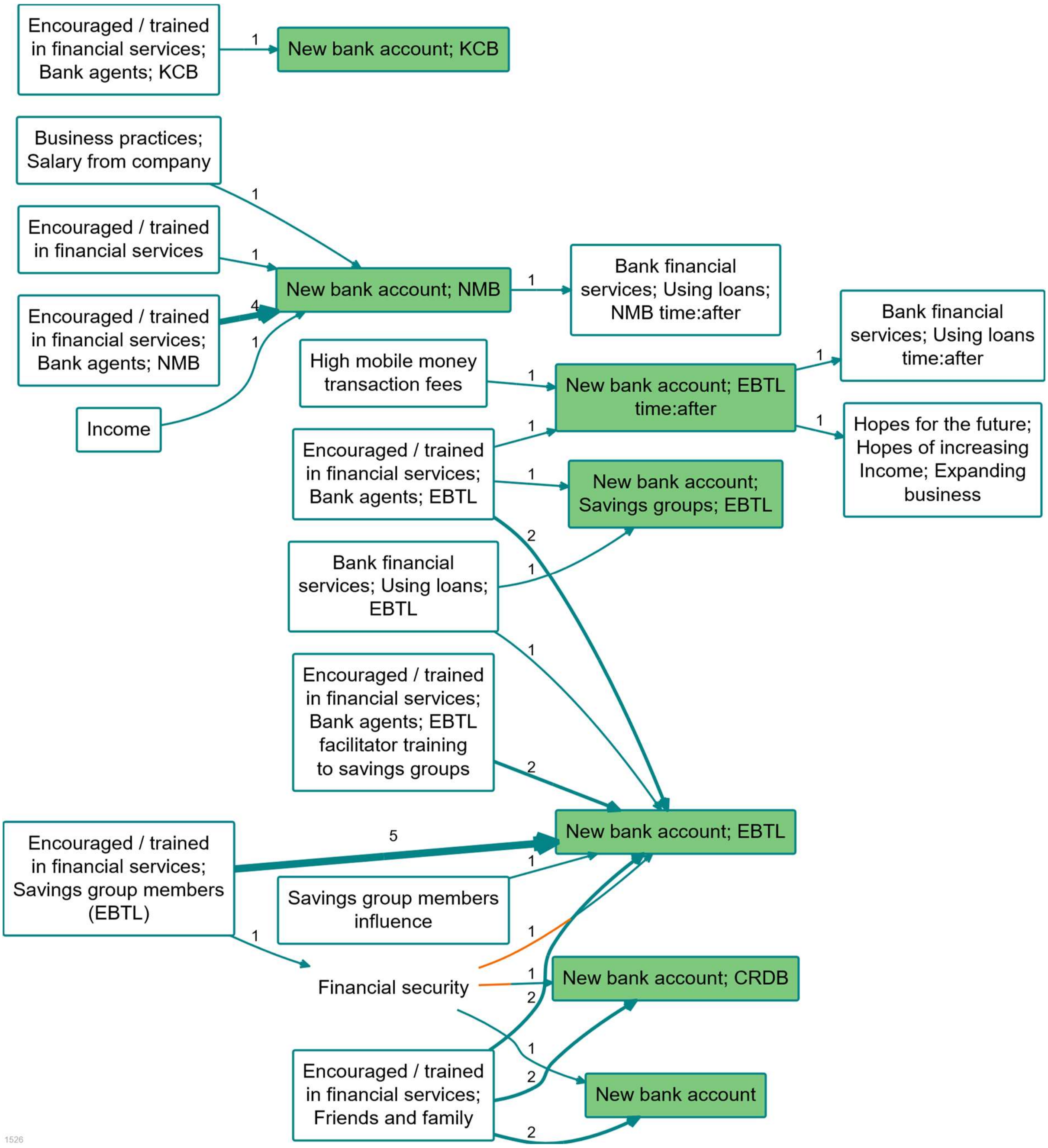
As part of the research goals, SatF sought to explore the motives and decision-making processes of users of informal savings groups facing opportunities to link with the five FSPs. To do this, the QuIP studies asked users questions about their financial practices, income generating activities and wellbeing, as well as how these had changed and why. These questions were designed to create an opportunity for respondents to talk about linkage opportunities in the wider context of their lives and livelihoods, rather than in isolation or in response to narrow 'prompting' questions. These results are presented below.

2.1 Impact of FSP agents on informal linkages

From the outset, QuIP studies identified FSP agents (rather than specific products) as having an important influence on ISM users. This reflects the fact that most of the respondents were at some point trained or sensitised int using ISM linkage products, while others received continuous encouragement from an FSP agent to adopt the service. While the finding that FSP agents were influential is therefore not unexpected, the emphasis on 'the person' rather than 'the product' is nevertheless important.

The first of these findings concerns the role of FSP agents in introducing ISM linkage products to ISM users, who were made aware and sensitised to the various suggested benefits of the services. In Figure 1 taken from the EBTL Inua study in Tanzania, 2022, the importance of bank agents in opening FFS accounts is clearly indicated by the number of respondents who claim that training incentivised them to open accounts (with a range of banks). This reflects the rural isolation of most respondents, and the value attached to bank agents making the effort to visit them to provide facilitation and training around these services.

Figure 1: TEE22/ Influence of bank agents on opening a new account



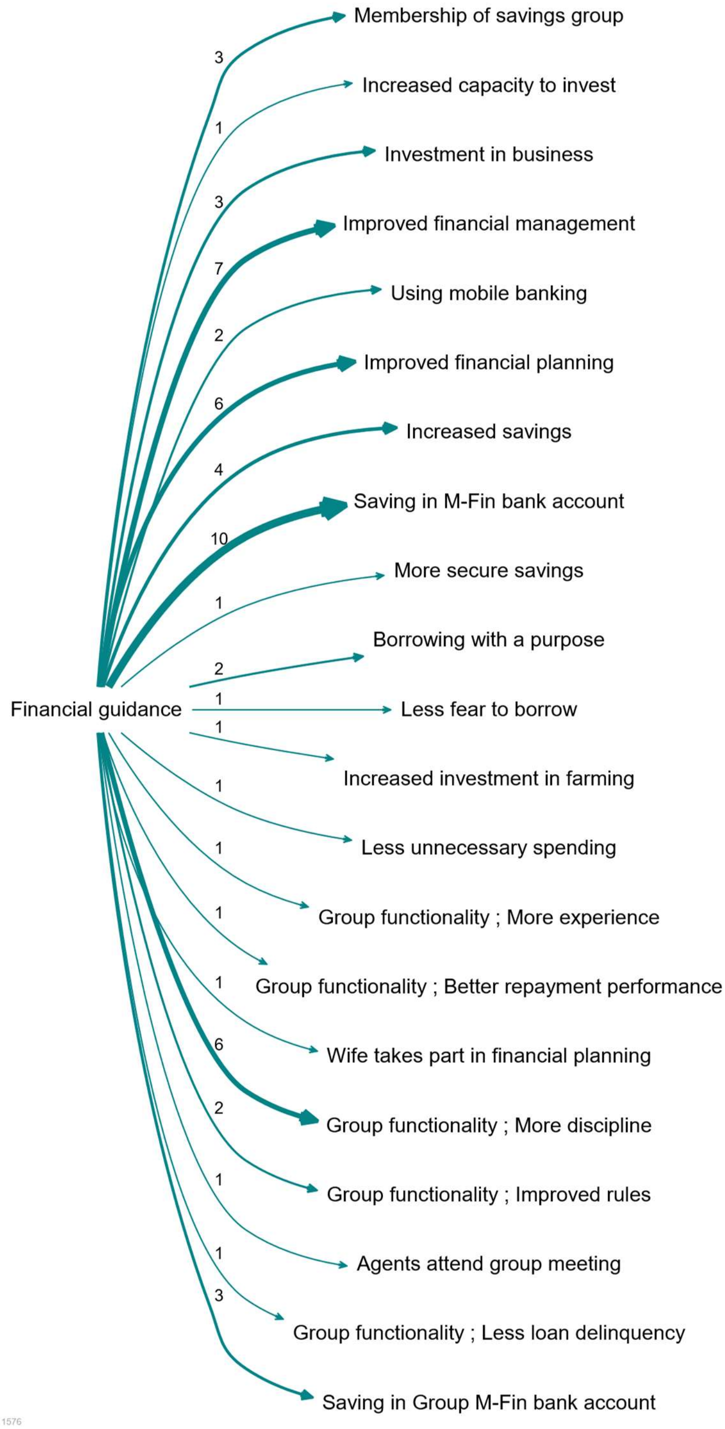
Causal Map ref no. 1527

Note: Blue lines indicate a positive causal connection made by respondents between the events or changes shown in the boxes. Orange lines indicate less of the factor they are coming out of or going into, e.g., a feeling of less financial security has led to people opening bank accounts in this map.

Numbers above the arrows indicate the number of respondents who reported this connection.

The causal map in Figure 2 taken from the 2020 study in Zambia further illustrates the impacts of investing in personalised training and guidance. This shows the wide range of practices that respondents reported as having been influenced by the financial guidance they received from the bank agents in Zambia. Their responses indicated that outcomes like greater discipline among informal group savings members, improved financial planning, and improved financial management were driven by the recurring support and involvement of bank agents with them.

Figure 2: ZMM20 / Impact of financial guidance on financial behaviours



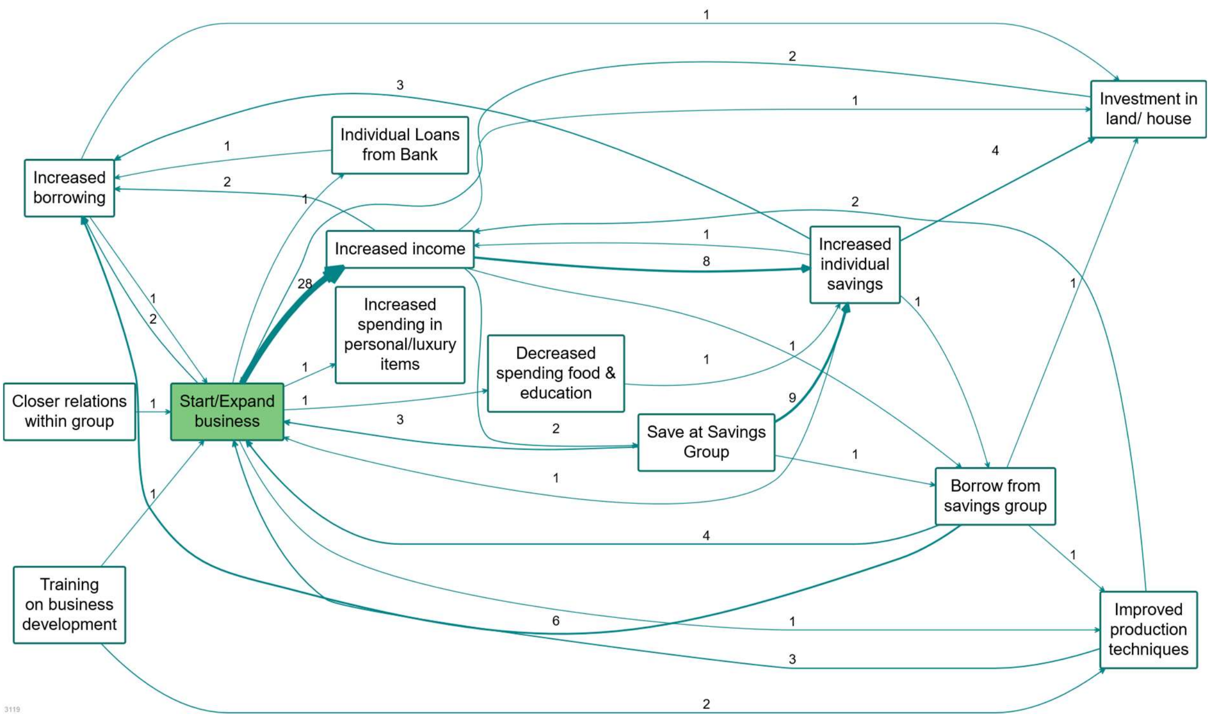
Causal Map ref no. 1576

Along with improved financial management, financial training was identified as having an impact on the frequency and amounts individuals were saving through savings groups. In the two 2020 QuIP studies in Tanzania and Zambia, as well as the 2022 study in Ghana, respondents also reported that increased savings led to increased borrowing; confidence and access to borrowing came from regular saving with an agent or within a group. In turn, borrowing can be a catalyst to starting or expanding a business and generating additional income.

> *"Last year, I borrowed money (3,000) Ghana cedis from Faustey susu. I used the money to buy a Poly tank to enable my wife to start her water business since water is very scarce in this community. This has really helped my family because we generated lot of money from that business. Last year was my first time borrowing but if I finish paying the loan, I will go in for another loan so that I can expand my businesses." GDD22, NL24*

The TTM20 study in Tanzania showed reports of this relationship between ease of borrowing from savings groups to investing in businesses, increasing their income, saving more and then borrowing again. Although not frequently cited, there are clear links between membership and borrowing from savings groups and investing in business.

Figure 3: TTM20 / Impact of borrowing and savings on income, saving and borrowing



Causal Map ref no. 2427

Many of these outcomes can be analysed as emerging from the interaction between FSP agents and ISM users, with FSP agents playing the role of intermediaries in encouraging healthy savings groups savings and borrowing behaviours, thereby reinforcing engagement with formal financial services by creating safe spaces in which learning and confidence in products are promoted.

Indeed, a reduction in negative experiences was often the result of a lengthy relationship between agents and ISM users, with agents reporting that time and personal relationships were key in building confidence and trust between ISM users and linkage products. As one agent said:

> *"We facilitators are the key drivers towards adoption of any banking services within groups. EBTL tried reaching out to the groups to sell the various products, but they were unsuccessful. The groups trust the facilitators as we have been with them for long and they are familiar with us." TEE22, KII 3*

This points towards the wider findings in the literature that agents themselves act as symbolic representatives for linkages between ISM users and FSPs, and so provide a crucial role in mediating ISM users' perceptions of FSPs. The role of agents has elsewhere been analysed as 'bridges-to-cash'[1] - while others have noted the powerful 'social knowledge' that provides mediation between financial institutions and service users[2]. Much of this literature focuses on how agents can attract new clients and build relationships in a way that advertisement and the media cannot. As Maurer (2013) suggests, *'agents, who [are] embedded in myriad social relationships, [are] more deserving of trust than a faceless, monolithic bank or MNO that may also be associated with corruption, exploitation, discrimination, and even violence in a given locale.'*

The impact of agents on the decision of ISM users to open new accounts and their ability to continue using services is a strong finding and supports the idea that bank agents are powerful drivers of financial inclusion. However, it also raises the question whether ISM users would access and engage with linkage products without the facilitation of FSP agents. The finding that ISM users prefer linkages through agents points towards the social nature of these informal groups, and questions the extent to which linkages can be expected to persist without the mediating role of agents. If this is the case, it raises questions of the added value of bank linkages *per se* in the lives of ISM users, unless FSPs can find a sustainable way to employ a wide network of agents.

2.2 Impact of linkage product characteristics on their uptake by ISM users

The QuIP study findings supported many of the assumptions made by FSPs about what product characteristics would encourage uptake of their services by ISM users. This is illustrated by the table in the Appendix to this report which lists which findings were supported from most QuIP studies. The features listed below were identified by QuIP studies across virtually all interventions. This evidence, however, generally did not relate specifically or exclusively to linkages to informal savings mechanisms (ISMs). For example, 'increased security' was also mentioned by respondents with reference to use of mobile money services and personal transfer services not mediated by informal savings groups. Similarly, a wider agent network was discussed in relation to both ISM linkage products *and* personal financial accounts. In sum, these factors apply to broader financial services products.

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[1] Eijkman, F., Kendall, J. and Mas, I., 2010. Bridges to cash: The retail end of M-PESA. *Savings and development*, pp.219-252.

[2] Maurer, B., Nelms, T.C. and Rea, S.C., 2013. 'Bridges to cash': Channelling agency in mobile money. *Journal of the Royal Anthropological Institute*, 19(1), pp.52-74.

Increased security

The security of funds was a frequent stated benefit of using formal financial services across both ISM users, and FFS users. For some users the savings group accounts meant increased safety compared to saving in a collective lock box; others opted to save in a personal savings account for added safety while simultaneously exchanging cash in groups.

In addition, I opt to save in my saving account for added security and safety of my money. Within my group I save the same amount as before but now I also save in my personal account while before I was only saving with the group. [...]I have opted to save in two places (group and bank) for added security of my funds by spreading risk. ***TEE22, AM6***

Increased transparency

We accepted and decided to use MKoba for our group savings because we felt our money is safe. Individually if you want to withdraw any funds all that is needed is the group officials approval in the system and you can access your funds. ***TM22, AM6***

Users referred to the feature of receiving text messages when savings were deposited into a joint savings account (or withdrawn from savings accounts) as having increased the transparency of savings processes. This was often noted alongside the increased security of formal savings accounts and linked to increased savings and borrowing.

Lower fees

While not a finding mentioned across all studies, several ISM users stated that low fees on transfers was an important motivation to open an account and to use transfer services.

Yes, as I said I make my order from Dar es Salaam, and I pay by cash. When I do not go I would pay through mobile money but because of transaction charges I now pay through the bank which is a bit cheaper. ***TEE22, MWK31***

Ease of access to funds

Initially we used to bring our savings to the group meetings in cash. This changed around a year ago when we opened the NMB bank account. [...] There are also some who opt to bank their money through the bank agents who are now very many and easy to access. These are the main changes that have happened in how we save. ***TNP21, PHFG2***

Having the ability to access funds through agent networks, as well as being able to send money from mobile phones, was seen as a motivating factor to open digital savings accounts for users. This was a prominent finding for users with existing businesses with business partners located far away, requiring access to transfer services from financial accounts.

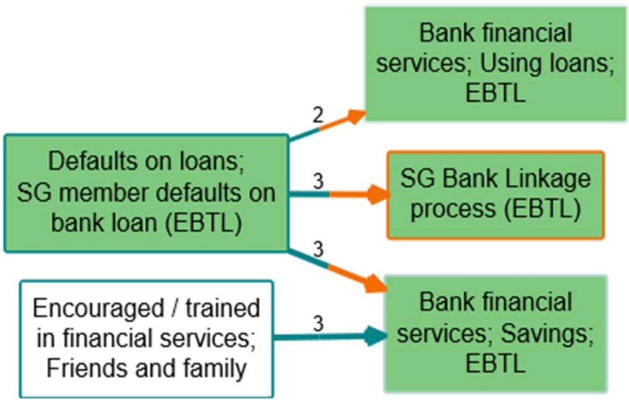
Agent network

For the NMB Pamoja savings account and the EBTL Inua savings group account, the widespread access to funds based on the large agent network was seen as a further factor that strengthened users' engagement with linkages and supported their savings group activities. Given the remote locations of many of the users, the proximity of agents reduced travelling to bank outlets.

The mechanism of saving for our group account is via bank or Agent cash deposit. [...]I put my savings in the NMB Pamoja account of the family group [...]As a group we chose this way because it is easy as Bank agents are everywhere. ***TNP21, UL2***

The research also identified several barriers to adopting - or continuing to use - formal financial services that originated with the FSPs. The two most often cited factors relate to debts and defaults, arising both from personal experience with defaulting on loans, fear of defaulting on loans and fear of default in ISM savings groups. This was particularly prominent across savings group loan products, in which if one member defaults on a loan the entire group is no longer able to access loans from the FSP.

Figure 4: TEE22 / Influence of defaults on using formal financial services



Causal Map ref no. 1299

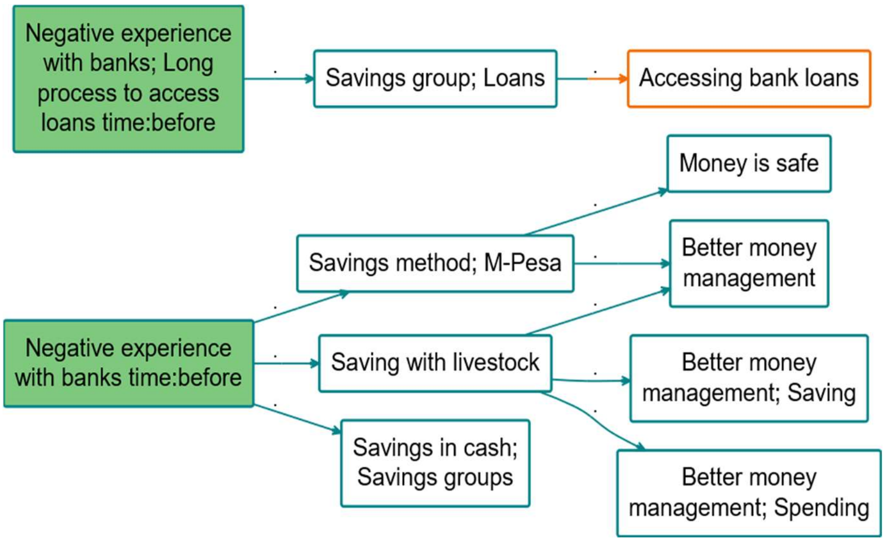
Likewise, lengthy requirements and procedures for opening accounts with FSPs were frequently cited by users as a reason for not using formal financial services. The studies found this to be the case for both personal services and those set up through ISM linkages.

> *I have however borrowed from the bank [NMB]. It is now very difficult compared to before as the process is very cumbersome. You have to have collateral and references. The repayment is through cash deposit. I typically borrow to boost my business Capital and for emergencies.* TNP21, UH6

> *I have personally borrowed from NMB bank and the amount I borrowed has not changed because I borrowed once and I have not borrowed again, the main reason for not borrowing again is the existence of long procedures during asking for loans. Most of the time I request for a loan for my business and some other emergencies that occur in my life. TNP21,* UH3

The green boxes in Figure 5 are tagged with 'time:before', indicating that these were statements referencing an experience in the past. This map illustrates how difficult on-boarding requirements and previous negative experiences, prompted users to save with livestock, cash or mobile money rather than by using bank accounts. Rather than accessing loans through linkages, many of the savings group members in this study also returned to accessing loans informally through their savings groups.

Figure 5: TBK22 / Impact of negative experiences with formal financial institutions



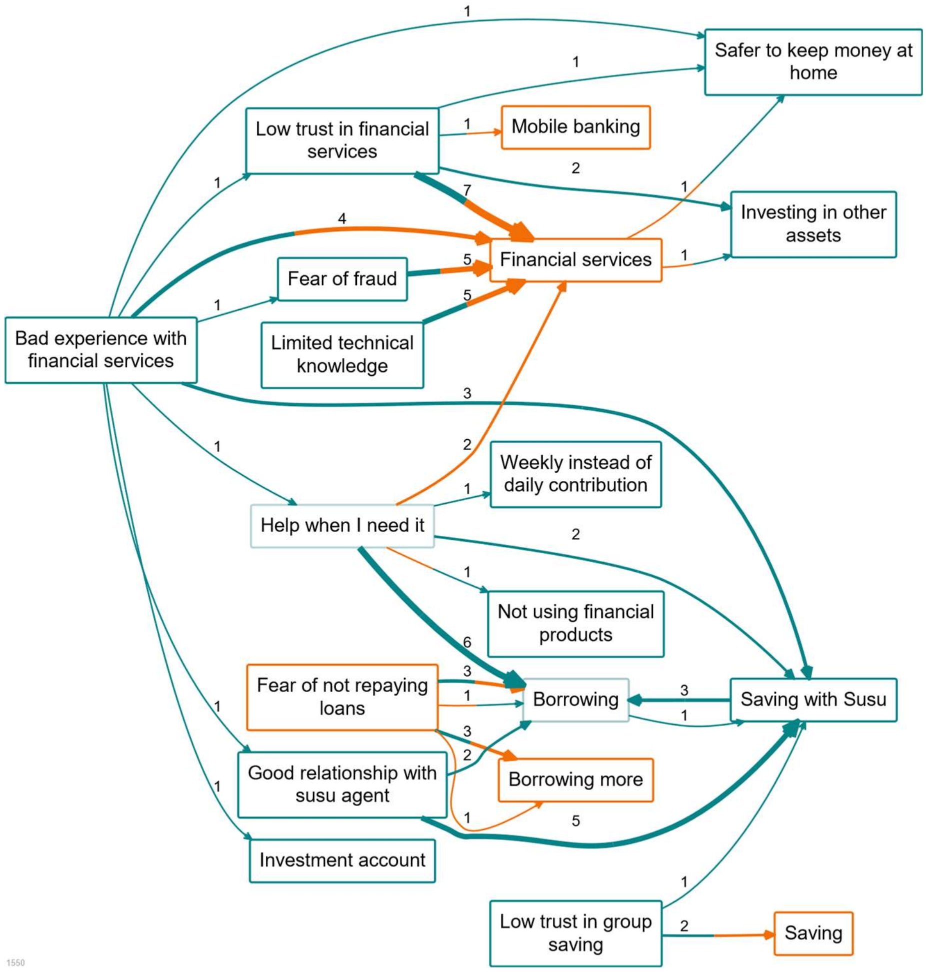
Causal Map ref no. 1057

Taken together, fear of defaults and stringent requirements are major impediments to wider use of FFS. This finding concurs with research from other sources that highlights the uneven power dynamics, unaligned goals and divergent values of individuals and financial institutions.[3] For individuals, financial practices are embedded in social relational connections, where relationships are key in providing flexible and negotiable access to sources of financial support. In contrast, the formal financial sector limits relationships through a focus on transactions and functionality which may appear efficient but reduces their ability to respond to individuals flexibly. Stringent requirements for opening accounts and strict repayment terms are interpreted by individuals to be inflexible and non-negotiable - precisely the opposite of the types of relationships that form their wider social reality.

The most recent study in Ghana contains reference to several similar barriers to take up of formal financial services, including fear and mistrust of finance products due to bad experiences, a fear of not being able to repay loans, a feeling that they lack enough knowledge about financial products to use them, and a lack of flexibility from formal institutions when they need help - in comparison with susu companies where they have a personal relationship with the agent.

[3] Johnson, S. and Krijtenburg, F., (2018). 'Upliftment', friends and finance: everyday exchange repertoires and mobile money transfer in Kenya. *The Journal of Modern African Studies*, 56(4), pp.569-594.

Figure 6: GDD22/ Barriers to use of financial services



Causal Map ref no. 1540

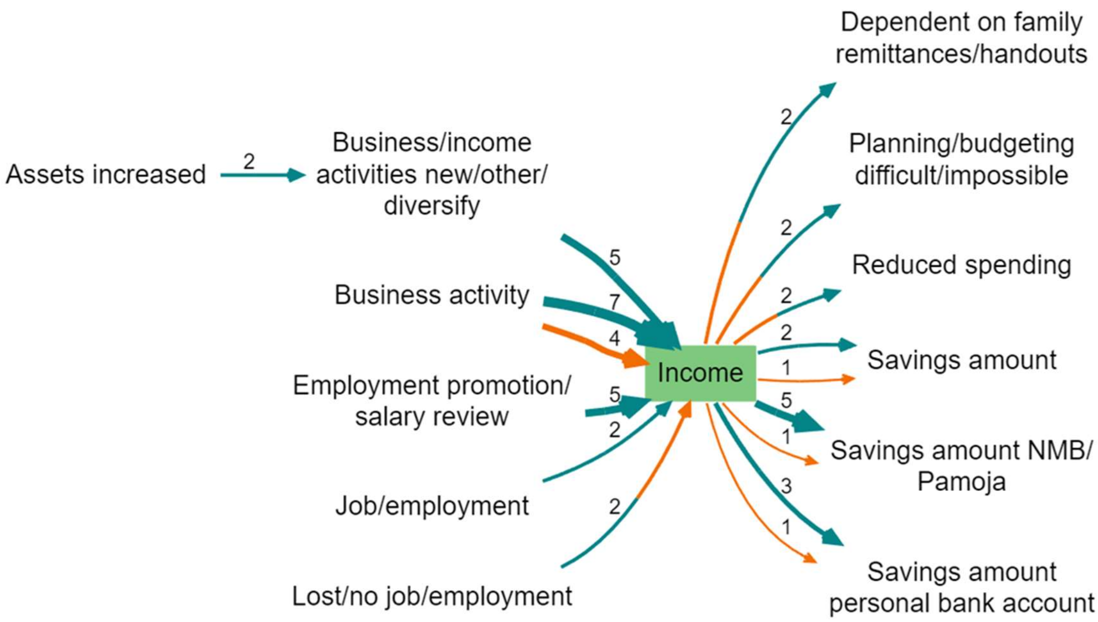
A trusting relationship with susu agents was critical to people's choices about where they saved or borrowed in the GDD22 study. Bad experiences were not limited to formal institutions, but also to susu agents who had disappeared with savings, so a relationship with an agent based close by who they saw regularly was key to the decision to save, and consequently to borrow. These susu agents were often cited as proving 'help when I need it' and flexible repayment options based on their personal circumstances.

3. Further insights into pathways to impact

3.1 The complexity of access to and use of financial services

The short gap between roll-out of specified service innovations by FSPs and several follow-up QuIP studies limits the scope for drawing firm conclusions about their use and impact. However, the overall impression that emerged from the studies is that induced changes in the financial practices of intended users was often small and very context-specific - being heavily dependent on individuals' diverse income generating activities and levels of income, for example. There was also often a two-way relationship between use of financial services and income. In the 2021 QuIP study for Tanzania NMB's savings product, 'Pamoja', for example, increased income associated with new livelihood activities was found to facilitate linkages and arise from them. But for many individuals, opening individual accounts, making mobile payments, applying for loans directly at the banks, and using mobile banking, were all happening anyway, triggered by opening individual bank accounts but not obviously as a direct consequence of the ISM linkage innovation being evaluated.

Figure 7: TNP21 / Drivers and consequences of increased/decreased income



Causal Map ref no. 1568

Figure 7 illustrates these points with a causal map showing factors that led to increased income (blue arrows) and decreased income (orange arrows) along with the associated outcomes. Changes in employment, salary rises and new business activities are all causally related to a rise in income, and this affects saving behaviour. Figure 6 also indicates that levels of income can be causally related to the reduction of saving and use of savings accounts.

Other studies have also found that a rise in income can actually reduce members' motive for using FFS. For example, the study of Bizy Tech found that a rise in income led ISM users to revert to informal savings practices.

> *There is a change in the way I manage my money. In the past, I did not have enough income to save. Last year I started saving by buying cattle and keeping it as my saving and whenever I needed money, I would sell... I feel that I have more control over my spending and saving than before. TBK22, LIM10*

Amid the diversity in livelihood strategies and financial activities all the QuIP studies indicate that most ISM users have access to and use multiple financial services at the same time, including individual services and those mediated by savings groups. This is illustrated by Figures 8 and 9, which also reveal variation in respondents' ranking of the importance of difference services. At the end of interviews respondents were asked to list any financial institutions they had links with and rank them in order of importance/ usefulness to them, with 1 being the most important.

Figure 8: TEE22 / FSP ranking according to respondents

	Rank 1	Rank 2	Rank 3	Total mentions
Equity Bank	0	7	2	9
NMB Bank	2	0	4	6
VSLA	4	1	1	6
Tigo Pesa	0	3	2	5
VSLA - Jitegemee SILC	2	2	0	4

Figure 9: TBK22 / FSP ranking according to respondents

	Rank 1	Rank 2	Rank 3	Total mentions
Kilimo Akiba	2	3	1	6
Twende kwa pamoja VSLA	3	1	1	5
AMCOS	3	0	1	4
Bethel Group	3	1	0	4
Faraja VSLA	1	3	0	4

Figure 10 further illustrates the point with a list of the financial practices of one savings group with links to EBTL. This is far from an exhaustive list but should nevertheless be considered an important point for FSPs which compete, not solely against other products and FSPs, but against a range of informal financial services that are often deemed more efficient or safer during turbulent economic periods. To best compete against these, it falls to FSPs to offer customers advantageous price structures, increased security for finances, and complementarity with existing informal financial practices.

Figure 10: TEE22 / Range of savings methods used by respondents

- Borrowing from savings groups (often several simultaneously)
- UPATU (daily cash merry go round)
- Kibubu (money box)
- Riders' union (Boda Boda union)
- SACCOs
- Storing produce as a form of savings
- MKOBA
- Cash in the home
- Livestock
- Investment in properties
- Banks
- Mobile money accounts
- Buses (for transfers)

In addition to using a range of different financial services, many respondents also indicated that the list of services they used also varied over time. For example, poor rains and crop yields would prompt farmers to scale back their borrowing, even withdrawing from well understood and trusted formal financial services and reverting to reliance on family and friends for loans. That farmers scale back savings when faced with economic downturns flies in the face of the conventional narrative in financial inclusion (including financial literacy) interventions, which tend to assume that financial services help those on low incomes to weather income or consumption shocks. But such behaviour is consistent with the insight that financial services reflect and respond to individuals' need to manage their social relationships.

3.2 Digitisation of ISMs and preference for individual and group accounts

Digitisation of ISMs is widely assumed to have positive effects on access, security and flexibility in use of savings. The QuIP studies, however, revealed that many users still preferred cash-based transfers between savings members, and retained a preference for banking at physical outlets with cash rather than depositing digitally through agents. These suggests digitisation brings costs as well as benefits, and that deeper enquiry is needed to understand the overall value. The study of TPB's digital savings product in Tanzania, for example, heard from a group who decided to discontinue their use of the digital account in order to focus on growing their capital by utilising all group savings for internal on-lending to members (with interest) at their weekly meetings.

This finding questions the assumption that ISMs are the most effective route through which to offer digital financial services, particularly when taking into account the evidence many if not most ISM actively also make use of financial services of and independently of their savings group. The direct quote below provides an illustrative example of a savings group member who was using several services simultaneously, and preferred to use some in cash and others through FFS.

> *My borrowing has increased with my many activities. I borrow from my groups and I also borrow from my employee salary account. The salary account allows you to take advances that are deducted from your pay. The group I borrow using the M-Pesa platform for the M-Koba while the other group I borrow in cash through a form application. TNP22, PL4*

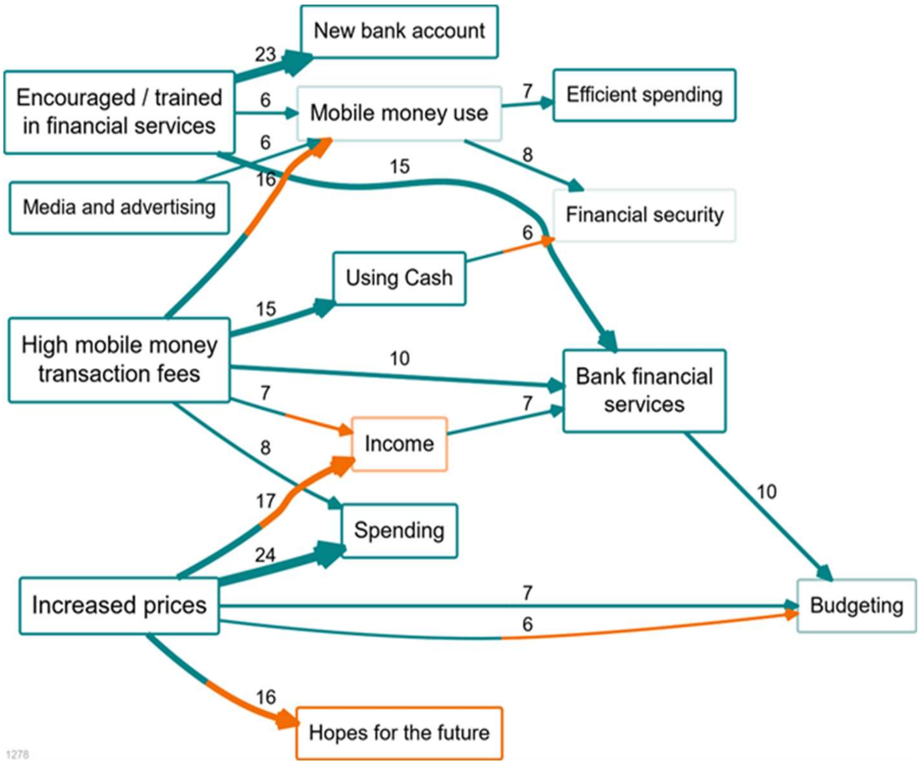
Fear of the unknown and a preference for a personal service still seems to deter people from taking up use of new digital services. The 2022 study in Ghana contained many references to people using mobile money in their business as it was perceived to be safe and convenient (although a recent government levy on electronic transactions had caused some, but not all, to limit their use of the facility), but few were tempted to use other digital services. Some had started to use mobile banking, and appreciated mobile notifications from their bank, but most were anxious about moving away from cash deposits and not confident they had the technical experience to use digital services. This reflects the wider discussion of the relative merits of digital money and cash. Research elsewhere[4] reveals that the display of cash can have important symbolic properties, such as when providing cash gifts in social ceremonies, or using cash in savings groups as ways to provide symbolic feelings of group-belonging. That cash-based transfers across members may be preferred, while some members are actively using FFS for other activities, demonstrates that cash has another purpose, one which may be at odds with the values of financial institutions.

[4] Kusimba, S. (2021). *Reimagining Money: Kenya in the Digital Finance Revolution*. Stanford University Press.

3.3 Additional influences on the impact of financial services

Adding to the complexity of understanding the impact pathways of ISM linkages, is understanding the ways in which confounding variables, or contextual influences, affect the ability for low-income savers to access and use financial services. This was highlighted through use of the QuIP which asks respondents to track back from perceptions of change in different domains of their life to all possible causal explanations for them including unexpected livelihood shocks such as untimely adverse weather. All the QuIP studies revealed the importance of such 'external' factors to access and effective use of financial services. For example, Figure 11 shows the impact that the recent unexpected increase in the cost of living in Tanzania had on respondents' lives.

Figure 11. TEE20 / Overview of external impacts on financial practices in Tanzania

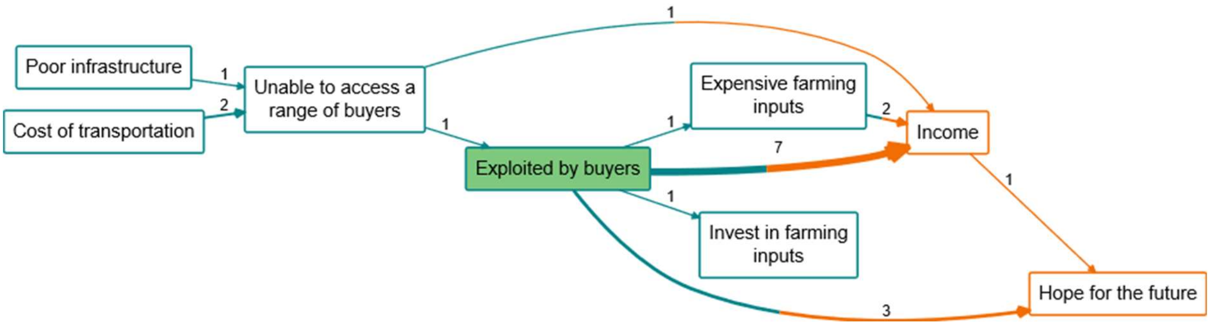


Causal Map ref no. 1278

In Figure 11, the factors that have the largest impact on financial services are high mobile money fees, and a general increase in prices. Increased prices were caused by a variety of external shocks, such as climate change impacting the weather (and thereby crops), the war in Ukraine impacting the cost of goods in Tanzania, and COVID 19 impacting the supply chain of goods coming to Dar es Salaam. These cost-of-living increases had subsequent consequences on spending, income, and savings group members' hope for the future. When taking these factors into consideration, they represent the impact of external influences, and indicate where in the impact pathway ISM users might rely, or reduce their reliance, on FFS.

Figure 12 shows a similar narrative. In this QuIP research (Kilimo Akiba, Tanzania 2022), farmers were asked a series of questions regarding their financial practices and the extent to which an ISM linkage product had an impact on their farming yields and income. The strongest causal factor that emerged was a common challenge farmers faced when attempting to offload their produce. The transport infrastructure being limited, many of the farmers were faced with no choice as to where to sell their produce. As a result, many had to rely on exploitative buyers who used the poor transport infrastructure to their advantage. In this example, the impact pathways of ISM linkages were limited by these contextual factors and not able to mitigate these challenges.

Figure 12: TBK22 / Impact of infrastructural factors on individual outcomes



Causal Map ref no. 1043

The war in Ukraine, Covid-19, and erratic regional weather patterns have likewise led to savings group members being increasingly reluctant to engage in formal financial services across the financial sector providers. While these factors cannot be directly addressed by FSPs, they should nevertheless be considered key elements when attempting to pinpoint the impact pathways of financial linkages. Rather than using the product as the focal point, these studies focused on where in the impact pathway the use of financial services provides individuals with opportunities to weather or respond to external factors.

4. Final reflections

The tensions identified - between individual and group finances, the impact of agents and that of financial product characteristics, and the importance of context and of confounding factors – all serve as a warning against the existence of a simple and positive impact pathway or 'magic bullet' linking improved wellbeing or financial health back to product innovation via linkage to established informal savings mechanisms. A deeper tension relates to the assumption that users' economic wellbeing can be defined solely in terms of a secure and smooth (or financially smoothed) flow of income to meet material needs. Complementing this it is also important to assess how financial services can upset as well as stabilise users' wider social relationships. The wide variety of financial practices observed - and the fact that some ISM savings groups still prefer cash - indicates that there is still a gap between how FSPs and ISM users think about and value financial services. For ISM users, using cash may be a method which is quicker and more flexible in navigating social ties, and provides more negotiability in creating or changing the connections between members in the group[5]. Likewise, financial practices involving loaning money and saving may be seen as routes through which communities and groups reinforce a sense of belonging, including through dependency or domination[6]. As a result, going into debt for some members can be considered a form of inclusion, in which the bonds created by owing someone money reinforces group membership. For the same reason, when individuals experience defaults on loans with financial institutions, they are reminded of the gulf between their own values and those espoused by financial institutions.

The finding that individuals may prefer individual digital savings accounts, rather than digital group savings accounts further highlights the need for sensitivity to users own practices and preferences. Accumulating capital in many low-income communities is often considered a socially transgressive practice[7], whereby accumulating savings on formal financial accounts is seen as removing social value from circulation, which can translate into a desire to remove the capacity for 'upliftment' across members in the community. Consequently, using both personal financial accounts *and* belonging to cash-based savings groups provides a means to ensuring that one is contributing to social value, and simultaneously attending to one's own entrepreneurial ambitions. In this scenario, ISM users are more likely to be shaped by practices which involve borrowing from each other, often in cash, as opposed to linking with FFS - seen as an outside actor with little flexibility in its ability to become socially embedded in local networks.

Similar conclusions can be drawn from findings relating to the importance of FSP agents in reinforcing the linkages to FSPs. When engaging with FSP actors, ISM users are engaging with an individual who is embedded in social and cultural networks. Through these agents, financial institutions become approachable, and their confidence in using the services is tied into their confidence in the agent. While this finding supports the importance of using agent networks, it also questions the extent to

[5] Johnson, S. and Krijtenburg, F., (2018). 'Upliftment', friends and finance: everyday exchange repertoires and mobile money transfer in Kenya. *The Journal of Modern African Studies*, 56(4), pp.569-594.

[6] Shipton, P.M., 2007. *The Nature of Entrustment: intimacy, exchange, and the sacred in Africa*. Yale University Press.

[7] Guérin, I., Morvant-Roux, S., & Servet, J. M. (2011). *Understanding the diversity and complexity of demand for microfinance services: lessons from informal finance*. Handbook of microfinance, 101-122.

which ISM linkage products can have lasting impacts, or scalability, without large operational budgets to sustain wide networks of agents and facilitators.

Ultimately, the QuIP studies suggest that identifying the full impact pathways of specific financial products and innovations entails expanding the framework of analysis to include the wider social factors affecting change. Conversely, narrowing the focus to product-specific impact assessment, risks both obfuscating their full effects and failing to understand their wider relevance to users lives and livelihoods[8]. As Collins et al. (2019) write: *'the problem is that we are looking at only a fragment of the overall picture when we focus on only one pathway between a financial tool and improvements in people's lives*'. Findings from the QuIP studies are strongly supportive of this statement, and vindicate the use of impact evaluation methods such as the QuIP that are "exploratory" as well as "confirmatory" in scope[9]. Product design choices made to strengthen FSP to ISM linkages and that affect access, transparency, security, and transaction costs do influence uptake and use of the services. However, neither the financial products themselves nor their relationship to informal savings mechanisms are necessarily the most important influences on how financial services affect users' livelihoods and lives. In order to more fully and accurately to understand the impact pathways of financial services a deeper appreciation of personal, social and contextual factors is also needed.

[8] Collins, D., Lason, L., & Butkus, A. (2019). *Pathways to a better life: The intricate role of digital finance in reaching the sustainable development goals*. Focus note: UNCDF.

[9] Copestake, J. (2014). Credible impact evaluation in complex contexts: confirmatory and exploratory approaches. *Evaluation*, 20(4):412-427.

Appendix 1: Findings table

✓	Evidence found to substantiate this claim
?	No evidence available to test this claim
X	Evidence found to refute this claim

Findings of causal links	Ghana Round 2 (DSS APP)	TAN round 1 (TCB)	Tan round 2 M-Koba TCB	TAN round 2 (NMB)	TAN round 3 (BT)	TAN round 4 (EBTL)	Zambia
Facilitators' impact on linkages							
Financial training drives FFS (savings, transfers, borrowing)	✓	✓	✓	✓	✓	✓	✓
Facilitators improve group functioning	?	✓	?	✓	✓	✓	✓
Savings group facilitators encourage groups as safe learning spaces (such as access to loans)	?	✓	✓	?	?	✓	?
Facilitator training leads to better money management	?	✓	?	?	✓	✓	?
Lack of agent support leads to reduced use of FFS	?	?	✓	✓	?	✓	✓
Informal and formal savings: cause and consequences							
Saving in a financial account (personal account) leads to better money management practices	✓	?	?	?	?	✓	✓
Savings group membership increases savings	?	✓	?	✓	?	?	✓
Saving in a financial account leads to ease of transfers through bank transfers – or using mobile banking	✓	?	?	?	?	✓	✓

Findings of causal links	Ghana Round 2 (DSS APP)	TAN round 1 (TCB)	Tan round 2 M-Koba TCB	TAN round 2 (NMB)	TAN round 3 (BT)	TAN round 4 (EBTL)	Zambia
Income impact in linkages							
Increased income leads to increased household expenditure (ie. Nutrition)	?	?	?	?	?	✓	✓
Increased income leads to increased savings in savings groups	?	✓	?	✓	X	?	?
Increased income leads to investment in businesses	✓	✓	?	✓	✓	✓	✓
Increased income leads to increased savings in formal financial account	✓	✓	✓	✓	X	✓	✓
Income levels and business practices highly influential in using FFS	?	✓	✓	✓	✓	✓	✓
Lack of income means less likely to use FFS	?	✓	✓	?	✓	✓	✓
Reduced income leads to less savings	?	✓	✓	✓	✓	✓	✓
Agent specific features							
Digital technology renders FFS agents' activities easier	✓	?	?	?	?	?	?
Improve agent float amounts	?	?	?	?	?	✓	?
Agent incentives such as bonuses/commissions with targets helps agent retention	✓	?	X	X	?	X	?
Distance to groups is a major concern	?	✓	✓	✓	?	✓	?
Borrowing cause and consequences							
Increased savings leads to increased borrowing	?	✓	?	?	X	?	✓
Savings group membership increases borrowing	?	✓	?	?	?	?	✓
Increased borrowing leads to investment in businesses	✓	✓	?	✓	✓	✓	✓

Findings of causal links	Ghana Round 2 (DSS APP)	TAN round 1 (TCB)	Tan round 2 M-Koba TCB	TAN round 2 (NMB)	TAN round 3 (BT)	TAN round 4 (EBTL)	Zambia
Product features on drivers and barriers in linkages							
Digital FFS is not readily adopted by users	✓	?	?	?	✓	✓	?
FFS increases security of funds	✓	✓	✓	✓	✓	✓	?
Ease of borrowing from FFS linkages	?	?	✓	?	?	?	?
Ease of access leads to better money management	✓	✓	✓	?	?	✓	?
Ease of access	?	?	?	✓	?	✓	?
Transparent notifications leads to better group functioning	✓	?	✓	✓	?	✓	?
Prefer individual accounts over group accounts	?	✓	?	✓	?	✓	X
Low fees on accounts	?	?	?	✓	?	✓	?
Interests on group and individual accounts dissuades users from using accounts.	?	?	?	?	?	✓	✓
FFS leads of easier/more efficient savings	?	?	?	✓	?	✓	?
Wide agent network	?	?	?	✓	?	✓	?
Perception of company driving use	?	?	X	?	✓	?	?
Liquidity management improved through the use of FFS	✓	?	✓	?	?	?	?
Savings groups do not incentivize personal accounts	?	?	?	?	?	✓	✓
Difficult onboarding requirements / challenge in acquiring loans	?	?	✓	✓	?	✓	?
Problems/issues with products leads to alternative practices	?	?	✓	✓	✓	✓	?
The financial product mirroring existing informal products has led to FFS uptake	✓	?	?	?	?	?	?

Findings of causal links	Ghana Round 2 (DSS APP)	TAN round 1 (TCB)	Tan round 2 M-Koba TCB	TAN round 2 (NMB)	TAN round 3 (BT)	TAN round 4 (EBTL)	Zambia
Defaults, debts and other issues that impact informal savings linkages							
Default or debt (or fear of) has led to reduced use of FFS	✓	?	✓	✓	✓	✓	✓
Negative experience with banks impacting on linkages	?	?	?	?	✓	✓	?
Friends and family encouraging members to use FFS	?	?	?	?	?	✓	?
Savings group problems such as defaults or fraud or arguments led to decreased savings and borrowing	?	✓	✓	✓	✓	✓	?
Literacy impacting FFS use	?	?	✓	✓	?	✓	?
Cash is still the main method being used in inter-member transactions	N/A	✓	?	?	✓	✓	?

Findings of causal links	Ghana Round 2 (DSS APP)	TAN round 1 (TCB)	Tan round 2 M-Koba TCB	TAN round 2 (NMB)	TAN round 3 (BT)	TAN round 4 (EBTL)	Zambia
External factors impacting informal savings linkages							
Cost of living increase led to a decrease in income/ increase in spending	?	✓	?	✓	✓	✓	?
COVID 19 leads to decrease in income	✓	?	?	✓	?	✓	?
Adverse weather events led to a decrease in income	?	✓	?	✓	✓	✓	?
Proximity to banks reduced linkage potentials (preference in banking at physical branches)	?	✓	✓	?	✓	✓	?
Allowing time for users to acclimate to products is important	✓	✓	✓	?	?	?	✓
Good Telcom service leads to increased use of FFS	?	?	✓	?	?	?	?
Spending increased/decreased income leads to reorganised budgeting	?	?	✓	✓	✓	✓	?
Lack of transport infrastructure leads to inability to access markets	?	?	?	?	✓	?	?
High mobile money fees leads to reduced MM transfers	?	?	✓	✓	✓	✓	?
Local partnerships between FSPs and councils can minimise efforts required from FSPs	?	✓	?	?	✓	?	?