

# Savings groups for sustainable water

EVIDENCE BRIEF

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## INTRODUCTION

Nearly half (45%) of wells in rural Uganda are broken, most often resulting from several years of inadequate maintenance. The challenge of collectively financing water point repairs is obvious in communities where two-thirds of households lack cash savings.

Since 2017, The Water Trust has organized and launched more than 200 savings groups in rural Ugandan villages to help address this need. We train community members to form savings groups that include reserve funds for the maintenance and repair of primarily borehole and shallow wells.

The Water Trust will train 400 additional groups in 2020 and plans to support partner organizations in adapting and scaling this approach in rural communities across Sub-Saharan Africa.

## HIGHLIGHTS

- We report results on 192 groups trained over the last three years.
- 97% of groups are active and 95% of water points are functional, in contrast to the 55% functionality rate among typical borehole wells in rural Uganda.
- In an average year, groups accumulate \$1,386 in total assets, spend \$32 on water point maintenance and maintain a \$71 reserve fund for future repairs (spending and reserves exceed the \$80 annual target for waterpoint upkeep).

## BACKGROUND

Savings groups – which we refer to as “self-help groups” – are independent, community-based savings and credit cooperatives formed using a methodology developed by The Water Trust. This approach adapts the well-established Village Savings and Loan Association methodology to also take on the responsibility of water point maintenance and hygiene and sanitation promotion. While this brief focuses on the impact on water point sustainability, prior research found that group members had significantly higher rates of latrine coverage (84% compared to 65%) and handwashing facility coverage (36% compared with 5%) than neighboring villages. In addition, with women comprising 60% of group membership, these groups increase financial inclusion for women in underbanked communities. While savings groups are commonplace, we believe our work is the first large-scale application of the savings group model to the global challenges of rural water sustainability and hygiene and sanitation behavior change. We believe this is a replicable model with the potential to scale in many rural contexts worldwide.

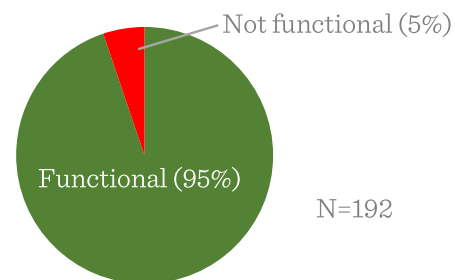
## RESULTS

This analysis focuses on 192 groups trained in 2016 to 2019, of which 97% are still functional. In this period, two communities refused to participate.

We collected data on water point functionality (defined as water flowing) and the financial and organizational performance of the self-help groups. Water point functionality remains high (95%), significantly higher than the 55% of wells found to be functional in a third-party study of typical borehole functionality in rural Uganda. Of non-functional wells with a self-help group, 40% have become dry, and their non-functionality is outside the community’s control. These communities will require a capital investment in a deeper well.

We believe the high functionality rate is a direct result of the capital and organizational capacity generated through the self-help groups. The figures below indicate the strength of the institution over time, and that, on average, groups meet or exceed the target of at least \$80 available for repairs or spent on repairs in a given year.

### Water point functionality



### Self-help group financial and organizational performance over time

	Year 1	Year 2	Year 3-4
Number of observations*	165	122	33
Membership (average)	28	30	36
Attendance rate (average)	72%	77%	79%
Savings and interest (annualized average)	\$1,048	\$1,374	\$1,494
Water point reserve fund **	\$66	\$75	\$173
Water point spending (annualized average)	\$19	\$29	\$52

\*Groups may have multiple observations. Performance is similar when restricted to one observation per group. This calculation is limited to data from groups at least four months into their annual cycle.

\*\*This figure is annualized in the first year, not beyond as groups carryover funds after the first year.

## ABOUT THE WATER TRUST

The Water Trust empowers rural communities to create and sustain access to clean water and hygiene. Since 2008, we have helped more than 250,000 people across more than 600 communities. We aim to expand our impact by pioneering and evaluating innovative approaches to behavior change challenges in water and sanitation. For more information, contact us at [info@watertrust.org](mailto:info@watertrust.org).