

**STOPPING AS SUCCESS:  
PLANNING FOR SUCCESS FROM START TO EXIT**

# CASE STUDY: TRICKLE UP GUATEMALA

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GUATEMALA

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## ACRONYMS

CSO	civil society organization
INGO	international non-governmental organization
NGO	non-governmental organization
SAS	Stopping As Success
UN	United Nations
USAID	United States Agency for International Development
VSLA	village savings and loan association

## TYPE OF TRANSITION

This case study is an example of a transition in which an INGO phased over ownership of a program to an informal entity. Trickle Up supported the creation of La Sabiduría savings group, working intensively with the group during an initial phase then gradually and purposefully providing space for the group to function independently.



## STOPPING AS SUCCESS

This case study was developed as part of Stopping As Success (SAS), implemented by a consortium consisting of Peace Direct, CDA Collaborative Learning Projects, and Search for Common Ground, with support and funding from the United States Agency for International Development (USAID). SAS is a collaborative learning project that aims to study the dynamics at play when ending a development program, and provide guidelines on how to ensure locally led development. In doing this, SAS looks beyond the technical aspects of an exit strategy to identify examples that demonstrate a transition toward locally led development. The case studies produced by the project highlight the past and present realities faced by international non-government organizations (INGOs), local civil society organizations (CSOs), and local NGOs, focusing in particular on how partnerships evolve during transitions or devolvement to local entities.

## I. INTRODUCTION

This report describes the graduation approach employed by Trickle Up—an international NGO headquartered in New York, with projects in Africa, Asia, and the Americas—to target and lift the poorest of the poor out of extreme poverty through a time-bound, sequential program, which includes the creation of independent village savings and loan associations (VSLAs). The case study will highlight how Trickle Up has adapted aspects of the VSLA model to the Guatemalan context in order to establish and then “graduate” individual savings groups. The graduation approach involves working intensively with individual participants and a larger savings group during an initial phase, then gradually and purposefully providing space for individuals’ livelihoods and the savings group to function independently.

The VSLA model and graduation approach are not unique to Trickle Up. VSLAs originated in Africa, and organizations worldwide have developed the model to address extreme poverty in a variety of contexts, seeking to elevate households above a “graduation” poverty threshold. Savings groups are common in Guatemala, with other INGOs interviewed over the course of the case study research also describing their experiences establishing and supporting such groups.

However, the savings groups established by Trickle Up have unique characteristics, which have contributed to the groups growing and scaling up over time. This case study highlights the importance of capacity building, collective leadership, and local decision-making in enabling the phase out of external support to local savings groups, many of which continue to thrive for years afterwards. Research for this case study consisted of a document review, key informant interviews, and focus group discussions. In total, 14 in-person key informant interviews were conducted with Trickle Up staff; VSLA leadership and members; leadership of organizations working on international development throughout the department of Alta Verapaz; and representatives from the municipal government. Focus group discussions were also conducted with members of the La Sabiduría savings group in Chimolón, within the municipality of Tamahú, as well as one other savings group from the area. Staff from Trickle Up's Americas regional office worked closely with the case study writers to coordinate key informant interviews and focus group discussions. Trickle Up staff members kindly translated key informant interviews and focus group discussions from Poqomchí—the predominant Mayan language spoken in Tamahú—into Spanish. It should be noted, however, that their participation in key informant interviews and focus group discussions may have affected some respondents' answers.

## 2. CONTEXT

Guatemala is a Central American country of some 17 million inhabitants bordering Mexico, Belize, Honduras, and El Salvador.<sup>20</sup> It is divided into 22 departments and 340 municipalities, with Guatemala City as its capital. Guatemala's official language is Spanish, though 23 indigenous Mayan languages are constitutionally recognized. Its main exports are coffee, sugar, bananas, and clothing items. The 2016 Human Development Index ranked Guatemala 125<sup>th</sup> in the world, with a life expectancy at birth of 72.5 years. The Index has grown at an annual average rate (2006 to 2014) of just under 0.3 percent per year, representing very slow growth. According to the most recent National Survey on Living Conditions,<sup>21</sup> 53 percent of the population did not earn enough to cover the cost of a basic monthly food basket (about US\$470 for a family of five), while 76 percent did not earn enough for a basic package of household goods and services (about US\$1,000).

Accordingly, as of 2018, the country had the fourth highest rate of chronic malnutrition in the world, with almost 70 percent of the population in indigenous areas chronically malnourished.<sup>22</sup>

A large majority of the population lives in rural areas, relies on subsistence agriculture livelihoods, and participates in the informal economy. Some regions have experienced consecutive years of drought, while others are characterized by severe dryness. This has resulted in poor harvests of staple crops and food insecurity. Most of the country's population lacks social security and does not make a living wage (the official minimum wage is US\$370 per month). According to the most recent data available, the poverty rate in 2014 was 49 percent, an increase from the rate of 43 percent recorded in the previous household survey in 2006.<sup>23</sup> Approximately 10 percent of households receive remittances from abroad, which, in 2018, amounted to US\$9 billion, equivalent to about 12 percent of GDP. Income from remittances is growing at an annual rate of 3 percent. While this is insufficient to overcome poverty rates, remittances from the estimated 1.2 million Guatemalans living abroad often sustain the family economy, which have suffered from a reduction in labor income and purchasing power over the last 15 years.

### AID CONTEXT

Guatemala has received international development aid for nearly a century, including bilateral and unilateral aid; refundable loan and non-refundable donations; North–South cooperation grants; South–South cooperation grants; and tied aid. This has come from government agencies; private entrepreneurial investment; philanthropic support; international NGOs and foundations; religious groups; municipal councils (for example, from Spain); among other sources.

In brief, post-Second World War global reconstruction efforts and the launch of the United Nations (UN) in 1945 kick-started the era of international development efforts. Development aid to Guatemala continued to flow in the 1950s and 60s, particularly in the form of capital flows, mainly from the US. Following the 1976 earthquake, Guatemala was subject to a heavy influx of international aid for infrastructure and reconstruction projects. It was then that NGOs and CSOs began to form in order to manage international relief funds. Prior to this, CSOs were mostly farmer, union, religious,

guerrilla, or political party-affiliated groups.

At the end of the 1970s, with the intensification of armed internal conflict and the outbreak of widespread political violence, Guatemala began receiving international aid from the US for counterinsurgency efforts; humanitarian aid for victims and displaced populations; and support from international advocacy groups toward social and political protests. However, the Guatemalan government made it difficult for the latter two types of aid to enter the country. In 1985, Guatemala returned to free elections and a constitutional regime, and peace talks began. During this time, the government permitted more open international relations and allowed international donations to be more freely accepted. Much of these international funds focused on achieving peace through dialogue, respect for human rights, protection of the displaced population, and assistance to war victims.

The signing of the 1996 Peace Accords was a historic milestone, marking a huge increase in international investment and presence in the country. These were aligned with country development strategies for economic, institutional, and political progress. The UN created a commission—the UN Mission for Guatemala—which supported the international aid influx and triggered various new trends: unmonitored and loosely measured capital funds; a spike in the number of CSOs formed from social movement groups during the war; and the formal recognition of NGOs as legal entities to administer international funds. This explosion of aid was focused on strengthening the state, the rule of law, and CSOs.

Through the 1990s and the turn of the century, increasing numbers of funds focused on community and economic development, aligning with the Millennium Development Goals. In the current century, international aid has become less focused on solidarity funds, with much more emphasis placed on results-based programming, and transactional agreements with reporting and compliance verification of results. International cooperation programs have grown stronger and further established their missions within the country (USAID, European Union, Canadian, Swedish Cooperation, etc.). This has invited a much larger INGO presence in Guatemala, including for-profit development companies that would benefit from more rigorous accountability standards and compliance with international regulations. In addition, this has created

more resources for INGOs such as Save the Children, World Vision, Mercy Corps, CRS, Population Services International, and local universities. This shift toward larger projects with more complex administrative procedures has made it increasingly difficult for smaller NGO and CSOs to compete with large INGOs. As a result, many local NGOs and CSOs have lost funding or become entirely dependent on support from INGOs managing large international cooperation grants.

Recent trends in international support have been toward pushing local CSOs and NGOs to increase their administrative and financial capacity, offer results and evidence-based programming, and diversify their funding sources. Many small Guatemalan CSOs and NGOs are struggling to meet such expectations. Instead, they are looking for alternative ways—such as consultancy work, forming cooperatives to sell related professional services, or joining other struggling CSOs to form coalitions—to continue working in their fields. However, competition for international resources remains extremely high and CSO collaboration is difficult.

In an effort to encourage more collaboration, USAID and other international development agencies are requiring project proposals be submitted in consortium (for example, through Broad Agency Announcements). In order to support local implementation of selected project strategies, INGOs have responded by embedding sub-grant mechanisms into their project designs. This has further increased competition among local CSOs/NGOs.

During the period 2008–16, Guatemala reported receiving approximately US\$1.54 billion in non-reimbursable international development funds through 27 different sources, including:

- Bilaterals: US, Spain, China-Taiwan, Germany, Japan, Canada, Venezuela, Korea, Italy, Sweden, Brazil, Morocco, and Russia.
- Multilaterals: WFP, UNEP, UNDP, FAO, UNICEF, UNFPA, PAHO, and other UN Agencies, EU, Global Fund, and OEA.
- Financial Entities: IDB, BCIE, and BIRF.

In 2017, the governments of Guatemala, Honduras, and El Salvador signed the Alliance for Prosperity—a development agenda designed by these, with support

from the US government and the Inter-American Development Bank. The agenda sought to increase economy-wide productivity in strategic sectors through attracting investment, broadening access to finance, and improving connectivity. This increase in productivity would in turn—through institutional strengthening and increasing citizens’ trust of government—create economic opportunities, develop human capital, and improve citizens’ security and access to justice. USAID, historically the agency with the most bilateral funds committed to Guatemala, has pledged several million dollars toward the initiative and the US government remains an important bilateral aid partner. However, beginning in March 2019, some US government officials began to link aid commitments to immigration policy considerations which has led to uncertainties related to continued bilateral aid.<sup>24</sup>

### 3. BACKGROUND TO TRICKLE UP IN GUATEMALA

Extreme poverty—which international standards currently define as those living on less than US\$1.90 per day<sup>25</sup>—is a persistent challenge in Guatemala. The World Bank estimates 8.7% percent of the population experienced extreme poverty in 2014, with the number of people living in poverty expected to increase between 2019 and 2021.<sup>26</sup> Of Guatemala’s departments (or administrative units), Alta Verapaz had the highest rates of extreme poverty, which was concentrated in rural areas and more prevalent among indigenous populations.<sup>27</sup>

Trickle Up is an INGO that has been working to address extreme poverty since 1979 and is recognized as a leader in the application and adaptation of graduation approaches. In 2008, Trickle Up established a regional office for the Americas in Cobán, the capital of Alta Verapaz. This office now supports programming in Guatemala, Mexico, and Paraguay.

#### GRADUATION APPROACH

Organizations worldwide have developed and adapted ‘graduation’ approaches designed to address extreme poverty, seeking to elevate households above a set poverty threshold. As described by de Montesquiou et al.:

The breakthrough innovation of the graduation approach is the way it blends elements of social protection with those of livelihoods support to help extreme poor people move toward economic self-sufficiency. At the heart of graduation’s theory of change is the insight that a person perpetually trapped in survival mode cannot engage in the creative thinking or planning necessary for a longer-term strategy to escape extreme poverty—that a person facing chronic hunger is unlikely to be able to focus on anything else ... The elements of the graduation package, which also include mentoring, skills training and transfer of an asset to generate income, and access to financial services, all work together to help participants escape the constant pressure for survival and begin the climb up the ladder of economic well-being.<sup>28</sup>

Extreme poverty is recognized as multidimensional. Factors that both contribute to and result from extreme poverty include poor living conditions; social marginalization and exclusion; and lack of access to resources and opportunities.<sup>29</sup> As such, traditional economic development or microfinance approaches have not typically proven effective in addressing extreme poverty. Thus, graduation approaches have been developed to provide an integrated response to issues of extreme poverty at the individual or household level. Trickle Up participated in the CGAP-Ford Foundation’s multi-year study that sought to establish the durability of the graduation approach.<sup>30</sup> The study showed that positive participant outcomes persisted even seven years after the intervention, leading to increased adoption of the approach. The graduation approach involves multiple components delivered in a time-bound, sequenced manner, one of which is the establishment of what were historically called village savings and loans associations and are now commonly referred to as savings groups. Savings groups comprise approximately 10–20 individuals, who together contribute savings into a single pool, from which they can take small loans. These loans enable individuals to execute and expand income-generating or productive activities.<sup>31</sup>

In addition to these economic activities, savings groups have important social functions. At the individual level, participation in savings groups builds business skills, as well as confidence and self-esteem. Participation in savings groups also offers individuals the opportunity to improve their families’ well-being, for example through

attaining better nutrition and health outcomes. It is also common for individuals to use their income to pay their children's school fees and purchase school supplies. Finally, by participating in savings groups and running businesses, individuals have an opportunity to establish themselves within the community, on top of which savings groups set aside a portion of the savings pool as a "social fund" (discussed below), which may be used to address the needs of community members. In these and other ways, participation in savings groups supports social integration of individuals, families, and communities.<sup>32</sup>

## LA SABIDURÍA SAVINGS GROUP

Trickle Up has supported the creation of numerous savings groups in Guatemala. One unique aspect of these savings groups is their focus on working with people with disabilities and indigenous women. As a graduation project matures, its multiple components interface to build a sustainable pathway out of poverty for participants. Trickle Up phases out its engagement with savings groups over time. These savings groups go on to support various functions that Trickle Up originally delivered through other graduation components. For example, the interpersonal support provided by coaches during the project is provided by the savings group through its new and dual function as a self-help group.

In order to explore the process in detail, it is helpful to focus on the experience of an illustrative case: La Sabiduría savings group in Chimolón, in the municipality of Tamahú. Chimolón is an indigenous community, and the population primarily speaks the Mayan language Poqomchí.

La Sabiduría can be considered a successful savings group for a number of reasons. First, it has grown from 16 participants when it was formed to 50 participants at the time the research was conducted. Second, not only has La Sabiduría continued its activities independently of Trickle Up, but members of the original group have also successfully engaged family members and neighbors to create five additional savings groups over time.<sup>33</sup> Third, the members of La Sabiduría have improved their economic well-being, which has, in turn, enabled them to make other advances. For example, by participating in capacity-building activities provided by Trickle Up related to livelihoods development and

savings, members of the group have diversified their productive activities (into, for example, weaving and selling chickens); provided educational opportunities for their children; gained access to healthcare; improved their homes; and been able to purchase goods such as televisions and sewing machines.<sup>34</sup>

While the graduation approach employed with La Sabiduría is illustrative of Trickle Up's model, it should be noted that the municipality of Tamahú was unique in how it bought into the vision for savings groups, thereby creating an enabling environment for them to thrive and indicating the importance of buy-in from local governance.

## THE TRANSITION

Trickle Up's exit process is best understood as a transition or phase out. Its interventions are designed to last 24 to 36 months, depending on the needs of the group in question. Right from the start of an intervention, a plan is in place for Trickle Up to exit. Trickle Up has developed a rigorous intervention methodology, rooted in the components of the graduation approach, which can be divided into five phases:

- 1) **community engagement and participant selection,**
- 2) **consumption support to stabilize the household** and meet immediate needs before introducing the productive asset,
- 3) **injection of seed capital/asset transfer complemented by personalized livelihood coaching** to jumpstart income-generating activities,
- 4) **formation and accompaniment of savings groups** for accessing credit and building a social network; and
- 5) **phase out of accompaniment leading to independently functioning savings groups** and participants graduating out of poverty

La Sabiduría savings group was founded on 20 May 2013. Trickle Up worked through its phased intervention methodology, providing support to La Sabiduría until December 2014. La Sabiduría has thrived in the years

since Trickle Up ended its accompaniment. The savings group has operated in the years since, and members of the savings group have maintained personal relationships with members of Trickle Up's staff.

The vision behind Trickle Up's interventions in Guatemala is to create a multiplier effect. This has been the case with La Sabiduría, with individuals moving on from the original savings group in order to start new groups that operate with the same practices and principles. Savings groups in Guatemala have formed the Community Network for Integrated Development (la Red Comunitaria para el Desarrollo Integral). La Sabiduría and the five groups that evolved out of it all participate in the Network, with the current president of La Sabiduría serving as the Network's treasurer. The Network represents more than 1,000 women, prompting many individuals—including political candidates—to take notice of it.

## 4. OUTCOMES AND IMPACTS

### COMMUNITY ENGAGEMENT AND SELECTION PROCESS

As noted above, many INGOs in Guatemala establish savings groups as part of their program model. One of the unique aspects of Trickle Up's approach is the way in which it initiates savings groups, working intensively within a municipality to ensure that the participants selected fit the criteria of extreme poverty. As one Trickle Up staff member explained: "The first phase is determining the possible participants—this is the most important part. Everything else will fail if the selection is not done right."

The first step in initiating a savings group is to approach the municipality, including the office of the mayor. Trickle Up makes a request to work in the municipality, emphasizing that it engages those in extreme poverty (although a mayor may try to influence who is included in the savings groups). Trickle Up will then work with municipal officials to set up a community meeting about the graduation project and associated savings groups. Trickle Up staff report that it is rare for a mayor to prevent the organization working in a community.

At the community meeting, Trickle Up presents the savings group concept, explaining that the project is not

for everyone, and they would like to work with those in extreme poverty, often focusing on girls and young women aged 14–18. Sometimes, Trickle Up will be asked such questions as "Why are you working with girls and not boys?" and a staff member will seek to explain.

Trickle Up has criteria to identify the poorest individuals within a community. It is also sensitive to the fact that very localized economies exist in Guatemala due to the isolation of many indigenous communities, which have limited access to roads, transportation, and other infrastructure. Therefore, the meaning of extreme poverty may differ from one community to the next. Trickle Up will ask community members to define the characteristics of the poorest individuals (for example, community members might describe such an individual as someone who does not own pigs or whose floor or roof are constructed from basic materials). Trickle Up will then use focus groups, interviews with community leaders, and other methods of community wealth ranking and verification to determine the names of people in the area who fit these characteristics. This participatory targeting process can be time intensive especially in rural and isolated areas, but the result is worthwhile in that the project is then able to work with people who would otherwise be excluded or would self-exclude from livelihoods projects.

Trickle Up will then begin house visits to these identified individuals. Staff will look to see if an individual has a motorcycle, pig, or other marker indicating they are not among the extreme poor. Sometimes Trickle Up will find that while a family as a whole has resources, an individual within it—such as someone with a disability—does not. In this case, the individual would be considered for participation. Additionally, Trickle Up has an 11-question diagnostic for potential participants. Savings group participants are selected on the basis of these house visits and the results of the diagnostic.

This intensive community engagement process is critical to ensuring that Trickle Up selects participants who fit the programmatic criteria. Additionally, it contributes to an enabling environment in which savings groups are widely accepted and can thrive. In other words, it creates a setting in which savings groups are supported regardless of whether Trickle Up maintains its presence.

### ACCOMPANIMENT

The next step in Trickle Up's approach is to provide education and training to the selected savings group participants, with a field officer from Trickle Up explaining what it means to form a savings group and introducing the organization's methodology. This phase of initiating a savings group and providing training lasts approximately three months. The field officer who works with the savings group at this stage will continue to accompany the group until it "graduates" from the program.

Key activities in the initial phase of the savings group include electing the leadership committee; writing a constitution; training on how to buy shares and take loans from the group; and training on productive activities. The field officer will work with individual members of the group to develop a plan for productive activities, meaning what activity or activities the member will undertake to generate income. As one Trickle Up staff member observed: "After participants have a productive plan and training, they have two arms to defend themselves. They now can start saving."

Once a group is established and has received initial training, the field officer will visit it every two weeks. This is another aspect of Trickle Up's approach that sets it apart from other organizations working with savings groups, where the norm for visits is once a month. The field officer will observe savings group meetings in which members buy shares, as well as take and repay loans. They will also provide mentoring or coaching to participants, for example taking 30 minutes at the end of a meeting to provide instruction on topics such as public or sexual health. This group coaching is complemented by more intensive, personalized coaching that is delivered during house visits to individual participants and tailored to their particular needs and circumstances. This phase typically lasts a further three months.

During the next phase of the savings group, the field officer will begin to visit less regularly. By this point, participants are saving more and are likely buying more shares. Meetings start to last longer, typically taking two hours rather than one. Savings group members may also try different productive activities during this phase.

The savings group process culminates with the closing of a cycle. Savings are distributed in proportion to the shares a member has purchased. Though the field officer will have previously explained how savings are

distributed, disagreements or conflict may arise at this point. For example, some members may want to split the savings equally rather than proportionally according to shares. While the leadership committee is responsible for resolving conflicts and mediating between members, a field officer is also present for the closing of the cycle. Finally, savings group members decide whether they wish to stay together as a group and start a new cycle.

## COLLECTIVE LEADERSHIP

There are five positions within the leadership committee of every savings group: President, Registrar, Box Keeper, and two Money Counters. The field officer will explain the required qualities and responsibilities for each role:

- The President's responsibilities include creating meeting agendas, leading discussions within the group and bringing discussion to a conclusion, solving conflicts within the group, and making sure rules are respected. The President also may represent the group in external activities.<sup>35</sup>
- The Registrar's responsibilities include taking control of credit and capital, recording who receives credit, registering interest and payment of credit, and providing a report on savings and loans during each meeting. The registrar must be able to write and have knowledge of numbers and records.<sup>36</sup>
- The Box Keeper's primary responsibility is to protect the box in which the group stores its savings. The box keeper brings the box to each meeting and enters savings into the box. Meetings are typically held in the box keeper's house as the box is heavy. There is a risk of theft and to the box keeper herself if she must transport the box some distance.<sup>37</sup>
- The Money Counters verify the placement of money into the box and removal of money from the box. They count money during every transaction and keep the registrar informed. They announce each transaction to the group so that all members are aware of each individual's contribution of savings and requests for credit.<sup>38</sup>

Also elected at the start of a group are three key carriers, who cannot be in the leadership committee (though they can change role after a cycle has closed). The key carriers must be prompt and reliable, as there cannot be a meeting if it is not possible to open the savings box.

All members of the savings groups are invited to stand for a position on the leadership committee. The members of the group then hold a democratic election. Individuals standing for a position are each assigned a color, with group members given a chip to place in correspondingly colored bags.

The individuals elected to these positions take up their roles immediately upon the formation of the group. Although a field officer is present throughout the development of a savings group, its members lead the group from the outset. This means there is minimal disruption to a group's activities during the phase-out period, as the group operates with the same leadership committee and under the same rules throughout the transition.

## **COLLECTIVE RESPONSIBILITY**

Participation in the savings group typically creates bonds between group members through a variety of activities, from the formulation of a group constitution to regular meetings to collective saving. The group members hold each other accountable for upholding rules established in the constitution, such as being on time to meetings and no use of cell phones during meetings, as well as for savings activities.

The establishment of a social fund is another critical element of savings groups that fosters a sense of collective responsibility. Savings group members contribute to a social fund each round, in addition to contributing savings or requesting loans from the general fund. Group members may draw from the social fund for different reasons. For example, if someone is sick or experiences a family emergency, the savings group may provide financial support the individual from the social fund. In other cases, groups view the social fund not for savings group members themselves but for the community at large. Some groups decided to finance community needs through the social fund. Young women from one savings group decided to purchase cinder blocks to help build a school at the end of a savings cycle. Participation in savings groups therefore not only builds a sense of collective responsibility within a group itself but also within a broader community.

## **CAPACITY BUILDING**

Participation in savings groups builds capacities at

different levels. At an individual level, savings group members build the capacity to save. Such capacity is incredibly powerful, especially for those who are in extreme poverty as savings group members begin to improve their economic circumstances as well as the circumstances of their families. Members of La Sabiduría savings group used their savings in various ways, including purchasing concrete blocks in order to improve their homes, paying school fees for their children, and buying chickens to support nutrition and further productive activities.

At a community level, the fact that savings groups build the capacity to invest in their communities through the social fund and in other ways can be transformative and generate respect for savings group members. Trickle Up also builds the capacity of savings group members to form other savings groups, teaching the methodology to neighbors and friends. Through such capacity building, savings groups have the ability to scale.

The savings groups in and around Alta Verapaz have shown the power of scaling through the formation of the Community Network for Integrated Development (la Red Comunitaria para el Desarrollo Integral). As noted above, La Sabiduría and the five groups that evolved out of it all participate in the Network, and the current president of La Sabiduría serves as the Network's treasurer. The Network represents more than 1,000 women who can be reached and potentially mobilized for specific activities or causes.

## **CONCLUSIONS**

This case study illustrates how the graduation approach employed by Trickle Up in Guatemala leads not only to sustainable savings groups, but the empowerment of individuals within communities to establish their own savings groups. The fact that these groups have multiplied and even formed a regional network highlights that—when local actors are given an opening to drive their own agenda—locally led development can foster economic, social and potentially political development.

## KEY LESSONS

**Programs should be initiated with a plan to graduate groups in place from the outset.** Trickle Up's intensive selection process targets the extreme poor, building the capacity of participants, then thereby providing them space to learn and grow.

**Intensive community outreach and participant selection processes can create an enabling environment.** In Trickle Up's case, this fostered the continuation of savings groups, as well as the establishment of new groups, after the organization has phased out its support. The value of savings groups is reflected in the fact that two municipalities are currently paying for technical support specialists to continue working with them.

**Strong dedication to a core methodology helps.** In Trickle Up's case, it enabled savings groups to learn the approach and then replicate it with others in the community.

**Ensure appropriate resources are invested at the outset.** The resources contributed by Trickle Up at the start of the initiative take the form of staff time, which goes into securing buy-in for the concept from local authorities and leaders, as well as identifying savings group participants. Equally important is the fact that members of savings group contribute their own savings to start groups.

**It is important that savings group members are allowed to drive the process for themselves.** Members of the savings groups established by Trickle Up select their own leadership, decide on which productive activities to pursue, and are able to purchase shares of the group according to their means.

**While the savings and loan process is a central element of VSLAs, individuals continue to participate in them for a variety of reasons.** As can be seen in Trickle Up's case, VSLAs can serve as a platform to gather and consult; build self-esteem and group solidarity; and address individual as well as community needs.

## ENDNOTES

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