Evaluation of Privatized Delivery Model for Savings and Internal Lending Committees (SILCs)
Data Collection Summary

Researcher: Joseph Kaboski

Countries: Kenya, Tanzania, Uganda

Summary: Savings and internal lending committees (SILCs) are savings and intermediation groups intended to provide financial services to the poorest of the poor. In East Africa (Kenya, Tanzania, and Uganda) these groups have normally been implemented by NGOs, who train and pay field agents to found and administer SILCs. In an attempt to lower the required resources needed to subsidize SILCs, the Catholic Relief Services (CRS) is changing the format in which it runs its SILCs program. After training agents, CRS will slowly decrease payments, transitioning the agents to being private entrepreneurs, who are paid for their services.

This project will conduct a randomized evaluation of the CRS SILCs program in order to understand how this new innovation will affect the successfulness of the SILCs. In particular, the project investigates the success of the private entrepreneurs in comparison to the paid agents in terms of their ability to mobilize savings, lend judiciously, maintain membership, and secure high repayment rates. Related, the project seeks to find out if the private entrepreneurs will be more successful in founding additional groups. 800 agents are involved in the study, with 40 percent being paid by CRS. The project administers surveys to field agents, SILCs, and both members and non-member households.

Survey Time Frame and Rounds:
- Round 1: Randomization of first group, December 2009
- Round 2: A before survey of households and groups in the treatment and control areas, early 2010
- Round 3: Follow-up survey run 18 months after the initial randomization
- Round 4: Follow-up survey 36 months after the initial randomization

Modules:
- Field agents
- SILCs
- Member households
- Non-member households

Sample: Field agents, SILCs, member and non-member households

Survey size: 800 agents

Intervention: Areas are divided between those that receive savings and internal lending committees (SILCs) and those that do not. For areas that do receive SILCs, the structure of field agents is varied between SILCSs that are provided with a field agent paid directly by Catholic Relief Services and those with field agents who work as private entrepreneurs.