



Optimizing Microfinance Distribution Channels

Centre for Microfinance at IFMR

Introduction

In India, microfinance institutions (MFIs) and self-help groups (SHGs) traditionally provide loans to low-income borrowers. However, outside of providing credit, there are also other critical development needs that could be served through microfinance channels. Utilizing these channels to provide health products or education could be of great value for low-income households, which are most vulnerable to illnesses and resultant economic shocks.

This report packet details three examples of innovative products recently introduced through the distribution channels of MFIs or SHGs. The case studies herein discuss product design, roll out and lessons learned from using microfinance channels to deliver the following non-financial products:

- 1) SKS Health Insurance
- 2) BISWA's Sale of Insecticide Treated Nets through Microcredit Contracts
- 3) Education of Adolescent Girls in Rural India by Leveraging Self-Help Groups

Abstracts for the three case studies are provided below and full versions of the studies can be found in this packet. We hope that you find this research pertinent and useful and we, the authors, are eager for feedback and additional questions.

*- Centre for Micro Finance and Freedom from Hunger,
November 2008*

Optimizing Microfinance Distribution Channels

**Leveraging SHGs to Advance Girls' Access to
Resources and Influence in Rural India:
Learning Games for Girls**

**Sheila Chanani, Bobbi Gray
Freedom from Hunger**

We gratefully acknowledge the financial support of the Nike Foundation and acknowledge the partnership and hard work of SMVS staff and animators and the research team from the Centre for Micro Finance. We also extend thanks to the women and girls who participated in this program.

1. Background and Significance

Approximately twenty percent of India's one billion citizens are adolescent girls between the ages of 10 and 19.¹ These girls are often caught in a cycle of poor health, early marriage, early and repeated pregnancies, limited mobility and poverty. Sixty to seventy percent of Indian adolescent girls are anemic²; more than one-half are married before reaching the legal age of 18³; and thirty percent of women ages 15–49 give birth for the first time before the age of 18. By age 25, eighty-five percent of women have given birth.⁴ Young age at marriage and first pregnancies are both strongly associated with limited educational and economic opportunities, which further perpetuate gender inequities.

For many girls, adolescence marks the initiation into economic roles. Adolescent girls first learn to assist their mothers in almost all tasks and gradually take over their mothers' domestic chores, adopting stereotypical gender roles.⁵ A study by the Population Council in India revealed that if a girl earns money from an economic activity, in most cases these earnings are handed over to others.⁶ This lack of decision-making over their own finances continues into adulthood, increasing their own vulnerability to financial and health shocks and reducing their opportunity to work towards their own financial goals.

Because adolescence is a transitional stage to adulthood, how adolescent girls navigate social and economic changes, as well as the changes in their bodies and health, determines their own future well-being as well as the future livelihoods of their own children, communities, and ultimately their country. Thus, adolescence is considered a pivotal intervention point to assist girls in gaining greater access to and control over their health, improving their food security, and improving social and economic resources and opportunities.

Self-help groups (SHGs), built fundamentally on small savings and credit transactions, represent a critical economic opportunity and social support network for millions of women in rural India. There are estimated to be more than three million women's SHGs in India, encompassing more than 50 million members and this dynamic phenomenon is growing fast. The possibility for women's SHGs to eventually link to formal financial institutions further enhances opportunities to women by providing a secure and supportive place to save and borrow. These funds help women cope with economic and health shocks, seize economic opportunities and meet life-cycle needs.

¹ International Institute for Population Sciences (IIPS) and Macro International. 2007. *National Family Health Survey (NFHS-3), 2005-06*: India: Volume I. Mumbai: IIPS.

² International Center for Research on Women (ICRW). Reducing Iron-Deficiency Anemia and Changing Dietary Behaviors among Adolescent Girls in Maharashtra, India. 2004. <<http://www.icrw.org/docs/2004indiareprohealth8.pdf>> (October 8, 2008).

³ Family Health International (FHI). *Health Adolescent Project in India*. 2001. <<http://www.fhi.org/en/RH/Training/trainmat/hapiindiaprogram.htm>> (March 28, 2007).

⁴ International Institute for Population Sciences (IIPS) and Macro International. 2007. *National Family Health Survey (NFHS-3), 2005-06*: India: Volume I. Mumbai: IIPS.

⁵ CEDPA, Adolescent Girls in India Choose a Better Future: An Impact Assessment. Washington, D.C. September 2001.

⁶ Ram, F., R.K. Sinha, S.K. Mohanty et al. *Marriage and Motherhood: An exploratory Study of the Social and Reproductive Health Status of Married Young women in Gujarat and West Bengal, India*. Population Council: New Delhi, India. 2006. <<http://www.popcouncil.org/pdfs/MarriageMotherhood.pdf>> (March 28, 2007).

Despite the success of the SHG movement and the impacts of savings and credit on family well-being,⁷ the development community realizes that other services—in addition to credit and savings—must be available for families to lift themselves out of poverty. Freedom from Hunger, known for its promotion of integrated services and their benefits,⁸ has developed Learning Games for Girls, which is a series of dialogue-based education sessions focused on health, social and economic topics that are critical to the food security and well-being of adolescent girls and young women. Using the SHG platform, Reach India, Freedom from Hunger's initiative in India, delivers the Learning Games for Girls through a low-cost, sustainable network of Service Centres that promote and train a vast existing network of self-help promoting institutions (SHPIs). These SHPIs already reach millions of women in some of the poorest rural communities of the poorest states of India, and by utilizing the existing field agents working with SHGs as animators for Learning Games for Girls, Reach India optimizes the most ubiquitous microfinance platform in India today. Through this existing network of women SHGs, adolescent girls are invited by their mothers or mothers-in-law to participate jointly in the Learning Games.

SHGs therefore represent:

- A forum for social support to girls,
- An opportunity to save and borrow—enhancing girls' economic opportunities,
- An opportunity to share knowledge and skills—leading to positive changes in behavior,
- An expansion of girls' social networks,
- Along with the growth and influence of SHGs in village life, a potential leadership opportunity for girls.

The purpose of this paper is to highlight product attributes of Learning Games for Girls, discuss the development and implementation of this product, and present the key challenges and lessons learned from providing services to this target population.

2. The Focus of Learning Games

For two decades, Freedom from Hunger has been developing non-formal adult education sessions for poor, illiterate and rural women to improve their families' food security.

However, the education methodology of Learning Games for Girls represents an innovation, as it centers on the learning needs of adolescent girls, a new target demographic.

Learning Games for Girls was designed to help adolescent girls gain the knowledge, skills and

⁷ Khandker, Shahidur. 2005. "Micro-Finance and Poverty: Evidence Using Panel Data from Bangladesh." *World Bank Economic Review* 19(2): 263-286.; Dunford, Chris and April Watson. *From Microfinance to Macro Change: Integrating Health Education and Microfinance to Empower Women and Reduce Poverty*. 2006. United Nations Population Fund.; Zeller, M., Sharma, M., Ahmed, A.U. & Rashid, S. (2001) *Group-Based Financial Institutions for the Rural Poor in Bangladesh: An Institutional- and Household-Level Analysis*. International Food Policy Research Institute (IFPRI), Research Report No. 120, Washington, DC.

⁸ MkNelly, Barbara and Christopher Dunford. 1999. "Impact of Credit with Education on Mothers and their Young Children's Nutrition: Lower Pra Rural Bank Credit with Education Program in Ghana." Freedom from Hunger.

attitudes necessary to improve their lives and become healthy, informed, food-secure and empowered adult women. Although adolescent girls face unique risks and challenges, there are few services available to meet their specific needs. They also operate in a home and community environment where they have few resources and assets, and have very little decision-making authority and mobility. Learning Games for Girls begins to address that gap by covering topics of importance and interest to adolescent girls—health and finance—using fun and interactive activities. These activities focus on behavioural changes within the girl's control—practices she can implement in spite of restrictions in her environment.

Encouraging mothers to participate in these Learning Games with their adolescent daughters and/or daughters-in-law enables mothers to support their family members in the learning process.

Beyond equipping girls to develop practical decision-making skills that help them manage their health and finances, the Learning Games helps them establish links with girls in their village. These links lay the foundation for future involvement in women's SHGs.

Learning Games for Girls consists of ten, thirty-minute sessions. An introductory session provides an overview of the entire module that encourages exchange among mothers and daughters. Four sessions focus on financial education and are designed to train girls to save money, bargain, prioritise spending, and develop and follow a savings plan. The other five sessions focus on health, equipping girls to prevent and treat diarrhoea, improve their nutrition, sexual and reproductive health, and prevent HIV/AIDS.

The sessions are designed to meet adolescent girls' desire for lively, creative activities—games, stories, skits, songs, rhymes, etc.—to learn new information and skills. Pair- and group-work also provide girls with a non-threatening way to talk, address problems and bond around common solutions and actions. Even the quietest of girls can be drawn into the Learning Games. In the process, the Learning Games:

- develops key life skills, such as decision-making, assertiveness, negotiating and self-awareness;
- gives girls a chance to share and improve practical skills related to caring for their health and finances; and
- builds a platform for girls' entry into SHGs, which are important providers of social networks and financial resources for women.

3. Delivering Learning Games for Girls

To scale the delivery of innovations such as Learning Games for Girls, Freedom from Hunger launched Reach India, a social enterprise modeled on commercial franchise principles to deliver proven products to the many local organizations that serve poor people through SHGs. Launched in January 2007, Reach India's mission is to bring knowledge, life skills, microfinance and linkages to massive numbers of poor rural women to build futures of health, hope and dignity for themselves and their families.

3.1 Reach India Model

Reach India is structured as a network of franchise training teams, referred to as Service Centres. Reach India franchise trainers train a large and diverse number of SHPIs to deliver SHG members Learning Games and other non-formal lifeskills education. These interventions target the needs of adult women and adolescents, and equip members with new skills and knowledge in the areas of health, business, and family finance. Service Centres offer hundreds of SHPIs in their geographic area a progressively larger portfolio of health, business and family finance training topics. Reach India optimizes the benefits of decentralization by leveraging the active presence of thousands of SHPIs, and the simplicity and transferability of Learning Games for Girls to minimally educated field workers and SHG members. Service Centres are independent, for-profit entities that derive revenue from two sources: a) SHPIs that have training budgets or corpus funds that can be used to cover the cost of training their staff, and b) third-party payers—namely local, regional, national or international organizations that sponsor individuals from one or more SHPIs to participate in a Reach India training. Many of these third-party sponsors are international non-governmental organizations that provide support to local organizations, not unlike Freedom from Hunger has in the past. These organizations include World Vision, Catholic Relief Services, or Christian Children's Fund. Local governments also sponsor participants, as do some international donors, such as the David and Lucile Packard Foundation.

Reach India's "Capacity Centre" staff in Kolkata acts as an in-country franchisor, recruiting and training a growing network of independent Service Centres. The Capacity Centre ensures quality control, provides start-up financing, adapts materials, and trains Service Centres on the standard business systems.

4. Designing Learning Games

4.1 Market Research

Because adolescent girls have different needs than their mothers or older women, and because this was a new target audience for Freedom from Hunger, Freedom from Hunger conducted a literature review to reveal the documented health and financial needs of adolescent girls globally, and then specifically in the east and northeastern states of India. In addition, Freedom from Hunger conducted market research using qualitative methods to interview adolescent girls, their caretakers and other community members to gain a richer understanding of the key challenges and constraints that adolescent girls face.

4.2 Product Development, Field-Testing, and Finalization

Research results had to be balanced with the likelihood that participation in a short learning session could influence positive behavior change and family food security, and that the girl would not be highly dependent on obtaining additional resources to adopt new behaviors. For example, market research revealed that human trafficking was a real fear and danger for the girls. Although this is a key challenge that girls face, we decided to address topics such as nutrition and savings, as they focus on critical resources that families need to achieve food security.

Freedom from Hunger developed module-level achievement-based objectives and ten prototype

Learning Games. Freedom from Hunger then field-tested them with actual girls to assess their ability to engage in discussion, to address their interest in the proposed topic, and to determine whether the session as designed could be delivered by modestly educated field staff of many local organizations in India. As a result of the field test, Freedom from Hunger made final changes to the sessions, translated them into the local language, and made them available to the Reach India network for training-of-trainer sessions.

5. Pilot on Delivery Mechanisms

In addition to the distribution of the Learning Games through Reach India, Freedom from Hunger conducted a pilot study to explore the relative effectiveness of various delivery models in reaching and influencing adolescent girls. As SHGs are the focal point of the intervention, the pilot study was intended to reveal the best means to integrate and engage adolescent girls in existing SHGs. A small group of animators was selected by Sri Mayapur Vikas Sangha (SMVS), a medium-sized SHPI in Nadia, West Bengal, to participate in the pilot-testing of various delivery mechanisms.

5.1 Pilot Study Interventions

Freedom from Hunger considered four delivery mechanisms for reaching adolescent girls through SHGs. One mechanism—Experienced Women Referrals—was designed such that SHG members first participated in a Learning Game and then nominated daughters or daughters-in-law and their best friends to participate in the game by themselves. In a second mechanism—Inexperienced Women Referrals—members did not participate in the session themselves, but nominated daughters or daughters-in-law and their best friends to participate in the games by themselves. These two approaches aimed to explore girls learning on their own, as well as the extent to which mothers, having experienced the education first, encouraged or discouraged adolescent participation.

A third delivery mechanism—Joint Adolescent and Women Sessions—encouraged SHG members to invite daughters or daughters-in-law and their best friends to participate in the Learning Game alongside them at their meetings. Freedom from Hunger also explored an intervention approach that involved only the SHG members. This intervention—Women Only—invited SHG members to participate in the games and then asked the women to share the information with their daughters or daughters-in-laws. The primary advantage of the "Women Only" concept was its scalability through the SHG platform and Reach model.

5.2 Pilot Study Results

Focus-group discussions were conducted with girls, SHG members and animators to compare their experiences across four main areas: 1) participation, 2) attendance, 3) sharing of information and knowledge, and 4) appreciation of content. Additionally, animators tracked attendance and managed a register to collect basic characteristics of participants (marriage, education, children, livelihood, etc.).

Based on the results of the monitoring data and qualitative assessment, the Learning Games was designed to be delivered through joint adolescent and women groups. The joint adolescent and women sessions were selected as the optimal delivery mechanism due to the following results:

5.2.1 Recruitment and Participation

Out of the three models that included direct delivery to adolescents, all appeared similarly effective at recruiting girls and mothers. Freedom from Hunger did not find that it was especially important for mothers and mothers-in-law to be directly exposed to the Learning Games prior to the girls receiving the games. The indirect intervention through "Women Only" was determined to be the least effective in retaining participation and interest of SHG members.

Participants and animators in joint groups of mothers and daughters particularly valued this model as a unique opportunity to do a fun activity together. Both mothers and daughters voiced strong interest and enjoyment in participating in the sessions together. Participants who were not formed through this delivery mechanism acknowledged this method as the one they would have most preferred to attend.

Participation of married adolescents was low across all interventions. Reasons cited for the low participation of married adolescents by mothers included the following: family members did not like them to move out of the house, mothers-in-law did not want to interfere in sons' households, married adolescents were not interested themselves, and these adolescents were simply "unavailable" or "non-existent." Freedom from Hunger expects that joint adolescent-women groups will encourage greater participation of young married women who are not part of the SHGs and are also not considered part of the adolescent girls group.

5.2.2 Inter-Generational Communication

Mothers, girls and animators felt the joint sessions would do the most to facilitate conversations between mothers and daughters on financial and health topics. While acknowledging their general hesitancy to discuss sexual and reproductive health topics with mothers, girls felt that joint learning would be more likely to lead to such conversations. Focus-group discussions demonstrated the pertinence of information and knowledge for the mothers as well as the girls.

5.2.3 Sustainability

Discussions with animators suggested that cost to the SHPI would be less through the joint-session mechanism. The amount of labor needed from animators increased for delivery to girls-only groups, as these sessions needed to be arranged outside the normal SHG visits. For the "Experienced Women Referrals," animator workload also increased significantly as they had to deliver first to mothers and then to girls separately. Inviting girls into existing SHG groups is likely to be more appealing to institutions that presently do not reach this target group. Given Reach India's focus on sustainability, the joint model would optimize the uptake and scaling of this product within the network.

Although Learning Games was designed for mothers and daughters to play together, the product does include adaptations for girls-only groups.

6. Current Status of Learning Games for Girls

Six Reach India Service Centres across eastern India began delivering Learning Games for Girls in March 2008. Between March and July 2008, nearly 60 small to medium SHPIs were trained on Learning Games for Girls across the states of Bihar, Jharkhand, Orissa, West Bengal, and Assam.

Freedom from Hunger expects to achieve positive outcomes in the lives of 25,000 adolescent girls and young women directly. By leveraging the role of mothers in self-help groups to transfer critical skills and knowledge to daughters, Freedom from Hunger expects to achieve positive outcomes in the lives of many hundreds of thousands of girls and young women indirectly.

7. Delivery of Learning Games for Girls through Sri Mayapur Vikas Sangha (SMVS)

Alongside the delivery of Learning Games for Girls through the Reach India network, Freedom from Hunger has developed a framework and tools for monitoring success in the broad domains of scale, sustainability and impact. Given Reach India's commitment to delivering non-formal education at low-cost and with a demonstrable impact, the development and implementation of Learning Games for Girls are simultaneously undergoing a community-based randomized control trial evaluation and observation. This is being conducted through a typical Reach India SHPI partner. SMVS is continuing its partnership with Reach India by participating in the evaluation as they incorporate Learning Games for Girls into their current microfinance programming.

Phase one of Learning Games implementation at SMVS involves all 23 active animators and 90 of their SHGs. Area covered for implementation includes 32 villages in the Nadia district of West Bengal. The process of implementation is described below.

7.1 Preparation and Training

Strategic planning to integrate the Learning Games into the current workload of the field staff included reviewing animator schedules, setting a calendar for implementation, and developing recruitment processes for incorporating adolescent girls into their SHGs. Trainings for animators on the Learning Games were led by the Reach India Bardhaman, West Bengal Service Centre Managers. Along with training on the Learning Games, animators were given guidance on how to encourage adolescents affiliated with their SHGs to participate in the Learning Games.

7.2 Sensitization of Self-Help Groups

With technical support from Freedom from Hunger's evaluation partner, International Center for Research on Women (ICRW), a community sensitization protocol was established prior to implementation of the Learning Games. The protocol was created to inform SHG leaders and members about the general content and structure of the Learning Games, as well as the concurrent evaluation activities that would be taking place. Staff from SMVS, Reach India, and the Centre for Micro Finance, another evaluation partner, visited every participating SHG to inform them on the upcoming program and activities.

7.3 Monitoring Quality of Learning Games for Girls

In order to maintain the quality of the animator's delivery of the sessions, a Reach India Service Centre Manager periodically observes the delivery of the Learning Games through the standard follow-up visit, an integral component of the Reach India training service. Freedom from Hunger

and Reach India have developed a cascading training system that includes competency standards for training delivery. A checklist of competency indicators to monitor the performance of Service Centre Managers, who trained the animators, and a separate checklist for animators have been developed as well. This latter checklist is used as an observation tool to monitor and discover how animators should effectively deliver an education session, encourage participation and manage the dynamics of the group. A final score can be derived from the checklist, and Service Centre Managers have a follow-up conversation with the animator to highlight positive feedback and areas for improvement.

8. Key Challenges and Lessons Learned

Below we detail the key challenges and lessons learned through this pilot study.

Reaching Girls

Bringing girls together to join the SHG group has been the greatest challenge. While an SHPI may be motivated to work with adolescents, there are particular challenges they may not have previously encountered in their programmatic work with adults. Reaching school-going and non-school-going adolescent girls poses unique challenges.

- **School-Going Girls:** While it is expected that poor, rural adolescents targeted through Reach are unlikely to regularly attend school, accommodating school schedules to maintain attendance is a concern for animators. In order to maximise outreach, animators may need to shift their schedules or increase additional meetings to their current workload.
- **Non-School-Going Girls:** Parents of non-school-going girls may be more hesitant about girls leaving their homes to meet with other girls/women to play the Learning Games. Fears of trafficking, vulnerability and exposure to outsiders are often reasons why parents prefer their girls to stay within the household until they are married and have moved to another household.

Community Sensitivity to HIV/AIDS and Sexual and Reproductive Health Topics

Initial roll-out led to concerns from individuals within the communities regarding the appropriateness of very young girls learning about sexual and reproductive health and HIV/AIDS. In particular, relatives of ten- and eleven-year-old girls questioned the need for their daughters to be learning about condoms or how pregnancy occurs. Introducing sexual and reproductive health education with unmarried adolescents is very different than working with women who have already taken on their reproductive roles. Freedom from Hunger recognizes that introducing such topics to young adolescent girls requires sensitivity, planning, and caution—particularly for SHPIs that are working with girls for the first time.

Sensitivity to Using Male Animators in All Learning Games

Similar to the previous challenge, delivery of sensitive topics (sexual and reproductive health and HIV/AIDS) by male animators to adolescents can generate discomfort or awkwardness that could reduce the effectiveness of the education. Recognizing this challenge, Freedom from Hunger has developed a policy for Reach India that suggests SHPIs and animators put forth an effort to create a safe environment for effective delivery of sensitive topics in the Learning Games.

Committed Leadership

Integrating non-financial services requires strong and consistent leadership from the implementing SHPI. Animators, along with management, need to be convinced of the value of integrated services as well as appreciate the value that non-financial services bring in strengthening financial services. Given the donor-driven environment of SHPIs, as well as their primary focus on growing financial services, maintaining motivation to integrate non-financial services without donor funding can be a challenge.

Mothers and Daughters Learning Together

Our pilot program and the roll-out of the Learning Games for Girls with SMVS demonstrate that mothers appreciate the opportunity to share in a learning experience with their adolescent daughters. Likewise, girls enjoyed the chance to "play" with their mothers and speak openly and frankly about health and financial topics. For the sustainability and possible expansion of this product, this is a promising finding.