

# The Chijnya Foundation

## THE SMALL GROUP SAVINGS PROGRAM



2018 Savings Groups

Community	Name of Savings Group	Members	Amount in Fund	Uses - Some Examples
Pucachupa	Virgen del Carmen	10	S/. 12,400 \$ 3,815	Roofing materials, educational expenses, merchandise to sell
La Unión	Banquito los Nevados de la Unión	12	S/. 6,007 \$ 1,848	Alpaca fiber shears, antiparasitic medicines for animals
José Domingo Choquehuanca	Grupo Cooperativo Exaltación	16	S/. 5,120 \$ 1,575	Ceramic production supplies, machinery rental, kilm fuel purchase
Centro Poblado de Chijnya	Niño Jesús	10	S/. 27,897 \$ 8,583	Rental of baler for harvest, purchase of alfalfa seed, land rental
Queñuani Bajo	Qulqui Wiray	12	S/. 1,200 \$ 369	Purchase of barley and alfalfa seed, rental of machinery
Queñuani Bajo	Nuevo Amanecer	12	S/. 5,400 \$ 1,661	Purchase of medicines, seed purchases, rental of baler
Colquejahuá	Tikariy	6	S/. 5,079 \$ 1,562	Purchase of a heifer, school supplies, purchase building materials
Huanarani-Cajoyo	Mujeres Activas	5	S/. 4,648 \$ 1,430	Small animal purchases, merchandise for shop, machinery rental
Jalishua	Mosoq Ilariy	12	S/. 27,645 \$ 8,506	Purchases of sheep, alfalfa and barley seeds, rental of plow
Liclicca	San Juan	12	S/. 2,331 \$ 717	Vitamin supplements for animals, roofing materials

**TOTAL** 07 S/. 97,727 \$ 30,069

ASSISTANCE TO COMMUNITIES  
IN THE ANDEAN HIGHLANDS  
OF SOUTHERN PERU.



Strengthening the capacities of Andean people to create self-sustaining economic activities that will improve their living standards and quality of life has been a long-standing goal of the Chijnya Foundation. Our community rotating fund program has been a key factor in achieving that goal, but we realize that achieving more equitable



and sustainable development also requires strengthening the self-financing and saving capacities of families, especially the rural poor. The Foundation's new Small Group Savings Program is designed to address that second objective. Experience gained in other developing countries has shown that savings capacities can be considerably enhanced through the promotion of group savings approaches such as "rotating savings and credit associations" and "accumulative savings and credit associations".



The Foundation's approach to savings promotes the formation of both types of savings groups. Each group is organised around some common bond and development goal. The members of both types of groups elect their own officers and agree to meet and save on a regular monthly basis. Rotating savings group members agree to contribute an equal amount of cash each time they meet to their own group savings fund, and at the end of each meeting award the total amount collected to

one member to finance his or her development project. This is done on a rotating basis until everyone in the group has been served. Accumulative savings groups function in a similar way but instead of distributing funds to a single member at the end of each meeting, they allow the fund to accumulate. Individual members are then allowed to borrow from the fund for a fixed period and at a fixed interest rate.

To date, the new program has succeeded in organising 10 self-governing and sustainable savings groups benefitting 107 members and their families, of whom 47 are males and 60 females. The value of cash savings mobilised by these groups is impressive. For example, the total amount of cash savings mobilised during the first eight months of 2018 has amounted to more than \$30,000. The average amount contributed or saved per member per month was \$38, ranging from a low of \$6 to a high of \$60.



For the most part our data show that the funds were used primarily to finance productive activities. Investments financed with savings group funds included: the purchase of livestock, the purchase of store inventory, payment for tractor services or rental of agricultural land, acquisition of veterinary medicines, and repayment of larger loans. Notably, women play important leadership roles in all of these groups. For example, 9 of 10 groups have female treasurers, 5 of 10 have female secretaries and 3

of 10 have female presidents. These same savings groups also serve as learning platforms for members with respect to collective self-help, money management and planning skills. This work is carried out by Rosmary Montesinos who visits each group on a monthly basis. She hopes to expand the number of active groups in the coming year.

## ECONOMIC EMPOWERMENT CREATES SELF-SUSTAINABLE DEVELOPMENT



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