

CASE STUDY



ACAF BARCELONA

**Promoting financial inclusion through
the "Self-Funded Communities" model
in Spain and internationally**

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THIS IS THE FIRST OF A SERIES OF
CASE STUDIES ON FINANCIAL INCLUSION
THROUGH SAVING GROUPS.

ABOUT ACAF

The Association of Self-Funded Communities, ACAF (Spanish abbreviation) is a non-profit organization created in 2004 in Barcelona by the social entrepreneur Jean Claude Rodriguez-Ferrera. It aims to fight financial and social exclusion through the creation of saving groups. In a context where vulnerable groups are specially affected by the social inequality, a lack of resilience mechanisms and a deficit of social networks, Rodríguez-Ferrera understood the need to adapt this secular informal saving practice from developing countries to European context.

The ACAF team is run by two experienced professionals in the field of financial and social inclusion and two volunteers. Most of the saving groups members are migrants or have a migrant background.



ACAF's goal is to contribute to the human and economic development of people with limited economic resources, especially newly arrived migrants, through asset building and empowerment and the provision of networks for mutual help.

HOW DOES ACAF DO IT?

ACAF has already developed several projects in collaboration with other organizations. This includes, beyond the creation of savings groups in eight European countries, tackling social issues such as energy poverty, intercultural diversity and migrant-entrepreneurship. The activities carried out by ACAF are focused on the following:

Creation of self-funded communities and financial education

- Contact with communities to raise awareness and build interest to create groups.
- Creation of savings groups.
- Facilitation of technical support to strengthen self-managed savings groups.
- Providing digital literacy.
- Providing basic financial education such as management of household budget, etc.
- Scaling up of the self-funded community model in the country and internationally.
- Promotion of intercultural activities.
- Participation in migrants' inclusion programs.

Dissemination and advocacy

- Training of trainers for saving groups creation.
- Advocacy for sustainable financial inclusion at a local level through direct action and at an international level through networks and projects.
- Partnership with like-minded organizations for the implementation of more impactful interventions (energy poverty, migrant entrepreneurship, etc.).
- Participation in local and international networks and projects.

SELF-FUNDED COMMUNITIES

A Self-Funded Community is a savings group in which 10 to 20 people, on the basis of trust, save together regularly and operate as owners and beneficiaries. With the capital accumulated they can take loans in accordance with the other members, for any personal need.

WHAT HAS WORKED WELL?



Impacts beyond the financial aspect

Since its formalization as an effective model to fight financial exclusion among vulnerable people in industrialized societies, the self-funded communities model has been increasingly accepted.

In spite of its simplicity and the secular character of the practice, different success factors sustain its increasing social recognition – such as members' profile and their motivation to engage in the groups.

In the case of migrants, who represent about 80% of participants in Spain, the groups provide for a socialization space as they reflect a practice migrants are familiar with in their home countries (such as the “tontines” or ROSCAs - Rotating Savings and Credit Associations).

Access to credit

Another important factor is that saving groups represent a solution to the systemic problem of access to credit from banks due mainly to the lack of a regular income and of a trust score.

The approach to tackle poverty from a dignifying perspective is also to be taken into account. ACAF's collaboration with public institutions and like-minded organizations has been very impactful in addressing the problem of social exclusion from a holistic approach.

Municipalities' incorporation of community savings and empowerment strategies and their policies are essential to the sustainability of the model.

Multidimensional strategy

On the other hand, since the challenges that hinder the proper inclusion of vulnerable people are not only financial, the solution must be multidimensional.

Therefore, there is a need to collaborate with organizations that fight financial and social exclusion from a broader perspective (training, access to work-permits, psychological support, access to the labour market, etc.).

In this sense, ACAF has been working with different municipalities for the operationalization of a disruptive, effective and cost-effective inclusion approach. It aims to complement and optimize the efforts of organizations with a vision based on personal efforts (savings), empowerment and mutual help.

ACAF's grounded knowledge of the internal dynamics within migrant communities has proven to represent an important added value when working together with public institutions on the reinforcement of public policies that promote integration and financial empowerment among the migrant community.

ACAF'S SAVINGS GROUPS AT A GLANCE



FINANCIAL IMPACT

Members worldwide as of end 2020:	2.637
Self-funded communities worldwide as of end 2020:	147
Savings groups in Spain as of end 2020:	62
Range in savings amount on average per month (per group):	50€ - 420€
Range in savings amount on average per year:	630€ - 4.700€



MEMBER PROFILE

Number of participants per group:	10 - 20
Age of beneficiaries:	18 - 66
Percentage of women:	52%
Nationalities represented:	19

Spain, Argentina, Senegal, Gambia, Colombia, Venezuela, Morocco, France, Ecuador, Brazil, Congo, Bolivia, Italy, Mali, Guatemala, Mexico, Pakistan, Romania, Honduras.



SOURCES OF INCOME

The main ways in which members of the savings groups earn their incomes are:

- Through salaries as contracted workers (mainly in under-qualified roles in sectors such as tourism, cleaning, etc.)
- Work as self employed.
- Subsidies from the Government.
- Informal labour market (apply mainly to undocumented: street sellers, etc.).



GLOBAL IMPACT

In addition to Spain, since 2008, ACAF has created several self-funded communities around the world in the following countries:

LAC:

Haiti: 11
Dominican Republic: 3
Ecuador: 1
Colombia: 10

Africa:

Angola: 3 Senegal: 8 Nigeria: 8

Europe:

France: 2
Turkey: 12

Asia:

Indonesia: 24



The creation of savings groups in third countries with the use of the Self-Funded Communities (CAF, Spanish abbreviation) methodology is possible thanks to the partnership with local organizations and the action of ACAF volunteers linked to the communities where the savings groups are created. In these cases, they adopt a capacity building approach to enable local leaders to take over the creation of new groups and supervise existing ones.

ACHIEVEMENTS AND RESULTS

In line with its mission and objectives, ACAF has contributed to reducing financial and social exclusion with an intervention model centred on asset-building and empowerment of low-income and vulnerable collectives. In spite of the size of the challenge due to its systemic nature, significant results have been achieved:



- Systematized introduction of the saving groups model in Europe.
- Creation of 62 groups in Spain with direct 930 beneficiaries.
- Scaling up of the methodology in 10 countries around the world.
- Creation of spaces of socialization and provision of social networks for newcomers.
- Development of an integral model for migrant entrepreneurship based on savings, empowerment and dynamics of mutual help.

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“I am member of a self-funded community based in Barcelona since 2016. I was invited to it by a friend of mine and I am very happy for this decision.

Through it, I can save money, have access to credit and make new friends. Participating in this group has made my integration process less challenging.”

Fabian - 27 years, Paraguayan



CHALLENGES & LESSONS LEARNED

The first and most important challenge ACAF had to face in the implementation of this model has to do with the nature of the social problem ACAF wants to tackle: poverty and exclusion.



Challenges:

- Lack of fair access to the labour market for vulnerable collectives.
- Lack of a favorable regulatory framework for savings group creation in European countries.
- Absence of an empowerment-based paradigm in the design and implementation of inclusion programs at local and national levels.



Lessons learned:

- Community saving practices are essential to migrants' socialization process.
- Savings groups are an effective tool to tackle social and financial inclusion needs among communities with different backgrounds in Europe.
- Savings skills of vulnerable communities can be unleashed and enhanced by providing them with adequate tools and support.

ACAF'S OUTLOOK

In the short term, ACAF's objective is to launch "Aurora", an ambitious tech-based program designed to be implemented in collaboration with different organizations and focused on migrant economic and social inclusion. The 2020 pandemic has forced Spanish savings groups to temporarily stop their activities. ACAF has assessed and supervised groups during this period and is currently accompanying groups that are retaking their meetings.

GET IN TOUCH



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ABOUT THIS CASE STUDY

The case studies are one of the deliverables of the Erasmus Plus funded project "LETS SAVEE" (LEarning, Teaming up and Saving- Saving groups for Employability and Empowerment). The project aims at developing an innovative methodology for a hands-on-experience training opportunity for adults from vulnerable groups to develop their skills. It is implemented by seven partner organizations based in different countries across Europe: ACAF – Asociación de Comunidades Autofinanciadas (Spain), Cash2Grow (The Netherlands), Fundació Servei Solidari (Spain), LAB.IN.S Società Cooperativa Impresa Sociale (Italy), MFC - Microfinance Centre (Poland), The Hague University of Applied Sciences (The Netherlands) and SavingBuddies (Germany).

