

# RELEASING POTENTIAL

A facilitator's  
learning resource  
for self-help groups



by Isabel Carter

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## **Releasing potential: A facilitator's learning resource for self-help groups**

Written by Isabel Carter

### **Photographs by**

Eleanor Bentall  
Rosemary Burke  
Isabel Carter  
Geoff Crawford  
Mulugeta Dejenu  
Jim Loring  
Yideneku Melese  
Eden Mengisu  
Marcus Perkins  
Dinku Shume  
Nathan Target  
Daniel Tessema  
Diana Wolf

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Email: [tearfund.ethiopia@tearfund.org](mailto:tearfund.ethiopia@tearfund.org)

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Tearfund is a Christian relief and development agency working with a global network of local churches to help eradicate poverty.

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# Contents

<b>Acronyms</b>	4
<b>Preface</b>	5
<b>PART 1 Introduction</b>	<b>6</b>
1.1 The fruit – transformed lives	6
1.2 The influence of Ethiopia's history	7
1.3 Background to SHGs in Ethiopia	8
1.4 How to use this learning resource	11
Process diagram	13
<b>PART 2 Preparing the soil</b>	<b>14</b>
2.1 Mobilising the Church	14
2.2 Focusing on learning	16
2.3 Selection and preparation of facilitators	22
<b>PART 3 Planting the seed</b>	<b>26</b>
3.1 The sensitisation process	26
3.2 Envisioning workshop	30
3.3 Facilitator training	36
3.4 The seed takes root – new groups establish themselves	41
3.5 Good record keeping and management	47
<b>PART 4 First fruits</b>	<b>56</b>
4.1 Growing in confidence	56
4.2 Preparing to provide loans	59
4.3 Developing business skills	65



<b>PART 5 Reaching maturity</b>	<b>72</b>
5.1 Credit-Plus	72
<i>Gender awareness</i>	74
<i>Family planning</i>	76
<i>HIV awareness</i>	77
<i>Environmental protection</i>	79
<i>Functional adult literacy</i>	81
5.2 Cluster level associations	82
5.3 Assessing progress	88
5.4 Transforming communities	93
<b>PART 6 Ensuring future growth</b>	<b>98</b>
6.1 Clear coordination and direction	98
6.2 Networking with other agencies	101
6.3 Working with Micro Finance Institutions	103
6.4 The supportive role of the church	107
6.5 Looking to the future	109
<b>APPENDIX 1 Learning conversations in practice</b>	<b>112</b>
<b>APPENDIX 2 Using role-plays</b>	<b>114</b>
<b>Glossary</b>	<b>115</b>
<b>Further reading</b>	<b>117</b>
<b>Expanded list of contents</b>	<b>118</b>



# Acronyms

<b>AIDS</b>	Acquired immune deficiency syndrome
<b>APR</b>	Annual percentage rate
<b>CCMD</b>	Church and Community Mobilisation for Development
<b>CECDA</b>	Consortium of Evangelical Churches Development Association
<b>CLA</b>	Cluster level association
<b>CMRC</b>	Community Managed Resource Centre
<b>DRR</b>	Disaster risk reduction
<b>EGC</b>	Ethiopian Guenet Church
<b>EKHC</b>	Ethiopian Kale Heywet Church
<b>FGBC</b>	Full Gospel Believers Church
<b>FGM</b>	Female genital mutilation
<b>FLA</b>	Federation level association
<b>GLC</b>	Group learning contract
<b>HIV</b>	Human immunodeficiency virus
<b>IGA</b>	Income generating activities
<b>IUDD</b>	Integrated Urban Development Department
<b>LC</b>	Learning coach
<b>MFI</b>	Micro Finance Institution
<b>MKC</b>	Meserete Kristos Church
<b>MYRADA</b>	Mysore Resettlement and Development Agency
<b>NCPD</b>	Nazret Community Empowerment and Development Programme
<b>PLHIV</b>	People living with HIV
<b>PSNP</b>	Government Productive Safety Net Programme
<b>SHG</b>	Self-help group
<b>SNNPR</b>	Southern Nations, Nationalities, and Peoples' Region
<b>SOL</b>	Self organised learning
<b>SPIN</b>	SHG Promoting Institution's Network
<b>TD</b>	Training Department
<b>WKHC</b>	Wolaita Kale Heywet Church
<b>WKHC-TDA</b>	Wolaita Kale Heywet Church – Terepeza Development Association



# Preface

This learning resource is written to document the self-help group (SHG) process as implemented by Tearfund staff and partners in Ethiopia. Its primary function is to provide a learning resource for facilitators in Ethiopia. But given the level of interest in this work because of its impact, it will also serve as an introduction to the SHG process as a whole for other Tearfund staff and development professionals around the world.

The self-help group process diagram on page 13 provides a useful overview of the whole process. Facilitators seeking specific information can use this to quickly find relevant information. Readers who are new to the process will find the introduction and background in Part One helpful before moving to the more practical details of the process explained in Parts Two, Three, Four and Five. Part Six outlines a number of issues that are still ongoing and under development. This learning resource uses quotes and case studies from people closely involved in the SHG process to tell the story as much as possible through their own words.

Recent evaluations have validated the impact of the SHG process; in particular the evaluation of CCMD and NCPD (IUDD) in August 2008, the evaluation of Self-Organised Learning in August 2011 and Project Gilgal Phase 1 in December 2011. Tearfund staff in Ethiopia, Tearfund partner staff, numerous facilitators, SHG and Cluster Level Association (CLA) members have all contributed to the richness of documenting this process. The story does not finish with this learning resource – the work of Federation Level Associations and Community Based Resource Centres will form a second learning resource.

The process of cultivating, processing and enjoying coffee, a crop of significant economic and cultural importance in Ethiopia, has been used throughout the learning resource as symbolic of the establishment, nurture and harvest of the SHG groups.

In essence the SHG process, once well established, brings life changing skills and opportunities for those involved; the very poorest people in society. Once mature and confident, SHG groups with their democratic support systems, provide a challenge to established hierarchies; ultimately with the potential of bringing far-reaching political, social and economic changes.

*"It is my privilege to work with the Tearfund team and local partner organisations in Ethiopia introducing, developing and replicating self-help groups. Together we have supported 100,000s of the poorest people to transform their lives across Ethiopia and beyond. I never feel more nourished or satisfied than when I am hearing about how these groups have supported people to transform their lives and, together with others, are developing a vision and hope for the future. I hope this resource helps others to experience and share in this privilege."*

KEITH ETHERINGTON, TEARFUND ETHIOPIA



*Enjoying a coffee ceremony* Rosemary Burke





# PART 1 Introduction

## 1.1 The fruit – transformed lives

*This section explains the impact of the Self-help Group (SHG) process as it has been interpreted and used by Tearfund staff and partners in Ethiopia. It is a process that has borne considerable fruit and impacted upon the lives of over one million people.*

Tearfund staff and partners in Ethiopia have introduced an approach to tackling social and economic development that is proving transformational in terms of lives empowered and communities changed, and which is bringing financial security to people who previously were living on or below the poverty line. It targets the poorest people and enables them to find their own ways out of poverty.

Poverty is not just about a lack of resources but also about a lack of choices, rights and opportunities. Poor people lack access to capital, influence, information and social networking – all of which make it difficult for poor people to realise their potential and find ways out of poverty. The self-help group (SHG) approach can provide access to all of these. The approach is bringing new identity, hope, and economic, social and political empowerment to the poor.

Part of the focus of SHGs is on savings and credit. After making regular small weekly savings, SHG members take out small loans at low interest rates for household needs or to establish or extend small micro-enterprises. Through these enterprises they gradually become economically active and in time empowered. But this financial focus is only a small part of the benefits that the SHGs bring. The strong relationships that develop within the groups prove key to bringing about much more profound change in terms of peer support and peer pressure for taking action. Members work together to bring themselves out of poverty. For example, through the responsibilities required of group membership, women gain confidence to become more involved in decision making in their homes. Many women find that as their incomes improve, their relationships with their husbands improve. The strength of relationships within the group facilitate the financial benefits.

### What does the SHG approach mean to you?

*"Freedom from money lenders."*

SENAIT, FACILITATOR WITH WOLAITTA KALE HEYWET CHURCH (WKHC), SODDO

*"An organised force with clear vision."*

RIBECCA, FACILITATOR WITH WKHC, SODDO

*"Pooling our resources to develop together."*

JOHANNES, SUPERVISOR WITH WKHC



A successful small bakery Marcus Perkins/Tearfund



An SHG member in Adama weaving Rosemary Burke



The SHG approach targets individual households and addresses poverty at the household level. The approach focuses on each individual's potential and facilitates a process of change that helps the individual to discover more about themselves. People are able to change at their own pace.

The number of SHGs supported by Tearfund's partners in Ethiopia is now over 12,000. Total SHG membership is currently 207,927 people (May 2013). When families are taken into account, beneficiaries number over one million. The SHGs have total capital of over 60 million birr (£2,084,000). This capital is lent out to members, with each group building up its own capital. For poor people the opportunity to access money from banks is almost non-existent so the SHGs open the way to develop their livelihoods. The benefits ripple out into the rural economy in terms of job creation and investment in small-scale businesses. Even more important are the social benefits that bring confidence and empowerment to the poorest people in society, enabling them to play a full role in their communities and in promoting sustainable, fulfilling and healthy lifestyles.

This learning resource aims to share this approach in a way that will enable others to apply lessons or replicate the process in their own contexts. It uses the stories and words of those who have been caught up in it to bring the self-help group process to life. Please read on – this is life-changing information.

An evaluation in 2011 (of Project Gilgal Phase One) which included the impact of SHGs found clear evidence of increased unity, mutual support, awareness, confidence and a sense of security among group members. In addition food security and family income had increased for the families of SHG members.

## 1.2 The influence of Ethiopia's history

*Ethiopia has a fascinating history, unique amongst African countries in remaining an independent kingdom for many centuries. Some of the past events impact on the development of SHGs.*

Ethiopia is a large landlocked country in Africa that borders Eritrea, Djibouti and Somalia in the north and east, Kenya in the south and with Sudan and South Sudan in the west. The country includes large arid areas, extensive highlands and a southern plateau area.

Ethiopia has about eighty different ethnic groups. The largest groups are the Oromo (central and southwestern parts) with around 35% and the Amhara (central highlands) with just under 30% of the population. The Tigre and Somali people in the north each have just over 6% of the population. Numerous other minority ethnic groups make up the rest of the population. Amharinya is the official language.

In recent years Ethiopia has had one of the fastest economic growth rates in Africa. Its population is growing rapidly, reaching over 86 million in 2013 – and an estimated 130 million before the population stabilises. Despite recent far-reaching changes to support economic growth and transform the economy, over a third of the population live below the poverty line and 44% of children in the highlands are stunted. Much of Ethiopia's population consists of smallholder farmers, 80% of whom have less than 2 hectares – resulting in high levels of vulnerability. In 2005 the Government introduced the Productive Safety Net Programme (PSNP) which now supports 6.2 million people with an additional 2.5 million



Bedada Adugna, a member of Dagaagina Naanno Bitee SHG Rosemary Burke

*"The value of the SHGs to us is unaccountable. I just don't have words to describe it. We men have now imposed a curfew on ourselves on market day (instead of drinking until late). This has helped bring reconciliation between husbands and wives. The groups have also freed us from the money lenders."*

BEDADA ADUGNA, DAGAAGINA NAANNO BITEE SHG



Rural scene in southern Ethiopia Eleanor Bentall/Tearfund



Urban populations are rising rapidly  
Jim Loring/Tearfund

supported through linked risk financing and humanitarian programmes. Urban populations are also rising sharply (17% in 2010) and it is expected that by 2020 over 25% of all Ethiopians will live in towns and cities. As yet there is no urban equivalent to the safety net programme, though urban social protection measures are being discussed as part of Ethiopia's planned new Social Protection Policy.<sup>1</sup>

The development of a stable market economy, combined with rapidly increasing urban migration, has undoubtedly helped members of self-help groups to develop small micro enterprises.

## 1.3 Background to self-help groups in Ethiopia

*This section explains how the self-help group approach was introduced by Tearfund and its partners in Ethiopia, underpinned by their understanding and respect for the potential of all individuals to learn and develop to their full capacity.*

### Tearfund UK

Tearfund UK is a Christian relief and development organisation based in the UK. It was established in 1968 to enable churches in the United Kingdom and Ireland to respond to the needs of the poor around the world. Since then it has grown to be an organisation which works with partner churches in over 40 countries.

Tearfund UK is working to make this vision a reality. It comes alongside local partner churches and church-based organisations, supporting them as they seek to lift their own communities out of poverty. Tearfund UK is widely recognised for its professional expertise in development, and in disaster response and recovery. This level of professionalism and expertise, matched with the enduring, sustainable effectiveness of the local church, is a powerful force in the face of poverty.

In Ethiopia, Tearfund works with six partners engaged in the country's overall poverty reduction initiatives. These partners are the development divisions of Kale Heywet Church (EKHC), Wolaitta Kale Heywet Church (WKHC), the Meserete Kristos Church (MKC), the Ethiopian Guenet Church (EGC), Full Gospel Believers' Church (FBGC) and the Consortium of Evangelical Churches Development Association (CECDA). Between them they impact the lives of 1,000,000 people in Amhara, Oromiya, Southern Nations, Nationalities, and Peoples' Region (SNNPR), Dire Dawa, Afar, Addis Ababa, Harari Regional and City States. Tearfund's engagement with its Ethiopian partners is in three main areas: programme support, capacity building, and networking for accessing both financial and knowledge resources.

### First steps with self-help groups

In 2001 Mesfin Shuge was head of the Integrated Urban Development Department (IUDD) of the Ethiopian Kale Heywet Church (EKHC), Tearfund's largest partner. He spent much energy in trying to find community development approaches that really worked when faced with such abject poverty. In 2001 he visited MYRADA (the Mysore Resettlement and Development Agency) in India. MYRADA was founded in 1968, initially to help in resettling Tibetan refugees

*"We have a vision to see 50 million people released from material and spiritual poverty through a worldwide network of 100,000 local churches."*

TEARFUND UK

<sup>1</sup> Government of Ethiopia Agriculture Sector Policy Investment Framework 2010–2020, Government of Ethiopia Growth and Transformation Plan 2010/11 to 2014/15



Tearfund partner staff Isabel Carter



Besufekad in Adama, one of the first CLAs, with Dinku, Project Coordinator of NCDP, IUDD Isabel Carter

but from 1982 it has focused on innovative approaches to help poor and marginalized people. Mesfin was very impressed by their approach and after discussions with his fellow staff in IUDD they agreed to try out MYRADA's approach with self-help affinity groups. The MYRADA materials were contextualized and facilitators were employed and trained to support the groups.

The approach was piloted in Adama (Nazareth) and this became the pilot area. The IUDD/ EKHC staff started with home visits in order to understand the nature and level of poverty, family sizes and the number of widows. A detailed survey, using participatory approaches, was carried out to gather baseline data. Role-plays were used during community gatherings to share information about the SHG approach. Initially five SHGs were formed in 2002 and by the end of the first year 34 SHGs were organised, each with about 20 members. Most group members in Adama agreed to begin saving just 50 cents a week.

The IUDD staff provided considerable training inputs for the facilitators and SHGs. They translated the key MYRADA manuals into Amharic to use in this training.

Since piloting the introduction of Self-help Groups in 2002, these community empowerment approaches have now been adopted by all Tearfund partners in Ethiopia. In 2006 twenty-three Tearfund Ethiopia staff and partner staff went for a training programme and visit to MYRADA, India. This proved a key turning point in the implementation and uptake of the SHG approach. Subsequent visits were made to MYRADA in 2011 and 2012 and have now included virtually all Tearfund staff, partner staff and trainers in Ethiopia.

The SHG approach can provide an effective means of creating sustainable livelihoods in both urban and rural contexts. Weekly meetings allow the members to discuss issues, find solutions to common problems and build trusting and close relationships that support members through personal crises. Through regular savings SHG members are able to mobilise their often very limited resources, and take out small loans for micro-enterprises and urgent consumption needs. The SHGs can contribute to the empowerment of poor women and men and give them a voice.

The SHG approach has provided exceptional results from relatively low investment. There have been over one million beneficiaries in 10 years (when group members and their household are all included), Tearfund staff in Ethiopia have worked out that supporting each member costs \$4 (£2.50p) per person per year. A remarkable achievement!

*"In the past our women never spoke in public but now they are encouraged to do this. Now we are aware that we should send our children to school and we have started to attend church. This is a new beginning for us, we are growing as people."*

DANIEL, SHONE SHG





Partner staff with NCPD, Adama office  
Isabel Carter

*"We are not in control of the expansion. Groups are setting up themselves and we just get to hear of progress!"*

TADESSE, TEARFUND STAFF MEMBER



Latisha SHG, Gumarte Isabel Carter

## Partner approaches to implementing the SHG approach

Tearfund's six partners in Ethiopia serve over 12 million people between them through their various church networks. Each works with local churches and their communities. Increasingly local churches are encouraging their communities to tackle poverty, and the causes of poverty, using their own resources.

Their biggest partner is the **Development Department** of the **Ethiopian Kale Heywet Church (EKHC)**. EKHC has been involved with a long-term organisational change programme known as **Project Gilgal**. This has focused on leadership and facilitation skills, enabling local churches to initiate projects, and promote capacity building for pastoral ministry, planning and decision making at grass roots level. A small training team benefitted initially from the programme and then shared their knowledge with trainers at zonal level who passed it on to two leaders in each of the 5000 local churches that made up EKHC. Project Gilgal undoubtedly helped to prepare fertile soil within the churches for the SHG approach. The development department has several sections – including a **Training Department (TD)**, which is rural focused and an urban section known as the **Integrated Urban Development Department (IUDD)**.

**IUDD** facilitated the initial pilot of the SHG approach in 2002 in Adama (Nazareth) as a community project. This became known as the **Nazareth Community Empowerment and Development Programme (NCPD)** working under the guidance of IUDD. Following the success of the pilot, IUDD extended the SHG approach, firstly in Adama and then to other areas. They also incorporated it as part of a new model of working called **Church and Community Mobilisation for Development (CCMD)**. This model focused on the local church as an initial starting point and they combined this church-based model with the SHG approach in Hawassa, Addis Ababa and Jimma from 2003 onwards. IUDD was responsible for translating and contextualizing much of the MYRADA manuals into Amharic and have gained an excellent reputation for training staff and facilitators in the SHG approach. EKHC now has over 7000 SHGs with IUDD supported by nearly 250 paid facilitators.

The **Training Department** benefitted from the extensive leadership training under **Project Gilgal**. In parallel with the IUDD work, zones and local churches linked with Project Gilgal began using the SHG approach in rural contexts with their local churches providing voluntary facilitators and half of their support costs. IUDD provided most of the initial training and support for the facilitators. Under Gilgal, the local churches thus became implementing partners for the SHG approach. So far over 3800 rural SHGs have been established by mobilising 1200 local churches, particularly in the southern part of Ethiopia where the number of groups continues to grow rapidly. Project Gilgal introduced the concept of saving in-kind (for example coffee grains, beans or butter), which has proved a very successful strategy for promoting rural savings in the absence of cash.

Tearfund partners with the Development Department of the **Wolaita Kale Heywet Church-Terepeza Development Association (WKHC-TDA)**. Their introduction of the SHG approach was given a boost when three staff went to MYRADA in 2006. They base all their SHG work through their churches using paid facilitators. Their work is all in the southern part of the country, largely in the Wolaita speaking areas and they have very successfully incorporated their HIV work with the SHG approach. They now have over 20 facilitators and nearly 400 SHGs.

The **Meserete Kristos Church (MKC)** works mainly with the Oromifa speaking people and they have two main areas of work – in the Meta Robi Woreda (north east of Addis Ababa) and in the Fincha and Shambu areas (where the main focus has been HIV work). With

ten facilitators they began using the SHG approach in 2005 and sent two facilitators to MYRADA in 2006. They use both full time paid facilitators and church supported facilitators, particularly in the context of their HIV work. They now have over 200 SHGs in Meta Robi and over 50 in the Fincha and Shambu areas linking to their HIV support work.

Tearfund partners with the Development Unit of the **Full Gospel Believers Church (FGBC)** which works mostly with Amharic speaking churches. Their work is focused on the Shewa zone centred around Shewa Robit towards the north of Ethiopia. The SHG work is project-based rather than church-centred and they have over 100 SHGs with 7 facilitators. In addition they have HIV-based work centred in the Debre Markos woreda which is linked to churches. Here the facilitators are church volunteers. This aspect of their work only recently began using the SHG approach but it is growing very rapidly and has over 50 SHGs.

The **Guenet Church** works with the Sidamigna speaking peoples of the Southern region with an office base in Leku. They use church-based approaches and voluntary facilitators in largely rural and often remote areas. They link HIV awareness-raising into their work and have over 105 SHGs and ten facilitators.

## Adapting the approach in different contexts

Understanding how the SHG approach has been introduced by Tearfund's partners, illustrates how adaptable this approach can be. It can be used in both urban and rural situations. It can be done as part of a church's approach to holistic development. It can provide a powerful support system for sharing other development initiatives (such as HIV and AIDs awareness or agricultural innovations). It can use paid, well-educated and fully trained facilitators but it can also be adapted for use with church volunteers and leaders who show real understanding of the approach, but may lack much formal education and who have learned about the SHG approach through their personal experiences.

Fundamental to the success of the SHG approach is a profound belief in the potential of each person, no matter how challenging their personal situation may be, to solve their own problems with support within the group. This belief is the vital starting point from which all others can follow. The SHG approach is not about training poor people to adopt a systematic way of improving their lives. It shares potential options and encourages people to make their own decisions based on their own experience.

## 1.4 How to use this learning resource

*This section explains how the learning resource is put together in order to make it as easy as possible for people to use the information and to find key points. Facilitators will be able to benefit from the layout to quickly locate useful role-plays and activities.*

### Coffee provides the underlying theme

Coffee is very important in Ethiopia. The highlands in the south-west of Ethiopia are the centre of origin and diversity for Arabica coffee. There is evidence of its use from as early as the 9th century. Monks in Ethiopia are believed to have chewed on the berries for centuries before it began to be used as a drink. From Ethiopia coffee was taken into Arabia, from where it spread around the world as a fragrant and stimulating drink.



*Transport can prove a challenge in rural areas* Eleanor Bentall/Tearfund



*Macchiato* Eleanor Bentall/Tearfund



*Time to enjoy the coffee ceremony*  
Marcus Perkins/Tearfund

In Ethiopia 15 million smallholder farmers grow coffee on their farms. The crop makes up over 40% of Ethiopia's exports, making coffee the biggest source of national revenue. Coffee is prized too for its cultural value; Ethiopians enjoy their coffee ceremonies to the full – they are a relaxing and sociable way of enjoying the company of friends and neighbours. The green beans are roasted with butter on a charcoal brazier, ground with a mortar and pestle and then brewed in a ceramic black coffee pot. The coffee is savoured and enjoyed together, usually accompanied by the smell of incense which is added to the charcoal during the roasting process. Popcorn is often cooked and served with the coffee.

Coffee is thus of enormous importance in Ethiopia. Coffee therefore provides the underlying theme for this learning resource because so many helpful analogies exist with the growth of the self-help groups. Coffee seeds must be planted in well prepared soil and cared for tenderly during their first year or so. After a few years they begin to produce flowers and coffee beans. Yields are small at first but soon increase till healthy trees are laden each year with red berries. The berries are picked, fermented, and then dried to remove the flesh. Only then are they ready for roasting and able to fully release their wonderful aroma and flavour. Part Two of this learning resource describes how the soil is prepared for the SHG process – developing the necessary skills and attitudes among Tearfund staff and partners; mobilising the church so their vision includes development and the nurture of the new SHGs. Just as coffee seeds need to be prepared and planted, Part Three describes how new SHGs are formed and nurtured, and then carefully supported as they begin to grow.

Part Four describes how the new SHGs become established and begin to yield their first fruits (self-confidence, loans, developing group relationships and social support). Part five describes the wide-ranging and varied fruit of the mature groups – bursting with flavor and bringing a positive aroma into their communities. Growth cannot continue without addressing wider concerns to the SHGs and some of these are described in Part Six.

## The learning resource layout

The six parts of this learning resource are subdivided into sections each with a clear heading and a brief explanation of what the section contains. The learning resource can be read from beginning to end to gain a thorough understanding of the process. Alternatively each part and each section should stand alone.

Facilitators can read through the learning resource to gain overall understanding, and can then refer back quickly to any relevant section concerning the specific stage of SHG development with which they are currently involved. They can pick up ideas for role-plays, activities and discussion starters, together with reminders of the key points to share with group members. Charts containing this key information are clearly identified in pin-up boxes. Role-plays and activities are always placed in green boxes so they can be quickly found.

The stories that have emerged from the many thousands of group members and those who support them are often moving and profound. Unfortunately there is not space to even begin to include all that gathered, let alone those that remain untold outside each group. But hopefully the quotes and comments that have been included (shown as coloured text and in margins), will give a taste of the changes that have occurred and inspire others to learn from them.

*"Many members start to save by cutting down on their coffee drinking. They save the money they would have spent on coffee and use it for their weekly savings. This provides another link with the coffee theme!"*

KEITH ETHERINGTON



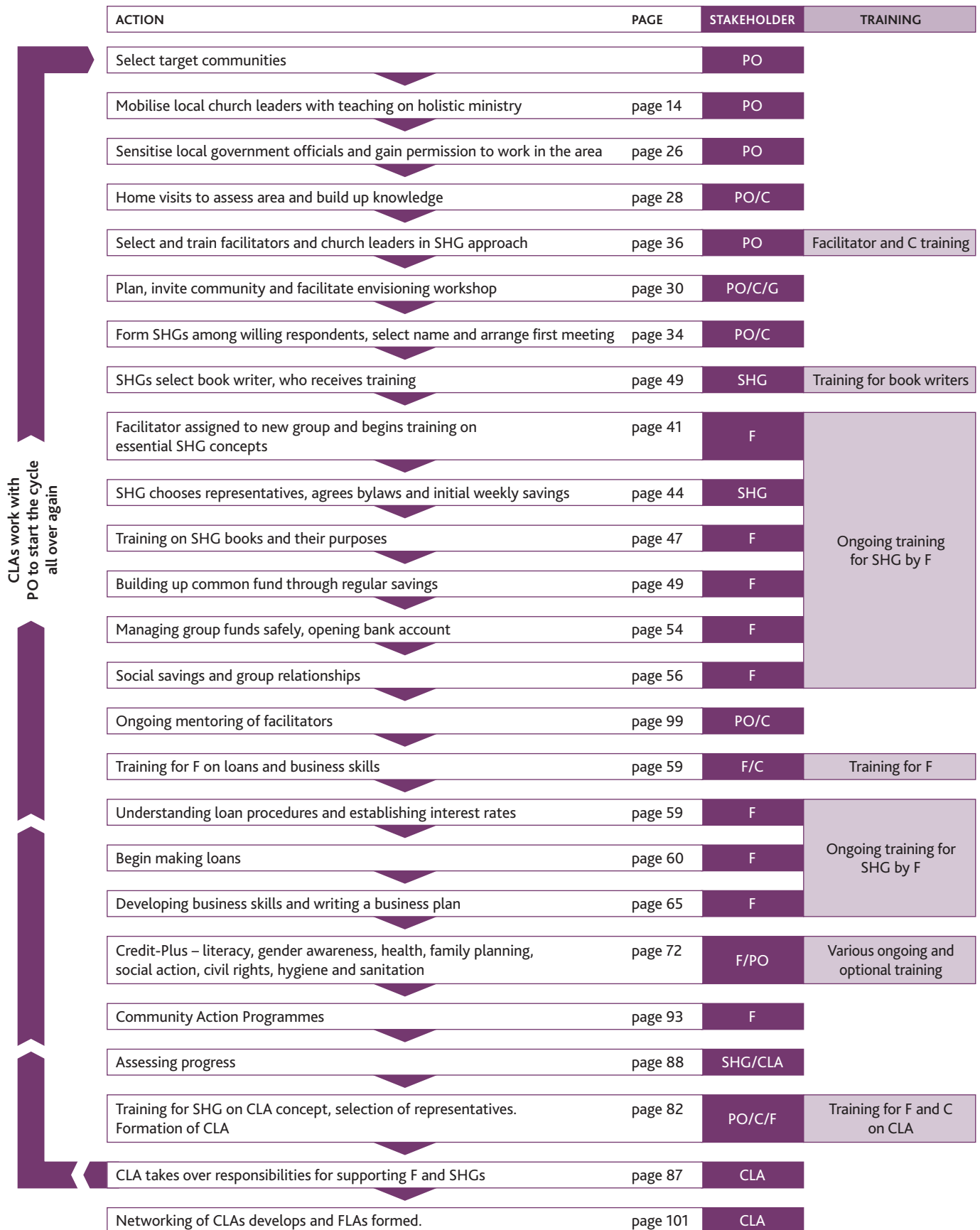
*Ripe coffee beans* Geoff Crawford/Tearfund



KEY: PO = Partner organisation  
 F = Facilitators  
 C = Church leaders  
 G = Government officials  
 CLA = Cluster level association  
 SHG = Self-help group

### Process diagram of the self-help group approach

This diagram outlines the key stages in the development of SHGs to enable readers to quickly identify relevant information.



# PART 2 Preparing the soil

*Before coffee beans can be planted, good preparations must be made. Unless the SHG seed is planted into fertile and receptive soil it will struggle to grow. Before the SHG approach can prove productive and fertile, there is much work to do in 'preparing the soil'. One reason for the success of the SHG approach in Ethiopia, is that the attitudes both of partners and Tearfund staff there have changed profoundly in recent years – providing a receptive environment for the seed of the SHG approach to grow and flourish.*

## 2.1 Mobilising the church

*The local church is central to the work of all Tearfund partners. In recent years several approaches have been used in Ethiopia to mobilise the church. Often, though not always, it is through the work of the local church that the SHG approach is shared and supported.*

### Differing approaches to church mobilisation

Tearfund has long supported local church mobilisation approaches with churches, which have successfully resulted in the support of sustainable church community initiatives, for example with HIV and AIDS programmes.

Working with different partners, several different approaches to church mobilisation have been introduced in recent years, particularly in rural areas. The Church and Community Mobilisation for Development (CCMD) was adopted by Tearfund's partners in Ethiopia during 2003 following training for coordinators and consultants. It aims to address the root causes of poverty. The training helped the coordinators to acquire the skills needed to envision local church leaders, to help them understand the resources they already have, and to build their



*Mobilised churches can support those in need in their community* Eden Mengisu



*Youth members of Shinshicho KHC church* Eleanor Bentall/Tearfund



Members of Latisha SHG, Gumarte, pray before their meetings Isabel Carter

## Vision

To see A nation (Community) That has come out of Poverty & enjoys Godly Life

## Mission

Mobilizing local Churches to bring about Transformation Among Ethiopian Communities.

## Purpose

Improving The spiritual and Socio economic status of the poor in Ethiopia.

## Goal

Alleviating poverty and Bringing about Wholistic Transformation among Ethiopian Communities.

Vision statement on the wall of a partner office Rosemary Burke

confidence to take action. Tearfund introduced the Umoja approach (transforming communities and churches) in 2010 with 30 local church leaders. The training focuses on envisioning and equipping churches to realise their capacity to engage in development within their communities.

The idea of 'using our own resources' allows leaders to discover the potential of the church and explore how it can support the most vulnerable people in the community. Previously many local churches saw their role as 'only spiritual;' having nothing to do with social action and concern for the wider community. Following mobilisation, action by the local church has been expressed in terms of love and support for the disabled, widows, elderly, and orphans in the community. Mobilisation has transformed the church from being a bystander to being relevant and active in community affairs. As churches are able to address wider community issues, their relationships with people change significantly.

The SHG approach fits perfectly into this wider church mobilisation process. Through their involvement in organising SHGs and supporting the approach, the church has proved to be 'salt and light' within their local communities.

## Where does the SHG approach fit within the church?

Mobilising church leaders helps them to see the need and potential of encouraging practical action in their communities, as a means of sharing love and support. Traditionally the church has supported poor people by providing handouts. But understanding the SHG approach has brought a deeper understanding to church leaders about poverty and the responsibility of the church to serve the needs of the whole person. Church leaders see that by encouraging and supporting the development of the SHG approach, they can help poor people develop a positive attitude about themselves, discover their potential and take responsibility for changing their situation.

The SHG approach is also a way of bringing benefits to people in their community, as the SHGs not only benefit their members but the wider community. When church-based



CCMD workshop in Nazret Dinku Shumi



approaches are used to encourage SHGs, the facilitators selected are often leaders of some kind in their local church. They may be church workers, youth or women's leaders.

It is usually agreed that the SHG approach will not be seen as 'Christian' so that it will appeal to all members of a community, regardless of their faith tradition. However, members of different faiths may develop close friendships with other group members and the facilitators.

Some church leaders believe that only spiritual and bible-based teaching can bring people to Christ and the church. Because of this, not all churches have seen the potential of SHGs and pursued the approach. Partner organisations work hard to engage all church leaders so they support the SHG process. Other churches have chosen to include Christian teaching within the SHG meetings, which limits participation to church members only.

However, many church leaders who were initially skeptical about SHGs, have now become convinced of their impact on people's confidence and attitudes and their economic well being. They observe church members who are also SHG members, increase their giving and witnessing through their actions in the community, where they act as 'salt and light'.

## 2.2 Focusing on learning

*The SHG approaches embraces the principal that individuals transform their own lives – no one else can. The capacity to learn is the engine that drives the transformation process. In Ethiopia, Tearfund has embraced self-organised learning (SOL) to support and develop learning at individual and group level. This is being introduced across the whole country programme.*

### Self-organised learning

Self-organised learning understands that learning happens through conversation, with oneself and others. The focus is therefore on increasing the effectiveness of these conversations to enhance and develop learning. This in turn supports ongoing change. There are many inputs and tools that can be used to support SOL but at the heart of it is what is known as the 'Learning Conversation.' This seeks to support the learner to develop an increasing level of awareness about their preferences, their strengths and weaknesses and how they learn. Whilst the approach can be supported by a facilitator, or 'learning coach', ultimately the self-organised learner becomes their own coach, allowing them to learn about anything at any level.

The principles of SOL link well with those of the SHG approach and provide a reliable means through which the development process can be sustained. The SOL approach embraces much of the wisdom on learning developed from people such as Paulo Freire and Myles Horton. SOL provides a replicable and reliable methodology to support, through 'praxis' (or action and reflection cycles) growing consciousness at an individual and group level.

An essential aspect of SOL is that each person accepts responsibility for their own learning. They should not simply be dependent on other people's initiatives and training, but by achieving awareness of how best they themselves learn, they can take charge of their own learning. This change of attitude is a significant and life-long change and will impact on all areas of life – work, home, religious practices etc.



Tearfund staff and partner staff in the Addis office Isabel Carter

*"We used to prepare training materials and 'throw' them at the community. Sometimes this information had very little meaning to the community. Now we have changed how we share knowledge. We now aim to help the communities find their own solutions to their problems. We have made our training trainee-centred and not expert-centred. Now we learn from the community."*

ALULA, HIV TEAM, MKC

## Growing personal awareness

Both the work place and life in general provide an opportunity for learning. How people use these to learn, depends on what sense they make of each particular experience. The capacity to learn quickly develops as the learner takes responsibility for their learning both at the level of 'content' (knowing the task) and at the level of 'learning to learn' (understanding how one learns). The learning conversation helps learners to understand their patterns of thought and understand their unique learning experience.

### EXERCISE Three awareness levels

There are three awareness levels involved in learning. Using role-plays and times of reflection people can be helped to understand these.

#### 1 The task-bound level (little or no awareness of the task)

A role-play showing a facilitator training a group of SHGs is staged. Because the facilitator has organised similar training several times, they are able to conduct the training as a matter of habit. They can train and think at the same time about other things without disturbing the flow of their presentation. The facilitators have little or no awareness of the training task they perform and have little opportunity to learn about their performance in training. This is known as the 'task bound stage'.

*Questions to consider: What did you see happening? Do you think the facilitator was being effective in helping the group learn? Were they able to see their own learning process and learn? What evidence did you see that supports this? How could the facilitation be improved?*

#### 2 Awareness of the task

Repeat the role-play but this time the facilitator is more aware of how they conduct training. They consider the language used, their use of visual aids, how they respond to the reaction of the audience, how they seek to keep those involved engaged and interested. The facilitator is becoming more conscious of how they do the training. At this stage they have 'full awareness' of the task and can review their learning behaviour. This is because they are having an ongoing internal conversation with themselves about the training process. This is primarily supported by their observations of how the group is responding. As a result the group is more engaged and seems to be learning more.

*Questions to consider: How was the second role-play different from the first? Why? What do you think has happened to support the changes observed? How was the facilitator seeking to learn how to be effective?*

#### 3 Awareness of how people learn

Learning to learn is about understanding the change in oneself, while awareness of task is about changing the task itself. This stage involves a change in the facilitator's learning behaviour. They look at the way they learn as they do their training. Improving their tasks comes as they observe their learning processes. How they learn and change their task is the first step in the learning to learn stage. The facilitators may ask; "why did I change the way I deliver training?". The facilitators might have assumed the only way to learn is by listening to complaints. But by looking at their tasks they may be able to consider other learning methods such as learning by observing, allowing two-way conversations etc. Learning how to learn brings new light and changes the whole task of learning. For example, facilitators are able to change not only how they do the training but to become creative in changing the training methods. Learning to learn brings new perspectives in carrying out tasks, such as giving opportunity for people to talk, encouraging quiet people, allowing conversation to happen, moving people from repeating what they know to relating their training to life experience and explaining this.

At the end the facilitator of the session can summarise the main learning points.

Facilitators as learners will be encouraged to reflect on their personal learning experiences and how they learned certain skills. Through the learning conversation the learner starts to understand how things they have learnt have become unconscious or unthinking habits. The learner is supported to bring their 'unconscious' behavior under review and back into conscious awareness. This allows the learner to develop their approach or integrate new approaches in the way they seek to be effective in their task. For example facilitators could consider the process of facilitation, determining the different steps they take a group of people through to learn something. The learning conversation then could help them determine the assumptions behind each step and allow them to develop new understanding on the appropriateness or effectiveness of each step. This will support the facilitator in developing new skills and trying new approaches to improve their effectiveness.

## Learning conversations

Learning requires, and means, that people are developing greater levels of knowledge, understanding and wisdom about the concerns relevant to them. The learning conversation is specifically aimed at improving learning through a more effective reflection process which supports ongoing action. This aims to support people to model meaning through the rote, descriptive and explanatory levels to increasingly operate at the personal constructive and creative levels. People learn to describe and develop a full awareness of learning and exactly how they learn. The personal construction of meaning is where new knowledge is understood and integrated with existing knowledge. As someone's understanding of how things work grows, so new, creative, ideas emerge in relation to their learning about existing topics or tasks which can be tested and learnt from. This improved process of reflection-action-reflection fuels ongoing cycles of learning around specific purposes.

Everyone already has conversations with themselves about issues of personal importance. Self Organised Learning is concerned about improving the quality of these in a sustainable way to improve learning and the capacity to learn. In order to achieve this, the conversation shares ideas openly with someone skilled in facilitating learning conversations so the learner begins to improve their internal learning conversations.

The learning conversation operates at three levels. The three levels are:

- **Relevance to life** – unless a learning topic is particularly relevant it is unlikely that the learner will invest the energy to learn and bring change through the learning.
- **Tutorial** – this middle level focuses on what the learner wants to learn about and where they hope to improve their performance.
- **Learning to Learn** – the learning conversation may question the effectiveness of the techniques being used to learn something and will consider the need for different learning strategies.

**RELEVANCE TO LIFE** To start with the learning conversation will seek to identify a learning topic or task that will form the main focus at tutorial level. It is important for the learning coach to help the learner identify what is important enough to them for them to invest the time and energy into learning. Sometimes it takes two to three learning cycles for the learning focus to become clear. Each learning cycle will start with a learning conversation to make clear the topic or task, the means by which this will be achieved and what results are expected or hoped for.



*As facilitators we are always trying to develop our learning; Isaac and Petros, facilitators with IUDD* Isabel Carter





*Tearfund partner staff have embraced self-organised learning with enthusiasm* Isabel Carter



*People learn best when the topic is relevant to them* Isabel Carter

**TUTORIAL** It is important to have another learning conversation around the mid point of the learning cycle. This will help the learner understand how the learning processes is progressing, or changing in relation to their initial thoughts.

**LEARNING TO LEARN** A final learning conversation at the end of the learning cycle supports the learner to reflect on these issues again – comparing the before and end situation in regards to their intention, means and results. By reviewing the plan and comparing it with the reality of what actually happened and was achieved, the learner is encouraged to consider differences, their strengths and weaknesses and what they would like to do next. This starts another learning cycle.

At each of these levels the learning conversation will support three dialogues. Not all the dialogues may be used at each of the three levels during one conversation, but it is a good idea to be aware of which ones are used. The three dialogues are:

- **Process dialogue** – supporting someone to be fully aware of the process they are applying when doing or learning a particular task or topic. They are bringing back into their conscious control, things that have become automatic or a matter of unconscious, unthinking habit.
- **Support dialogue** – as someone starts to focus on something consciously again, the initial effect is that their performance starts to reduce. This is known as the 'learning dip'. It is important for learners to be supported during this stage otherwise they may go back to what they were doing before.
- **Referent dialogue** – this helps the learner focus more precisely on what they hope to achieve, and how they could measure the expected change. The expected outcomes could be measured either by subjective assessment (how they think things have changed) and objective measurement (practical outcomes). Both are important to provide proof that learning/change is really happening.

*Everyone will have a different approach to learning.*

AMANO, HAWASSA

The learning conversation can be supported either at an individual or group level. As it is a process, the learner can choose anything that they want to focus on to learn and support the learning to any level.

## EXERCISE

### Levels in a learning conversation

The following learning conversation was the final step of a first learning cycle. The learning is reviewing the learning process. The topic of their learning was improving written and spoken English language.

*As you read through this consider again what level the learning conversation is focusing on and also what dialogue (process, support or referent) is being used.*

*What level or dialogue do you think needs developing and what questions would you ask to support this?*

LC – Learning Coach

L – Learner

### Example of a learning conversation

*LC: How is your learning going?*

L: It is going well, but I did not make the progress I wanted to.

*LC: Did you try to find out why that is the case?*

L: Yes, I did. I have looked at what I have done so far. I realised that my strategy did not work. I was reading an English Bible instead of Amharic to improve my language skill, but it did not help me much because I could not use much of the language in the Bible.

*LC: So, how do you feel about this experience?*

L: I am really frustrated. My strategy did not work well. I think I had better stop it now. I don't know what to do.

*LC: I understand your feeling. I feel like you feel at times.*

L: So, what do you do?

*LC: I try another method. Perhaps you can think and come up with a new approach?*

L: I think I can! What if I started reading daily devotion materials prepared in English? Since they are written in simple language, used day to day, they could help me a lot. I can also read grammar books, write business letters, etc.

*LC: Great! You have come up with quite a few ideas. How will you check if your methods are working?*

L: Oh! I know. When I come across a new word that I don't know the meaning, I should be able to understand the meaning from the context. And I check if my interpretation of a word is correct by looking up the meaning of that word in a dictionary. I will check my fluency by writing a report and in a speech.

*LC: It seems you have some indicators in your mind. Have you thought of keeping records of your speech and talking with a friend who can tell you your common mistakes?*

L: That is a good point. I will keep a record. It would help me to cross check what I thought and said, what I felt and did.

*LC: That's what I often do. It's a good source of feedback and helps you to improve your skill in your learning journey.*

There are other tools that help support a learner become a self-organised learner which will be considered further in a further learning resource on SHGs. All these rely on or support the learning conversation. Only when this is mastered can a learner really become, or support others to become, a self-organised learner.<sup>2</sup> This is the engine that sustains the developmental process.

<sup>2</sup> For more information the reader is referred to works of Sheila Harri-Augstein, Laurie Thomas and Ian Webb.

**ACTIVITY Using the learning conversation**

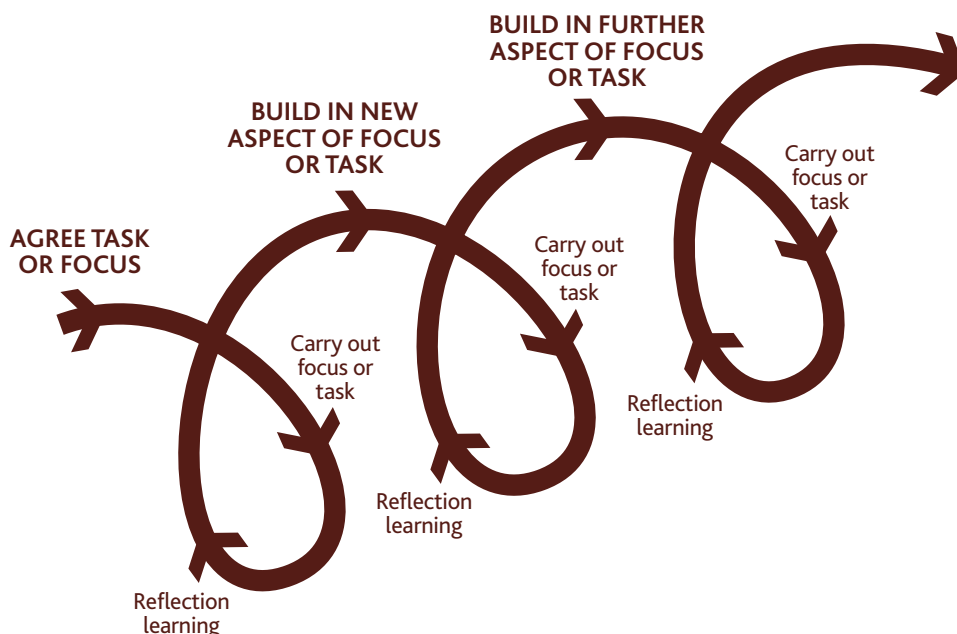
Now take the opportunity to work with someone to help each other to learn something with the support of a learning conversation.

- 1 Use a learning conversation to firstly determine the **focus of learning**, this can be a topic or task. Determine specifically what you want to change, how this change will be brought about and what you think will show that it has been achieved. Try and ensure the learning cycle can be completed in 3–4 weeks or less. As you support each other using the learning conversation, try and keep a record of the conversation so that you can reflect on it and identify what levels and dialogues you were using. Consider how you might have improved the learning conversation by asking different questions. Finally agree to meet up at a mid point in the learning cycle.
- 2 **The learning cycle** – meet up at the agreed time and place and support each others' learning process using a learning conversation. This should help each person to reflect on how the learning process is proceeding, what has changed in terms of the focus of the learning, the activities and what results are expected/hoped for. Again try and keep a record of the conversation so you can reflect together, and individually, on the quality of the conversation and consider how it can be improved. Agree when and where next to meet for the final learning conversation for this current learning cycle.
- 3 **The end learning conversation** – meet up at the agreed time and place and support each other to reflect on how the original intentions compared with what each of you actually focused on, did and achieved. From this it is good to support each other to understand how and why changes happened and what each others' personal strengths and weaknesses are. The end learning conversation usually concludes with the learner identifying the content of a new learning cycle. This may continue learning on the same topic or task or focus on something different, the critical aspect is that it is something the learner considers personally important.



SOL has a very different approach to learning than the 'top-down' approach common in schools Jim Loring/Tearfund

**Diagram of the learning conversation**



## 2.3 Selection and preparation of facilitators

*The work of the facilitator is really vital, underpinning the success of the whole SHG approach. The people selected for this role need to be selected in advance, and prepared and trained with care. Their preparation should ideally include their full and active involvement in all church and community mobilisation activities related to self-help group development.*

### Qualities of a good facilitator

Facilitators are key in supporting the SHG process. They are responsible for guiding, training and supporting every new group. Each facilitator will support a number of different SHGs. Their work enables the group to gain confidence, build relationships and make wise decisions. In the first few months they will need to attend every meeting of the SHG. Once the groups become more established, their role develops from that of providing all initial guidance and training, into a more supportive and empowering role.

Having the support of a good and committed facilitator is probably the main determining factor in whether a new SHG develops into a stable and confident group. Not surprisingly they need a number of important qualities:

- **Ability to remain objective** A facilitator must serve and support the whole group. When issues arise, they must remain neutral and uninvolved so that they see the wider picture and stay objective.
- **Ability to support effective planning** A facilitator needs to ensure that the group has a clear agenda to enable them to agree on what needs to be done and how it will be accomplished.
- **Good manager** A facilitator must be skilled and knowledgeable in using effective processes to get things done.



Rural facilitators employed by WKHC  
Isabel Carter



A good facilitator has proved a wonderful support for Latisha SHG, Gumarte Isabel Carter



- **Able to lead discussion** A facilitator must skillfully use open-ended questions to encourage good discussion and know how to quickly summarise key points and ideas.
- **Avoiding being 'the expert'** A facilitator must allow group members to find their own answers, rather than telling people what they should do.
- **Handling difficult people skillfully** Facilitators must know how to gently interrupt or stop unhelpful discussions and be skilled at knowing what to say in order to keep the group working effectively.
- **Humble approach** An effective facilitator knows how to remain in the background, how to keep things going and thus make it easy for members to succeed and take the credit.

## Who supports the facilitators?

There is an initial major choice that the partner organisation needs to make regarding how they view and support the role of facilitator. Some partner organisations believe the church should provide and support facilitators as a major part of their role in promoting holistic development. They feel it is important that the role should be voluntary and carried out by a church member or leader. This ensures that such facilitators are deeply committed to their work and obviously reduces the financial cost of support. However, it also means that voluntary facilitators can usually only support a smaller number of SHGs (between three and ten) because of their other commitments, and they may find it difficult to attend all the training available to them.

For other partner organisations the role of facilitator is regarded as a paid and full-time role. In rural areas, where the distances between groups are often far, and travel is difficult, facilitators tend to have fewer groups. Full-time facilitators will usually support between 8 to 15 SHGs in rural areas and 15 to 25 SHGs in urban areas.

*"I try and allow an hour a week for every group, but I give more time and attention to weaker groups. Sometimes I have to stagger the timings because I cannot be there for the whole meeting. Some of my groups are showing real improvements and have some members with the potential to become facilitators. To me one indicator of success is that a group doesn't wait for me to arrive before they begin! My social worker Temesgene tries to accompany me for one day each month and I appreciate his advice."*

TAMRAT, FACILITATOR WITH NCPD, ADAMA

Funding the salaries of paid facilitators is usually shared between the church and the partner organisation. If possible, the costs are shared equally but this usually depends on the status of the church. Some churches may not even be able to contribute 25% of the costs of paid facilitators, despite being committed and supportive. Most churches commit to supporting one facilitator (sometimes two), whether paid or voluntary. The church will normally also help the facilitator by providing an office, administrative resources and making the church compound available either as a training venue or for groups to meet.

In terms of commitment and vision, there seems to be little or no difference between the impact of voluntary and paid facilitators. This is a local choice and should be decided to fit the local context. The most important issues are regarding the choice of the right people and their training.



*Tamrat with his social worker Temesgene outside his office in the church compound* Isabel Carter



*The attitude and approach of facilitators is key; Petros, Isaac and Shashitu, IUDD facilitators discussing new learning* Isabel Carter

## Selecting facilitators

At present 90% of Tearfund's SHGs in Ethiopia are supported by local churches, with the remaining 10% supported by partner organisations. Local churches are usually well placed to make decisions about selecting facilitators, who are often church members or leaders, particularly when the role is a voluntary one. Church leaders need guidelines on the role of facilitator and the type of person who will be appropriate, to help them select wisely. Inappropriate facilitators will make it difficult for new SHGs to become established, and for the church to support them.

Partner organisations are also very important in selecting facilitators, particularly paid facilitators. During other kinds of learning opportunities, they can observe how people differ in their interest in new ideas and how they make use of new information. They can also observe how they interact with other people. Are they dominant and self-opinionated or are they supportive and interested in others? Do they get alongside other people and help them to try out new things? These characteristics are much more important than how well facilitators can read and write.

It is helpful for facilitators to have completed Grade 8 or above at school so they are able to plan and take full advantage of new learning. However their attitude and commitment are the most important things and should take priority over their educational qualifications.

*"We have employed seven community workers with diplomas and they left within the first month. Now we focus much more on using local people. We observe how well people use and share information after training – usually they need to practice themselves first before sharing. We observe how well people promote new learning within their SHG. Then we select the best people as facilitators. We find that their capacity and commitment is much more important than whether they have reached 10th or 12th grade."*

MARCOS AND TILAHUN, SHG COORDINATORS WITH WKHC



*More female facilitators are needed* Isabel Carter



In rural areas some partner organisations are reluctant to have female facilitators because of the amount of travel, the long hours of work and distance to training venues. If they have young babies or children, they may struggle to cope. However, since the majority of SHGs are female, it is important to have more female facilitators. There is a need to ensure that facilitator selection, support and training within churches and partner organisations is gender-sensitive. This might mean reducing the amount of travel and number of groups supported by mothers with young children. It might also mean ensuring that training venues are accessible and planning more half day training sessions rather than three-day workshops. Unfortunately at present there are many more male facilitators than females.

## An adequate income for facilitators

If facilitators are volunteers from the local church this can result in several challenges. Firstly they can often only give around one day each week for this work, so can only support three to ten SHGs. This means many more facilitators must be selected and trained.

Often the voluntary facilitators do not have a source of regular income or access to land of their own. Without income or access to land, they are unable to pursue various livelihood options, like the SHG members they support. This has resulted in a number of facilitators lacking enough income to survive.

Where paid facilitators are used, it is hoped that local churches will contribute to their salaries, ideally sharing the cost equally with the partner organisation. Local churches could develop sources of income in order to support SHG facilitators, whether they are volunteers or full-time workers. They could also consider supporting their travel costs to training.

## Ongoing support

Training materials for facilitators and local church leaders begin with the biblical basis for holistic ministry to show how development and spiritual aspects can work together (see 3.3, page 36, on training). Training needs to be carefully contextualized to the area and the facilitators. The settings may vary from urban, multi-faith groups with well-educated facilitators who are easy to contact, to isolated rural areas working only with the local church with widely scattered facilitators, many of whom have little formal education.

Partner organisations should appoint supervisors for their facilitators to ensure they will receive adequate support and training for their work. One supervisor will usually be responsible for 10 to 15 facilitators. The supervisor should also liaise with church leaders so they are fully aware of the training provision (and invited to attend whenever appropriate), what is expected of their facilitators and how the church can best support them.

A clear monitoring system (see 6.1, page 98) for facilitators needs to be established so that church leaders, supervisors and facilitators have ongoing support for what they are doing and understand how they can improve.



*Amenu sharing information as a project coordinator, Awassa* Isabel Carter

*"Training needs to meet the needs of facilitators."*

AMENU, PROJECT  
COORDINATOR, IUDD

# PART 3 Planting the seed



A young tender coffee seedling Rosemary Burke

## 3.1 The sensitisation process

*The sensitisation process is a key stage in establishing SHGs into an area. This section explains how the process works in different contexts and with different starting points. Sensitising all key stakeholders is essential before new groups can be formed – it can be thought of as preparing the soil before the SHG seed is planted.*

### Different starting points

The sensitisation process essentially follows through the same stages but may have a variety of different starting points:

- The SHG process may begin with a **partner organisation** keen to establish the process – they will work to mobilise the local church and local government.
- The process may begin with the **local church** seeking to work alongside a partner organisation for support with training and resources. Both will approach the local government to seek their permission and support.
- Alternatively it may begin with **local government** staff concerned about poverty levels and lack of development in a certain area. They may call on a partner organisation to begin the process of establishing SHGs in the area.
- The request may come from the community itself, approaching the local church, partner organisation or local government representative.
- Finally if SHGs are already established in an adjacent area, the process may simply be **extended** by the partner organisation and church.

For the SHG group process to become established securely, ideally all three supporting bodies need to be involved – the local church, the partner organisation and local government.

### Involving the local church

The local church may initiate the process. However, if the idea has come from the partner organisation, they will first approach the local church. Support from the church is absolutely crucial. Most Tearfund partners in Ethiopia have been working alongside the Church for many years. Both will have benefited from a process of mobilising the Church to gain understanding of their role in supporting the poor, a key part of outworking their Christian message and witness (see 2.1, page 14). Without such mobilisation, the local church may struggle to realise the importance of supporting the SHG process.

When the church is new to the SHG process, partner staff will need to spend time with church leaders and elders to fully explain the SHG process, its benefit and impacts. This is best done by calling a **sensitisation workshop**. A central venue and date is chosen and all the selected local churches at town and district level are informed and warmly invited to send leaders, elders and teachers for a one or two-day workshop.



*"The SHG process is a journey towards self-reliance and self-development."*

ZELALEM YOHANNES, M&E  
COORDINATOR, EKHC-GILGAL



Mobilising rural churches is essential to gain the support of church leaders Isabel Carter

The workshop will begin with speakers with a good background in theology who can help the participants gain a shared vision of integral mission – the vital importance of understanding that Jesus did not come simply to help people to believe in him but to bring life in all its fullness through the work and witness of his followers. The SHG process gives the church a way of supporting this simple, yet profound way of enabling poor people to gain hope and vision for their lives. Partner staff and facilitators need to explain clearly how the SHG process works and to share stories about its impact on people's lives.

This workshop may need to be followed by a second workshop, if requested, to enable local churches to fully understand and engage with the SHG process.

During the sensitisation process, churches should be encouraged to include all potential future facilitators and church leaders in the process. These people thus benefit from a very good introduction to the work and the SHG approach before they may be formally selected.

Some local church leaders may opt out initially – feeling they are not yet ready to commit to this process, but will often join in later.

## Ensuring local government support

Before the SHG process can be established within an area, it is essential to gain the interest and support of local government. Government officials have good knowledge of local organisations and key individuals. Government permission is needed for any legal structure to be established. The goodwill of local government staff can make an enormous difference to the effectiveness of future facilitators and SHGs – providing training and resources and opening doors for networking with other organisations. In some cases, the government may recognize the impact and empowerment that the SHG process brings, and seek not only to support the process, but to actually implement it.

Partner staff and local church staff should arrange an introductory meeting with the appropriate government staff during the initial set-up phase. This meeting will take several hours and should ideally include staff from women's affairs and the ministry of finance and



Dinku Shume, Project Coordinator of NCDP, IUDD, Adama  
Rosemary Burke

*"In Adama the unemployment rate was 22% in 2002. Ten years later in 2012 this had dropped by a half to 11%. The mayor of Adama is very appreciative of how significant the SHG process has been in contributing to this change."*

DINKU SHUME, PROJECT COORDINATOR OF NCDP



Mobilising church members, Tuto Church EKHC  
Rosemary Burke

economic development. The SHG process is carefully explained, together with the financial and other support to be provided by the church and partner organisation. Stories of positive impact elsewhere in the area will help to bring the process to life. Further meetings may be arranged to keep government staff briefed about follow-up and impact.

It is unusual, following a well-managed and informative meeting, for local government staff to refuse their permission. Usually they recognize the value of what is being suggested and staff may even be keen to be involved directly. Sometimes key government staff will give their permission and will pass down the information to other staff, encouraging them to be directly involved.

## Key stakeholders

Government officials can usually help to identify effective community leaders and elders who have a real commitment to encourage development in their community. Such people are important stakeholders in the sensitisation process and in the envisioning workshop that will follow. These are people with many years of experience in leading the community – either in a formal or an informal role. Their interest and involvement reassure people in the community. Their knowledge of the area and the people living there, will prove invaluable in establishing self-help groups.

These community leaders and elders need to be convinced of the impact and effectiveness of the SHG process to gain their support and involvement. They are visited by church leaders and elders and partner staff. Sometimes they are invited to the partner organisation for a sensitisation meeting together with government staff. They will also be invited as speakers to the envisioning workshop that follows the sensitisation process.

## Community survey – home visits

Once permission has been obtained from the local government, people are invited to form a team to begin carrying out home visits in the selected area. This team needs to be chosen with care as the process of carrying out home visits provides an excellent awareness-raising opportunity. The team should include church elders and leaders, potential facilitators and if possible government officials at Kebele level.

Partner staff will usually organise and prepare the team and invite members. An ideal mix would be a team of people, with half coming from churches, a quarter from government staff and a quarter from partner staff. Dates and times are agreed which are convenient for those who will be involved. Between two and five days is usually allowed.

The team breaks into smaller groups for the home visits – each led by an experienced staff member from the partner organisation. They train their group by example during the visits, and they usually ask the questions in the homes to be visited. The poorest homes in the area are targeted for visiting, so that the home visit team gains a good understanding of the living conditions of the poorest people. The leader does not go in with a form to complete. Instead they will greet those who live in each house to be visited, explain what they are planning to do in the area and ask permission to enter the house and ask a few questions. These questions are simple but very informative. They do not begin with the more personal questions but rather with practical queries.



Government Official, Arba Minch  
Rosemary Burke

*"The SHGs distribute oil and sugar for us in their local areas and take this responsibility very seriously. We are very appreciative and will support them whenever we can. We will look at granting land for projects or licenses for members' businesses."*

GOVERNMENT OFFICIAL,  
ARBA MINCH



After leaving the house, a form is then completed by the small group, combining the answers given with their observations whilst in the home. No name or address is requested – just the general location. During every visit people are told about the planned envisioning workshop (usually a week or two later) and invited to come along – and to tell all their friends and family to come too.

### Simple questions asked during home visits

Spend time on warm greetings, explanations and request to ask a few questions:

- How many people live in this house?
- How many are children?
- Who is head of the household?
- What do they do for a living?
- Do you have any other sources of income (eg family, NGO, government safety net)?
- What are the main things that you need to spend money on each month (eg food, fuel)?
- Do your children go to school?
- Do you own or rent this house? If rented what is the monthly rent?
- What kind of power source do you use (wood, kerosene, charcoal, electricity etc)?
- How much do you spend on food each month?
- Where do you get your drinking water?
- Observations noted after leaving – condition of house, number of rooms, state of roof etc.

Each small group should be able to visit between 10 to 25 households each day, selecting the poorest homes and aiming to visit about 25% of these at random (maybe visiting every fourth house of those selected). Over two days a team made up of several groups will therefore be able to visit around 30 houses in rural areas where homes are spread over a wide area, and around 50 homes in urban areas. Once the visits are completed, a debriefing programme is held for half a day. This enables everyone involved to come together and share their overall impressions. The information gathered is collated and made into a useful collection of facts and impressions to share with others.



*A small group making a home visit in Adama* Eden Mengisu



*Home visit Langano* Eden Mengisu

## 3.2 Envisioning workshop

*The process of sensitisation may take a long time if the SHG process is new to the area. However, if existing SHGs have been working well in nearby areas, the sensitisation process can be rapid as most people (including church leaders and government officials) are already aware of what is involved. Once the sensitisation process is complete, an envisioning workshop is arranged during which new SHGs will be formed – the seed is planted!*

### Planning the workshop

Finally all the preparatory stages are completed. All of the major stakeholders – local government, churches and community leaders have been sensitized to the importance and benefits of the SHG process as a means of tackling poverty. Many will have taken part in the home visits and gained first hand understanding of the struggles that the poorest people experience. Now is the time to bring all these people together and inform the whole community.

*"Imagine a farmer gets the egg of a goose and puts it with the eggs of a broody hen so it can hatch out. When it hatches the gosling thinks it is a chicken. It behaves just like the other chicks. As it grows, it looks up and admires geese flying overhead. Of course the young goose could also fly just like them – but it doesn't realise it is really a goose. This is similar to the lives of poor people – they envy other people for the choices they have in life – but in fact they could also 'fly' too if they had encouragement."*

SIMON HAILE, HEAD OF IUDD

A one-day **envisioning workshop** is planned and facilitated by the partner organisation. It should be held in a large, central location, such as a church or school compound, the Kebele office or community area (playing fields). All of the wider community is informed and encouraged to attend. A particular focus needs to be given by churches to make sure that the poorest families are aware of the importance of this workshop for them. In the Ethiopian context the poorest families are generally identified using criteria such as those who cannot afford to eat three times a day, those who find it difficult to send their children to school and those who are widows or with long-term illnesses.

*"Normally the poorest people do not attend meetings or come forward for group membership. We have to seek them out."*

YIDENEKU, PROJECT COORDINATOR, GUENET CHURCH, LEKU

A varied programme is drawn up by the partner organisation that will include inputs from local government, the church, community leaders and other faith groups, and partner staff. The planning needs to avoid too many long speeches! Often people are invited from outside the area with experience of the SHG process – group members, facilitators and other partner staff. If the preparations have been done well and the sensitisation process is successful, sometimes many hundreds of local people may attend. It is really important that this workshop is led by people with good experience of the SHG process and with effective skills in communication and facilitation.



Church envisioning workshop, Addis  
Eden Mengistu



The whole community is invited to attend  
the envisioning workshop Jim Loring/Tearfund

## Content of the envisioning workshop

The community is told that this provides an opportunity to break out of poverty – but it is made very clear that this process does **NOT** involve handouts! Rather, people will work together using their own skills and resources to improve their lives. Depending on handouts creates a sense of dependency, whereas the SHG process is based on participation and self-improvement and brings with it a huge sense of pride and achievement. Personal testimonies from established SHG members are particularly powerful in convincing people that this approach really can work.

When handled well, role-plays can prove a powerful way of helping people to understand complex issues. Two ideas for role-plays are shared below which are appropriate to use during the envisioning workshop. Encourage actors (partner staff or volunteers) to act out their role with confidence. Words are often not needed which helps reassure those taking part that they will be able to do it well.

After any role-play it is really important to help people discover the full meaning. Begin with simple questions that explore what they have seen, and how people might have felt. From that, encourage people to explore further and raise similar situations in their own lives. Take plenty of time and encourage people to share their thoughts and ideas. In particular explore the deeper learning and understanding that may come from these discussions and summarise this. Conclude by asking if people can suggest plans or actions that they could do in response to this learning? (See Appendix Two for more information on using role-plays.)

### Programme for the envisioning workshop

- Welcome and introductions
- Lessons learned and reflections from the sensitisation process
- Information gained from the home visits
- Poverty and development (government, church and partner staff)
- The basic concept of SHGs
- Role-plays – with good explanations and follow-up discussion
- The need to avoid dependency both on handouts and on moneylenders
- Personal testimonies (from SHG members)
- Explanation of plans to establish the SHG process in the area
- Are people willing to participate?

### ROLE-PLAY Crossing the river (Avoiding dependency)

Four people are needed. A visitor comes to a community and offers to help someone cross the river. The river has several useful stepping-stones. The visitor quickly carries the person on their back, but gets tired and leaves them in the middle of the river on a stepping stone, saying they will return later. The person cannot find the way across the river on their own. A second visitor arrives and offers to show a second person the way across the river. They move slowly together with the visitor showing where it is safe to step. They reach the other side safely. The first person is still stuck in the middle of the river.

- *Do people ever feel like the first person (who was left in the middle of the river)? What was different about the approach of the second visitor?*
- *What knowledge did the second visitor share, and how did they share it?*
- *How can people make sure that they remain in control of new knowledge and ideas?*

Discuss how sharing knowledge can help many people, while handouts and doing something for people can help only a few.

- *How can we share our knowledge more effectively?*



*Crossing the river role-play* Isabel Carter



It is also important to emphasise that the SHG process can bring freedom from moneylenders. So many poor people find they have no alternatives when money is needed urgently for health or school expenses. They have to use a moneylender even though the rates of interest often charged are prohibitive. Joining a SHG will bring freedom from moneylenders once even a small amount of savings starts to build up.

### ROLE-PLAY Lighting the fire (Valuing local resources)

Someone asks the participants, 'Can we have a cooking fire burning here in two minutes time?' At first there will be confusion and people will wonder if they are serious. Then a number of them will run off to collect firewood, matches and cooking stones. A fire is quickly lit and burns well for a few minutes. It is then likely to die down unless a few people bring more wood.

Using this practical example, begin a time of open discussion to discover what we can learn from it:

- *Where did the resources to make the fire come from?*
- *Did anyone help to maintain the fire once it started burning well?*
- *Who could continue to maintain the 'fire of development' (the SHG process) in our area? What resources are available?*
- *Can the churches or other faith groups help maintain the fire of development? Or will they act as one of the cooking stones, supporting the process?*
- *Can other organisations help provide guidance, training and support for this process?*



*Lighting the fire role-play* Isabel Carter

Sometimes refreshments may be provided but these are kept simple and low-cost. The leader must ensure that the workshop ends with a really positive plan – to establish SHGs in the area with the full support of government, community elders, church and partner staff. People are invited to become part of a new SHG and to remain as the formal part of the workshop ends. Many will still be uncertain or unconvinced and leave – but often they will join a group over the next few months. As long as some people remain who are keen to become group members, the process has been a success and the seed has been sown.

### ACTIVITY The stick game

Ask someone to try and break one stick (about the diameter of a little finger). Should be no problem. Now ask them to try and break a bundle of 20 sticks all of the same diameter. It should prove impossible (ask a few others to try). Explain that when we act on our own we can be easily discouraged. But when we act as a group of 20 people, we can support each other through difficulties. Together we are so much stronger.

*"An envisioning workshop was organised by IUDD In Arba Minch on April 26th 2010. Several thousand people came from the surrounding community. There was wonderful support from government officials and 11 local churches (each of which sent two representatives). Following the workshop many SHGs were organised that day. It was an incredibly long and exhausting day for the organisers but they were delighted!! Now two years later, there are 1500 SHGs in the area."*

EDEN MENGISU, IUDD

*When spider webs unite,  
they can tie up a lion.*

ETHIOPIAN PROVERB



## Participatory wealth ranking

The people who remain are asked to organise themselves and then sit according to where they live – together with their neighbours. Local leaders who know the community really well and who are well respected are then asked to carry out a wealth ranking exercise.

### ACTIVITY Steps in wealth ranking

Ask people how they would divide up the different categories of wealth in their community and write these down on a large sheet of paper – as a top row. Agree a name and number for each of these categories (such as poor laborers, rich business people).

Ask people to discuss the differences between each of the categories of wealth. Encourage them to break them down into different criteria (such as type of housing, reliability of income, access to resources). List these differences down a column on the left

Write the names of all the household heads in the community on small pieces of paper. Divide up the papers and names between those present. Take it in turn to read out the name of the household. Those present discuss which wealth category that household belongs to and places the card under the corresponding category.

When all households are allocated, review the characteristics of the different wealth categories again to check that all the criteria are correct.

After discussion and agreement, copy the results onto a large sheet of paper.

#### EXAMPLE Wealth ranking – Sigit village

	1. Small business people (green leaves)	2. Poor farmers (bottle tops)	3. Poor labourers (red flowers)
HOUSING	Good roof, 3 rooms	Roof OK, 2 rooms	Poor roof, 1–2 rooms
INCOME	Regular and fairly secure	Unreliable and seasonal	Very unreliable
HEALTH	Good, able to attend clinic and buy medicines	OK but difficult to buy medicines at times	Poor, always struggle to pay for treatment and medicines
FOOD AVAILABILITY	Able to feed and care for children well	Usually able to provide main meal every day	Unreliable. Sometimes no food for family
ACCESS TO RESOURCES	Assefa household Abate household	Shenkute household	Biruhannu household

If many of those participating are unable to read, the exercise can be done using different coloured items to represent the different wealth categories on the chart. For example if three categories are agreed, then three different coloured items could be used (representing the three colours on the Ethiopian flag). Use simple items that can be collected nearby (such as leaves, flowers, bottle tops or paper):

- Green (leaves)
- Yellow (flowers, leaves or paper)
- Red (flowers or paper).



These colours represent different wealth categories. Green might represent people with a reasonable, regular and secure income, homes with three rooms, good health and who are able to feed and care for their children well. Yellow might represent people who have an unreliable income, home with two rooms and poor roof, reasonable health and are though they are usually able to feed and care for their children, at times this is difficult. Red might represent the very poorest people, who lack adequate housing, have an unreliable income, are often in debt to money lenders and who struggle most of the time to feed and care for their children.

People are invited to participate in the exercise and to comment on the results. They are usually keen to participate and will make comments such as, 'No I belong here because I have many children.'

*"The Selam Heywot SHG formed 3 years ago. The community heard about the work of NCPD and the benefits of organising SHGs. When an envisioning workshop was arranged, 800 people went to the church compound and were taught about SHGs, their benefits and how to organise themselves. The first meeting lasted for half a day and included the river crossing role-play. Then people went back for another half day of training during which they were organised into groups. 43 groups were formed that day (though only 27 now remain as groups). Many people expected money handouts and when these were not forthcoming many dropped out. In our group 14 dropped out but the remaining six people talked to their friends and eventually we became a group of 17."*

SELAM HEYWOT SHG, WONJI ADDAMA



Book writer with Selam Heywot SHG  
Isabel Carter

## Planting the seed

Their aim is to form groups of between 15 to 20 people, who live close together and are of similar income and circumstances. Identifying people with similar incomes and social and economic background through wealth ranking is an essential step. All members should share a similar economic and social background – so that members have a natural affinity with each other, otherwise members with higher income or better literacy skills are likely to dominate.

There are other issues to consider as well before the new groups are finalised. Before the envisioning workshop begins, partner staff will discuss the planned make-up of new SHGs with church and community leaders.

*"Eltoispeteta (Unity) is a mixed group of men and women. The female members were asked (to much laughter!) 'Do the men do most of the talking?' They replied; 'No! The men are not pressing to make their points!'"*

ELTOISPETETA SHG



Men's, women's and mixed groups all work well Isabel Carter

- **Should groups be all men, or all women or mixed?** This often depends on the local context. In some contexts women may feel comfortable in speaking freely in front of men; whilst in other contexts they may feel unable to do this. Women tend to be better at building relationships, whilst men tend to focus more on the business side and may have less patience as savings build up. There are advantages and disadvantages in single gender and in mixed groups.
- **Should both husband and wife join the same group?** If group places are limited, preference should usually be given to the woman as they have so few opportunities to share in discussions, benefit from training and gain in self-confidence.
- **Do some groups of people have particular cultures, livelihoods or activities that set them apart from others?** In some contexts such groups should be encouraged to form their own groups. For example near Hawassa a group of potters have their own SHG.

The organisers should discuss anything that might cause issues within newly formed groups and do all they can to prevent problems. Most groups benefit from a good mix of ages and experience.

If the community leaders find there are more than 20 people in any one category within the same area, then they will try and find more people to join (who either live nearby or who are not at the workshop) so that two groups can be formed.

## Choosing a name

When everyone has been organised into a group of about 15 to 20 people, the groups sit together and are asked to discuss and choose a name. This is the very first step in group formation. The partner staff and church leaders move around and talk with the different groups and see how they are getting on. It is important that each name is unique since it will be used in the future for all official records and for opening a bank account. Some of the names chosen may reflect the members' hopes for their group, or may relate to their locality or occupation. Often members come up with some very creative names. It is important all members are happy and in agreement with their name – it will become a part of their identity, not just as a group but as individuals.

The facilitators and partner staff will know the names of all other groups in the area and can ensure that each group chooses a unique name.

### Some SHG names and their meanings

*Buicho* (Sidaminya) means 'spring water'

*Tesfa Minch* (Amharic) means 'hope springs'

*Genanesh* (Amharic) means 'we are working hard to grow', 'to catch up and even excel'

*Hidota* (Wolaitta) means 'hope'

*Isipeteta* (Wolaitta) means 'unity'

*Ashele* (Sidaminya) means 'fruitfulness'

*Chafee* (Oromifa) means 'a fertile, well-watered, evergreen place where grass grows' and symbolises blessing



*Shone SHG is made up entirely of potters*  
Rosemary Burke

*"Potters are a marginalised people in Ethiopia and our group was displaced many years earlier. In our group we save money but we also save a pot each every week. We give loans for very short periods, often just one week. We have taken training to develop our pottery skills and now plan to build a storehouse and to upgrade our homes. Now light has shone on us!"*

SHONE SHG



Yeworknesh, book writer for Tesfa Minch (Hope Springs) SHG  
Rosemary Burke

## First steps

Each new group fills in an SHG register which records details of all their members, and this is kept by the workshop organisers. This register records names, where members live, the number in their family, their level of education, religion, their livelihood and their income.

The groups are asked to choose or find a book writer. This role requires someone who is able to read and write well, and who is also good with figures. Some groups may lack anyone with these skills. They will need to look outside the group to find someone – maybe a local teacher, a church elder, a neighbour or an older school child – to carry out this role for the group. In addition to having good literacy and numeracy skills, this person also needs to be someone all the members can trust. Book writers often help with two or three local groups and sometimes they are paid for their role if they are not group members.

Before the group leaves they agree a place and a time to meet the following week. They must tell the leaders of the meeting what they have agreed. They are informed that stationary will be provided at their first meeting (pass books, and a minute book) and that someone will attend the meeting to help them begin as an SHG. **It is absolutely essential that this promise is always honoured.**

Sometimes the workshop will end with prayer. The newly formed groups leave once they have agreed their first steps. People often walk home together feeling rather confused and talking over what the day has meant to them.

## 3.3 Facilitator training

*Facilitators are of vital importance in the SHG process. They are key to guiding, training and supporting new SHGs. Their work enables the group to gain confidence, build relationships and make wise decisions.*

### Initial training for facilitators

Newly selected facilitators require initial training to enable them to support their new groups. This training doesn't usually begin until after the envisioning workshop when the groups are first formed and when it is known how many facilitators will be required.

Training is usually done by experienced staff in the partner organisation. Occasionally an outside trainer from another partner organisation or government experts may help with the training, particularly in a new area where no-one has had previous SHG experience. If they are simply extending in an area which already has SHGs and needs more new facilitators, then existing facilitators often carry out some of the training – both in formal learning situations and as informal mentors carrying out SHG meetings.

The time allowed for this training varies considerably. It will depend on how many facilitators are to be trained, the training venue available, whether it is in a rural or urban setting and on people's availability. Ideally four to five days is set-aside soon after the envisioning workshop for this training. However, sometimes the training is done in several one to two day sessions, particularly in urban settings where it is much easier to gather facilitators together for short training sessions.



In established areas, some new facilitators may miss out on this initial training completely, as they are chosen from among the SHG membership to replace a facilitator who is leaving. They have learned through their experience as SHG members and have gained ideas shared by existing facilitators – but it is very important for them to benefit from further training. It is important for them to have the opportunity to stand back, reflect and gain new understanding and experience of the role of facilitator. Training will help them understand the principles that underpin the approach. They must believe that the groups they will be facilitating have the resources and capacity to solve their own problems.

There would be considerable benefits in sharing facilitator training between partner organisations so that when just a few facilitators need training, they could be brought together with others elsewhere in the country and trained together.

### Initial training

Initial facilitator training will consist of:

- The biblical basis of sustainable development
- Introduction to relief versus development
- Facilitation skills
- SHG concepts
- Types of savings
- Record keeping
- Building the capacity of SHG members (especially women)
- Group dynamics

## Facilitation skills

A facilitator is someone who guides a group of people through a process of learning or change in a way that encourages all of the group members to participate. Each SHG member has a unique viewpoint and knowledge but many, particularly women, will be reluctant to share their views and experience. A good facilitator needs to gently encourage them and give them confidence to speak. Facilitation is very different from training. Facilitators share new ideas and learning with a group and then encourage the group to discuss these and make their own decisions on how to use these new ideas. Trainers pass on new information and ensure that learners listen and understand.



Training of facilitators is usually done by partner staff such as Amenu (far right), Project Coordinator, IUDD Isabel Carter

## Training and facilitation

A good trainer does not necessarily make a good facilitator. Here are some differences between training and facilitation:

TRAINING	FACILITATION
The trainer has a formal relationship with the group and is respected by them.	The facilitator is considered as an equal and has a relationship based on trust and a desire to serve.
The trainer begins with their own knowledge and information.	The facilitator uses the knowledge that emerges from the SHG, not from themselves.
The trainer passes on the information and training they have received.	The facilitator deals with issues identified by the group by asking questions and framing problems so that the group thinks through the issues and considers how they can respond.
The trainer clearly presents new information while the learners listen	The facilitator sits within the group and encourages discussion and participation by all members.
Information flows in one direction – from trainer to group members.	Information flows in many directions – between members and facilitator – as ideas are exchanged.
The trainer has good knowledge and understanding of the topic.	The facilitator builds on the groups' knowledge, but also knows where to find more information on various topics. They develop the capacity of the learners to access this information.
The trainer wants to make sure the information being shared is clear and cannot be mis-understood.	The facilitator allows different viewpoints to emerge and helps people explore and then clarify these views so people can make the right discussion for the group.

## A good facilitator

An effective facilitator will help SHG members to think critically about their own needs and interests, and then make decisions for themselves. They need to balance the sharing of new ideas and information with patiently listening and encouraging discussion. The facilitator can gently encourage further thinking by asking questions and raising problems to help the group find their own answers.

*"The facilitators are absolutely key. They are committed and work incredibly hard. They try to facilitate meetings for the convenience of SHG groups – who often choose to meet in the early morning or late afternoon. Our facilitators comment, 'We work every day of the week.'"*

DINKU SHUME, PROJECT COORDINATOR OF NCDP, IUDD, ADAMA

### Qualities of a good facilitator

- Should respect all SHG members and treat them equally
- Should be humble, patient and caring
- Sensitive to other people's needs
- Good at listening and encouraging all SHG members to talk and participate
- Enables SHG members to make their own decisions
- Reliable and accountable
- Always put the needs of others above their own interests
- Able to respect other people's views and knowledge
- Able to communicate clearly so all members understand new learning from partner organisation
- Not involved with looking after group funds

## ROLE-PLAY The difference between training and facilitation

Ask members to act out two short role-plays. Each requires about 5 or 6 people.

In **Role-play 1** someone takes the role of a trainer and the others sit in a circle. The trainer arrives with a rolled up chart which they pin up. They greet everyone and ask if they can remember what they learnt last time. The trainer remains standing and talks through how to set interest rates for making loans, suggesting one simple interest rate of 10% is chosen.

**Role-play 2** begins in the same way. The members sit in a circle. The facilitator greets them, sits down in the circle and asks what happened after their decision to approach the Ministry of Women's Affairs for someone to come and talk to them about harmful traditional practices. Then the facilitator asks the group why interest might be charged on loans? A short discussion follows. Then the facilitator asks what interest rate they think should be charged. Several different people make suggestions. One member then suggests that interest rate should be 5% for short loans of up to two months and 8% for longer loans of up to six months. Everyone agrees.

*Discuss the differences in approach. Which facilitator has encouraged more participation and practiced good listening skills? In which situations are trainers important?*



*Facilitators should avoid standing and training groups* Isabel Carter

The discussion from observing these role-plays will help new facilitators to consider their own approach to sharing information in the past. It will enable them to give considerable thought to this new role. New facilitators may agree to pair up with another new facilitator and to mentor each other. They could meet up on a monthly basis to watch how they each facilitate their groups and to share feedback about their good and less good approaches to facilitation.

## Good SHG facilitation

- Creates a relaxed atmosphere in meetings
- Increases communication and interaction between group members
- Increases work efficiency and performance
- Promotes diversified thinking
- Increases the group's ability to solve problems
- Builds up a positive team spirit in the SHGs
- Empowers people, particularly women
- Encourages group self-sufficiency
- Builds members' capacity (of knowledge, skills and confidence)
- Build on what people already know and do
- Enhances accountability and responsibility
- Improves group capacity to take risks and responsibility
- Develops openness, honesty and good relationships

## The role of the facilitator

The facilitator's role is always key – but never more so than during the initial few months for each SHG. The poorest people who are targeted as potential SHG members, are often very vulnerable and lacking in confidence. Without encouragement, guidance and support from the facilitator, few groups would survive. They are the only initial link with the supporting partner organisation or church and the main source of support as the group begins to take shape.



*A wise person listens and does not speak too much.*

ETHIOPIAN PROVERB



*Tsega was deeply touched by the training she received as a facilitator.* Isabel Carter

*"My trainer helped me understand the importance of encouraging open discussion. He was so committed in sharing his experience with SHGs."*

TSEGA, A FACILITATOR WITH NCED, ADAMA

### Key roles for facilitators

- Identifying families who would benefit from SHG membership
- Promoting the SHG approach
- Nurturing new SHGs with essential training and support;
- Help with the correct maintenance of accounts and minute books
- Encouraging credit linkages with local financial institutions;
- Annual auditing of SHG accounts
- Motivating SHGs to take action after Credit-Plus training
- Ensuring resources from partner organisations are mobilised for the benefit of SHGs
- Guidance in helping to identify target areas with partner organisation staff
- Help in establishing new SHGs

For facilitators new groups are very time consuming as they need to be present at every meeting for the first six months, as they gently guide the members through all the initial stages of formation. They need to help the SHG members to be focused on their tasks and to monitor their progress. It is always advisable for an experienced facilitator to work alongside and mentor new facilitators until they are confident and experienced in using facilitation skills.

### ROLE-PLAY Who has the knowledge?

This is a useful role play to use during facilitator training. Select 2 to 3 people to leave the room for five minutes. Ask everyone else to form a circle, hold hands (very firmly indeed) and then weave in and out (stepping under or over hands) to form a complete tangle. (If people loose hold of their neighbour's hands then the game will not work). When the others come back, they are asked to try and untangle the group (without anyone letting go of their neighbour's hands). They are very unlikely to be able to do this. Indeed they may make the tangle worse! Then the group are asked if they can untangle themselves – which they can usually do quite quickly.

*Ask people to reflect on their learning from this role-play. It helps show facilitators that their role is not to sort the group out. Rather their role is to humbly show the group how to find their own way forward.*

The attitude of the facilitator towards group members will reflect their own personal beliefs. They must really believe passionately that the poorest people have the full potential to change their lives together. They need to be committed and to be 'facilitators' in the fullest sense; standing back, taking a back seat to allow participatory group discussion and decision-making. They cannot take short cuts; for example, telling groups which is the best process and which ground by-laws to make. Each group must go through this process for themselves so they fully own their decisions.

The facilitator can explain the potential that can develop when people with similar problems come together with a vision to solve their problems.

From the beginning, facilitators should encourage groups to follow an agenda each time they meet. Following a very simple agenda or outline will help the group make progress. Each



*Following a simple meeting plan each time will help the group progress; Eltodicha SHG* Isabel Carter



meeting should have a clear purpose; listing the decisions that need to be made, the tasks to be done, and the time required for each item. Suggested changes to an agenda should be checked with the group for their approval. It is most important for the group to take ownership of the outcome and decisions made. Such openness will help the group move forward in a clear and effective way.

### 3.4 The seed takes root – new groups establish themselves

*This section explains how each group will function and examines the decisions members need to make during their first few weeks. These decisions include the responsibilities of all members, the group by-laws, when and where to meet, their savings commitments and official responsibilities.*

#### Aims, function and structure of SHGs

Each new SHG typically has 15 to 20 members, all sharing similar social and economic backgrounds, and all with the potential to develop open and trusting relationships. The facilitator's first task is to explain the overall aim and the functions of the SHG process, and how each group then builds on these to establish their own vision and objectives:

**Aim of the SHG process: To bring about a transformation in the lives of poor people; promoting personal change, access to financial resources, skills and information, emotional and spiritual wholeness and freedom from bondage. This change comes through small groups working together, and benefits not only the individuals but also their families and community.**

#### Functions of SHGs

- Weekly meetings
- Regular savings
- Safe handling of cash
- Social responsibility
- Mutual respect
- Fair and democratic group where rights and responsibilities are open and valued
- Agreeing by-laws
- Cost effective system for providing credit
- Setting interest rates on loans
- Making loans for agreed lengths of time for income generation purposes
- Repaying loans with interest
- Maintaining accurate record books and accounts
- A relaxed, friendly approach to group learning
- Balanced support where personal interests are valued but cannot be promoted at the expense of the group
- Enabling members to avoid risk in developing their livelihoods.

The SHG process is underpinned by some simple and clearly defined guidelines for each group. Though simple, these guidelines (see below) are profound in their implications. It is important for these to be carefully explained so that all members understand the problems they seek to address and 'own' the guidelines. For example, all members moderate or lead

*"Transformation is only valid if it is carried out with the people, not for them."*

PAULO FREIRE, *PEDAGOGY OF THE OPPRESSED*, 1970



*Change comes as SHG members work together* Mulugeta Dejenu



*Each group agrees its own by-laws and commits to regular savings* Isabel Carter

the weekly meeting in turn. This avoids leadership becoming too focused around a few people. Though many members may feel totally lacking in ability to lead a weekly meeting, with the encouragement of others, they will be able to do this. Through this experience, they will gain confidence and build their own capacity to try other things.

### Guidance for new SHGs

- Weekly meetings and regular savings (to build up credit)
- Shared leadership – a different moderator each week (to avoid just a few people taking leadership)
- Democratic – all decision making is open and shared (all members own the decisions)
- Promote group savings and loans (to enable members to break out of poverty)
- Agree simple by-laws (all members own these by-laws)
- Promote income generation activities (to develop sustainable livelihoods)
- Build up individual confidence, independence and information access (to empower members)
- Promote community action and participation (to share the benefits with the wider community)

Each group agrees its own by-laws and commits to regular savings. All decision-making is made within the group by members following a democratic process. No one else will make decisions on their behalf.

### Self-help group meetings

Each group will decide where to meet and on what day of the week. They agree a time that is best for members and for the facilitator. Meetings can be changed at the convenience of members but in practice most members find it helpful to agree a regular day and time. In rural areas meetings are often held early in the morning, after letting out the animals and breakfast but before beginning the day's work. In urban areas they are often held at the end of the working day before people prepare the evening meal. Facilitators will have to plan their schedule around the meetings of the different groups which they support.



*Each group decides where to meet* Rosemary Burke

*Little by little  
the egg will walk.*

ETHIOPIAN PROVERB

Meetings should be short – usually between 30 to 60 minutes. It is suggested that no refreshments are provided as this involves time and money.

Meetings should begin on time and keep to an agreed agenda. Sitting people in a circle encourages participation and enables everyone to see and hear other members. Visitors would normally sit outside this circle.

## Establishing group by-laws

Each SHG needs to go through the process of establishing by-laws (ground rules) for themselves. It would be very easy to draw up a set of by-laws for each group to follow. But the process of agreeing these together is a first step on the road towards 'empowerment'.

Rules or by-laws are discussed, agreed and then recorded in the front pages of the Minute book. The by-laws are generally simple and concern attendance, punctuality and respecting each other. Groups may set fines for members who come late or are absent without good reason. There may be further measures for members who are absent for several weeks or months (for example they may be unable to benefit from loans for an agreed length of time).

### Sample by-laws of an imaginary group

#### By-laws of Fikir SHG

Members must live within three miles of Jalisa

Members should attend meetings (or be fined 1 Birr without good reason)

Meetings will be held in Ababo's compound at 4.30pm each Tuesday

Members should attend on time and bring weekly savings (or be fined 1 Birr without good reason)

Loans will be made after six months of saving, if applications are approved by members

Interest will be charged at 8% per year (APR) rising to 10% for late repayments

Each member should attend all training provided

Members must respect the confidentiality of meetings, because the group is somewhere that secrets can be shared openly

Three quarters of members should be present to make decisions, agree new by-laws or change existing by-laws



*The book writer of Genanesh SHG quoting by-laws from their minute book* Isabel Carter

As groups develop they may add further by-laws, either concerning loans or concerning ethical or cultural standards that emerge – such as for example, ensuring all their children attend primary school or agreeing that they will not practice female genital mutilation (FGM) on their daughters. These by-laws are added to the others at the front of the Minute Book. Facilitators should ensure that new by-laws are only added when members see them as really important for the development of the group, rather than burdening members with long lists of what to do or not to do.

Underpinning the vision for SHGs is the desire to enable poor people to come together, to break through any sense of fatalism and build confidence in themselves. Through this process they realise that they can work together to change their situations and build a future.

## Responsibilities of all members

Each member of the SHG should commit to certain responsibilities to ensure that the group can develop and can function well. Without such a commitment from all members, one or two individuals may cause real problems.

### ROLE-PLAY Rebel in the circle

Ask six volunteers to form a circle and move in a clockwise direction. But once they are moving smoothly – secretly signal to one member (who has been briefed before starting) not to cooperate. Once this person stops moving, the whole circle cannot move.

These responsibilities need to be discussed during the first few weeks and agreed. They will differ for each group. This list provides examples of some of the kinds of things that might be agreed.

### Responsibilities of group members

- Attend weekly meetings
- Be punctual
- Make regular savings
- Respect other members and listen to their views
- Participate in discussions
- Respect and support the moderator
- To obey any decisions made by the group
- Encourage members who are struggling (for whatever reason)
- Take out responsible loans and repay them on time with interest
- Take pride in the group's achievements

## Shared group responsibilities

The SHG process is designed to prevent giving power to just a few people. To avoid this, responsibilities are shared. All members are asked to moderate or lead the weekly meeting in turn. The shared leadership of SHGs is really important. Because the group shares this responsibility, it prevents the usual situation where new leaders have a 'honeymoon' period, and then begin to be criticized.

The moderator is responsible for maintaining discipline during the meeting so that everyone can participate and for keeping to time. They must also ensure that any decisions reached, are recorded and read out so everyone is clear about what has been agreed. If the group has a bank account, the moderator takes the cash to the bank account immediately after the meeting and obtain a receipt for the money deposited. Sharing the role of moderator in this way provides learning for all members, shares out responsibilities and builds up unity.



*The book writer records all payments*  
Daniel Tessema/Tearfund



Several responsibilities, however are not shared. The first is the role of the book writer. They record everything that the group discusses and agrees each meeting. They also receive and record all the cash transactions of members each week. (See 3.5, page 47 for more information on the role of book writer).

A second responsibility is that of group representation. Two representatives are selected for the group. Their role is a really important one and they have many tasks. They coordinate SHG meetings and arrive early bringing all books and documents with them. They make sure that there is effective decision making in the group. They encourage good working relationships between all members, and try and help resolve any conflicts that may arise. They also serve as spokespersons for the group, look after the record books and are signatories for the group bank account (if the group has one) should the group want to withdraw money from the account. They will encourage all members to take up any available training opportunities. If they, or other group members, attend any training courses, the representatives must make sure new information gained is shared with the whole group. They will also encourage all members to gain literacy and numeracy skills so that they can sign their names, write out loan applications and check their savings. Finally the representatives will lead the way in building up relationships with local government offices and with other organisations.

### Role of group representatives

- Prepare meeting place
- Encourage effective decision-making
- Monitor records and accounts
- Act as spokespersons for the group
- Signatories for group bank account
- Encourage good working relationships between members
- Help resolve conflicts that may arise within the SHG
- Encourage literacy and numeracy skills
- Encourage members to attend training opportunities
- Ensure new information gained from training is shared with the group
- Build linkages with local government and organisations
- Monitor group attendance and follow up those who are not attending regularly.

### ROLE-PLAY How to conduct an SHG meeting

*Prepare a short and simple agenda. Ask for 6 to 8 volunteers and brief them on their roles.*

The representatives arrive a few minutes early and arrange mats for seating and move a small table into place for the book writer. As people arrive they pay in their contributions to the book writer. They sit in a circle. The meeting begins with a well-known and uplifting song. The moderator welcomes people, checks who is absent and asks if anyone knows why. The moderator leads people through the agenda; checking last week's minutes, asks what should be done about a member who has missed three meetings and then the group discusses two loan applications. One of the representatives mentions an important meeting about immunisation. The book writer summarises their notes and these are signed. A moderator is chosen for the following week and the meeting ends with thanks. The representatives clear away the mats and table.



*Representatives coordinate group meetings; Asegaresh, Tesfa Minch SHG*  
Rosemary Burke

### Regular savings

One of the first thing the group has to do is agree to start saving. Groups will agree their savings contributions jointly. There should be a minimum compulsory savings payment, made every week. They may also agree additional optional payments for members who are able to save more. However, some groups with many poorer members may say they simply have no money and so cannot save.

*"The facilitators first suggested we save just 25 cents a week as we are so poor. But then we thought – what is the point of saving so little; what can we possibly achieve? As soon as we had enough savings we bought a hen for every member. Now we can all bring eggs as our weekly contributions."*

DIRIBE FILCHATTA, QILXUU  
SADAAN SHG, SANDAFA BONEYA  
KEBELE



*We bought a hen for every member* Yideneku Melese

The facilitators should help them consider in detail how exactly they do spend the little money they have. Coffee is often one expense, because it is such an important part of people's culture and provides an opportunity to relax with friends. But when people reflect on the cost of coffee, they realise that they could cut down on this. By reducing the number of cups of coffee they drink each week, they could save enough to pay their SHG contribution. In the same way other groups may agree to save cereal grains or eggs each week instead of cash.

Keeping cash savings safe is very important and particularly challenging in the first few months when people do not know each other well and may have little trust in each other. A cash box with a padlock is essential. Some groups may choose to have two cash boxes so that savings are split for safety. Some groups may have more than one padlock and give the keys to different members. Once the group begins to make loans, this becomes less of a concern as most money will be in use, rather than sitting in the cashbox or account. Whenever a group has access to a bank, they are encouraged to open a bank account to keep their money safe.

At first members may want the facilitator to take charge of the money for them, but it is really important that group members do this for themselves. Only in this way will members gain responsibility and trust in each other.

*"I began saving three coffee beans every time I made coffee and also saved a few maize kernels every time I made popcorn. Gradually my savings increased. I have used loans to buy butter in bulk which I sell in small amounts to my neighbours."*

TIGIST, JERSO SHG

## Developing relationships

Once groups are formed, the members must quickly develop relationships of trust and self reliance. A commitment to meet every week for 30 minutes inevitably means that people begin to get to know each other well. They may walk together to the meeting place. As they discuss and agree issues in the meetings, personalities and viewpoints become familiar. Gradually acquaintances develop into friendships.



*Members develop close friendships; Edget Behibret SHG* Eleanor Bentall/Tearfund

Groups will commit to support each other at difficult times, for example, visiting members when sick, or after childbirth. It is not surprising therefore when group members speak warmly of the support they gain from other SHG members.

During the meetings time is also set aside to discuss local issues or problems. SHGs are encouraged to include community action as part of their role. Solutions can be discussed during meetings, often resulting in practical action.

## Supporting people through the initial months

Many members find it hard to overcome their initial doubt that this process will bring any benefits. Many thought they would benefit from handouts and are dismayed to find there are none. Most other group members are not friends or even acquaintances. The idea of tiny amounts of cash developing into anything of worth seems unlikely. It will prove challenging even to find such small amounts every week. In addition attending the weekly meetings can prove another burden.

Groups all go through several stages of development. At first everyone is eager and positive. But then conflicts can develop when some expectations are not met or because of personality clashes. It is helpful to tell the group that they are not alone if they experience difficulties. Several things will help to keep members going during the initial difficult stages. Firstly the facilitator has experience with other groups and can provide a gentle and affirming support. Some members may know people in other SHG's and their experiences can provide hope for the future. A member of an established group can also be invited to a meeting. And finally the savings recorded each week in the record books do begin to add up very quickly.

Gradually these difficulties will resolve and the group will begin to work well together. Over time, trust and relationships begin to build. This is helped as the facilitator encourages respect and acceptance between members. Everything is shared openly during the meetings; nothing is agreed without of the members being present. This transparency encourages people to open up and begin to share their experiences and their hopes. They realise this really is 'their group'. They are in control. No-one is taking away some of their savings or telling them what to do.

## 3.5 Good record keeping and management

*This section provides guidance on the essential task of keeping and maintaining clear and accurate accounts of all financial and important dealings within the group. It looks at the role of the book writer, the record books used and the importance of an annual audit or financial check. Ensuring these basic details is essential for the new SHG to take root and develop.*

### The role of book writer

Without clear, accurate and open records, all the other achievements of SHG would eventually suffer and fail. They provide a secure basis to enable the group to develop trust and confidence in each other. These records may also open the door for later bank loans or loans with Micro Finance Institutions (MFI). The records of each group should follow the same clear and simple format.

*"I only came along to the first meeting because I was expecting a handout. But then I stayed and now all our lives have been transformed. We work together to solve our problems. We live as family and not just as neighbours."*

ASEGARESH, TESFA MINCH (HOPE SPRINGS) SHG

*"My friends at first tried to discourage me from joining the group. I also thought I could save too little to make a difference. But then I was able to save enough to buy exercise books for my children and my confidence grew. Now I am able to keep livestock."*

DHARA MARGARSE, META ROBI, LOWLAND SHG



*Minute book for Genanesh SHG BW*  
Isabel Carter



The book writer plays a really key role for the SHG. It is important to have a book writer who is literate so that careful records can be kept. When someone is selected to become the book writer, an assistant is chosen to support them. After selection, often at the envisioning workshop, book writers and their assistants will attend a training course to help them carry out their role. A book writer is typically appointed for two years. Once they step down, their assistant becomes the new book writer and a new assistant is chosen.



*The book writer in Buicho SHG, Gumarte signing passbooks for the weekly contributions* Isabel Carter

### ROLE-PLAY Why are book writers so important?

Cut up some paper (newspaper is fine) into pieces that are roughly the same size as a 1 Birr note and explain these represent 1 Birr. Ask for a few volunteers to act out a role-play.

Assign one person to be book writer and to keep the money safe but not to keep any records. Distribute the money to 3 or 4 volunteers who act out their role as SHG members.

**WEEK ONE** – each SHG member pays in their regular savings of 2 Birr to the book writer.

**WEEK TWO** – regular savings plus one member Senait is given a loan of 10 Birr.

**WEEK THREE** – regular savings plus Senait pays in 1 Birr of interest. Another loan of 10 Birr is given to Sihin.

**WEEK FOUR** – regular savings plus one member is sick and cannot attend. Both Senait and Sihin pay in 1 Birr of interest as well as their regular payments.

Now ask the book writer to tell everyone how much money they have out on loan and how much they can lend out next week. Unless they are a financial genius, they will be confused and unable to answer with any confidence! Ask the others involved in the role-play if they can answer? And those watching?

*Use this simple role-play to highlight how essential it is to have clear, accurate and open records for all financial transactions.*

Book writers prepare an agenda for each meeting. They take minutes of all the issues discussed during the meeting and of any decisions made. At the end of the meeting they read out their minutes for everyone to agree, and these are then signed by the moderator.

### Role of book writer

- Attend training course for book writers
- Keep minute book safe
- Write notes or minutes of each meeting recording all decisions made
- Receive all cash payments from members and record them in the minute book
- Copy payments into member's passbooks
- Add up cash payments received and check totals are correct
- Read out minutes of meeting at the end and have them signed as an accurate record
- Arrive early with all record books and documents
- Record the group bylaws and any changes to these in the minute book
- Prepare paying in book for the bank (if the group have a bank account)
- Work out and share the financial status of the group each month with members
- Prepare monthly and annual financial reports



The book writer receives and records the cash transactions of members each week. They record the weekly savings, and any other contributions brought by each member, both in the minute book and in their personal passbook. The amount is signed or initialed by each member. Then they add up the cash total. If the group has a bank account, they fill in a paying in book to deposit the cash in the group's bank account. The moderator will then take the weekly cash to the bank where they receive a receipt which is given to the book writer. When loans are made (see 4.2, page 59) they handle all these transactions as well.

## Support and training for book writers

Initial training for book writers is a real priority. The first training session takes a full day and follows soon after the SHG is established. The book writers need to be ready to begin collecting savings right after the first SHG meeting – when members agree what they will save each week.

Training is usually provided by staff from the partner organisation. A convenient venue is arranged, often in a church or school building and a date chosen which is convenient for those involved.

The training session introduces the book writers and their assistants and new facilitators to all the documents and books used by the SHGs and their different functions. It ensures they are fully prepared to take minutes for the group meetings and to record the group bylaws and any amendments to the bylaws. It provides instruction in how to record all financial payments including records in the minute book, individual passbooks and paying in books for bank accounts. Book writers are able to practice filling in the various documents and to ask any questions they have concerning their responsibilities – ideally from experienced book writers. They are also given guidance in how to prepare monthly reports for the group members, plus more detailed six-monthly and annual reports – which are sent to the partner organisation and to other organising bodies. These reports will be checked by others so book writers need to be confident that their record keeping skills will meet these requirements.

The training provides a social opportunity for all book writers in the area to meet each other so that in the future they may be able to support each other.

All book writers should be provided with the equipment they need. This will include the relevant record books, pen, paper and a calculator. Each group will be donated their first minute book and individual passbooks for all members. Replacement books are then bought by each group.

## Common fund

Each SHG agrees their regular and compulsory savings, usually during their first meeting. Compulsory savings are the amount agreed for all members to pay in as savings each week. These payments become the common fund. This fund will be used in the future for loans. This may be as small as 50 cents a week. It will depend on the situation of the members.

In addition to the compulsory savings, many groups will also encourage **voluntary savings**. These are individual payments that members are free to bring in addition to their compulsory savings. These savings also enter the common fund and enable members with larger savings to take out larger loans.



*Book writers receive thorough training*  
Rosemary Burke



Hands holding money and passbooks  
Eleanor Bentall/Tearfund

Each week members bring their savings to be entered by the book writer into the minute book. Their contribution is added to their ongoing savings amount, and each person then signs the minute book (or places their mark). In addition the payment is also recorded in their individual passbook. This must be done openly with all members present and watching. Nothing should be added to the minute book after the meeting ends.

*"Bakolo Sehengo SHG does not have a bank account but keeps their savings safe by circulating them all as loans. This SHG has introduced an interesting practice that works well for them. Common funds are divided up equally as loans for all the members. Repayments are made in the form of butter (they have a good system to measure repayments so all are paying back the same amount of butter). The collected butter is stored in the house of the 'treasurer' in a box with a lock; the key is placed with another member to prevent any theft. The butter is then sold regularly and the cash goes into the SHG's common fund where it is again divided as loans among all the members."*

LATHA MALA, GILGAL EVALUATION

### EXAMPLE Minute book

#### Minute book for Siket Begeta SHG (established in 2009)

<b>No of members</b> 20 <b>No present</b> 18	<b>Meeting No</b> 52 <b>Meeting date</b> 2/4/2013	
<b>Topic of minute</b>	<b>Revising bylaw</b> Amount of loan, loan period and interest rate plus fines  <b>The discussion and decision made</b> 1. We have decided that a member can take a loan that is 2 times their savings. 2. The repayment period: for 100–300 Birr – three months for 300–500 Birr – six months 3. Interest rate 2% per month 4. Before getting a loan a member needs to have a business plan.  After we have decided to give someone a loan there must be someone else from their family or SHG who will be willing to share the risk.	
<b>Name of people with loans</b>	Azalech Haile Yeabsira Taye Mulu Kassa Zemen Kebede	
<b>Moderator</b>	The moderator for today was Tidenek Shewa	
<b>Savings</b>	Today we have collected 70 Birr from savings and 9 Birr for social savings. Plus 50 Birr loan repayment, 4.50 Birr interest payments and 2 Birr as fine.  <b>Total = 133.50 Birr</b> Signature of BW <i>B Wirtahanu</i>	

The common fund is thus the name given to the total savings of the group. This combines the cash balance held by the group plus any bank balance in the group's name. In addition it includes money in use as loans to members and money received by the group as interest on loans.

## The minute book

Each group is normally given a minute book by the supporting organisation (later copies are bought by the group). The minute book is used to record the proceedings of each meeting and all the financial transactions that take place at each meeting. It is the most important of all the books used by an SHG. Below is a typical format for the minute book:

The book writer collects each member's contributions during the early part of the meeting. These are recorded against their name by the book writer and each member then either signs or makes a mark to show the entry is correct.

	Members	Attendance	Savings	Fines	Social savings	Total savings	Reason for loan	Amount of loan	Loan repayments	Interest (monthly)	Outstanding loan	Signed
1	Tadelesh Ayele	✓	3.0		0.50	3.50						T A
2	Meron Mesay	✓	3.0		0.50	3.50						M
3	Abeba Shenkute	✓	3.0		0.50	3.50	Trading	200		1.00	200	A S
4	Azalech Haile	✓	5.0		0.50	5.50						A A
5	Selamawit Assefa	X	-		-	-	Medical	100		0.50	50	S A
6	Yeshareg Alemayehu	✓	3.0		0.50	3.50						Y A
7	Yeabsira Taye	✓	3.0		0.50	3.50		50				Y T
8	Teshalech Abate	✓	6.0	2.00	0.50	6.50						T A
9	Misrak Biruhanu	✓	5.0		0.50	5.50						M B
10	Meskerem Tesfaye	✓	3.0		0.50	3.50	Trading	400		2.00	400	M T
11	Meseret Assefa	✓	3.0		0.50	3.50	Business	200		1.00	200	M A
12	Tidenek Shewa	✓	3.0		0.50	3.50						T S
13	Birikity G/giorgis	✓	9.0		0.50	9.50						B G
14	Ayelech Habtamu	✓	-		-	-						A A
15	Eyerusalem Zemene	✓	3.0		0.50	3.50						E Z
16	Mihret Getachew	X	3.0		0.50	3.50						M G
17	Mulu Kassa	✓	3.0		0.50	3.50						M K
18	Zemen Kebede	✓	3.0		0.50	3.50						Z K
19	Zenebech G/Meskel	✓	5.0		0.50	5.50						Z G
20	Hareguwa Mulugeta	✓	3.0		0.50	3.50						A M
	<b>Week total</b>		70.0	2.00	9.00	79.0		900	50	4.50	850	
	<b>Brought forward</b>			42.0	265	2790		1800	1800	90		
	<b>Total savings</b>			44	274	2869		2700	1850	94.5		



Minute book for Siket Begeta SHG, Adama

Isabel Carter

Passbook of member of Eltoispeteta SHG  
Isabel Carter

## EXAMPLE Sample Passbook

### Passbook for Senait Wondimu

Date	Savings			Balance	Signature
	Regular	Expenditure (emergencies)	Interest earned in bank		
10/4/13	3.00			158.00	SL
17/4/13	3.00			161.00	SL
24/4/13	3.00			164.00	SL
1/5/13	3.00			167.00	SL
8/5/13	3.00			170.00	SL

Once a group begins to make loans, then the work of the book writer increases. In addition to the weekly savings, there will now also be loan requests, loan payments, interest payments on loans and loan repayments – all to be worked out and recorded.

Any other items such as gifts or fees are also included in the minute book. The book writer records them all and adds up the weekly totals with the help of their assistant.

Entries should be made in pen with all record keeping done at the meeting and then signed. Minute books should not be corrected after the meeting. Pencil should not be used for later copying over in pen. All record keeping, adding up and accounts should be done during the meeting by the book writer. Blank lines or spaces should be scored out before the records are signed so that no information can be added later. Finally the record of that meeting's notes and any decisions made, are read out so that all members (including those who are not literate) can then be confident that their records are complete before each member signs them – or puts their thumbprint (with their initials inserted by the book writer).

## Other books and documents

In addition to the minute book, all members are given their own individual **passbook** to keep. This confirms their own personal savings and loan situation. Entries in the passbook are made only by the book writer or another authorized person.

Book writers also keep a **savings ledger** and a **loan ledger**. The savings ledger keeps a record of the regular weekly savings of each member, whilst the loan ledger records their loans and repayment situation. If an individual's passbook is lost, then their records can be easily traced from the ledgers. (They can also be worked out from the minute book but this would take much longer to do.)

For SHG's that have a bank account, the book writer will also need to maintain a paying-in book, which records all the cash payments and withdrawals into the group's bank account.

An attendance register is useful to monitor the attendance of members and also to record whether they arrive late. The minute book has a list of all members but this is signed at the



Date	Loan				Signature
	Amount of loan	Amount repaid	Balance outstanding	Interest	
10/4/13			50.00	1.50	SL
17/4/13			50.00	1.50	SL
24/4/13			50.00	1.50	SL
1/5/13		50.00	00.00	0.00	SL
8/5/13		-	-	-	

end of each meeting while the attendance register is marked at the beginning of each meeting. If some members are frequently absent or late, it is much easier to check this from looking through the attendance register. Action can then be taken to meet with these members and discuss any problems they may be experiencing. One page of the attendance register is used for each month. Total attendance is worked out for each meeting. For decisions to be made by the SHG, most bylaws say that 75% or more of the members should be present.

**EXAMPLE Attendance register**

**Attendance register for Dibir SHG**

	Name	3 April 2013 Meeting 62	10 April 2013 Meeting 63	17 April 2013 Meeting 64	24 April 2013 Meeting 65
1	Marta Abebe	✓	X	✓	✓
2	Elsa Hailu	✓	X	X	✓
3	Misgana Shiferahu	✓	✓	✓	✓
4	Meseret Assefa	✓	✓	✓	✓
5	Ayelech Habtamu	✓	✓	X	X
6	Mihret Getachew	P	✓	✓	✓
7	Tidenek Shewa	✓	✓	✓	✓

P indicates that permission was given by the SHG for absence



A member of Buicho SHG, Gumarte proudly showing her passbook Isabel Carter

### Record books

At a meeting during the first month, ensure all members are familiar with each of these record books. Pass each one around for everyone to see. Check that all members can name each book and its purpose:

- Minute book
- Attendance register
- Savings ledger
- Loan ledger
- Passbook
- Paying in book
- Cash book
- Social insurance book
- SHG life history register book.

### Managing group funds safely

When banks are easily accessible, every group is encouraged to open their own individual account in the group's name. Placing savings into a bank account provides security for savings and gives members a sense of increased status. Each account will require three signatories (people who can sign official bank forms, cheques and withdraw cash). These signatories are usually the two group representatives and maybe a church leader. In order to withdraw any money, two out of these three signatures are required – usually either one of the representatives plus the staff member. Payments into the account are normally made by whichever member acts as moderator for that week. **It is good practice for the facilitator not to act as a signatory.**

In rural areas there may be no bank within easy access and the money will need to be kept safe in the cash box. Managing the group's weekly cash savings can always be a temptation; both for members and for people in their family. All the SHG processes are designed to lessen the risk of theft. A different person takes charge of the cash box each week (that week's moderator). Careful records are kept and signed so the whole group are aware of the amount of cash paid in each week. Building up trust and good relationships within the group really helps lessen risk. Nevertheless, problems can still occur which members may need to discuss and resolve.

DATE	WITHDRAWALS	DEPOSITS	INTEREST	BALANCE	INITIAL
01/01/12		100.00		100.00	
02/01/12		100.00		200.00	
03/01/12		100.00		300.00	
04/01/12		100.00		400.00	
05/01/12		100.00		500.00	
06/01/12		100.00		600.00	
07/01/12		100.00		700.00	
08/01/12		100.00		800.00	
09/01/12		100.00		900.00	
10/01/12		100.00		1000.00	
11/01/12		100.00		1100.00	
12/01/12		100.00		1200.00	
13/01/12		100.00		1300.00	
14/01/12		100.00		1400.00	
15/01/12		100.00		1500.00	
16/01/12		100.00		1600.00	
17/01/12		100.00		1700.00	
18/01/12		100.00		1800.00	
19/01/12		100.00		1900.00	
20/01/12		100.00		2000.00	
21/01/12		100.00		2100.00	
22/01/12		100.00		2200.00	
23/01/12		100.00		2300.00	
24/01/12		100.00		2400.00	
25/01/12		100.00		2500.00	
26/01/12		100.00		2600.00	
27/01/12		100.00		2700.00	
28/01/12		100.00		2800.00	
29/01/12		100.00		2900.00	
30/01/12		100.00		3000.00	
31/01/12		100.00		3100.00	
01/02/12		100.00		3200.00	
02/02/12		100.00		3300.00	
03/02/12		100.00		3400.00	
04/02/12		100.00		3500.00	
05/02/12		100.00		3600.00	
06/02/12		100.00		3700.00	
07/02/12		100.00		3800.00	
08/02/12		100.00		3900.00	
09/02/12		100.00		4000.00	
10/02/12		100.00		4100.00	
11/02/12		100.00		4200.00	
12/02/12		100.00		4300.00	
13/02/12		100.00		4400.00	
14/02/12		100.00		4500.00	
15/02/12		100.00		4600.00	
16/02/12		100.00		4700.00	
17/02/12		100.00		4800.00	
18/02/12		100.00		4900.00	
19/02/12		100.00		5000.00	
20/02/12		100.00		5100.00	
21/02/12		100.00		5200.00	
22/02/12		100.00		5300.00	
23/02/12		100.00		5400.00	
24/02/12		100.00		5500.00	
25/02/12		100.00		5600.00	
26/02/12		100.00		5700.00	
27/02/12		100.00		5800.00	
28/02/12		100.00		5900.00	
29/02/12		100.00		6000.00	
30/02/12		100.00		6100.00	
01/03/12		100.00		6200.00	
02/03/12		100.00		6300.00	
03/03/12		100.00		6400.00	
04/03/12		100.00		6500.00	
05/03/12		100.00		6600.00	
06/03/12		100.00		6700.00	
07/03/12		100.00		6800.00	
08/03/12		100.00		6900.00	
09/03/12		100.00		7000.00	
10/03/12		100.00		7100.00	
11/03/12		100.00		7200.00	
12/03/12		100.00		7300.00	
13/03/12		100.00		7400.00	
14/03/12		100.00		7500.00	
15/03/12		100.00		7600.00	
16/03/12		100.00		7700.00	
17/03/12		100.00		7800.00	
18/03/12		100.00		7900.00	
19/03/12		100.00		8000.00	
20/03/12		100.00		8100.00	
21/03/12		100.00		8200.00	
22/03/12		100.00		8300.00	
23/03/12		100.00		8400.00	
24/03/12		100.00		8500.00	
25/03/12		100.00		8600.00	
26/03/12		100.00		8700.00	
27/03/12		100.00		8800.00	
28/03/12		100.00		8900.00	
29/03/12		100.00		9000.00	
30/03/12		100.00		9100.00	
31/03/12		100.00		9200.00	

Bank account entries for EKH for Siket Begeta SHG, Adama Isabel Carter

DATE	NAME	ATTENDANCE
01/01/12	አባይ አብበበ	አ
02/01/12	አባይ አብበበ	አ
03/01/12	አባይ አብበበ	አ
04/01/12	አባይ አብበበ	አ
05/01/12	አባይ አብበበ	አ
06/01/12	አባይ አብበበ	አ
07/01/12	አባይ አብበበ	አ
08/01/12	አባይ አብበበ	አ
09/01/12	አባይ አብበበ	አ
10/01/12	አባይ አብበበ	አ
11/01/12	አባይ አብበበ	አ
12/01/12	አባይ አብበበ	አ
13/01/12	አባይ አብበበ	አ
14/01/12	አባይ አብበበ	አ
15/01/12	አባይ አብበበ	አ
16/01/12	አባይ አብበበ	አ
17/01/12	አባይ አብበበ	አ
18/01/12	አባይ አብበበ	አ
19/01/12	አባይ አብበበ	አ
20/01/12	አባይ አብበበ	አ
21/01/12	አባይ አብበበ	አ
22/01/12	አባይ አብበበ	አ
23/01/12	አባይ አብበበ	አ
24/01/12	አባይ አብበበ	አ
25/01/12	አባይ አብበበ	አ
26/01/12	አባይ አብበበ	አ
27/01/12	አባይ አብበበ	አ
28/01/12	አባይ አብበበ	አ
29/01/12	አባይ አብበበ	አ
30/01/12	አባይ አብበበ	አ
31/01/12	አባይ አብበበ	አ
01/02/12	አባይ አብበበ	አ
02/02/12	አባይ አብበበ	አ
03/02/12	አባይ አብበበ	አ
04/02/12	አባይ አብበበ	አ
05/02/12	አባይ አብበበ	አ
06/02/12	አባይ አብበበ	አ
07/02/12	አባይ አብበበ	አ
08/02/12	አባይ አብበበ	አ
09/02/12	አባይ አብበበ	አ
10/02/12	አባይ አብበበ	አ
11/02/12	አባይ አብበበ	አ
12/02/12	አባይ አብበበ	አ
13/02/12	አባይ አብበበ	አ
14/02/12	አባይ አብበበ	አ
15/02/12	አባይ አብበበ	አ
16/02/12	አባይ አብበበ	አ
17/02/12	አባይ አብበበ	አ
18/02/12	አባይ አብበበ	አ
19/02/12	አባይ አብበበ	አ
20/02/12	አባይ አብበበ	አ
21/02/12	አባይ አብበበ	አ
22/02/12	አባይ አብበበ	አ
23/02/12	አባይ አብበበ	አ
24/02/12	አባይ አብበበ	አ
25/02/12	አባይ አብበበ	አ
26/02/12	አባይ አብበበ	አ
27/02/12	አባይ አብበበ	አ
28/02/12	አባይ አብበበ	አ
29/02/12	አባይ አብበበ	አ
30/02/12	አባይ አብበበ	አ
31/02/12	አባይ አብበበ	አ

Attendance record Qilxuu Sadaan SHG Rosemary Burke



Members of Dararo SHG in Alalchamiko, Yirg Alem with their cash box Rosemary Burke

A further issue in some areas where there are many SHGs is that bank officials are complaining about the volume of work that SHG accounts cause them for relatively small amounts of cash. If members note that officials are not treating them efficiently, all neighbouring SHGs might agree to make monthly rather than weekly payments into their bank accounts.

*“Once the moderator refused to bring the cash box which contained 3,968 Birr of savings. We went to see his father, who gave us a guarantee for the money, so we gave him more time. But the group still had to visit again. This time he asked for forgiveness and returned some of the money. 1,600 Birr was still outstanding and he was away for three years working before we received it. Now he is back and is even a member of the group again.”*

SHG IN DOYTA, HAWASSA



Bank deposit slip for Siket Begeta SHG, Adama Isabel Carter

### Managing cash

- Always make all cash transactions during the SHG meeting
- Bring passbooks to be updated each week
- Ensure cash is paid into the savings bank account (if available) promptly
- Ensure records are kept up to date
- Issue receipts for any cash transactions with the SHG
- All members to be encouraged to learn basic literacy and numeracy skills

# PART 4 First fruits



Picking coffee berries Geoff Crawford/Tearfund



Information is shared during the group meetings Rosemary Burke

## 4.1 Growing in confidence

*The first six months are often very challenging for newly formed SHGs and not all groups survive. But once groups manage to get through the early months, supported by their facilitators, members begin to see the benefits of the SHG developing. The first small fruits begin to form – just as with tender young coffee seedlings. These first fruits include close and supportive relationships within the group, meetings that support discussion and learning, together with small loans that enable members to develop their livelihoods. These young fruits need constant care and support to protect their growth.*

### Training in self-help group concepts

Various training inputs are available to SHGs. These can be divided into four:

- 1 **Essential initial training on SHG concepts** – needed for all new groups in order for them to begin developing. This training is usually provided by the facilitator. Much of this training is practical but there is throughout a real emphasis on encouraging close relationships and support between group members. There is extra training for book writers and facilitators (see 3.4, page 41).
- 2 **Income generation** – this covers basic business development, marketing, how to make loan applications and how to use them wisely. This is provided for all groups within the first few months before they begin to give out loans (see 4.2, page 59). The provision of loans, supported and agreed by the whole group, enables more of the 'first fruits' of the SHGs to develop.
- 3 **Credit-Plus** – members benefit from a wide range of learning opportunities and awareness raising on issues such as HIV awareness, gender, water and sanitation, family planning, improved agricultural practices, water and soil conservation, infrastructure development and other food security related issues. These learning opportunities all come under the name of Credit-Plus – and are optional, allowing groups to select and explore those that are most relevant to their particular needs and context (see 5.1, page 72). Each group chooses the direction in which they want to learn, grow and develop.
- 4 **Future development** – as groups mature, training is provided on further levels of organisation known as Cluster and Federation Level Associations.

SHG training is often done during the group meetings by the facilitator. They share and pass on information which they have received from staff in partner organisations. In the first six months group members will benefit from a lot of new information that ensures each group fully understands all the SHG concepts and processes. As each new item of information is gained, members usually put it into action to reinforce the learning. Good facilitation skills will encourage the use of group discussion, role-play and practical exercises to keep learning varied and enjoyable. Training needs to be given to facilitators and book writers in ways that make it as easy as possible to replicate this with SHG members.





Collecting payments for the social fund Isabel Carter



The social fund may be used to help those in need in the wider community as well as in the SHG Eden Mengjisu

Once groups understand all the essential SHG concepts, they begin learning about aspects of income generation and business development in order to help them consider how best to use loans.

## Social fund

At first members bring the agreed amount of weekly savings for the common fund. Even this very small amount can be hard to find. But over time this usually becomes a little easier.

As relationships develop in the group, so personal needs and crisis will become apparent. One member may have a sick child and be unable to pay for medicines. Another may have to travel to a funeral and have no money for bus fares. After a few months, the facilitator may encourage members to discuss and think critically about the various struggles that people experience. Are there ways of supporting people through difficult times? As a result of these discussions, many groups decide to build up a **social fund** for social insurance or social support purposes. This fund is kept separate from the common fund. It is used only for emergencies. The money is given as a gift to any member in difficulties and does not need to be repaid. As this fund builds up, some groups also use it to help others in their community. Payments into the social fund are normally a lot less than regular savings into the common fund.

Members will discuss any needs that arise and agree whether to make a payment out of their social fund or to provide other support. These needs may include health costs, transport costs, funeral or wedding expenses or a gift when a baby is born (and the mother is unable to work). The social fund can also be used for community needs, such as supporting orphans, widows, elders and other needy people. Group members may also agree to take practical action together as appropriate.

*"One lady's cow died giving birth. The other group members gave her milk from their cows to feed the calf so that it did not die too."*

AMARU, ZONAL COORDINATOR, HAWASSA

*"In times of sorrow and happiness we come together. When I gave birth, group members gave me 200 Birr to support me during maternity leave. This was an expression of great love. We respond more than our closest relatives in times of trouble."*

ADANECH, BOOK WRITER FOR BIRHAN SHG, WONJI

Payments into the social fund are recorded in a social insurance book each time (this may be weekly, monthly or every two weeks depending on what the group agrees). When payments are made from this fund, these are also recorded.

## Freedom from money lenders

The only source of credit, particularly in emergencies, available to most poorer people is the money lender. However, people often find they may have to pay up to 150% of interest on an emergency loan (usually for health, educational or family crises). Many people live in a vicious cycle of debt, consumption and more debt.

*"We used to be in a constant cycle of debt before, paying 100% interest when we used money lenders – but now we are free of them! We have learned how to save and work together as a group. We share together and we love each other very much. We don't need to turn to anyone else when we are short of cash except this group. We now have access to loans so we can invest. We can use our resources well and invest our loans wisely – our lives are improving."*

BIRHAN SHG, WONJI

The SHG process helps people to understand the value of savings. Building up a common fund will provide access to loans at low interest for members. This frees people from using money lenders. For many members this is the greatest benefit of the SHG process.

*"The SHG process changes life from a vicious circle to a virtuous circle."*

SIMON HAILE, IUDD

*"If we borrow 10Birr from a village money lender, then we have to pay them 3Birr interest every month."*

TAMARECH, MEMBER OF ISIPETETA SHG

## Gaining skills in literacy and numeracy

Many SHG members, particularly women and those in rural areas, have had little or no opportunity to go to school. In rural areas there may be little need for literacy when there are no books or newspapers around. Many SHG members who do not have literacy skills will quickly learn to sign their name or initials so that they can sign off their weekly payments in the minute book. However, becoming a SHG member can open their eyes to the benefits of literacy and give them the confidence to gain new learning.

About 30 women who belonged to SHGs in Shabadino District participated in a learning event where they realised the importance of taking responsibility for their own learning. Their learning needs were to gain literacy. Together they made a plan and agreed on how they would measure their progress. Within three months they were able to sign documents whereas before they had used their thumbprint.

*"The SHG approach brings freedom from money lenders."*

SENAIT, FACILITATOR WITH WKHC, SODDO



Tseganesh, a member of Atote SHG, can now write her name Isabel Carter

The benefits of literacy are well known. However, the benefits of numeracy, the ability to work out and record numbers, is less often talked about. Many SHG members are very skilled in handling money, but have never learned to record numbers. Learning this skill so that all members can check their own passbooks, is a really useful skill. Groups could ask locally for people who would be willing to help provide training in this skill (see Part 5.1 for more information on functional adult literacy).

## 4.2 Preparing to provide loans

*This section covers the process of applying, using and repaying a loan. All members should gain understanding of how to plan for, and make a loan application for themselves. In addition they gain learning on how to assess and prioritise loan applications from other members, and about the documents necessary to take out a loan. Within the SHGs each member is supported and guided in this process by other members. Loans are not just one individual's priority – they are a shared process within the group.*

### Savings commitment

Every member of a SHG is encouraged to continue weekly savings for at least six months before they can apply to take out a loan. The majority of members have never saved before. Their past experience tells them that poor people can never save. Overcoming this deep-rooted belief is a big challenge during the initial few months; it is also one of the main reasons why group membership may fall during the first six months. Members therefore find it very rewarding to see their savings increase in their passbooks each week.

*"We should have started much earlier! I have 2 Birr here in my hand. Before I would have wasted it. Now I save it and have 400B in savings. We have seen lots of changes in our lives because we're not dependent on money lenders. My debts are only to the group."*

ADANECH, BOOK WRITER FOR BIRHAN SHG, WONJI

The concept of saving begins to impact on the way members handle cash and other resources at home. Members become very aware of exactly how they use the little money they have and continue to look for opportunities to reduce any unnecessary expenditure – such as by no longer spending money during festivities.

### Initial loans

After about six months the group will have reached an important stage of development. Now the group can begin giving loans to members. Initial loans are generally very small. Members may use them either for household needs (such as clothing, food for particular occasions like funerals or weddings or for school expenses) or for expanding existing livelihoods such as fattening livestock, making bread or grain retailing. These first loans are usually repaid within one or two months. Members make their own decisions, following discussions led by the facilitator, on the loan terms and the rate of interest to be charged. Members may ask other more experienced groups to share their experiences. Loans are given without any additional safeguards being required, but because each loan is made as a group decision, all members are in effect providing security.



*Members find it very rewarding to see their savings increase in their passbooks each week* Eleanor Bental/Tearfund



*Initial loans may be used for school expenses* Jim Loring/Tearfund





Some loans are used to make bread for selling  
Rosemary Burke

A member applying for a loan will complete a simple form (with help if they are not literate). The form has the date, the name of the SHG and the name of the applicant (or the names of joint applicants). It explains briefly how the loan will be used (social or family needs, education fees, business development).

If the loan is for an existing livelihood or business, the form will state when the business started and exactly what the loan will be used for. It gives the location of the work and the expected profit and notes support from any other stakeholders involved (this might be a husband or friend). It states the amount of loan requested and the repayment period and ends with the applicants name and signature.

Loan applications from members are recorded, numbered and dated in the record book. The applications are considered at the next SHG meeting and a decision made by members.

## Reviewing loan applications

Each application is reviewed and discussed by all members. All the money in the common fund belongs to them, so they are therefore the people who should decide how to use it. Decisions are then agreed and prioritised. The following criteria, together with how much money is available in the common fund, will guide the decisions reached.

### Check list for agreeing a loan application

- Regular attendance of member
- Regular savings
- Participates actively in group affairs
- Purpose of loan
- Urgency of loan
- Ability to manage activity proposed
- Capacity to repay the loan
- Previous use and repayment of loans
- Willingness of member (or group) to provide security for the loan repayment (provide collateral).

### ROLE-PLAY Who benefits from a loan this week?

Ask group members to act out this role-play using the check list above. Three members (with good attendance and repayment records) have requested loans. One member wants 600 Birr to pay for her daughter's delivery, another wants 1000 Birr to pay for seeds and a third wants 1000 Birr to buy a new bed. There is 2000 Birr in the common fund.

After the role-play the facilitator can help members to reflect on the outcome. Did the decisions made reflect guidance from the checklist? Were members united and able to reach a rapid decision – or did they disagree? Before they make decisions on real loan applications, are there some learning points and tips that will help the group make wise and fair decisions?

*"My group has only been going for six months. We have 638 Birr in the capital fund. The maximum loan given is 200Birr. I took a 200Birr loan for two months to buy cooking oil and make biscuits. I paid it all back in one payment with 5% interest."*

GUDINA JIRAGNA SHG, SHAMBU, GITELO

*"When a member has a problem such as a sick child or any kind of emergency, they immediately have priority to take a loan."*

UFAYISA, BOOK WRITER OF ISIPETETA SHG



Members will also consider how long the applicant has been waiting for a loan. However, sometimes it may still prove difficult to reach agreement. The ten seed technique can then be used to make a decision.

### Ten seed technique

When several loan applications are made, members may find it hard to prioritise them. One simple technique that can help decision-making is the **ten seed technique**. After listening to all loan applications, a symbol is drawn on a large sheet of paper, or on the ground, to represent each loan. For example, an animal could represent livestock fattening, a few coffee beans could represent coffee trading and a circle could represent enjera making. Each member who is **not** applying for a loan, is given ten seeds/small stones or coffee beans. They are asked to distribute their ten seeds against the symbols representing the loans, depending on which they favour. For example, a member could give five seeds to the livestock fattening application, four seeds to enjera making and just one to coffee trading.

Seeds are placed individually and all together – so that members cannot clearly observe where others are placing their seeds. It is recommended that those applying are **not** allowed to participate. When everyone has placed their seeds, the scores are counted up. Usually clear results will be obtained and the loans made accordingly.



Careful records are essential for every loan, however small. All members should be well informed about the documents required for taking out a loan.

### Documents required for taking out a loan

- Loan application by member
- Security for repayment of loan (as agreed by group)
- Loan consent form
- Loan ledger
- Cash book
- Minute book where the decision to make the loan (or not) is recorded together with the repayment terms and conditions
- Individual pass book

### Setting interest rates

As each loan is agreed by the group, they will confirm interest rates, as these may vary according to the amount and length of the loan.

Some groups may not want to charge any interest on loans. After all, most have had really bad experiences with money lenders charging huge interest rates. Some members of other faiths may regard interest as forbidden. In these situations, members may find it helpful to regard interest rates as a way of sharing in the profit made each time.



A loan agreement form Isabel Carter



Groups agree their own interest rates;  
Dagaagina Naanno Bitee SHG Rosemary Burke

There are no set rates for groups to follow and the rate of interest is agreed by each SHG. The facilitator can help stimulate conversations about what interest rates to set. Should the interest rate for a three-month loan be the same as that for a six-month loan? Should an emergency loan have the same interest rate as a business loan? These are challenging decisions for groups to agree – and of course they can change them with experience.

Suggested rates are usually between 5% and 15% a year, depending on the length of time of the loan. Interest rates are usually lower for small, short-term loans but higher for larger, long-term loans. This goes against the typical policies of bank loans (where large, long-term loans pay lower interest rates) but does mean that more group members can benefit as money is rapidly re-circulated. Shorter loans of one to three months tend to pay around 3 to 7% interest per year. Longer-term loans of three to six months tend to pay around 5 to 10% interest per year.

*“During a recent evaluation (Gilgal evaluation 2011) 39% of the groups were found to be charging 10% interest and 32% of groups were charging 5% interest per year. In the remaining groups interest ranged between 1–7% per year.”*

LATHAMALA, CONSULTANT

*“Our group started giving loans when our total savings reached 100 Birr. We gave 15 Birr loans at 5% interest and every member got a 15 Birr loan. Now the group gives 300 Birr loans.”*

DIFARE, GUDINA BORU SHG,  
SHAMBU, GITILO

Interest payments increase the total amount in the common fund. It is good practice to ensure that money is not left sitting in the bank since it earns more when in use as a loan. In addition the more loans are available, the more members benefit.

For example, a member may borrow 200 Birr for 3 months and be charged 5% interest per year. This means that at the end of 3 months they will repay 200 Birr plus 2.50 Birr in interest. Another member may borrow 600 Birr for six months and be charged 10% interest per year. At the end of six months they will repay 600 Birr plus 30 Birr in interest (60 Birr a year divided by 2).

*“In our group we pay 5% interest per year for three-month loan cycles or 17% interest for one year loan cycles. For their first loan someone can take half of their savings, and for the second and third loans they can take out three quarters of their savings. We haven't gone beyond this yet, but our facilitator is now encouraging us to let members take loans that are twice the value of their savings.”*

BIRHAN SHG, WONJI

## EXAMPLE Loan form

### Loan form for Dibir SHG

Name	Amount of savings	Amount of loan	Repayment option			Total interest	Loan period	Reason for loan	Signature
			Weekly	2 weekly	Monthly				
Markos Kassa	1,120 Birr	600 Birr	-	-	100 Birr	42 Birr (7%)	6 months	Cattle fattening	MK
Meseret Shewa	1,543 Birr	500 Birr	50 Birr	-	-	35 Birr (7%)	3 months	Hair salon equipment	Meseret Shewa
Members signatures:					Members names:				

Experience shows that interest rates tend to become lower over time as the group gains confidence in their ability to repay loans. The size of the loans taken grows over time.

### To work out interest rates a simple calculation is made each time

For a 200 Birr loan over 3 months paying 5% interest per year (APR) the calculation would be:

Loan multiplied by the interest per year, then divided by 12 (per month) and multiplied by 3 (3 months)

$$\frac{200 \times 0.05}{12} \times 3 = 2.50 \text{ Birr}$$

$$\text{Repayment} = 200 \text{ Birr} + 2.50 \text{ Birr} = 202.50 \text{ Birr}$$

For a 600 Birr loan over 6 months paying 10% interest per year (APR) the calculation would be:

Loan multiplied by the interest per year, then divided by 12 (per month) and multiplied by 6 (6 months)

$$\frac{600 \times 0.10}{12} \times 6 = 30 \text{ Birr}$$

$$\text{Repayment} = 600 \text{ Birr} + 30 \text{ Birr} = 630 \text{ Birr}$$

For a 450 Birr loan costing 7% interest over 6 months the calculation would be:

Loan multiplied by the interest per year, then divided by 12 (per month) and multiplied by 6 (6 months)

$$\frac{450 \times 0.07}{12} \times 6 = 15.75 \text{ Birr}$$

$$\text{Repayment} = 450 \text{ Birr} + 15.75 = 465.75 \text{ Birr}$$

If a loan is agreed, the interest and repayment terms are finalised, the loan is recorded in the minute book and all members sign a loan application consent form.

## Use of larger loans

Loans become larger over time, as the amount of savings in the common fund increases. Later loans are more likely to be used for income generating purposes. The range of uses to which members put their loans is very wide ranging. More popular uses include small scale trading in a wide range of goods – coffee, butter, sugar, cereals, producing food for sale, healthcare, children's school needs and livestock rearing. In early years, members may initially try a range of different activities. However, in later years members tend to focus more, each specialising in just one or a few income-generating options. Each family tends to develop a different set of income generating activities. Sometimes several members in the same group agree to work together on one business or the whole group may invest in the same business.

The maximum loan a group has given so far is 30,000 Birr (£1,150) made by Tesfa SHG, Adama and the lowest is 50 Birr (£1.80).

Sometimes members will take out joint loans. For example several members may agree to produce cooked foods together, or to trade or process coffee beans. Members might decide to use their common fund to rent land and buy seeds. Land is rented and seed bought and the whole group comes together to carry out the work. They will harvest the crops or grains

DATE	DESCRIPTION	AMOUNT	BALANCE
15/12/13	LOAN	1000	
15/12/13	REPAYMENT	1000	

Passbook entry for loan and first repayment Isabel Carter



Larger loans are used for developing livelihoods such as fattening sheep

Rosemary Burke





Joint loans may be used for bulk purchases of goods such as sugar which are then retailed Rosemary Burke



Groups agree their own interest rates, Dagaagina Naanno Bitee SHG Yideneku Melese

*"As a group we have bought sheep and goats. One member looks after them. When they are sold we all share the profit."*

UFAYISA, BOOK WRITER FOR ISIPETETA SHG, WOLAITTA GILGAL

jointly and then either sell the produce, share out the produce or keep grain as a reserve in a grain bank – selling it back to members at a low cost and to others at market rates.

Members also use joint loans to buy items such as kerosene, cooking oil, grains, salt or sugar in bulk at wholesale prices and sell to members. If the price is just above wholesale prices, they will make a small profit to cover the interest charge while members benefit by paying much lower prices.

*"Our group has just celebrated its first anniversary. We have started some group income generation activities. We use our joint funds to buy butter, oil and flour in bulk and then sell this in retail quantities to our members. The profit goes into the common fund. We sent one member into the countryside at the New Year to buy butter in bulk and made a profit of 10%."*

SHG IN SODDO

In addition some basic food products, such as grains, may be bought together in bulk at lower prices and paid back over several months. Some SHGs began as common interest groups before they become SHGs. Their joint savings may then often be primarily channeled into expanding their previous activities.

## Repayment rates

If group relationships are good, then financial management and repayment is also usually good. Members consider that they are borrowing loans from close and trusted friends. In addition there is awareness that good management and repayment of early small loans will result in access to larger loans in the future.

On average, the repayment performance of SHG members is extremely high. On average over the past ten years in Ethiopia, the repayment rate for loans has been 98%.<sup>3</sup> This is very high in comparison with many other micro-finance systems for making loans.



### ROLE-PLAY Managing burdens

Select three rocks – small, medium and large (too heavy to move) and ask somebody to mime picking these up in turn. The facilitator can explain that managing finances is like lifting rocks. Even a weak person can lift up a small rock. With practice they can lift a medium sized rock. But if a weak person tries to lift a heavy rock without practice, they will have problems and may end up with a broken back. We need to build up our capacity to manage loans gradually so we don't hurt ourselves by taking on too big a rock or burden! How does the SHG help with this?

However there can still be difficulties with lack of repayment. Groups have differing approaches in dealing with this. Members tend to feel very strongly that action is needed – after all – this is their money and all other members will lose out if people fail with repayments. Usually members are first asked to explain if they have a problem so the group can consider whether to allow more time. Then several group members may visit their home to discuss things further. If this fails then they may go to the church leaders or CLA (see 5.2, page 82) to ask for help. So far groups have generally always managed to resolve the problem. However, some groups have added the possibility of taking a defaulter to court in their by-laws.

#### Repaying loans

A member of Natnael SHG in Dilla zone took out a loan of 200 Birr but died before she could repay the loan. However, the group then persuaded her son to become a group member and gave him more time to repay the loan.

## 4.3 Developing business skills

*As members gain confidence in taking loans, they begin to plan how to use these funds to develop their livelihoods. The need for training in business skills and learning how to manage and promote a business becomes apparent. At around six months the facilitators begin to introduce this training. Sometimes groups attend a two or three day course; but other groups combine the training within their regular meetings.*

### Valuing existing resources

In many cases, there are resources in the community that go unnoticed, such as water sources, public land, grass, fruit trees, access to village leaders and public services. Poor people consider themselves as lacking in resources but they do not always see potential and underused resources in their own community. A first step is to help people look with new vision to the opportunities and resources they have around them, not forgetting the huge resource that the SHG provides in terms of credit, friendship, support, training and business opportunities.

*"We don't really have defaulters. We apply gentle pressure on those who are slow to pay back and give those who are in difficult circumstances, more time to pay. That way we always get the money back in the end. Also we only loan up to the amount someone has saved."*

AMANO, HAWASSA

*"After the initial SHG training we realised that though we are weak and poor, we also realised our poverty is not physical but relates to the way we think about our situations. We realised we actually have many resources; our children, husbands and land. We began thinking positively about our resources, including those ignored by the community. Our perception of sickness changed too – now we don't just pray for the sick but we actively seek out healthcare and medicine."*

KARO, REPRESENTATIVE, ASHELE SHG



Trees are a natural resource Jim Loring/Tearfund

Resources is the term used to describe all the things that people have access to in order to live and earn income. When people think about resources, they usually think first about their income, homes and access to land – all things that poor people often lack. But there are many other kinds of resources to which poor people do have access. It can be helpful to think about six different kinds of resources or assets.

**HUMAN AND SPIRITUAL** These are resources such as health and physical strength, wisdom and skills. Spiritual resources include faith, prayer, fellowship and hope.

**SOCIAL** These include family and friends, SHG members and ekub groups.

**POLITICAL** These resources reflect the power people have in their groups, communities and families – the capacity to influence decision-making, or stand up to claim personal rights to land, education or healthcare.

**PHYSICAL** These resources include homes, tools, bicycles, wells and clothes.

**FINANCIAL** Describes cash or items (such as livestock) that can be sold quickly and easily for cash.

**NATURAL** These include access to natural resources such as land, trees, animals and regular rainfall.

*"Now the community see grass as a resource – they never recognized this before – it was just something under their feet. One SHG now protect their land and sell grass for a lot of money. The grass brings in more Birr than their savings!"*

SAMUEL, CHURCH ELDER,  
MOROCHO SHONDOLO,  
HARVEST CHURCH

### ACTIVITY Valuing all our resources

Ask members to brainstorm all the resources available in their community. Write them on a large piece of paper. If some members are not literate then either draw the resource mentioned or ask people to collect items to represent each resource – for example; coins, keys, sticks, grains. Members are most likely to list physical and social resources. The facilitator can encourage people to add more examples of human, political, spiritual and financial resources.

Now ask people to sort these resources into the six categories (listed above).

When people consider the resources needed for their own livelihood, a number of resources are often combined together. For example, ask the question: 'if someone bakes enjera to sell, what resources would be needed?' (Answers could include experience, grinding stone, clay baking plate, stove, knowledge and access to flour.) Repeat this for other common livelihoods.

Now ask: 'What resources do we have in our community that we could make better use of?' and 'What resources do we not have here that would really help us?' (This will often include access to politicians or government officials or better transport.) 'Can we do anything to improve our access to these resources?'

## A training process for developing business skills

Initial loans are small and most people use them either for immediate household needs or to extend their existing livelihood strategies. However, over time the size of available loans will grow, enabling members to consider other new livelihoods. Business skills training begins by helping people think about their existing livelihoods.

Group members are asked a series of questions to describe their existing livelihoods and to explain how they market or sell their products or services. They then consider who their customers are, and why they might choose to buy from them. Members then move on to consider possible changes and improvements.

### REFLECTION Your livelihood

Reflect on your existing livelihood.

- *What is the type of product or service I produce?*
- *What process do I use to market my products or services?*
- *Who are my customers and why do they buy from me?*
- *How can I get customer feedback?*
- *How could I try to improve my products or services?*
- *Should I plan to increase or decrease the size of my business to make more profit?*
- *How can I reduce my overheads (running costs)?*
- *What challenges or problems am I facing now?*

## The location of the business or services

Many small livelihoods simply develop from the home. But once people have the opportunity to develop their livelihoods, it may be useful to consider whether this is the best option. Is the present location appropriate for their customers? Are there other options available, particularly if the business may grow? What costs would be involved? What level of future growth would be needed to cover these costs?

People may decide to combine their energies and develop businesses together. The close relationships that develop within each group provide a good basis for facilitating good working relationships. The supportive structure of the SHG gives people the confidence to try out new ideas and be more creative. Combining forces will often result in finding a different location for work so the business can expand.

## Record keeping

It is really important to keep careful records for each small business and to make sure all profits are recorded and used to restock the business. If business money is muddled up with personal money it may result in the business failing. Money owed to a supplier or needed to buy raw materials is instead used to buy food for the family.



*Asnakech in Hawassa has used her loan to expand her second hand clothes shop*  
Rosemary Burke



*Bizuneh of Doyta SHG, Hawassa; The bread oven he built using his loan*  
Rosemary Burke

*"My personal vision is to benefit the community. I took a loan to build a bread oven. I sell the bread to local children who cannot afford school fees. They earn money by distributing it around the village."*

BIZUNEH, DOYTA SHG, HAWASSA

The more complete and accurate the information, the more promptly institutions, banks, investors and suppliers will be able to respond to requests for assistance. Generally the business operator will be responsible for preparing the business plan.

## Making a profit

It is important to learn how to accurately work out charges for products or services that reflect the actual costs of production and that are competitive. People often fail to charge enough for their own time, for wastage or for fuel and rent. The costs of licences and permissions for trading, both formal and informal, can also be important factors for small businesses. Careful records will enable people to work out the full cost of production and take into account all their expenses. The difference between the cost of the production and the price charged is the profit:

**PROFIT = sale price less cost of production and operating expenses**

The prices charged have to reflect similar products in the area, such as meals, haircuts or grain prices. So profits can only be increased by reducing costs if possible or by improving quality so that prices can be increased. Small loans will allow members to buy raw materials in larger quantities at discount prices so their profits can increase. Reducing wastage is another way of increasing profits.

After measuring costs accurately, the small producer can look at the market price and decide if it is worthwhile beginning the business. Most people are too optimistic about the quantities they can produce or sell. **The hardest decision may be to accept that the business will never make a profit.**



The weavers group in Adama look carefully at how they market their bags Rosemary Burke

## Effective marketing

Traditional home-based livelihoods rarely involve much marketing. It is just assumed that everyone in the village knows that *Mihret* provides haircuts and that *Abeba* sells bread rolls. But expanding a business involves finding new customers, maybe in new areas. How will they learn about the business? Here are a series of questions to consider.

### Questions to ask to encourage effective promotion and marketing

- What do I do (if anything) to promote my products or services at present?
- Should I try and improve the way I promote them?
- Do I have a good reputation with my customers?
- Could I do anything to improve this?
- What is different about me from other similar products or services?
- Could I improve anything to make my products or services stand out?
- What is my strategy to attract customers?
- How do I maintain a relationship with my customers?



### REFLECTION An unsuccessful business

Almaz is a petty trader who sells vegetables, fruits and grains in a small market area a mile from her house. Almaz has never calculated her costs and income from the business, and has no business records, so she is not sure of how much she is losing, but she knows her business is not doing well. The number of customers is decreasing. As a result, her fruits and vegetables become spoiled and are thrown away. She consulted other SHG members about her problem.

Members discussed her problem (they were already aware of what was happening). They commented that Almaz often chats to people while other customers are waiting to buy products. She also doesn't deal well with customer queries about her products and is not exploring ways of encouraging customers to return to her stall. In addition there is another stall right beside hers that provides the same products. They have a good way of treating their customers and always ask for their feedback.

*Discuss this case study. What advice would you give to Almaz?*

## Developing a business plan

Part of the business training includes showing members how to fill in a loan application (see 4.2, page 59). When preparing a request for a loan, it is helpful to consider this as a first opportunity for beginning to develop a business plan. Initially this may be very simple, but over time the plan can be expanded and include more information. Eventually this business plan may be used as the basis not just for obtaining loans from the SHG but from larger groups (such as the CLA, 5.2, page 85), a bank or from micro finance institutions (see 6.3, page 103).

All successful businesses, whatever their size, need to get the basic details correct. People can compete with experienced producers if they can offer better quality or better value for money. However, people often try to simply copy someone else's successful idea, rather than doing something different.



*How do market traders develop good relationships with customers* Jim Loring/Tearfund

Good business is all about knowing what customers want and providing it. Too often people focus on producing goods or services and assume they will then find customers and be able to make a profit.

### Business plan

A business plan describes what any business, however small, is about. It states what is being done, how and where it will be done and explains how the business will be managed. It includes planning for growth. It includes the following points in order:

- 1 **Summary** – a brief summary of the whole plan in just 2 or 3 sentences.
- 2 **Description** – what the business produces, where and by whom.
- 3 **Legal issues** – describe (if relevant) how the business is registered or monitored.
- 4 **Finance** – describe how the business is funded and if there are plans for future funding to develop further.
- 5 **Staff** – describe who runs and manages the business, their skills, background and experience and other people involved.
- 6 **Impact on local economy** – does the business help the local economy (for example using local resources, offering training, work opportunities or encouraging visitors)?
- 7 **Production** – describe the process and costs of production; the initial sources of materials, equipment and their costs, ongoing costs and repairs, rent and labour costs and the final output and its value.
- 8 **Marketing** – describe how the product or service is promoted and marketed, mentioning competition, who the customers are and the demand.
- 9 **Financial plan** – include details of cost of set up, ongoing production, staff, marketing, interest and repayment of loans, all income from sale of goods and finally the profit or loss made (over several years if possible).

A business plan really helps effective planning. Group members may be fearful of planning or be concerned that planning will show their ideas to be wrong. But producing a plan, however simple, and sharing it with group members to gain the benefit of their experience and opinions, may avoid a lot of mistakes. The process of submitting a simple loan application to the SHG for discussion by members could be regarded as a first step to producing a more detailed business plan for a later loan application.

Underpinning all the learning around developing effective businesses, are the learning conversations that develop from understanding self-organised learning. These can provide a very effective means of helping people to decide how they would like to develop their business:

**PURPOSE** – what exactly do I hope will happen in the future?

**STRATEGY** – how can I try and achieve this purpose?

**OUTCOME** – what results will be seen if I achieve my purpose?

**IMPLEMENTATION** – What support do I need? Is my strategy appropriate or do I need to modify it?

**OUTCOME** – did I achieve my purpose? What have I learned?

**FUTURE PLAN** – Do I need to adapt my original purpose or change focus?



*Working out fair prices for shoes in order to make a profit* Rosemary Burke

## EXAMPLE Sample business plan

If possible look at the draft business plans of SHG members and discuss them. But to help begin this process here is an imaginary business plan.

### Business plan for Abate Egg Producers

- 1 **Summary** – Abate Egg Producers is run by a small group of women and produces fresh eggs for sale in the local market and to cafes in the Abate area. The business began in June 2011 and now has 95 laying birds.
- 2 **Description** – Abate Egg Producers is run by three women – Misrak Assefa, Sihin Habtamu and Eyerusalem Getachew. All are members of the Kassa SHG. They set up the business in June 2011, initially combining their existing birds and selling eggs together. In November 2012 they took out a loan and bought 100 grade birds, new equipment, feed and had nest boxes made. The eggs are sold in the local market, to SHG members and to cafes in the Abate area.
- 3 **Legal issues** – an application is in process to register the business as a cooperative.
- 4 **Finance** – initial funding came from the three joint owners who built an enclosure at the home of Misrak Assefa and combined their existing birds. A loan of 1,200 Birr was obtained from Kassa SHG to fully equip and restock the business and repaid by April 2013. Further loan will be requested to buy vaccines and medicines to protect against diseases and for egg boxes to market the eggs in Asua township.
- 5 **Staff** – Misrak Assefa, Sihin Habtamu and Eyerusalem Getachew jointly own and run the business. All have kept chickens for some years and Sihin Habtamu has some book keeping skills.
- 6 **Impact on local economy** – their community benefits from a plentiful supply of fresh eggs. All food is bought from local farmers benefitting the local economy. The enclosure and nest boxes were built by local carpenters.
- 7 **Production** – One-off costs include enclosure, nest boxes, feeders and purchase of grade birds at point of lay. Ongoing costs include feed, medication and bus fares to transport eggs to market. 20% of the profit is reinvested into the business and the remaining profit shared between the three owners. Slightly damaged eggs are used for cooking to reduce wastage. The biggest concern is the risk of disease.
- 8 **Marketing** – there is only one other large producer in Abate. There is a good demand for their eggs which their local customers know will be fresh and clean. Kassa SHG members have benefitted from nutrition training and this has increased local demand for eggs.
- 9 **Financial plan** – full set up costs (including SHG loan) were 1,550 Birr, feed costs are 45 Birr per month. In 2011 they made a profit of 120 Birr, in 2012 they made a profit of 465 Birr (including sale of older birds) but took out a large loan for new birds. Predicted profit for 2013, once the new birds come fully into lay and after repaying the loan, is around 2000 Birr.

*Discuss this business plan together. Is any important information missing? Would a complete financial budget be helpful? Are the women planning wisely? Would your SHG give them a further loan?*



# PART 5 Reaching maturity

## 5.1 Credit-Plus

*Mature groups, like mature coffee trees, begin to produce ripe fruit full of flavour. Once the essential learning needed by every new SHG is completed and members are gaining experience in applying and using loans to build up their livelihoods, a range of optional learning is available. The choice of issues is specific to the context and interests of the individual SHGs but much of the learning deals with social issues. This wide range of optional learning and training all comes under the term 'Credit-Plus'. 'Credit' refers to all the activities of SHGs that relate to finance or credit – savings, loans, business development and loan repayment. The term 'Credit-Plus' thus refers to all activities that are not related to finance or credit. Credit-Plus training can be seen as varied 'fertilisers' which help to keep the SHG healthy and growing.*



Ripe coffee beans Jim Loring/Tearfund

### Choosing appropriate learning

Focusing on financial issues alone will not provide all that is needed for a full and satisfying life within the family or community. There are many other factors that influence people's sense of well-being. The learning and information sharing that is available under Credit-Plus is very varied. It is really important to emphasise that this learning is optional. Group members choose the content and emphasis of their own learning. With the support of their facilitator, they discuss issues of concern to them; issues that have 'energy' and real interest for the members.

#### REFLECTION Important social issues

*Ask people to discuss and make a list of all the issues that are important to themselves or their family.*

This list might include some of the following:

- Lack of education
- Poor access to safe water
- Corrupt officials
- Concern about female genital mutilation (FGM)
- HIV and AIDS
- Lack of good transport
- Poor diet
- Illness in children
- Loss of soil fertility and erosion



Poor access to safe water sources Geoff Crawford/Tearfund

When agreeing what learning to seek, members can consider what troubles them most, discuss issues with their family and then return for the next meeting with some priorities. Members agree together which issues are of most importance to the group, but it is recommended they start with the issue that seems easiest to tackle. There will be plenty of time to work through the other issues. When these decisions are made, sometimes courses are available, sometimes each group, with the support of their CLA (see 5.2, page 82), makes their own arrangements.



Some of the issues raised will be very difficult for the group to tackle; some will be issues that they learn about and then agree to take action on. Remember that 20 people acting together as a group can have much more impact than one person acting on their own.

Many more issues can be added to this list depending on peoples' interests and the local context. There are many learning resources available under Credit-Plus which are readily available for use by partner organisation staff and facilitators. Some skills-based training however, may be specific to the needs of particular SHGs and external experts may need to be sought.

Once members have benefitted from Credit-Plus learning, they should seek, whenever possible, to turn their learning into action. This will reinforce the learning. They can focus on agreeing their next steps and any social activities they can engage with, which will benefit themselves and sometimes their wider community. Providing answers to the following questions will provide guidance for the way forward:

### What activities might SHGs become involved with?

- Learning to sign their name and gaining literacy and numeracy skills
- Learning about health, hygiene and good nutrition
- Gaining awareness of HIV and AIDS
- Gender awareness training
- Building toilets
- Lobbying government officials to improve water supplies and schools
- Organising a community meeting and agreeing to improve the local roads
- Learning about family planning
- Improving soil fertility and tackling erosion
- Planting trees

### Five finger planning

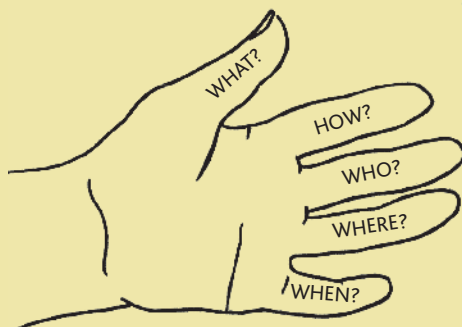
**WHAT** is the activity? Why are we doing it?  
What is our purpose?

**HOW** will the work be carried out? What is our strategy? What resources, including training, are needed?

**WHO** will be involved and who will benefit?  
Who will be responsible for various tasks?

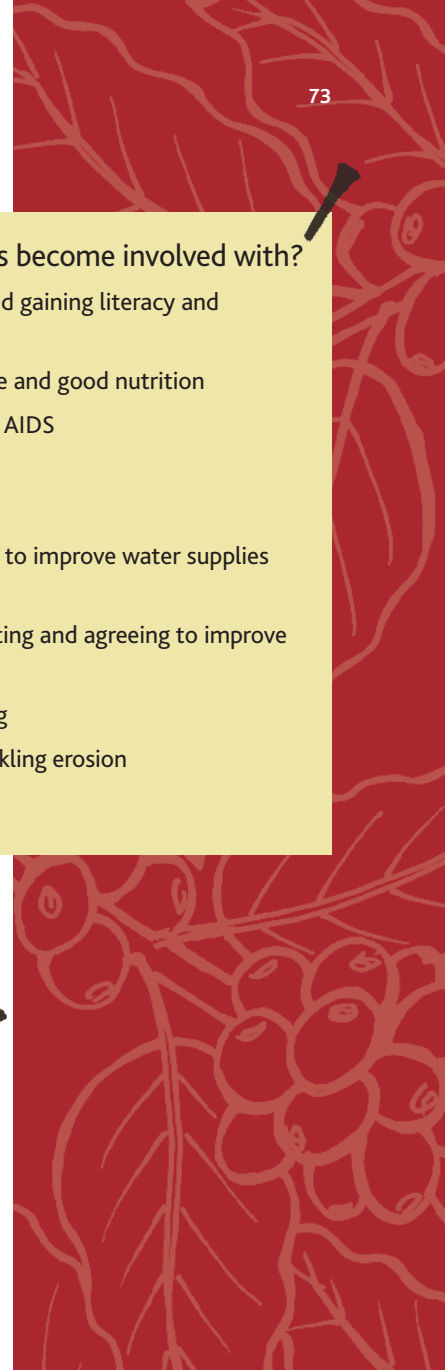
**WHERE** is the activity to be done?

**WHEN** is the work going to be done? How long will it take? What do we hope to see as a result (what will be the outcome?)



Agree an action plan for this activity. The facilitator can encourage a learning conversation helping group members to decide what they want to do (purpose), what their strategy will be and what they hope to see as a result (outcome). How will the group know when it has been successful? Together agree some 'indicators' – signs of impact – so the group will know it has been successful. These signs of impact will include the inward impact within the group (how they feel about the issue now) and any outward signs of impact that others may be aware of. For example, a coffee grower will value their coffee harvest by the way that the roasted beans taste, but others will look at the appearance of the green beans and check the number that are cracked or misshapen.

As another example, if the group asked to learn about family planning, a health worker might have been invited to visit the group and teach them about the issue. Once the learning was



Karo and Guenet of Ashele SHG planting trees Isabel Carter



completed the group might plan activities to follow up their learning, both within the group, and within their families and the wider community. They might plan an open meeting in the community. Evidence of success from their learning might be:

- The group can talk openly about family planning and share their views
- Half of group is able to talk openly with their partners about how many children they want
- A third of the group begins to successfully use a method of family planning
- There is greater awareness in the community of the benefits of family planning.

The first two points indicate the personal learning and change of attitudes that has taken place (the inward impact). The second two points can be observed by others (the outward impact).

## Gender awareness

Gender awareness is an important Credit-Plus activity, recommended for all groups. It will enable members to talk about gender relations in their families and community. It will raise awareness about how the access and control of resources differs between men and women. It may enable women to challenge harmful gender practices.

The term gender refers to the differing roles, expectations and responsibilities expected of men and women. These may differ depending on place, social status or culture. Gender is different from sex – which is about the biological differences between men and women. For example 'men can't have babies' is a biological difference, but 'men can't look after babies' is about gender – because men can certainly help to look after babies – but many societies do not expect them to be involved.

*"After I received training on gender and advocacy I started to model what I had learned in my home. Attitudes towards gender roles are changing in my family. There is much greater openness with my husband.*

*I started changing my life before talking with others. Now I make home visits, and openly discuss issues such as sexual relationships, harmful traditional practices and provide marriage counseling. I challenge people to raise boys and girls equally and not to think of women as a lower form of life."*

BIRHANE, MARRIAGE AND FAMILY COUNSELOR, WOMEN'S AFFAIRS, FINCHA AND SHAMBA

Take time to discuss and work through the following questions during meetings:

- 1 What are the main differences between men and women's position in society? (Examples might include; who attends community meetings, who makes household decisions, what food to men and women eat, and when do they eat?)
- 2 What proverbs and local sayings relate to women and their status in society? Do these proverbs and sayings reinforce and maintain unhelpful attitudes? If so, how could they be challenged or changed?
- 3 Who makes household decisions? Do men, or women, or both, make each decision? For example, who decides what crops are planted, where crops are marketed, whether land is bought? Who makes decisions on family planning or education of children?



Gender awareness helps challenge unhelpful practices Rosemary Burke

### ACTIVITY Who makes household decisions?

List all the different decisions that are made in the household and work out whether men, or women, or both, make each decision.

Deciding what crops to plant	M
Deciding when to plough	M
Buying or renting land	M
Buying furniture	W M
Deciding where to sell harvested crops	M
Rebuilding house	M
Deciding on whether to use family planning	M
Deciding whether children attend school	M

M = men      W = women

- 4 Who does what work? In most societies there are clear divisions between the work done by men and the work done by women. Sometimes it can be very hard for a woman to begin a business that is typically regarded as 'men's work'.

### ACTIVITY Who does what work?

Ask both men and women in the group to describe and list all the work they do on a typical day (if there are no men present, then ask women to describe a typical day for the men in their family).

*What observations can people make about the differences between the work typically done by men and by women? Is it home-based, how many hours do each work, who is paid better for work outside the home etc?*

*If a woman wants to begin doing work that is typically regarded as men's work (for example trading coffee or building an improved stove) what would the response be in the family and community? Could SHG members support each other if someone wants to take up a 'non-typical' activity?*

- 5 Are boys and girls treated differently as they grow up? How can people try to ensure that girls have the same opportunities as boys?

### Bringing about changes as a result of gender awareness

After studying gender issues as a SHG, it is time to agree some ways of changing things. During the discussions a number of problems faced by individual women in the group may have emerged. These might include: having too many children too close together, having little input in household decision making, violent husbands, walking too far to collect firewood or being unable to rent land for growing crops.

*"Too many women don't have a say in decisions, don't leave their houses and don't receive respect. Women in the SHG programme who have become economically active, have found that they now get respect and have a voice. We want this for all women in our community."*

NAZRET CLA MEMBERS

Which of these issues could the group agree to take action on? Use the five-finger planning method (page 73) and make plans. Here are some ideas to help people consider their own actions.

### EXAMPLE Making plans to take action

What is the activity?	How will it be done?	Who is responsible?	Where will it take place?	When will it happen?	Evidence of success
Plant trees for future supplies of firewood	Seedlings to be dug up from Misrak's farm	Senait and Misrak. All for planting and weeding every 3 months	On wasteland near the church	Saturday 5th October 8am	Long term. In three years better supplies of firewood for all group members.
Rent field from Jonas and plant with vegetables	Group loan for 6 months to cover rent, seed and equipment	Teshalech and Birikity to make all arrangements, set work dates and organise teams to weed and water	Jonas' field	Preparation and planting 2 days group activity once rains begin. Regular care by group of 3 each week.	Plentiful supply of fresh vegetables for household use and to sell in market. Also to show husbands our potential and influence future decision making.
Support Meron in preventing future beatings by her husband	Group visit to threaten taking her case to Women's Affairs	Book writer Zemen to obtain name of Head of Women's affairs, investigate how to take up a case and to be spokesperson	Meron's home	After meeting, Thursday 6th July, 5pm	Beatings stop

## Family planning

There are many ways of helping couples to space their families. The most suitable method depends on what is available, the needs of the couple, and on their beliefs about which methods are appropriate.

SHGs can agree to invite a health worker or family planning advisor to visit their group and bring examples of each of the methods of family planning that are available in the area. Reaching such decisions indicates that the group is beginning to take responsibility for their own self-organised learning. The facilitator can make these arrangements. This will give members the opportunity to learn about the different methods and decide what might be right for them.

Methods vary in how effective they are. Some will provide almost complete protection from pregnancy. Other methods are not so reliable but may be helpful in spacing births when more children are wanted.

### Spacing for health

Every gardener knows that plants placed close together do not grow well! In the same way, spacing births helps produce healthier and larger babies. Because they can have more of their mother's attention, they are healthier and do better at school. Children are twice as likely to survive if they are born two to three years apart than if they are born every year or so.



Spacing children allows them to have more of their parent's attention Rosemary Burke



## REFLECTION Thinking about family planning

Questions for group discussion:

- *Are baby boys better than baby girls?*
- *Why should a husband and wife plan their family?*
- *How should children be spaced? What ways do you know of spacing children?*
- *How much land for growing crops was available in your grandparents' time? How much land is available now? Should this influence how many children parents plan to have?*

Family planning is a difficult, sometimes rather embarrassing topic to talk about. However, in the close and trusting relationships that develop within SHGs, it makes it much easier for people to discuss these issues openly in a relaxed way, to share their experiences and ask questions.

Once initial training has been received the group can use five finger planning (see page 73) to decide how to share their learning. They may want to invite a health worker back for more information. They may want to plan another meeting where they can invite their husbands, or wives. They may want to arrange a community meeting and plan some role-plays to encourage people to start discussing the issue of family planning.

## HIV awareness

Millions of people around the world have already died because of AIDS. Many, many millions more are infected with HIV – the virus that leads to AIDS. Often those affected are young adults with children and elderly parents to support – the very people on whom communities build their futures. In Ethiopia many people living with HIV suffer from stigma and discrimination largely as a result of ignorance about HIV and fear. Their children may also suffer at school or in the community.

Both the Church and SHG members can play a very important role in passing on correct information about HIV and AIDS, in changing community attitudes and in sharing friendship and support to people living with HIV.

**The Meserete Kristos church in Fincha has formed SHGs where all the members are HIV positive. This approach seems to work and brings a great sense of unity. However, it also places a huge burden on the members as they support each other through poor health.**

Facilitators can pass on information about HIV and invite health workers or partner staff to come and help members learn about the virus, how it is passed on and how to avoid it. Group members who are living with HIV can gain knowledge about how to remain healthy.

Sharing information about HIV can help members to:

- understand how HIV is passed on and how the virus affects health
- learn how to avoid infection
- change their attitudes towards people living with HIV and AIDS
- support people who are living with HIV or AIDS and meet their practical needs
- develop positive group and community responses to HIV and AIDS in their local area



*Women gain confidence to speak openly about difficult issue through SHG learning*

Rosemary Burke



Besheri Biru, Honey SHG Rosemary Burke

*"I was a traditional midwife and also circumcised our young girls according to our cultural customs. I did it for 18 years and received 5 Birr each time. Through my group we received training in health and I became concerned. Then we received knowledge about HIV and AIDS and the complications that circumcision can cause during childbirth – which I had seen in practice. So I stopped. Now I don't participate in FGM or deliveries any more. Instead I use 'community conversations' to work against harmful traditional practices and share information on HIV and AIDS. I refer people to health centres for safe delivery."*

BESHERI BIRU, HONEY SHG, FINCHA VALLEY.

Harmful traditional practices such as circumcision and tattooing can all pass on HIV unless new needles or blades are used for each person. In addition when a circumcised woman gives birth there is also considerable risk for the baby and birth assistant during childbirth because of the bleeding that the circumcision will cause. Members may want to discuss how this practice could be changed or stopped.

It may be difficult for AIDS orphans, particularly girls, to attend school. However, education is important for their future. If group members know any children whose parents have died from AIDS, the group might like to consider how they might respond. Orphans may need people to help them with homework or to talk about problems they have at school.

As a result of SOL, partner staff have seen the benefits of integrating their HIV work with other work. Previously HIV work had always been regarded as a health issue. After SOL training, staff realised that people's vulnerability due to HIV was closely linked with food insecurity, poverty and poor nutrition. The attitude of staff has now changed and they can see the solutions from a much wider perspective. Households living with HIV have been supported to improve their food security (through organic agriculture), nutrition and livelihoods. As a result their health has improved considerably. The number of people regularly benefitting from anti retroviral medicines has increased by 25%.

## Practical responses to HIV awareness

After learning more about HIV and AIDS, members may want to make practical responses. They may want to discuss and learn more about how harmful traditional practices such as female circumcision can increase the risk of passing on HIV. They may want to share their learning with others in the community. It can be much easier to talk about sensitive issues by using role-plays or puppets.

People can act out difficult situations without feeling embarrassed. Role-plays or puppets can also help people to laugh and relax. This makes them more open to learning new information. The group can use five finger planning (page 73) to plan their responses.

### Some possible responses:

- To raise awareness among local people
- To obtain more information about HIV and AIDS
- Prepare a role-play to make people aware of the stigma that surrounds HIV in this community and encourage discussion
- To organise the community to support people whose lives are impacted by HIV and AIDS
- To challenge harmful traditions and attitudes which spread HIV
- To encourage people to be tested for HIV
- To help AIDS orphans to continue their schooling and support them in practical ways.

*There is still much lack of awareness of HIV and we want the larger community to gain this awareness.*

ZION, BOOK WRITER, ATOTO SHG

**SHG members in Fincha have worked out a system to remind a member living with HIV to take their medicines every day.**

In Soddo, people were afraid to associate with people living with HIV. Project workers with WKHC sensitised SHGs about how HIV was passed on to other people. Group members then wanted to learn more about the basics of HIV and AIDS. One of their actions in response was to consult an expert in the nearest health institution to benefit from their knowledge. As they learned more about the virus, they made a group decision to be tested as an example to others in their community. They reported that now they understood more about HIV and how it was passed on, it was much easier for them to mix with HIV positive people.

## Environmental protection

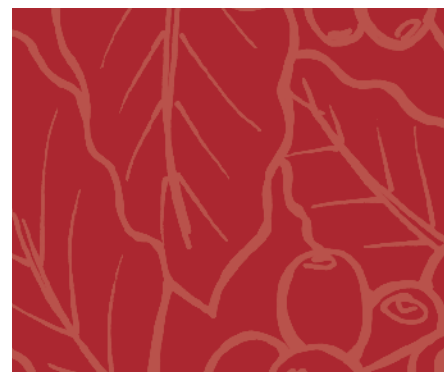
For many SHGs in rural areas, learning about how to protect and improve their environment and land will be important topics to cover under Credit-Plus. Many of their livelihoods are directly linking to their environment. There are many aspects of training and information which groups may want to consider requesting help about. These might include vegetable growing, organic agriculture, controlling soil erosion, making compost, establishing tree nurseries and planting trees. Many of these are topics which government officers may be able to help with. Sometimes it may prove useful for SHGs to work together and request joint training from local government departments. This is something which CLAs (see 5.2, page 82) may be able to help arrange.

**Four SHGs have been working to tackle soil erosion in Luga since January 2011. They were inspired by seeing the impact of the government programme on the other side of the valley. They have worked together in their groups to build terracing, though they lack proper tools to do this. Now they want to plant trees which the government will help them with. The erosion was very bad – the brown soil had become bare red rock in many places. Now they want to see green grass covering the red rock.**

The environment is affected by many things. Some are natural, such as the changing climate or the soils. Some are related to the action of people; such as the systems of farming, grazing, harvesting crops or trees. Some are economic – exploiting trees for charcoal and firewood in the short term for survival, rather than sustainable harvesting and planning for the future. Some are social – a road built in one area because a politician happens to live there, or a



*Korma Washe, a Muslim elder, remembers how the hills around them in Adula used to be covered with forests. Now they are bare of trees and soil.* Rosemary Burke



*The benefits of organic gardening* Eleanor Bentall/Tearfund



*Many interrelated issues result in soil erosion* Nathan Target/Tearfund



health clinic with committed staff that really benefits the community. Some are cultural – and affects people's attitudes towards women or education. **'Systems thinking'** is being used by Tearfund staff and partner staff in Ethiopia as part of SOL. Systems thinking is a process of learning to look at problems, such as a damaged environment, not as individual issues, but as just one interrelated part of a much wider overall system.

Such thinking can really help SHGs consider their responses to environmental issues – which are often so wide ranging in their impacts. For example soil erosion washes away good soil, blocks up drainage channels causing flooding, washes away roads so that no public transport can pass and reduces crop yields.

The Gale Wargo community in Wolaitta has been receiving food aid since 1984. However, after they learnt about systems thinking, they realised how their problems and vulnerabilities were linked. They used to look at their problems as individual and isolated problems, but through using systems thinking, they were able to see how issues such as soil erosion, poor soil fertility, population pressure, wild animal damage, lack of access, lack of cooperation, and poor savings culture were all linked together and were reinforcing each other.

Over 230 households decided to try and improve some of the issues for themselves. By firstly improving unity among themselves, they were able to agree on a joint community response to deal with some of the issues themselves. They set up SHGs to begin saving. They began, with help from supporting common funds, to practice compost making, terracing, tree planting and to build embankments to give protection from wild animals. All of these practices began to reinforce each other. Tree planting and terracing began to control erosion and hold more water in the soil, improving crop yields. Using compost to replace chemical fertilisers saved a lot of money and yields actually increased, helped by reducing losses due to wild animals.

Even more ambitiously, they decided that as a community, each farmer whose land was crossed by the road, would take the responsibility of maintaining the portion of the road that passed by their homestead. Other's whose land was not crossed by the road helped those with large portions to maintain. This work resulted in a good and usable road ensuring the community had access to markets, transport and health clinics. The work they jointly put into repairing and sometimes rebuilding this 3.5 km of road, was valued at about 1million Birr. The work done on building the terraces and tree planting would also have cost around 1 million Birr.

The 230 households in the Gale Wargo community have been empowered as a result of the learning and discussions about systems thinking. It has enabled them to take responsibility for their environment and jointly decide what action they should take to address their longstanding vulnerability.

**Desalegn, the General Secretary of Kambata Kale Heywet Church, visited the church and community in Adula. He asked the people what they would do if an invader came and wanted to take their land away from them. They answered that they would fight to retain their land; they would report him to the government and the police and do anything they could to stop him.**

**Then he asked them why they were allowing their land to be washed away in front of their eyes! They decided they had to do something and set about digging barriers to prevent soil erosion. A total of 1000 people from three Kebeles came and worked together. Even the children joined in. Their vision is to restore the land and plant trees. We told the government about what we were doing and they said they would help with technical support.**



*Villagers in Gale Wargo repairing terraced land* Rosemary Burke



*Why are you letting someone steal your land?* Rosemary Burke



## Functional adult Literacy

Signing your own name, understanding signs and keeping simple accounts – these are usually easy tasks for people who had the opportunity to study as children. As group members benefit from new learning and opportunities, often their need for literacy will become apparent. Many women in the SHGs, particularly in rural areas, have not had the opportunity to go to school or maybe only went to primary school for a couple of years. As they gain confidence in their own abilities and begin to use loans to develop small livelihoods, the desire to gain literacy grows. Functional literacy will now be of real benefit for their lives and enable them to participate more effectively in society.

Once group members have decided to gain literacy skills they need to plan and get advice. Some SHG members will make a group-learning contract to learn literacy skills together. If most or all group members want to learn literacy, they will form a 'ready made' adult literacy circle. If there are just a few members, they may be able to find members of other local SHGs groups or community members who want to join the literacy circle. Once an adult literacy circle is formed, the facilitator can often help them find the best way forward. The five finger planning approach (page 73) can be used to plan and agree the desired outcomes.

As the group find answers to these questions, their plans will begin to develop as appropriate for their local circumstances. Their facilitator can consult the local churches or partner staff for advice. Finding a teacher usually means finding someone local. Some facilitators or church leaders may be able to help. Sometimes a local teacher may be willing. There will be costs for paper, pens, blackboards, chalk, primers and other books and maybe a salary for the teacher unless they are willing to help on a voluntary basis. Good records must be kept of any funds that are used and often the book writer can help with this.

*"During our initial three-day training in basic SHG principles, we noticed that other SHG members signed their names with pens, but most of our group were not educated. We were very conscious of this lack of knowledge. We discussed this and decided it was very important to gain understanding. On our return we discussed this with our husbands. We asked the church leaders to give us a facilitator who could also help us with literacy training. We developed a 'group learning contract' – to change our literacy status. We asked for permission to use the church for literacy training three days a week (meeting for two hours each time). After six months we were able to read and write. Over half our group have also now joined formal education."*

MARTHA, MEMBER OF ATOTE SHG, MOROCHO SHONDOLO

Research shows that women who are educated or literate are likely to have a really positive long-term impact not only on their own health, but also on that of their family. Literacy is often key to accessing local initiatives and opportunities. Once people can read and write they can make simple calculations and plans for their businesses, join in community committees or parent teacher associations in their local schools. Literacy skills can also help women's voices and concerns to be heard by decision-makers locally, nationally and internationally. Gaining literacy skills can therefore have far reaching benefits.

*"Education was not seen as very important for a long time here. But as a result of our engaging with adult literacy, we now see its value and confidently send our children to school and buy books for them. We are joyful in our literacy status!"*

SAOMAO, LATISHA SHG

### Planning for literacy

- Where can we find a teacher?
- Where should literacy classes be held?
- When should classes start?
- How long will instruction continue?
- What help do we need?
- What will the programme cost?
- Where can we find funding?
- Who will manage the money?



Martha of Atote SHG can now sign her name Isabel Carter

## Literacy aids

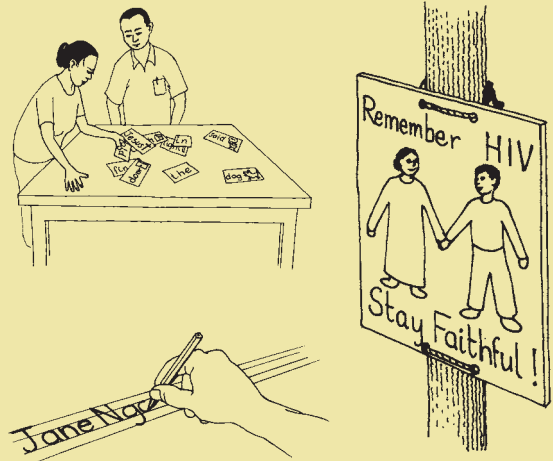
**Word cards** are a really good way of learning new words. Write out short, familiar words on card or paper. As people begin to recognise the words they can make short sentences with the cards. Simple pictures can help people to remember the words.

**Letter shapes:** As people learn to recognise words, they need to practise writing them. At first, a few grid lines can help people to recognise the different shapes made by letters. Learners can copy them and learn to write words – usually starting with their name.

**Dealing with longer words:** Once people gain confidence in recognising and reading short words, they learn how to break up longer words they do not recognise. By making the sounds of the letters, they can then work out the new word.

**Posters:** The best posters use very few words. Posters that share information using a few necessary words give confidence to people learning literacy skills. People can design the poster together, decide what writing is needed and practise the words before writing them on the poster.

**Maps:** Learners can work together to produce maps of their local area. When completed, people can agree on helpful labels and additional information. These could include the names of people, places, woodland, streams or community buildings.



## 5.2 Cluster Level Associations

*Cluster Level Associations (CLAs) bring together delegates (representatives) from each SHG in a geographical area to provide a useful network and support system. The CLA carries out roles that are difficult for an individual SHG to do and enable partner common funds to pass on information effectively. Over time they take on much of the work of the partner organisation. Just as growing coffee trees need shade to ensure they are protected and can flourish, so CLA's protect and watch over the SHGs in their area.*

### What is a Cluster Level Association?

For the first few months the focus of each new SHG is largely internal; establishing themselves, gaining information and training about how SHGs operate, building relationships and making regular savings. Once they become well established their focus can widen. Once there are sufficient established SHGs in any one area (usually after about six to twelve months), SHG members receive training in Cluster Level Association (CLA) concepts. This usually takes one day and is delivered by experienced CLA members or project staff. Following the training, all SHGs in a geographical area are then encouraged to form or join established CLAs.

Cluster Level Associations link together between 6 and 15 SHGs. Each SHG elects two delegates for the CLA (these are different roles from the existing group representatives). These delegates remain as full members of their SHG and continue to save and attend their meetings. However, in addition they attend CLA meetings and form a board of directors. The board appoints seven delegates (for a one, two or three year term) to form an executive



Training SHG delegates in CTA concepts in Adama Isabel Carter

committee of the CLA. This executive committee is made up of a secretary, deputy secretary, book writer, treasurer, chief of finance and another two members. Various sub-committees are established according to local needs, and each is led by an executive committee member.

### Criteria for selecting CLA delegates

- They should be people who are active participants in their SHG
- They should be good at working in a team
- They should be good at coming up with new and creative ideas
- They should be people who can understand and respect other peoples' ideas
- They should show awareness about their community and environment and be concerned about current issues or problems
- They should have good communications skills and be able to present their group's ideas to others
- They should be able to put the interests of the group before their own

## Why is a Cluster Level Association needed?

The CLA provides a very important part of the SHG structure. It provides a democratic structure (through election) to serve the SHGs. Its role is to carry out activities that are difficult for the individual SHGs to do on their own. It is jointly organised by delegates (representatives) from 6 to 15 SHGs. Each CLA delegates is elected for between one to three years. Their SHG will elect another delegate who can be trained up alongside them to take over when their term is completed. The group may also decide to re-elect the same delegates if they are doing effective work and their by-laws permit this. If the delegates are not performing their duties, then the SHG can change them and elect another delegate.

The CLA provides support for the SHG in many ways:

- The CLA helps to resolve conflict within SHGs
- It monitors the member SHGs and strengthens weak SHGs
- It can buy resources in bulk and distribute them to SHGs
- CLA members motivate SHGs to become involved in social action and with small businesses
- The CLA works to create sustainable links with local common funds in order to lobby for improved social services and link SHGs up with relevant people to facilitate activities
- The CLA sensitizes the community about the role and importance of SHGs and CLAs and establishes new SHGs
- The CLA takes on most of the roles of the supporting partner organisation, empowering its members and builds up a sense of independence.



Senait Taye, Secretary of the FLA in Adama  
Rosemary Burke

*"In Adama there are now 40 CLAs. One of the functions of CLAs is to build relationships with different government offices and NGOs in order to lobby them concerning community needs. In this way we have influenced the provision of water supplies, electric power, roads and schools. Four of the CLAs have opened kindergartens for children from poor families, charging very reasonable fees to enable parents to work."*

SENAIT TAYE, GENERAL SECRETARY OF THE "HOPE FOR TOMORROW" COALITION, ADAMA

### ACTIVITY How far can we stretch?

Use a large open space for this activity.

Ask members how much impact they feel they have in their community when they do something on their own?

Now ask all CLA members to join hands and stretch into as big a circle as they can. Now ask them to imagine all the SHG members they represent who are linked to this CLA. Can they make the circle even larger by linking together using scarfs, jumpers, jackets, newspapers – whatever they have with them. They will end up with a huge circle. This represents what a huge impact an effective CLA can have in the community.



*How far can we stretch?* Yideneku Melese

### Purpose of a Cluster Level Association

The CLA has a number of distinct roles:

- POLITICAL**
  - Building up links with local government
  - Working in liaison with the government in relief work (if appropriate), distributing services
  - Organising the SHG members to influence community decision making
- FINANCIAL**
  - Establishing and building up links to mobilise more credit for SHG members
  - Introducing useful technologies to improve food security
  - Improving the community's access to goods and services
  - Identifying appropriate skills training
- SOCIAL**
  - Sharing learning and experiences
  - Collecting and passing on relevant information to SHGs
  - Encouraging community action programmes
  - Building good networks and links in key areas such as health, education, gender, nutrition
- MANAGEMENT**
  - Maintaining quality of SHGs
  - Ensuring regular monitoring of both member SHGs and CLA
  - Conflict resolution in SHGs
  - Forming new SHGs
  - Supervising facilitators.

It is really important that CLAs prove to be effective and provide adequate support for their SHGs. Otherwise the SHGs may no longer be willing to pay their fees.



*"Our CLA has 12 SHGs. We were established in April 2007. Each SHG sends two delegates to our monthly meetings. We receive 10 Birr subscription per month from each group. We also charge visitors who want to visit any of our SHGs.*

*The working capital of the CLA is 6,500 Birr which is used for expenses and is also loaned out to groups. The total capital of our SHGs is 141,369 Birr. We're promoting health with an HIV programme and by lobbying the local government for better sanitation. We also study the markets – what sells and what doesn't and share this information with our SHGs.*

*We plan to buy a donkey cart soon to help our SHGs with trading, and aim to establish five new SHGs. In the future we would like to encourage more of our members to become involved in local politics in the Womens' Affairs Office because this can encourage development and womens' empowerment."*

'IT IS THE LORD!' CLA, HAWASSA

## Activities in the Cluster Level Association

One of the CLA's roles is to establish links with local government departments such as Women's Affairs, Water and Sanitation bureau, and with health centres, schools and NGOs in order to access information, gain knowledge and build up useful links. Through these links they can encourage greater awareness about social and development issues such as hygiene, water and sanitation, literacy, HIV and the environment. They can share knowledge about civic rights and encourage local government to ensure these rights are available to all.

CLAs also have a major role in helping to identify Credit-Plus activities through conversation with fellow SHG delegates. CLAs can access resources directly from government and NGOs on topics about which their members have decided to gain a better understanding. Such topics might include family planning, HIV or urban agriculture for example. Knowledge gained by delegates is then shared with SHG members via their representatives. The effectiveness of the learning is followed up through the delegates' monthly reports. Further refresher learning is organised as and when member SHGs require it.

Government officials can help SHGs by facilitating good links with bank officials or by providing access to land and occasionally even through mobilising donations.

*"Our CLA delegates have just finished their first year. They have benefitted a lot. Initially delegates didn't know each other very well. Through the relationships they have built we can now relate with other SHGs. We present our plans to the CLA and hear of other SHG plans which sometimes give us ideas. We have sent a few members to visit four other SHGs to learn new skills from them which we plan to use in the future, such as running a kindergarten and making shoes."*

SELAAM HEIWOT SHG

CLAs can identify financial resources and provide information on micro finance institutions (MFIs) and on how SHGs can apply for larger loans. Each CLA establishes their own bank account. This is used to collect the regular payments from the SHGs and for funds from CLA enterprises. Over time, these funds can be made available as loans to extend the funds available to SHG members.

Each CLA focuses on activities that benefit their SHGs such as the bulk buying of resources for retail selling. Some CLAs set up kindergartens. These charge affordable fees and mean that poor women are able to work, knowing their children are safe and well cared for.



*We study the markets and pass information on to our SHGs* Rosemary Burke





Children enjoying a kindergarten set up by the CLA in Adama Rosemary Burke

The list below summarises the key activities of CLAs:

### Key activities for CLAs

- Have regular meetings at least once a month
- Collect a monthly contribution from each SHG
- Form sub-committees to carry out the different roles of the CLA
- Establish and support new SHGs
- Conduct audits for their SHGs and strengthen weak SHGs and any gaps identified through experience sharing and refresher training
- Build up good relationships with each SHG
- Support each SHG in preparing an annual plan and incorporate these with the CLA plan
- Purchase record books and other materials for SHGs
- Network with local government, NGOs and micro-finance institutions
- Conduct social action programmes such as sanitation and family planning
- Monitor and evaluate the performance of the CLA each year.

Each CLA will develop an annual plan which includes all their planned work. Here is a sample annual plan for Besufikad CLA which provides a model for other CLAs to adapt. Besufikad have divided the year into quarters (January to March, April to June etc) but individual months could be used if preferred.

### EXAMPLE Annual action plan

#### Annual action plan for Besufikad CLA

	List of Activities	Quarter when activity to be carried out				Budget in Birr
		1st	2nd	3rd	4th	
1	Facilitate handicraft training for 8 SHG members		X			5,000
3	Buy toys for the CLA Kindergarten			X		3,000
4	Organise 15 children's SHG	X	X	X	X	5,000
5	Collect impact assessment data from SHGs		X		X	1,000
6	Lobby government body to facilitate power and clean water provision for Kebele 1 society	X		X		2,000
7	Provide training on brick production for Tamagn SHG		X			6,000
8	Organise 20 new SHGs	X	X	X	X	5,000
9	Conduct meeting with all SHG members			X		7,000
<b>Total annual budget</b>						<b>34,000</b>

## CLA committees and their roles

Much of the work of the CLA is effectively carried out by setting up sub-committees who take on one aspect of the work and report back regularly to the main CLA meeting. This allows individual delegates to become involved in areas which they are particularly interested in. CLAs differ in the sub-committees they have but most will include some of the following:

**FINANCE AND LOANS** – managing the CLA accounts, developing links with MFIs and facilitating and monitoring loans for individual or group applications

**CONFLICT MANAGEMENT** – dealing with requests from SHGs for help with unreliable members, with members whose expectations have not been met, with loan defaulters, or for help in resolving arguments and difficulties with the group or community

**AUDIT COMMITTEE** – this is a new and very important committee with the role on ensuring that all SHG's benefit from an annual financial and social audit

**SHG SUPPORT** – Strengthening weak SHGs, establishing and supporting new SHGs

**TRAINING COMMITTEE** – accessing the provision of training from partner organisation or NGO staff, local government experts or skilled individuals in response to requests from SHGs for skills training or awareness raising training on health or social issues

**SOCIAL ACTION PROGRAMMES** – encouraging and equipping each SHG to engage in social action in their communities such as HIV awareness, promoting good hygiene or repairing homes for widows.

**NETWORKING AND LINK BUILDING COMMITTEE** – a key role is to build up positive links and develop networking with local government, NGOs and other common funds.

*"I can remember the role-play about 'crossing the river' that we saw just as the SHG's were starting. Now we don't have to be carried any more! I have learned many skills including how to run meetings, deal with conflict, save and do business. In the past I would never have had the courage to open my mouth in public. But the training and practice I have received through my SHG have enabled me to become a CLA delegate, to set up a further ten new SHGs and to work for the local council, where I am responsible for women's affairs. I even met President Zenawi when he visited for a conference."*

BAYENISH, HAWASSA CLA

## CLA's monitoring system

Monitoring is a regular activity conducted by the delegates of each CLA in order to compare their achievements with their annual plan and overall vision. Making time to reflect on progress is very effective when carried out by the people who have participated in the activity.

Monitoring helps to encourage sustainability. It helps people to avoid repeating the same mistakes and encourages people to learn from their successes and build on them. Monitoring identifies any gaps and allows CLA members to modify and improve their existing plan. As CLA delegates gain confidence from their own monitoring process, they share these skills with their SHGs.



Zewdie Kebede, Miyare Rosemary Burke

*"New agricultural information has helped us learn how to harvest twice a year."*

ZEWDIE KEBEDE, MIYARE



Learning about health care Isabel Carter

*"We have learned about better health care for our children."*

ELTOISPETETA SHG





Almaz, Secretary of Hawassa CLA  
Rosemary Burke

*"The name of our CLA is 'work of the Lord'. We have delegates from 12 SHGs and have been operating for five years. We pay for ourselves by charging a subscription of 10 Birr every month from each member SHG. We loan out any excess to the SHGs. We are helping members to rent houses. In the future we plan to open a shop and then later to begin a restaurant."*

ALMAZ, SECRETARY OF  
HAWASSA CLA



The minute book for Genanesh SHG  
Isabel Carter

In order to help with monitoring, indicators need to be identified for each activity that make it easy to assess and consider whether it has been achieved. These indicators need to be SMART – in other words they need to be Specific, Measurable, Achievable, Realistic and Time limited.

Indicators should be measured:

- either through numbers (for example, the rate of saving, number and size of internal loans, loan repayment rates or the number of IGAs established).
- or through impact (for example the impact of HIV awareness training, shared household decision making after gender training or whether members practise rotational leadership)

## 5.3 Assessing progress

*Each SHG is different. Each group will develop in slightly different ways due to their members, their location and the aims that members agree. However, there are underlying good practices and values that all SHGs should have. This section explains how to check on good financial practices in the group and how each group can assess their social development by carrying out a self-assessment or social audit. In this way, not only will each group learn and gain better understanding of their strengths and weakness, but partner organisations and facilitators will be able to carefully target their support to ensure good growth and development.*

### Annual checks

Each month the book writer and facilitator should carry out a check of the record books of their group. They should make sure that they are complete and clearly written, and that the amounts have been correctly added up each week. In addition they should check that these totals match up with the actual group funds. The recorded amounts should be the same as the money paid into the cash box, bank account and lent out as loans.

It is good practice for the records and accounts of each SHG to be checked each year by an outside person with skills in account keeping, who is not linked to the SHG. This person should check the balances of passbooks and minute book against all income in the bank account, cash box and income lent out on loans. Interest payments, loan repayments, fines, social fund contributions all need to be included in the accounts and checked against expenditures (such as social fund payments and outstanding loans).

This check is known as **auditing**. It is an important process that benefits both SHG members who then know that their records are correct, and benefits the credibility of the SHG, particularly to outside sources of future credit.

Every group should have a financial audit once a year and should plan ahead for this to be done at the same time each year. Organising an audit is one of the responsibilities of the group representatives. They should ensure the accounts and books are always kept up to date, arrange for the audit, and then be present when the audit is carried out, together with the book writer, in order to answer any queries. A fee will normally be required by the auditor.



### Why does a SHG need to audit their accounts?

- To promote openness and transparency
- To discover and correct any inaccuracies in the accounts
- To strengthen the group's account system
- To confirm the savings and interest received, the loans outstanding and expenses
- To build trust in the groups credibility
- To help with future financial decisions.



*Regular financial checks are very important* Rosemary Burke

### Follow up of financial audit

The report from the financial audit will be shared during a group meeting and any recommended follow-up actions should be discussed by the members. Decisions about future processes and improvements need to be agreed by the group and then acted upon. Comments made by a trusted outside person can prove very helpful and may encourage wider discussion.

It is often helpful to compare audits and reports from previous years in order to highlight the strengths and weaknesses of the group.

### Self-assessment

Just as important as a financial check or audit is for groups to reflect on their social development at regular intervals. At present all groups are required to complete records for their CLAs every six months, but it may prove very helpful to carry out a self-assessment at a similar time to the financial audit. A self-assessment looks at the social development of the group and provides a useful opportunity for wider reflection. It encourages all group members to actively examine the strengths and weaknesses of the group. This can help contribute to the ongoing development and success of the group and deepen group relationships. This type of group reflection is very different from an outsider coming to assess the success of the group.

#### Self-assessment is important in order to:

- Identify strengths and weaknesses, in order to build up strengths and reduce weaknesses
- Identify opportunities available to the group
- Promote learning
- Monitor group performance as it develops.

All members should participate in self-assessment, ideally every six or twelve months. This will help the group to become independent and reduce its dependence on outside help.

One simple way of reflecting uses statements that indicate a good SHG and asks all members to grade their own group. This grading uses five simple faces – so that members who are not literate can participate fully. Firstly all members need to understand the full



Self assessment encourages the development of SHGs Rosemary Burke

meaning of each statement. Then each member puts a mark or a tick under the face that they think is appropriate:

- 😊 A happy smiling face represents very good/definitely yes/5
- 🙂 A small smile represents good/mostly yes/4
- 😐 A neutral face represents OK/reasonable response/3
- 😞 An unhappy face represents not good/not many/2
- 😡 A very unhappy face represents poor/very few/1

So for example, a member could take statement 1 and think – ‘well yes, most members do arrive on time and come regularly but there are often 1 or 2 who are either late or don’t come. I’ll put a tick under the box with a small smile’. Another member could reflect on statement 9 about dominant members and think – ‘we have several people who do nearly all the talking and I’m unhappy about this. I’m going to put a mark under the unhappy face for this.’

### Indicators of a good SHG

- 1 All members respect meeting times and attend meetings
- 2 All members bring weekly savings
- 3 All members know and respect group bylaws
- 4 Loans are agreed in a way that benefits and supports all members
- 5 Every member feels involved, enjoys attending meetings and has a sense of ownership of the SHG
- 6 Moderators are rotated weekly
- 7 More than 90% of members are involved in some kind of IGA
- 8 All members participate actively in group meetings and activities
- 9 No members are too dominant
- 10 All members feel able to share their feelings and ideas
- 11 Members have a shared plan, vision and goal
- 12 There are strong friendship bonds in the group

It’s important that each member should be able to give their own grading independently – either by passing around sheets of paper or by pinning the sheets around the meeting place (only useful if all or most members are literate). When all members have indicated their responses, the facilitator or book writer can add up the totals and share the results.

Add the scores for each of the five columns and then add together to gain an overall total. Divide by the number of participants to get the result for each indicator (This ensures that the results will be useful to compare year by year even if the number of members differs).

Indicators with low scores (3 or less) indicate there are problems that need to be discussed and addressed. What might a group reflect on from these (imaginary) results from Fikir SHG? Where is the group doing really well? Where is the group doing OK? Do the results indicate some real problem areas for the group? What might they do to address these? Where might they get help from?

**EXAMPLE Results of self-assessment and sample score sheet**

**Results for Fikir SHG**

- 1 All members respect meeting times and attend meetings – **average score 4.2**
- 2 All members bring weekly savings – **average score 3.7**
- 3 All members respect group bylaws – **average score 3.4**
- 4 Loans are agreed in a way that benefits and supports all members – **average 1.8**
- 5 Every member feels involved, enjoys attending meetings and has a sense of ownership of the group – **average 3.9**
- 6 Moderators are rotated weekly – **average 1.6**
- 7 More than 90% of members are involved in some kind of IGA – **average 3.8**
- 8 All members participate actively in group meetings and activities – **average 3.8**
- 9 No members are too dominant – **average 4.0**
- 10 All members feel able to share their feelings and ideas – **average score 4.2**
- 11 Members have a shared plan, vision and goal – **average score 2.8**
- 12 There are strong friendship bonds in the group – **average score 4.4**

Fikir SHG STATEMENTS	😊	🙂	😐	☹️	😞	TOTALS
1. All members respect meeting times and attend meetings	✓✓✓ ✓✓✓	✓✓✓ ✓✓ ✓✓✓	✓✓			4.2
2. All members bring weekly savings	✓✓	✓✓✓ ✓✓✓✓	✓✓✓✓ ✓✓✓✓			3.7
3. All members respect group bylaws	✓	✓✓✓ ✓✓✓	✓✓✓✓ ✓✓✓✓	✓		3.4
4. Loans are agreed in a way that benefits and supports all members			✓	✓✓✓✓ ✓✓✓✓ ✓✓✓	✓✓✓✓	1.8
5. Every member feels involved and has a sense of ownership of the group	✓✓	✓✓✓✓ ✓✓✓✓ ✓✓✓✓	✓✓✓			3.9



How is our group progressing? Rosemary Burke

## Addressing the findings of self-assessment

By establishing regular self-assessment, SHGs set up an ongoing cycle of reflection and action. Self-assessment enables groups to celebrate their successes and reflect critically on the causes of their mistakes and failures.

In the example above, most of the results are very good and positive. However it seems that moderators are not being rotated each week. Most members seem unsure of whether they have an agreed plan, vision and goal. In addition, not all members are happy about the group's process of agreeing loans. By acting on these issues, with help from the partner organisation if necessary, this strong group will continue to make good progress.



Everything should be done openly in an SHG meeting Rosemary Burke

### ACTIVITY Observing our discussions

The facilitator can suggest this activity and brief two people in the group – the representatives for example. At the next meeting they will draw a simple diagram of all members and observe the discussion time. Using lines (of differing length) to indicate how long members talk, they will note:

- Who talks and for how long?
- How often do the same people talk?
- Who do people look at when they talk? (their friends, the whole group, their feet, the sky or ceiling?)
- Does anyone interrupt other people? Who do they interrupt? (indicate with a crossed line and initials)
- After the discussion time finishes, they share the results and agree how to take these findings forward.

MEMBERS PRESENT	Meeting 62
Marta Abebe	$\overset{\text{floor}}{\text{---}} \times \text{MS}$ <span style="float: right;"><math>\times \text{A \#}</math></span>
Elsa Hailu	$\text{---} \times \text{MS}$
Misgana Shiferahu	$\text{---} \text{members}$ $\text{---} \text{members}$ $\text{---}$ $\text{---}$ $\text{---} \text{members}$
Meseret Assefa	$\overset{\text{sky}}{\text{---}} \times \text{A \#}$
Ayelech Habtamu	$\text{---} \text{friends} \times \text{MS}$ $\text{---} \times \text{HS}$

*"I used to belong to a saving scheme with the Catholic church. I would save 5 Birr a month which was kept by church. However, we were given no information about our savings and one day some of the money just disappeared with one of the staff members. I was expecting the same to happen with this group, but now I know that my savings are safe. I have learned to save 5 Birr every week and I now have savings of 835 Birr. This is a really big achievement for me!"*

WORKINESH, BIRHAN SHG, WONJI



By carrying out a self-assessment at the same time as the financial audit each year, groups will gain very good feedback on their progress as groups. Recording the results in their minute book, or a separate record book will provide an ongoing record of their development. It is very important to give adequate time to discuss the results and their implications. Sometimes the facilitator may offer to bring in someone with experience (a CLA member) to help this discussion.

*"If weak members are identified in the group, we give more refresher training to improve things. Sometimes we do home visits to encourage weaker members. Sometimes we arrange exchange visits with strong SHGs. We work through CLAs and encourage them to visit weak SHGs and advise them."*

ISAAC AND PETROS, FACILITATORS WITH IUDD, HAWASSA.

Members could also discuss their membership and whether anyone has left the group without very good reason. For example has anyone left because of arguments, because of debt or because their work makes it difficult to attend meetings? Losing members is very serious and may indicate problems within the group.

Above all the group should make time to celebrate their successes!

## 5.4 Transforming communities

*The ripe fruit of the established coffee bush yields wonderful, well flavoured coffee after processing. The fruit of the SHG brings many benefits to the members and their households. But this fruit also benefits their communities.*

### Community action programmes

As SHG members gain confidence in using loans to extend their livelihood options, and gain considerable learning and information through the Credit-Plus learning, so their outlook changes. Initially during the first year all the focus is on building up the group; establishing a common fund that is large enough to make regular loans, building up relationships and

*"Change is not fully fledged in just one group – it is for the whole community."*

ZION, BOOK WRITER, ATOTO SHG



Ripe coffee berries Geoff Crawford/Tearfund



Change is for the whole community  
Eleanor Bentall/Tearfund

*"This SHG process has come much too late here. We needed these ideas 30 or 40 years ago, but at least they have now come! Now we can begin to tackle the major issues of drought, hunger and erosion. We can still transform things for the next generation."*

JANAME GOTARA, ELTOISPETETA SHG, NEAR SODDO

skills and gaining confidence as a group. Once each SHG gains real confidence in themselves and their abilities to change their lives for the better, so their focus widens. No longer are they only considering themselves and their group. Now they are looking around at their community and wondering how they can improve things in the wider context.

*"There was no unity in this community before – but now, rather than each person struggling on their own, it is much better to work together to improve our lives. We all have similar incomes and now we are changing our lives."*

ENDELE ELTAMO, ELTOISPETETA SHG, NEAR SODDO

The work of the CLA is designed to support this wider focus, encouraging all groups to consider community action plans as a key part of the ongoing work of each group. Each household will benefit as conditions improve in their community.

Since the SHGs are ongoing, so the benefits to their communities from their social action plans are ongoing. Indeed as confidence is gained from small, early tentative steps to share information, so later changes may gain in scope and impact.

## Benefits to the community

The structure and organisation of the SHGs provide an excellent means of sharing information – usually from Tearfund partner organisations, but also sometimes, particularly with the permission of the CLAs, from other NGOs or government agencies. In addition, in times of drought, government staff have sometimes worked through CLAs or SHGs to distribute food, oil or seeds. Agencies keen to provide training in issues such as food security, find the SHGs provide a useful platform to channel this knowledge. Some practical ideas such as building compost pits, latrines or terraces are much easier to implement when the work inputs can be shared by SHG members. Introducing livestock will also benefit from working through SHGs as members will see that the opportunities to have young livestock are carefully and fairly shared out.

Other benefits to the community come from the skills that SHG members gain which also benefit others. Some are very practical such as literacy and numeracy skills, which can help churches with their record keeping. Book writers can share their experience and skills in several ways, teaching other, working as treasurers for churches or other groups, or with alternative savings schemes such as Ekub (rotating savings) and Idir (social insurance savings).

*"I knew my name but I couldn't write it. I was so ashamed when I was asked to sign anything. Now I know my name, I can spell it and write it. Now we can express ourselves in front of guests. We have really changed and people in the community are interested in this change."*

TSEGANESH, MEMBER OF ATOTE SHG, MOROCHO SHONDOLO

Some of the livelihoods which SHG or CLA members establish bring direct benefits to others in the community. These include the bulk buying of products or foodstuffs to sell locally at fair prices or the setting up of kindergartens, freeing mothers to find work outside the home.

A further benefit comes from the confidence SHG members gain through belonging to their groups. This enables them to speak out against injustice or stigma and to engage in group advocacy to gain improvements in social conditions, such as sanitation, water supplies or health services.



*Some practical work is much easier when the work is shared by SHG members*

Jim Loring/Tearfund



*"The SHG gives me confidence to speak out;" Meselech, Genanesh SHG*

Isabel Carter





By marketing beans together, coffee beans can fetch a much better price Jim Loring/Tearfund



The coffee chain Rosemary Burke

## Developing learning skills and seeing the bigger picture

SHG members and facilitators who benefit from SOL training develop their learning skills. They gain understanding of how they learn most effectively, both as individuals and within their group. No longer do they passively receive organised learning; instead they themselves organise how they want to learn about new skills or knowledge. They learn to monitor their learning, both during training or skill sharing, and during a follow up assessment.

People learn to step back and look at processes as a whole – not just the particular small area which they are individually concerned with. For staff in partner organisations, this enables them to understand better the overlap and duplication of work. Partner organisations also consciously seek feedback about their work. For people in small businesses it can help to understand the reasons behind delays or wastage in providing services and products.

At community level, groups can use process maps to describe their livelihoods. The process maps help people to see clearly why and how parts of their work are inefficient. They can then redesign their processes; cutting down on unnecessary tasks and poor decisions that reduce their profits.

The Guenet Church HIV and AIDS team in Leku helped a group of women to reflect on their marketing of coffee. They drew a diagram to show their coffee retailing processes, charting the whole process from harvest to market. As they did this, they realised middle men were exploiting the profit margin between the wholesaler and themselves. This realisation brought new light. Until then women could only carry 10 Kg of coffee. They were selling coffee berries at 10 Birr/Kilo to middle men who then sold it on for 18 Birr to wholesalers. They considered alternatives and quickly decided to sell their coffee directly to the wholesaler. The women now collect their beans together, hire transport and sell direct to the wholesalers at 18 Birr/Kilo. Women no longer have to travel carrying heavy loads. With these higher returns they have more income to feed their family, send their children to school and pay medical fees. They are very thankful for this learning approach.

*"We went to the community with one agenda but the people we were supposed to organise came with different attitudes about development. They also came from different backgrounds, faiths and ethnic groups. It was a challenge! But now after working together very hard we have achieved much."*

ISAAC, FACILITATOR, IUDD  
AWASSA

### Improving businesses

Etagegn, a staff member with WKHC, worked with a group of women to help them reflect on how to improve their businesses. Until then most of them simply considered the practical tasks they needed to do, but she helped them reflect on how they ran their businesses. Together they unpacked each step. They considered all the costs involved in buying, retailing and selling and worked out the benefits of different business alternatives. For example a woman who made injera (local bread) realised that her baking process was not efficient in terms of the time it took, the fuel consumption and the amount of injera she produced. She used 30 kg of flour and spent the whole day baking on an inefficient and smoky wood stove. As a result, she decided to buy an improved stove which minimised fuel cost and smoke, and increased the amount of flour she used to 50 kg per day. As a result her fuel costs went down, her income doubled and her working environment was free from smoke.

### Changes for women

For women to build up savings in their own name, to have the power to decide on the use of the SHG's common fund, and to be the means through which their families can source funds for economic growth are all very empowering experiences that can vastly change the status of women in their homes and communities.

*"The husband of one SHG member was really lazy! He just wouldn't get up and work on their land. He went out one day to work on building terraces but went to sleep instead. All the other women in the SHG came and placed their shawls on the sleeping man and got to work digging terraces. When he awoke so was so embarrassed he completely changed his behavior!"*

TADESSE, TEARFUND

An evaluation of the Gilgal process in 2011 found that women's groups were more active compared to men's or mixed groups. Facilitators and church leaders found women were more eager to put their learning into action, met regularly and were more prompt in repaying their loans within women only groups. In mixed groups, women can be more hesitant about participating and expressing their views. They also tend not to benefit equally in taking loans and leadership roles when compared to men.

The SHGs, with their policy of revolving leadership, develop leadership capabilities in poorer women. As they gain in confidence and leadership skills, many women are now serving in local government, particularly in the Women's Affairs Bureau. Here they have an opportunity to influence policies that affect the urban poor.

*"There is now gender equality – the capacity of women has really increased and they show leadership skills. They go from SHG leadership to CLA leadership to FLA leadership to Kebele (local government) to Municipality and even onto sub city leadership. At all these levels there are now SHG members in these leadership roles. One lady Bayoush, is now head of Women's Affairs in the sub city here and another Zufan, is now Chair of the Women's Federation in Hawassa."*

ISAAC, FACILITATOR WITH IUDD, HAWASSA



*"Joining a SHG helps women realise their potential" Shashitu, IUDD facilitator*

Isabel Carter



SHG members comment that they gain huge confidence through learning to communicate effectively, learning how to write their signatures, in approaching bank officials and speaking to visitors.

*"For me the biggest reward comes from organising the poorest of the poor. Most poor women are disadvantaged and isolated and before the SHGs never had a chance to come out of the home environment and discuss their concerns. There are so many women with skills who have never had the opportunity to use them. Joining an SHG has realised their potential and helped them gain self-confidence."*

SHASHITU, FACILITATOR WITH IUDD IN AWASSA

Before speaking out about community issues, women need to gain a sense of self-confidence and believe that their views are important. This takes time.

*"Now we not only support ourselves but we can support others in the community. We have more confidence as community members and can speak out proudly."*

DASHURA, LATISHA SHG

*"When the group started, things were difficult with my husband. He accused me of neglecting my household duties. Now he sees the benefits he stays silent and even encourages me to go so I am not fined for being absent."*

GADISSE TESAMA, MINARE

# PART 6 Ensuring future growth



SHG members benefit from on-going learning and encouragement Jim Loring/Tearfund

## 6.1 Clear coordination and direction

*The extraordinary growth of the SHG's supported by Tearfund partners brings challenges too. Maintaining clear coordination, communication and direction is essential. Just as mature coffee trees need careful weeding and good fertilizer to maintain their growth and fertility, so SHGs need direction, support and regular doses of encouragement and useful information. Only then will they continue to bear plentiful ripe and fully flavoured fruit that all can enjoy.*

### Central coordination

The rapid growth and uptake of the SHG process has meant that staff in all Tearfund partner organisations in Ethiopia have been involved in supporting SHGs, and have diversified the approach to fit their own contexts. All Tearfund office staff have likewise been involved. Key differences emerging are between rural and urban areas, between male and female groups, between male and female facilitators, and in terms of church support and involvement.

Sometimes different departments within partner organisations are pursuing differing strategies for SHG support which can cause operational difficulties. Sometimes SHGs developed by different departments can be found in the same town, with each one using a slightly different approach. If one department provides food or other benefits for all trainees during training, while another doesn't, it makes for a difficult situation! Issues of coordination also arise when churches of different denominations start to work together, or when other NGOs are working in the same area with SHGs.

In many ways, opportunity to diversify has provided opportunities for growth and enabled differing approaches to be tested. But such growth can easily lead to some confusion and competition. This learning resource helps to bring together differing approaches. It highlights the benefits of working together to complement and support each other. Such support and understanding will lead to more effective systems and will encourage learning at all levels.

Tearfund staff are developing a clear funding strategy in order to further support the national development of SHGs, CLAs, and federation level organisations (FLAs). This strategy includes an innovative sponsorship programme which encourages active and direct feedback and involvement between donors and CLAs.

### Coordinated monitoring and evaluation

Effective monitoring needs to provide the information necessary for effective decision-making and support at every level. Considerable information is routinely gathered by each SHG which is then collated by the CLAs. With experience over time, the information collated is becoming more refined and streamlined. Monitoring can provide each group with valuable feedback on the strength of their SHG, which enables them to act upon the findings. The self-assessment approach described in section 5.3 also enables this to take place.

Modern technology can offer alternative strategies to collecting information in addition to the existing paper-based systems. These are being fully explored and will hopefully make the future gathering of valuable data simpler and more effective; for example using mobile phones whenever possible to input the results. In the future it is hoped that this may save considerable data collection time, paper and staff time to process and analyse. The results could be automatically collated and processed so that members, facilitators and staff all benefit from valuable and rapid feedback.

IUDD have formed a 'monitoring support team' of seven people made up of key facilitators together with one or two IUDD staff. The team allocates one week every two months to go to specific areas to visit the SHGs in that area. Sometime the area is chosen because of a request from the partner organisation; sometimes staff have heard there may be problems in the area, and sometimes simply because the team has not been to the area before.

The team will meet first with the coordinator to gain a good background to the SHG work in the area. They then visit the community and visit SHGs selected at random. Team members will identify any gaps and then meet with CLA members and facilitators to discuss how to deal with these issues. The partner organisation and project will always support the recommendations made – which may include additional training or exposure visits to other areas to meet strong SHGs.

## Ongoing facilitator support

As already discussed, the role of the facilitator is vital to the success of each SHG. It is really important for partner organisation to provide them with regular support so they can continue to learn and develop. Facilitators cannot take the group further than they have reached themselves in terms of their own understanding.

During the first six months facilitators will be meeting up together regularly as they receive training. However, once this initial training period is completed, facilitators will really benefit from the opportunity to meet together regularly. They will appreciate the chance to share their stories and experiences. They can talk about problems and together they will often be able to resolve them.

Some coordinators arrange regular meetings with all their facilitators, choosing a market day to meet, when most come into town anyway. These meetings may be weekly or monthly – this is something the facilitators could decide. It will also depend on the location – in remote rural areas it will be harder to meet up regularly. Sometimes facilitators may be happy to meet on their own, sometimes it will be beneficial to have supervisors and coordinators present to help with advice. Such regular meetings provide the opportunity for using the Learning Conversation approach with facilitators to support their on-going learning both at individual and group level.

### Supporting facilitators

In Adama the four community workers (all NCPD staff) meet with their 14 facilitators (13 female and 1 male) twice a week on Tuesday and Thursday afternoons. They pray and study the bible together. They share their experiences and achievements, and discuss any issues or problems, working out together how to help resolve them. Their discussions are used as a starting point for planning and for reviewing the work. Many of the facilitators in the Adama area have been selected from SHGs due to their personalities and passion for the SHG approach.

*"With many facilitators their attitudes need to change. This is a paradigm shift that takes two to three years to happen. They have to realise that the groups and people in the community can think for themselves. Then they shut up and start listening! Now they can hear where the energy is, and where the emotion is!"*

IUDD STAFF



*Facilitators benefit from regular learning opportunities* Isabel Carter



However, this means they may have missed some of the initial learning. Some of the facilitators struggle with their role so the Coordinators try and strengthen them. One facilitator (who began as an SHG member) has recently been promoted to become a community worker.

Such meetings also enable facilitators to bring requests for further learning and refresher courses. They also help to build up a sense of working as a team. As facilitators share their stories and successes, everyone gains through these shared experiences. Lessons can be learned, mistakes can be avoided or learnt from, and new strategies and insights can be developed together. Local government staff, staff from other NGOs and administrators and leaders from local churches are among stakeholders who could be invited occasionally to attend these regular meetings and share their own observations and experiences.

In addition to weekly support meetings, partner organisations should set up review meetings every three months. These review meetings provide the facilitator with regular feedback on their work and allow them to voice concerns. Such meetings will help facilitators to monitor their work together and gain new insights in to their work, bringing creativity and innovation.

An ongoing issue for voluntary facilitators is whether they should be allowed to become part of the savings system of SHGs. Indeed if someone is already an existing member of an SHG and is then, on the basis of their performance and character, invited to become a facilitator, they are already linked into the savings of their own SHG. Facilitators could join the SHG nearest to where they live. At present this is discouraged, in case their decision-making might dominate the group and create a conflict of interest. But the consequence is that voluntary facilitators have little chance or opportunity to improve their own livelihoods whilst members of the groups they support, continue to improve their financial situation. Also by participating in a group, the facilitator learns through experience what is perhaps helpful and what is not helpful in terms of supporting the development of the group.

An alternative solution is to provide voluntary facilitators with loans, at low interest rates (either from CLAs or MFIs), to enable them to start their own businesses. These might also then provide good examples for training purposes with SHG members.



*Bee-keeping is one possible livelihood for facilitators*

Rosemary Burke



*Share and celebrate experiences and learning*

Rosemary Burke



In rural areas in particular, facilitators would really benefit from the provision of transport to help them visit all their SHGs. For some this means money for bus fares, whilst in more rural areas this may require access to motorbikes, bicycles, horses or mules. Alternatively if facilitators were provided with loans to start a business, this should produce income to cover their transport and other costs.

## Learning opportunities for facilitators

Some facilitators would like more refresher courses once their main training is completed. Over time learning, however effective, can be affected by memory and other pressing issues. In addition high turnover rates for facilitators mean there is a need to constantly monitor their needs – to plan regular training and refresher courses to sustain new skills and learning, and to encourage capacity development. Some staff and facilitators have also benefitted from one of the exposure visits to MYRADA, India.

A developing issue is the consideration of accreditation for facilitator training courses. Providing certificates or diplomas would boost moral motivation for their SHG work.

In addition to the training they receive for their SHG work, the provision of further educational opportunities for facilitators is important to ensure their ongoing personal development. They should be supported to develop their own learning and capacity according to their personal priorities. Building up the capacity of facilitators benefits their work with SHGs. Their training needs can be shared in discussions during facilitators meetings and with their supervisors.

## 6.2 Networking with other agencies

*With the rapid growth of SHGs around the country, their ongoing sustainability will be greatly reinforced by effective networking usually by the CLAs with local government, NGOs and other faith groups in each area. This will ensure SHG members are kept informed of new policies and practices that may impact on them, and are able to benefit from training and new information.*

### SHG Promoting Institution's Network (SPIN)

Tearfund Ethiopia is by no means the only organisation using the SHG approach in Ethiopia. Other organisations and faith groups are also using the approach. However, just as there is diversity between Tearfund's partners, there is even wider diversity between different organisations in their approach to supporting SHGs. Such diversity can be a cause of considerable problems and tensions, particularly for facilitators.

In order to share learning and approaches, and to attempt to gain agreement on best practice, there are efforts being made to establish an SHG Promoting Institution's Network (an idea first used by MYRADA in India). SPIN promotes liaison with government departments and other organisations implementing SHGs to discuss, determine and agree on best practice. A coordinating committee is established with representatives from all agencies involved with SHGs, in order to share findings and coordinate activities.

*"I would appreciate training to help us know which is the right government structure to approach for different issues. For example, if we want to lobby for something we need to know where to go and how to raise the issue."*

ELIZABETH, FACILITATOR WITH WKHC



Woopee SHG making candles  
Rosemary Burke

Partners are encouraged to set up regional networks as well as a national network to work with other SHG implementing agencies. These networks will create a common forum for agencies implementing SHGs. They should encourage quality interaction among member agencies in order to maintain high standards of SHG promotion, support and nurturing. Member agencies could provide support to others struggling to maintain high standards. They could also facilitate access to the resources of other networks and NGOs. The effective working of such networks would avoid mixed or contradictory messages which often hinder self-help initiatives and hard work.

One potential network emerging is the Consortium of Self-help Group Approach Promoters network. This network now has 17 agencies as members and is carrying out research into self-help approaches.

*"In Awassa there are many agencies operating SHGs but they all have different approaches – some give out T shirts, some give handouts of cows or chickens. Agencies are not cooperating with each other and this makes for a very confusing setup. We have lost some of our groups because of this."*

SENAIT, FACILITATOR WITH WKHC



Amenu, Coordinator for IUDD,  
Hawassa Rosemary Burke

*"In Awassa there are eight NGOs all working on SHGs with different approaches. Some give a lot of money and provide skills training or handouts such as animals. It's really hard for us to work alongside such unfair competition. How can we reduce this duplication and competition? Other NGOs poach our trained book writers and pay them more than our facilitators earn."*

AMENU, COORDINATOR FOR  
IUDD, HAWASSA

## Links with local government

As part of their poverty reduction strategy, the government encourages small-scale business development through skills development and savings. Urban and rural youth are often targeted and supported to develop small businesses according to their personal preferences. Women are also encouraged to engage in initiatives of their personal choice. Given these supportive environments, SHGs have a positive role in reinforcing savings and promoting investment.

The government is also encouraging the development of women's affairs, child development and school attendance so in these areas of interest there is a huge overlap with the aims of SHGs. Developing appropriate links with key government staff is of vital importance. These links are usually developed at CLA level, but can also be developed by facilitators and representatives.

The Ethiopian government is now very interested in the savings culture. They see the benefit and the opportunities which the SHG approach brings. In some urban centres, government officials have shown interest in pursuing the SHG approach in order to deal with urban poverty. The SHG approach can be tried side by side with the cooperative model at present being implemented by the government, so that the benefits of both approaches can be appreciated.

It is important for key government staff to understand fully how the SHG approach works and the impact it is having in terms of changing the lives of poor people. Building up effective links with government officials can be done by extending invitations for officials to join preliminary panel discussions about establishing SHGs into an area, sensitisation workshops and field visits. In addition, networks (SPIN) of organisations working with SHGs could create a forum and encourage government recognition of the value of the SHG development approach through demonstration, research and experience sharing. Through such opportunities the SHG approach may indeed be included over time, in the poverty reduction strategy of the government.

## Working with banking services

All SHGs are encouraged where possible to set up a bank account for their savings. Banking services are usually concentrated in towns and cities so rural SHGs are often far from the reach of bank services. Some SHGs get round this problem by converting their cash into animals. Others keep rotating their funds as loans.

The government's overall aim is indeed to encourage people to save in banks, but this is not always an option in many areas of Ethiopia. Developing more rural and peri-urban bank branches may require effort and inputs to develop understanding at regional level so that government officials and bankers are both more aware of the huge contribution SHGs can bring in monetizing the rural economy. Both bankers and government officials need to give more priority to developing the savings culture and supporting loans. Organising visits for bankers to meet SHG and CLA members may help challenge the deep-seated perception that the poor are not credit worthy and convince bankers that SHGs could form a huge client base for extending banking services to the poor. As bankers talk with SHG and CLA members they will have the opportunity to understand the essence of community empowerment. Sharing research findings and panel discussion will create further opportunities to deepen their understanding of the SHG approach.

However at present, in some areas there is such a demand that bank officials are no longer very cooperative. For example in Adama there is one bank with two branches which are used by up to 500 SHGs and 32 CLAs every week to make small deposits. Bank officials sometimes push aside SHG members in order to deal with other customers. SHG members may have to wait a long time.

## 6.3 Working with Micro Finance Institutions (MFIs)

*Evaluations of SHGs in Ethiopia have shown overall loan repayment rates of 98%.<sup>4</sup> However, this high repayment rate, whilst a great encouragement, can also lead to challenges. Such high repayment rates mean that other agencies will be keen to lend money to SHGs.*

### Internal loans

As members gain confidence both in making effective use of loans and in developing their livelihoods, so their desire to obtain larger loans will increase. But the small amount of savings accumulating in the common fund, particularly in rural SHGs, can prove a major limiting factor. Members can sometimes find ways around this problem – sometimes by members making joint applications with others. CLA can provide a further source of funding.

However, there is often a lack of available capital for the majority of well-established SHGs. One solution is for FLAs or organisations supporting SHGs to establish their own micro-finance institutions. For example Adama FLA is now planning their own bank and MFI (with 8.7 million Birr in savings already).

WISDOM is an MFI in Ethiopia with 15 branches which has a good understanding of the SHG approach. TESFA is an independent MFI in Adama which operates under the bylaws of the



*Access to bank branches is often a problem for rural SHG members*

Eleanor Bentall/Tearfund

<sup>4</sup> Gilgal evaluation 2011, Tearfund Ethiopia





Leather goods made with loan from  
TESFA MFI Eden Mengisu



Member of Tesfa SHG with the bajaj she bought using a loan from TESFA MFI Eden Mengisu

National Bank. NCPD staff have been working with TESFA and has negotiated some loans for SHGs in order to help meet the rising demands of members.

Negotiating internal loans from affiliated MFIs or FLAs is an area which is developing rapidly. CLA delegates find themselves playing a crucial role in establishing relationships with internal lending opportunities, and are learning from experience. There is a need to create opportunities to share this learning and experiences with other CLAs.

*"In Adama TESFA MFI is the only MFI which has been used so far to set up direct loans to SHGs. Tesfa SHG (the name is a coincidence!) took out a loan of 40,000 Birr as a group loan. Of this 30,000 Birr was given as a loan to one member in order to buy a bajaj (micro taxi). The remaining 10,000 Birr was used to establish a group income generating activity of making leather shoes, after training was received. Both loans were repaid successfully within a year."*

NEGAT, SOCIAL WORKER WITH IUDD, ADAMA

## Availability of external loans

When other organisations, local government and in particular, micro finance institutions (MFIs), hear about the high repayment rates of SHGs, they are keen for members to benefit from access to their funds too. In this way group members can benefit from access to much larger loans.

External MFIs provide a ready source of capital and because of the very high repayment rates of SHGs, they can be more than willing to lend funds to SHG members. External MFI's are motivated by profit and keen to ensure growth and development. Their policies may prove unfavourable towards poor and uneducated SHG members, however experienced their business skills.

Other agencies are forming SHGs groups and giving them access to MFI loans almost as soon as they begin, and certainly long before groups have learnt to save and manage money well. If a group has money too soon it nearly always causes problems. But the attraction of larger loans means that some members leave their original SHG to join other groups supported by other NGOs.



More linkages need to be established with MFIs whose loan systems are more flexible and sympathetic to the needs of the poor. Some SHG members believe that all MFIs charge high interest rates and require collateral (guarantees in case loans are not repaid). However, the interest rates that some SHGs charge are often comparable or only a little lower than what some MFIs charge. Such fears arise because SHGs have inadequate information about MFIs.

There are also MFIs whose credit terms and conditions appear strict but can still allow for some flexibility. For example, recent lobbying with Wisdom MFI has resulted in an agreement to pilot a loan product suitable for CLAs. More lobbying and negotiations with other MFIs is needed to bring about a deeper understanding between MFIs and SHGs.

For these and other reasons, it is usually best for partner organisations initially, and then for CLA's to negotiate all loans with MFI on behalf of SHG members. Their experience and relationships with MFI staff can avoid SHG members entering into loans with harsh terms and challenging repayment rates. They can protect individual members taking out unreasonably large personal loans.

## Readiness for external loans

The use of external loans is always to be discouraged until the SHG has gained maturity – with strong and healthy relationships established, and where members have good experience in using and repaying loans. It usually takes around two years to gain such maturity.

Firstly, one of the reasons for the high repayment rates is that SHG loans come directly from the common fund and therefore belong only to the group. Other group members – who are usually now close friends – will suffer if loans are not repaid on time and in full. This makes a real difference in ensuring repayments are made, and made on time. Why would people want to upset their friends? In addition the SHG provides a very flexible structure. If a member with a loan suddenly develops a health problem or has unexpected expenses due to the death of a family member, the SHG can discuss the situation and will often allow extended terms. Such understanding does not generally come with loans from MFIs.

Secondly, for people who have lacked access to credit, it is much better to gain business experience with small amounts at first. Any mistakes made will be relatively small, and useful experience is gained. If members take out large loans too soon (before they have gained experience with smaller loans) this can result in disaster.

Thirdly, SHGs, unlike most MFIs, begin by encouraging their members to save regularly before they can apply for loans. They make sure that SHG members save for at least six to twelve months with agreed weekly savings. This helps members develop a savings culture and also learn the effort of saving money. Once people understand what sacrifices they have to make to save money, they really begin to value money. With this change of attitude comes a deep sense of responsibility for the money that they take in the form of loans. This means they repay back their loans on time resulting in a high credit performance rate.

If groups have early access to large loans, the loans become the group's focus – not building up relationships and confidence. An unpaid loan can rapidly become a large and increasing debt burden. This can lead to suicides, of which fortunately there have been none, related to debt, amongst Tearfund's SHGs in Ethiopia.



Asmarech, Hawassa CLA Rosemary Burke

*"Our biggest challenge is a shortage of money at SHG level. Many groups have a waiting list for loans. We haven't progressed with using banks or MFI because these institutions want the groups to change before they lend us money. They want to change our identity, or own us, or run the groups. But the SHGs are not for sale!! We want to maintain our independence."*

ASMARECH, HAWASSA CLA

If there is access to well managed external finance from an MFI or an NGO once group maturity has been reached, then SHG members will generally be ready to manage larger loans. By this stage of group development, group relationships are strong and robust and members have experience of using several smaller loans for income generating activities. External funding tends only to work well once group relationships are strong.

## Role of CLAs with MFIs

Experience is showing that links with regional MFIs are best developed by CLAs for the benefit of their member SHGs. Such links are already being made by a number of CLAs, and as long as careful terms and repayment rates are established, access to capital from MFIs via their CLA can be of great benefit to SHG members. There are now over 30 MFIs in Ethiopia and their growth is encouraged by the government. For example, WISDOM is a MFI based in Adama which is now ready to give loans to the CLA. IUDD have helped to facilitate this relationship, but delayed until they were sure that the CLA was ready.

*Adama CLA have lobbied their local MFIs requesting them to develop a new model with different criteria. MFI officials were invited to attend a CLA meeting which helped them understand the SHG approach more clearly. After this MFI officials agreed to accept the rules and bylaws of SHGs in order to support the SHG process. They give loans to CLAs rather than individual SHGs. As a result TESFA MFI have made loans to them for SHG members valued at 120,000 Birr for 1 year at 13% interest. The CLA took a loan themselves to set up and support a kindergarten.*

CLA delegates compile approved loan applications and business plans from their respective SHGs. These are added together and provide the basis for an overall loan application to the MFI by the CLA. The size of the loan requested by CLAs is based on the loan requests received. Assuming the loan is approved by the MFI, the loan goes into the CLA's common fund from where it is channeled to the relevant SHG members.

SHG members will repay their loans based on the agreed terms and conditions. MFI loans are mostly given on a yearly basis. Loans are granted by the CLA depending on the past performance of the SHG (do they meet good SHG criteria?) and the repayment performance history of the individual loan applicant. As more and more SHGs and CLAs come together to form a Federation, they are likely to gain legal status that are recognised by the government, making them even more attractive propositions for MFIs.

In developing links with external MFIs, the CLAs must ensure that all SHGs understand that the SHG belongs only to them and cannot be 'taken over' by any other agencies or donors. If another agency approaches the group they are free to respond, but only after fully understanding the benefits and drawbacks. They should also ensure that their by-laws remain in place, and are not replaced by those of external agencies.

Unless access to capital can be negotiated by CLAs, there is always the possibility that SHG members will be lost to more attractive programmes being offered by other agencies.



*The official logo of Tamirat FLA in Adama – now recognized by the Government* Isabel Carter

## 6.4 The supportive role of the church

*Many other organisations use different SHG approaches. Over time, as SHGs mature and gain in confidence, the impact of Tearfund and its partner organisations may lessen but the support and guidance of the local church will remain key and is likely to grow in influence.*

### Impact on the church

SHG membership can bring many benefits to the local churches. Members gain confidence in speaking out and in leadership; skills that can benefit the church in many ways. Members learn how to be accountable financially and to be careful in managing money. Family well-being and health improves. Book writer training can be of very direct benefit to church accounting. In addition members who take out loans generally improve their small businesses, with the result that their giving, both financially and through gifts in kind, benefits the church.

*"We are really thankful for this SHG intervention. Our church members are few but because of the SHG work we rank first in the district. We are now deeply engaged with development issues as well as spiritual issues. We serve the whole person. We care for our environment – tackling soil erosion and planting over 10,000 trees around the church. We want to sustain this impact in the future."*

SAMUEL, CHURCH ELDER, MOROCHO SHONDOLO HARVEST CHURCH

Local churches have built up better relationships with people outside the church. There is now more concern for the poor from the church. The church is recognising its responsibility to serve the poor and the most vulnerable. It has begun working with initiatives like improved access to safe water and sanitation, HIV awareness and support and functional literacy. All of these initiatives benefit the wider society. The church has been a rapidly growing influence in society as its role in development is recognised by the government and other agencies engaged in development.

Church leadership and young people have been challenged by the effort of women who are now gaining new skills at home, together with confidence and opportunities to change their lives and the lives of their families. There has been a major change on the attitude of young people regarding work ethics because women have proved to them that they can earn a better living by working hard. The role of women is now given more attention in the church as their leadership skills have developed through the SHGs. In addition they are now economically empowered.

The SHGs are building relationships between people of diverse cultures and faiths. Their democratic culture provides a source of inspiration for SHG members to grow and develop as a open and unified group.

In addition their democratic structure at all levels of organisation may also impact on the church. The traditional Church is rarely democratic and in some cases SHGs may be able to influence traditional power hierarchies. SHGs have a lot to contribute to traditional power hierarchies by showing that power has to be shared equally to bringing about loving relationships and growth. Members can challenge power hierarchies simply by showing the creativity and innovation that comes through their open and democratic set up. Established



Tomas Wolde, Church Elder, Limat  
Rosemary Burke

*"This church is 53 years old. During all these years we gathered together to worship but didn't really know each other. Now there is a huge difference because of the SHG work. We hope to extend and enhance this vision."*

PAULOS, FACILITATOR AND  
MEMBER OF GUMARTE HARVEST  
CHURCH

*"We feel we have helped contribute a lot towards their success. We were trained in SHG concepts, community development and mobilisation in Leku before the SHGs started. But we have also learned much from these mothers – they reach out and support people in this community. We learn from them how to do this better."*

ENOCH, CHURCH LEADER,  
GUMARTE HARVEST CHURCH



Yidenaku, working with the Guenet Church  
Rosemary Burke

*"Some churches here are now taking loans from SHGs for development work. Previously they have always borrowed from outsiders. This shows that the economic status of the SHGs is greater than the churches!"*

YIDENAKU, GUENET CHURCH



Ato Desta, Chair of Tabor Church Committee  
Rosemary Burke

*"Before the SHG programme started, the church only focused on spiritual things. But this approach has brought the walls of the church down! Now we consider that our message and ministry should be holistic. We support widows and the elderly. We help orphans have access to education, supporting them through school and for a few, even through university."*

ATO DESTA, CHAIR OF TABOR CHURCH COMMITTEE,

structures and committees can learn much from the organisational culture of SHGs, with their challenging message that the balance of power has to change in favour of the majority whose voices are not heard.

## Church loans

An unexpected development in a few situations has been where the local church has applied to an SHG for a loan. This has usually been in a rural context when the SHG members all, or mostly all, belong to the local church. When the church had a specific need for development, then SHGs have provided loans in two situations to Remeda and Heiyot churches. The church leaders made out a formal loan agreement and the money was used for supporting orphans and vulnerable children with school fees, for rebuilding widows' houses and feeding livestock. At both times the requests were made at a time of year when there was little demand for loans. The churches repaid their loans on time.

These loans were made without interest, because SHG members agreed to gift the interest as a tithe to the church. Group members felt the request was both worthwhile and because of the recognition of the value of the SHG by the church leaders.

## Ongoing training and support for church leaders

Partner organisations recommend that in addition to facilitators and SHG members, all church leaders and elders should also receive full training on SHGs. Only then will they be able to reach out to their communities effectively and with real understanding. Only with full understanding will they be able to select wisely, support and mentor their facilitators and oversee monitoring and evaluation. However, lack of finance has sometimes limited this. Women's and Youth Ministries are often the most active in supporting the development of SHGs, yet members do not always receive SHG training.

## Ongoing support for facilitators

Church leaders usually have the most influence in selecting facilitators. They know the people in the community and have a real understanding of the local context and needs. After selection, the role of the church continues to grow. Most local churches take responsibility for sharing in the ongoing financial support of facilitators and in providing an office and meeting locations.

When churches select volunteer facilitators this can provide several challenges, in particular the ongoing cost of supporting them. If the voluntary facilitators selected are young and lack land of their own on which to develop a source of income, this becomes a particular challenge. It can be somewhat ironic that as committed facilitators encourage the development of poor people in the SHGs they serve, over time they see the SHG's income increase whilst their own remains low.

Churches can raise financial support for the salaries of their facilitators in just the same way as they do for other church employees. This could be from tithes or through supporting some sort of income generating work on church land or using church resources. At the moment churches tends to be committed to supporting existing church employees but not always SHG facilitators in the same way. These attitudes will change over time as conversations and discussions are facilitated.



Practical and financial support is not enough. Church leaders also need to play a significant role in mentoring and supporting their facilitators to ensure they continue to feel valued and grow in confidence. Mentoring and supporting facilitators can only be done well by church leaders who have a really good understanding of the SHG process.

*"We support our pastor (a facilitator) when he goes for training and pay for his transport. When the groups here began soap making, we provided the materials. We also provide help if someone has not repaid their loan – we've done this four times so far."*

MATTUSELA, CHURCH DEVELOPMENT PROGRAMME, SHOYA KHC



Experience gained in soap making, Shoya KHC Isabel Carter

## 6.5 Looking to the future

*The fruit of the SHG approach, like that of fully ripened and well roasted coffee, is full of character and flavour. Mature confident SHGs, supported by committed CLAs, enable their members to benefit their families and communities, to participate in small businesses, and to establish their own clear and achievable visions for the future.*

### Independence

As individual SHGs and CLAs grow in confidence, experience and economic development, so they will no longer be dependent on regular support from their facilitators. Acknowledging full independence needs to be built into the whole growth cycle. Well-managed and committed CLAs can take over most of the responsibilities of the facilitators and project staff. Rather than regular attendance first at every meeting, and then at occasional meetings, facilitators recognize that their role is no longer necessary. They have encouraged the growth and capacity of successful and confident groups. Once this point is reached the SHG



Removing the flesh and parchment from coffee beans before roasting Rosemary Burke



Preparing coffee for a coffee ceremony Rosemary Burke

members may request their occasional attendance at a meeting to discuss something specific or to request further training or refresher training. But their attention can now be given to new SHGs.

As the number of CLA's increases in an area, another level of organisation can develop. This is known as the Federation Level Association (FLA). Just as the CLA's cluster together 8-10 SHGs in a given area, so the FLAs take responsibility for supporting the work of 10-12 CLAs. They provide clear vision, carry out lobbying and advocacy work, and seek a legal identity to enable interaction with other agencies. They usually maintain an office base (the second learning resource describes the work of the FLA's in detail). In addition, linked to the FLA is a resource and information-sharing centre, supporting the information needs of the SHGs. (Again the work of these resource centres will be covered in the second learning resource).

Phase out is also important for Tearfund and its partners. At some point it is important for Tearfund and its partner organisations to begin to 'let go' or to phase out their support from successful, mature and well-established CLAs and FLAs. For the individual SHG this is unlikely to bring much change. However, for the CLA or FLA, it is a significant step with a number of consequences. They will become financially independent, able to make their own decisions regarding the future and developing their aims. Safeguards need to be in place for both sides to intervene should problems arise. From this point on the relationship becomes one of mutual interest, with both parties enjoying communications and feedback but with the relationship changing from that of mentor and beneficiary.

From Tearfund and its partner organisations, such a step is to be celebrated. It enables the number of linked groups to remain at manageable levels, with ongoing growth in established areas now coming fully under the management of CLAs and FLAs. It enables new funding, training and support to be carefully targeted at new and needy areas.

Communicating new information, training and support can be carefully focused because the CLAs will ensure its replication and dissemination.



*Regular networking opportunities enable SHG members to share skills and experience* Rosemary Burke



*Wude Osman in her shop* Geoff Crawford/Tearfund

## Celebration

CLAs do much to encourage links between their member SHGs. Sharing of experiences between SHGs can provide a powerful sharing of information. Organising regular or annual celebrations for all SHG members within one or several CLAs can provide a wonderful networking opportunity. A display of products and crafts from members would allow for the sharing of a wide range of different income generating strategies. The location of these annual celebrations should not just be Addis based, but could rotate between key cities to enable SHGs from different locations to benefit each year.

The celebrations will provide an opportunity to share stories and experiences, to enable SHGs to arrange training on specific subjects or skills and to update people with new policies and developments.

## Next steps

At each level of the SHG approach there is cause for celebration. Individual lives are transformed, bringing confidence, support and the opportunity for household livelihoods to develop sustainably. The SHG groups provide a source of blessing in their communities, enabling their members to work jointly to share their strengths and bring about transformation – in livelihood opportunities, education, gender balance, HIV awareness, sanitation and numerous other benefits. CLA and FLA give their members confidence, authority and the opportunity to gain public speaking skills in negotiating with local government and other agencies. Ultimately the SHG approach empowers all those involved, enabling poor people, and particularly women, to gain power to shape their own lives.

Certainly there are conflicts and issues to resolve, particularly in areas of overlap with other SHG approaches, but the SHG approach in Ethiopia continues to grow with new SHGs forming daily and with established groups bearing ripe and satisfying fruit, bringing flavour and enjoyment to many hundreds of thousands of lives.



*Coffee ceremony with Hawassa SHG*  
Rosemary Burke



# APPENDIX 1 Learning conversations in practice

The learning conversation operates at three levels. The three levels are:

**Relevance to life** – unless a learning topic is particularly relevant it is unlikely that the learner will invest the energy to learn and bring change through the learning.

**Tutorial** – this middle level focuses on what the learner wants to learn about and where they hope to improve their performance.

**Learning to Learn** – the Learning Conversation may question the effectiveness of the techniques being used to learn something and will consider the need for different learning strategies.

*Read through the following learning conversations and try and identify the three different levels of conversation (Relevance to life, Tutorial, Learning to Learn).*

*How do you think these conversations could be improved? What level requires more conversation? What are the questions that could be asked to do this?*

Here is an example of a typical personal learning conversation by a facilitator reflecting on how to improve their facilitation skills:

## Improving my facilitation skills

- 1 I'm not happy about the way I work as a facilitator. I will reflect on how I go about performing my tasks.
- 2 Let me work out what process I follow now.
- 3 OK – I can see some gaps – but I want more feedback from my colleagues and boss.
- 4 'What do you think of my performance?' They respond: '*You're good but you don't give members a chance to share their ideas and views.*'
- 5 Now I've identified the gaps and I need to do something. Let me prepare an action plan for improvement and learning.
- 6 What are the issues I want to learn more about? I'll prepare a list.
- 7 How can I learn about these topics? I will consult others, especially my line managers, and will read materials on participation and training skills.
- 8 How will I know that I have improved? (Indicators might include: more people are sharing – give number per meeting, more group works are being done – give number per month, there is less talking on the side, there are less sleeping participants)
- 9 My facilitation used to be one directional – but now it is multi directional.
- 10 I am happy that I have learned these skills. I will document my process. Next time I'll look to improve another aspect (so the learning continues).



## A learning conversation with a SHG member on costing a new product

LC – Learning Coach

L – Learner

*LC: How much are you going to sell it for?*

L: I don't know.

*LC Do you think you need to know the price of your product?*

L: Yes, of course. I need to know the price but I don't know how to estimate it.

*LC: What would help you to know the price of your product?*

L: First, I need to know the cost, but I don't know how to calculate the cost,

*LC: What do you need to know to calculate the cost?*

L: I need training about calculating a cost.

*LC: I think you know how much you spent in a month for your living,*

L: Yes, I do know. I spent about 600 birr

*LC: How do you calculate your monthly cost?*

L: I list out the items that I need for a month and I check the price for each item from the nearby shop. I know my spending for house rent etc,

*LC: Likewise, can you tell me the items you need for your product and the price to each item?*

L: Yes I can. But I don't know the price for some of the items that I need for the product.

*LC: Okay, where do you think you would get the info about the price of some items?*

L: I can go to the market and check the selling price

*LC: How long it takes you to get the price information and to finish your product?*

L: I need half a day to check the selling price, and three days to finish the product.

*LC: If you spend a day working for someone, how much would you earn?*

L: I would get 15 birr per day.

*LC: From this conversation, it sounded you know your living cost. So why do you say 'I need training' to calculate the cost of my product?*

L: This is what I know people are saying. If you want to learn about something, you need training.

*LC: Did you get training to calculate your living cost?*

L: No, I did not.

*LC: So, what do you learn about yourself from this conversation*

L: I think I can learn if I know what I need. How? I can detail out and see what I need for a product and estimate the cost of each item

*LC: What else have you learnt about yourself*

L: I used to think that I could only learn about costing, if and only if, I attended training. I have learnt how I can teach myself from this conversation.

## APPENDIX 2 Using role-plays

Role-plays can prove a powerful way of stimulating thinking and discussion. They can raise difficult or sensitive issues in ways that are non-threatening but powerful. They can be funny and help people relax, which makes them more open to new learning. This learning resource includes several ideas for role-plays but facilitators may also make up their own ideas.

### Tips for effective role-plays

- Keep them simple, short and focused on raising just one issue
- Don't introduce a role-play by explaining the point that it will make – let people come to their own conclusions
- Keep the parts people have to play straightforward and free from embarrassment
- Use group members as volunteers to act out role-plays – reassure them that do not need to be wonderful actors!
- Use no words, few words or allow people to make up their own words – in other words avoid role-plays where people have to learn a script
- Take volunteers to one side for a few minutes to explain the role-play and the roles they will act out. Or the facilitator can brief members at the end of one meeting so they have opportunity to think over their role before acting it out at the next meeting.

### Lead effective discussion to 'un-pack' the role-play

Once the role play is complete the facilitator can help lead people into a discussion

- Begin first with asking what happened – to make sure everyone understood
- Then ask how those involved must have felt – concerned, confused, embarrassed, worried?
- Next move on and ask whether the role-play has a wider, maybe a more political meaning – what might it mean in terms of the group, the community or the area?
- What learning can be gained from the role-play?
- Finally – and most importantly – what is our response? How can we take any new understanding or learning forward? Are there decisions or actions that may result?

### Some suggestions for role-plays

- Act out a group meeting where two individuals with existing tensions keep arguing with each other and disrupting the discussion.
- Act out a group meeting with a number of very shy people who will not speak.
- Act out a group meeting where one member has taken out a large loan but has missed the last three meetings.
- Act out a meeting with one dominant, knowledgeable member who wants to provide all the answers and interrupts anyone else who wants to speak
- Act out a situation where a member comes carrying many heavy burdens and in despair, where others pick up the loans and support her.

# Glossary

<b>Advocacy</b>	Influencing people, policies, structures and systems to bring about justice and positive change
<b>Amharic</b>	The official language of Ethiopia
<b>Audit/auditing</b>	A detailed inspection of records, usually financial but may also be social or environmental
<b>Auditor</b>	Someone who carries out a detailed inspection of financial records
<b>Book writer</b>	A person appointed by the SHG to write their minutes, forms and records and keep their accounts
<b>Collateral</b>	A pledge given as security for a member's loan - usually by all group members
<b>Concept</b>	An abstract idea or theory
<b>Consciousness</b>	Being fully awake and aware of one's surroundings
<b>Default</b>	To fail to repay a loan
<b>Democratic</b>	A political or social unit (such as a SHG or political party) governed by its members or its elected representatives
<b>Dialogue</b>	A conversation to exchange opinions or ideas between two or more people
<b>Empowering</b>	To give power or authority to people
<b>Enjera</b>	Traditional Ethiopia staple food of flat, fermented bread
<b>Envisioning</b>	To inspire people to discover their own vision for the future
<b>Facilitation</b>	A process where people are encouraged to find their own solutions to problems
<b>Facilitator</b>	Someone who enables a process to happen where people are encouraged to find their own solutions to problems
<b>Financial</b>	Concerning money
<b>Hierarchies</b>	Ranked levels of authority, usually in an organisation or system
<b>Impact</b>	The effect of someone or something or an action on another
<b>Indicator</b>	A sign used to measure progress towards achieving objectives
<b>Kebele</b>	A small neighbourhood-sized administrative area, consisting of around 4,000 people.
<b>Learning coach</b>	A tutor who helps someone learn and understand the process by which they acquire learning or knowledge
<b>Learning conversation</b>	On-going discussion between a learning coach and a learner exploring the process of how knowledge is gained through self-organised learning
<b>Ledger</b>	A book for keeping records of money
<b>Livelihood</b>	The skills, resources and activities required to provide a means of living
<b>Methodology</b>	A system of methods used to study a particular activity
<b>Micro Finance Institutions</b>	Business organisations willing to lend relatively small amounts of money as loans

<b>Minute book</b>	The main record book for an SHG containing by-laws, list of members, notes for each meeting, records of savings, loans and social fund donations
<b>Moderator</b>	A person who leads or chairs an SHG meeting
<b>Money lender</b>	A person who lends money at very high rates of interest
<b>Participatory</b>	A situation where many people are taking part and sharing their views and experience
<b>Passbook</b>	A record book of personal savings and loans belonging to an SHG member
<b>Pedagogy</b>	The method and practice of teaching
<b>Plenary</b>	The whole group
<b>Praxis</b>	The practice of learning, often using action and reflection cycles
<b>Referent dialogue</b>	A conversation that helps a learner focus precisely on what they hope to achieve and how they will accurately measure the expected change
<b>Sensitisation</b>	To help someone become more aware of a particular issue so that they respond with personal action
<b>Signatory</b>	A person who signs documents or financial forms (such as cheques or loan forms) in an official capacity
<b>Stakeholder</b>	A person with an interest in, or concern for something
<b>Systems thinking</b>	Looking at the wider overall system, not just one part
<b>Umoja</b>	A process of church and community mobilisation developed by Tearfund UK
<b>Wolaitta</b>	A language spoken in southern Ethiopia
<b>Woreda</b>	A district level administrative division in Ethiopia managed by local government.



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# Expanded list of contents

<b>Acronyms</b>	4	– Key stakeholders	28
<b>Preface</b>	5	– Community survey – home visits	28
<b>PART 1 Introduction</b>	<b>6</b>	<b>3.2 Envisioning workshop</b>	<b>30</b>
1.1 The fruit – transformed lives	6	– Planning the workshop	30
1.2 The influence of Ethiopia's history	7	– Content of the envisioning workshop	31
1.3 Background to introducing SHGs in Ethiopia	8	– Participatory wealth ranking	33
– Tearfund UK	8	– Planting the seed	34
– First steps with self-help groups	8	– Choosing a name	35
– Partner approaches to implementing the SHG approach	10	– First steps	36
– Adapting the approach in different contexts	11	<b>3.3 Facilitator training</b>	<b>36</b>
1.4 How to use this learning resource	11	– Initial training for facilitators	36
– Coffee provides the underlying theme	11	– Facilitation skills	37
– The learning resource layout	12	– A good facilitator	38
– Process diagram of the SHG approach	13	– The role of the facilitator	39
<b>PART 2 Preparing the soil</b>	<b>14</b>	<b>3.4 The seed takes root – new groups establish themselves</b>	<b>41</b>
2.1 Mobilising the Church	14	– Aims, function and structure of SHGs	41
– Differing approaches to church mobilisation	14	– Self-help group meetings	42
– Where does the SHG approach fit within the church?	15	– Establishing group by-laws	43
2.2 Focusing on learning	16	– Responsibilities of all members	44
– Self organised learning	16	– Shared group responsibilities	44
– Growing personal awareness	17	– Regular savings	45
– Learning conversations	18	– Developing relationships	46
2.3 Selection and preparation of facilitators	22	– Supporting people through the initial months	47
– Qualities of a good facilitators	22	<b>3.5 Good record keeping and management</b>	<b>47</b>
– Who supports the facilitators?	23	– The role of book writer	47
– Selecting facilitators	24	– Support and training for book writers	49
– An adequate income for facilitators	25	– Common fund	49
– Ongoing support	25	– The minute book	51
<b>PART 3 Planting the seed</b>	<b>26</b>	– Other books and documents	52
3.1 The sensitisation process	26	– Managing group funds safely	54
– Different starting points	26	<b>PART 4 First fruits</b>	<b>56</b>
– Involving the local church	26	4.1 Growing in confidence	56
– Ensuring local government support	27	– Training in SHG concepts	56
		– Social fund	57
		– Freedom from money lenders	58
		– Gaining skills in literacy and numeracy	58

4.2	Preparing to provide loans	59	5.4	Transforming communities	93
	– Savings commitment	59		– Community action programmes	93
	– Initial loans	59		– Benefits to the community	94
	– Reviewing loan applications	60		– Developing learning skills and seeing the bigger picture	95
	– Setting interest rates	61		– Changes for women	96
	– Use of larger loans	63			
	– Repayment rates	64	<b>PART 6</b>	<b>Ensuring future growth</b>	<b>98</b>
4.3	Developing business skills	65	6.1	Clear coordination and direction	98
	– Valuing local resources	65		– Central coordination	98
	– A training process for developing business skills	67		– Coordinated monitoring and evaluation	98
	– The location of the business or services	67		– Ongoing facilitator support	99
	– Record keeping	67		– Learning opportunities for facilitators	101
	– Making a profit	68	6.2	Networking with other agencies	101
	– Effective marketing	68		– SHG Promoting Institution's Network (SPIN)	101
	– Developing a business plan	69		– Links with local government	102
	– Sample business plan	71		– Working with banking services	103
<b>PART 5</b>	<b>Reaching maturity</b>	<b>72</b>	6.3	Working with Micro Finance Institutions	103
5.1	Credit-Plus	72		– Internal loans	103
	– Choosing appropriate learning	72		– Availability of external loans	104
	– Gender awareness	74		– Readiness for external loans	105
	– Bringing about changes as a result of gender awareness	75		– Role of CLAs with MFIs	106
	– Family planning	76	6.4	The supportive role of the church	107
	– HIV Awareness	77		– Impact on the church	107
	– Practical responses to HIV awareness	78		– Church loans	108
	– Environmental protection	79		– Ongoing training and support for church leaders	108
	– Functional adult literacy	81		– Ongoing support for facilitators	108
5.2	Cluster Level Associations	82	6.5	Looking to the future	109
	– What is a Cluster Level Association?	82		– Independence	109
	– Why is a Cluster Level Association needed?	83		– Celebration	111
	– Purpose of a Cluster Level Association	84		– Next steps	111
	– Activities in the Cluster Level Association	85			
	– CLA committees and their roles	87		APPENDIX 1	
	– CLA's monitoring system	87		<b>Learning conversations in practice</b>	<b>112</b>
5.3	Assessing progress	88		APPENDIX 2	
	– Annual checks	88		<b>Using role-plays</b>	<b>114</b>
	– Follow up of financial audit	89		<b>Glossary</b>	<b>115</b>
	– Self assessment	89		<b>Further reading</b>	<b>117</b>
	– Addressing the findings of self-assessment	92			



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Email: [tearfund.ethiopia@tearfund.org](mailto:tearfund.ethiopia@tearfund.org)

