



## Kindernoithilfe (KNH)

Kindernoithilfe (KNH) was founded by a group of dedicated Christians in Duisburg, Germany in 1959, to help needy children in India. KNH is a registered charitable organisation and a member of the Diaconal Services of the Evangelical Church in Germany. More than 88 percent of the work is financed through donations from approx. 100,000 citizens who support KNH.

Over time, it has become one of the largest Christian organisations in Europe for aid to children. Today, it supports more than 302,000 children and young people in 27 countries in Africa, Asia, Latin America and Eastern Europe. KNH aims at providing needy children in the poorest countries of the world with an opportunity to a good start in life. This may include basic school education and vocational training, good nutrition and health care, support for women and children at risk, as well as community oriented support to their families. KNH works in partnership with local organisations: usually churches, congregations or Christian organisations. However, assistance to children is always given, irrespective of religion, race or sex. The promotion of child rights is the foundation for co-operation with local partners. Children have a right to participate in the life of their society; consequently, they are the focus of programmes supported by KNH.

KNH works at national and international levels by joining alliances and co-operating with networks and other organisations to achieve a global improvement of economic, social and political conditions. It participates in campaigns or initiates its own campaigns. Above all, KNH is committed to the implementation of the UN Convention on the Rights of the Child, which forms the base for its work.

Through its head office in Duisburg / Germany, KNH staff members and volunteers coordinate operation with partners abroad and carry out administrative, educational and lobby activities as well as launching its publicity campaigns.

# The Self Help Group Approach



*- a Manual*



published by kindernoithilfe



# The Self Help Group Approach

**Women fighting poverty,  
With 2 Rands we conquer everything.**

**We love the Self Help Group  
Because of this 2 Rands.  
It helps us all over....all over!**

**The name of our programme is Self Help,  
It gives us new ideas,  
It teaches us to keep time,  
We learn development, we learn to progress!!  
- a Zulu song composed by Daluthando CLA**



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Published by Kindernothilfe e.V.

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Printed by: Printed at: Prajwala Enterprises, Hyderabad, India

Prajwala is an anti-trafficking organisation with a vision to combat human trafficking, especially sex trafficking. Prajwala works with the conviction that sex trafficking is the worst form of human rights violation and is committed to fight the organized crime through networking and partnerships with like-minded groups and affected communities. The printing press and other production facilities at Prajwala Enterprises are exclusively operated by rescued young women as part of the rehabilitation programme.

First published September, 2008

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## Acknowledgements

In January 2002 Kindernothilfe invited African and Asian NGOs to a workshop in India called "Working with the Very Poor". It was an exposure programme where the participants experienced the tremendous prospects the Self-Help-Group concept has for unleashing human potential in India. Although the concept of "Self-Help-Groups" was not new as such, the specific approach presented inspired our partners for their own work. To establish people's institutions which are based on three pillars: economic, social and political empowerment.

Since then many of Kindernothilfe's partners in Africa and in Asia, too, have started to implement the Self-Help-Group approach. The positive effects can be seen in more than a hundred thousand families and their respective communities. Being a child centered development organisation Kindernothilfe is impressed by the resulting sustainable benefits for children and youth.

These achievements have been made possible by many committed people and by excellent consultancy: Kindernothilfe is deeply grateful to Thomas Paul from Bangalore in India. In recent years he has been devoting his time to Kindernothilfe and our African and Asian partners for carrying out workshops and field visits in order to explain the Self-Help-Group approach and support them in every aspect. His vision and his strong belief in the dignity of people and potential of every individual – no matter if poor and illiterate - sets an example.

We appreciate very much the work of E. Murugan from Bangalore, too. As a trainer he as well spends much time with our African partners. His hard work with regards to effective training and his tireless reporting on the status quo of the Self-Help-Group approach in the various African countries is furthering the quality of capacity building. He speaks from his own experience as he supported the implementation of the approach for two years in Swaziland as the National Coordinator. Saroja and Reshma have been actively involved in promoting the approach in Asia, very often working in very difficult environment, to unleash the potential of the poor.

To implement the Self-Help-Group approach successfully, local NGOs are needed, who consider it as a promising tool to empower people and who allocate competent staff towards it. We are thankful to partner with many of such NGOs in Africa and Asia.

The promotion of the Self-Help-Group approach has been attracting quite a number of NGOs in various countries. This is why Kindernothilfe decided to establish National Coordinators in each country. We highly value the dedication with which these women and men support the NGOs in the implementation of the approach for the benefit of communities. Many thanks to them and to those NGOs who host them.

Talking about communities we want to highlight last but not least the voluntary service of the many women in the communities who facilitate the Self-Help-Groups on the ground: The Community Facilitators. It is only because of them that the Self Help Group approach can expand the way it is spreading – turning the lives of people for the better.

The manual at hand is an effort to write down principles and experiences made with the Self-Help-Group approach and it goes hand in hand with what is illustrated on the website [www.self-help-approach.com](http://www.self-help-approach.com). Augusta and Thomas Paul accepted the challenge and the hard work related to this task. We express our sincere gratitude to them. We owe special thanks to their daughter Pearl Paul who did the layout.

In conclusion, all of us thank you as reader. Using this manual you give us the opportunity to share our vision of unleashing human potential with you. May this approach inspire you and your work as it does ours.



**Why Kindernothilfe is using the Self Help Group Approach**

Kindernothilfe (KNH) was established 50 years ago. The founders were driven by a strong Christian and philanthropic motivation to help children in need. Thus, the driving force for supporting most of the programmes then was the immediate need of the individual child.

Over the years the work and support of the organisation expanded significantly; initially KNH worked in one country, while today it has relationships with partners in 28 countries on 4 continents. As KNH expanded, the work has been developing further.

KNH committed itself to direct the emphasis towards

- the underlying conditions of poverty, mainly structural and political causes,
- appropriate approaches,
- lasting and sustainable solutions,
- targeting very poor people.

While strengthening its own efforts in lobbying and advocacy on national and international level, KNH appealed to its partners to incorporate

- community based approaches,
- the participation of people benefiting from programmes,
- all children in a poor community, as opposed to only a few,
- the causes of poverty and respond with a rights based approach,
- children at risk, giving them special attention.

A number of partners took on the challenge and adjusted their programmes to this new focus. They started planning and implementing community based programmes in order to improve the living conditions of many children and youth. In addition, KNH started to collaborate with new partners, who joined these efforts. Thus KNH and its partners could achieve much more than before in a sustainable way.

As both, partners and Kindernothilfe gained experience with participatory, community based approaches, it became clear that it was very difficult to identify and work with the very poor children and their families. The very poor are marginalized and left out of the development process for many reasons. Even well designed and implemented community based programmes with strong participation of the communities involved, do not automatically take into consideration the needs and desires or the resources of the very poor. Their participation in social programmes is often restricted, due to their marginalised position in their communities. Micro credit programmes – while they are a good tool for poverty alleviation – mainly work with slightly better off people, the so called 'active poor', people who are already involved in small business activities.

In search of a way to include the poorest of the poor into its programmes, KNH came to know the Self Help Group Approach. This approach is more than building a platform to work with very poor people in order to improve their economic situation. It goes beyond this by also building capacity in terms of social and political interaction of the target group. Finally it is providing a framework and guidance for establishing people's institutions. It is an ideal approach for situations where

- people are living in a state of despair or without any hope under destructive living conditions,
- communities are in disorder because of war or long lasting conflicts
- economic empowerment alone is not introducing or improving basic rights of children,
- prevailing conditions do not allow the poor to participate and to develop.

Kindernothilfe piloted the approach in Rwanda and Ethiopia, when the first groups were formed in the year 2002. Encouraged by the outcome Kindernothilfe has introduced the approach in most of the African and Asian countries where they support programmes related to children.

In the process of implementing the approach, Kindernothilfe has linked the approach with a Rights Based Approach focusing on Human Rights and a special emphasis on Child Rights. What has evolved is a concept that is unique to Kindernothilfe. The concept has a clear focus on empowerment. It looks at poverty as denial of rights and alleviation of poverty as reclaiming ones rights. In implementing this concept, the emphasis has been on:

- o Identifying the very poor, mobilizing them and helping them realize their rights. To build their capacity such that they can claim their rightful place in society.
- o Bringing an attitudinal change in members such that they can unleash their God-given potential. This is achieved by helping the member realize that s/he is of worth, has the potential and can take steps forward for ones own development.
- o Building a strong People's Institution by bringing together large numbers of people together in small homogenous groups that are meeting and sharing on a regular weekly basis. The small groups are bound together by a second level association and an apex body at the top. This homogenous body is able to bring structural changes in the environment.
- o Handing overall ownership and responsibility to the People's Institution after building their capacity to carry on their own. The people's institution operates independently, such that the whole programme is sustainable.

Working with people in such a way is a tremendous and very motivating experience. It is therefore not surprising that many NGOs develop an interest for this approach.

It is a great pleasure to make this manual available to those that want to know more about the approach as well as those that are already planning to implement it. It is also a reference book for those who are implanting it. Its success lies with the careful introduction of the basic principles and the adherence to the same in order to strike the balance between economic, social and political empowerment. It is our wish that this manual will enable the user to do exactly this.

The extension of the Self Help Group Approach to new communities, countries and regions will enhance the prospects of children, young people and poor communities all over the world.



Economic growth and development is taking place at a rapid pace since the middle of last century. Technological advances and Globalization have played a major role in propelling this advancement. One section of the global population has greatly benefitted through this development. Communities at the other end of the socio-economic ladder have not benefitted very much and a widening gap is being created between the "haves" and the "have-nots". This has been a matter of great concern for international agencies, some world leaders and Civil Society Organisations.

Some of the negative fallout of this development has been; the oppression of weaker sections of society, especially women and children, scant regard to the conservation of the environment and a shift in value systems focusing on material gain at the cost of other human values. Children – the future generation are the worst affected.

Socio-economic development as a subject, has gained importance in the last few decades and a substantial amount of study and research has taken place in order to understand better what drives development and how to make it more efficient. Development theories have evolved leading to practical application. They encompass aspects of governance, healthcare, education, gender equality, disaster preparedness, infrastructure, , human rights, the environment and issues associated with these, leading to the recognition of development studies as a multi-disciplinary field, with implications for every sector.

The **Self Help Group Approach** has grown out of the study and application of development concepts at a community level, and seeks to combine the social, economic and political aspects of community development, leading to empowerment. It is founded on rights-based principles that facilitate an atmosphere wherein individuals and communities can realize their potential and work towards their own development. A focus on attitudinal changes remains central to the approach and material well-being along with social and political development as well as empowerment is the final outcome.

Kindernothilfe, a German Child Care organisation, has been promoting this approach in 8 African and 7 Asian countries since 2002. This Manual on the Self Help Group approach has been produced based on their experience in these 15 countries. The Manual is expected to serve as a guide to all who may like to know more about the approach and use it for Unleashing Human Potential, especially that of the weak and marginalized sections of society.

This Manual describes the Self Help Group concept as one of the approaches to development. Factors that keep people and communities poor are briefly analysed and the Self Help Group approach is introduced as a holistic approach for poverty alleviation.

The Manual:

- o Explains the concept describing the three levels of People's Institution that are enshrined in this approach
- o Describes selection criteria for the implementation to include the operating area, promoting organisation, staff and community facilitators
- o Provides an overall implementation plan and shows how the process leads to social, economic and political development and empowerment
- o Indicates time periods for various stages of the process
- o Lists roles and functions of groups at all three levels of the People's Institution and provides indicators of good groups
- o Gives case studies from several African and Asian countries where Kindernothilfe is implementing this approach
- o Indicates the expected outcomes and impact
- o Mentions the role that Kindernothilfe could play in supporting an organisation that may want to implement the approach

The Manual does not include detailed training material that may be needed for Capacity Building at various levels. Sources from where these could be accessed are listed in section 11 of this Manual.

For whom:

- o The Manual is prepared for all who may be interested and / or involved in the socio-economic development of the poor and marginalized sections of society.
- o Organisations and individuals working in international development, who are convinced of the approach, may use the Manual as a guiding tool to plan and implement the approach.
- o Promoting Organisations that are implementing the approach may use the Manual for reference and back-stopping.

## Abbreviations

## 1. The Context

CF	Community Facilitator
CBR	Community Based Rehabilitation
CBT	Community Based Training
CLA	Cluster Level Association
CRA	Child Rights Approach
KNH	Kindernothilfe
PO	Project Officer
RBA	Rights Based Approach
SHG	Self Help Group
TOT	Training of Trainers
VT	Vocational training

## 1.1 Poverty and “Rights based approach”

While poverty has been a phenomenon in society since the beginning of civilization, in many countries the disparity between rich and poor has increased considerably. Some see globalization as the root cause of this disparity, others claim that it has improved national economies. However poverty is a multidimensional social problem that depends on but goes well beyond not having enough income and the means to meet basic needs.

Taking into account the complex nature of poverty an in-depth analysis of poverty, causes and consequences would go beyond the scope of this manual.

Nevertheless, we believe that a close, causal relationship exists between poverty and human rights. Extreme poverty is a human rights violation. Poor people are denied access to resources such as education, work, land, etc. In the report on human development from the year 2000, titled “Human Rights and Human Development” poverty is described as “...a prime hindrance of an adequate living standard and the realization of human rights”.

In their Vienna Declaration 1993, article 14) the United Nations have recognized that “The existence of widespread extreme poverty inhibits the full and effective enjoyment of human rights” and stipulated that “its immediate alleviation and eventual elimination must remain a high priority for the international community.” In the same declaration the United Nations World Conference on Human Rights reaffirms “The right to development, as established in the Declaration on the Right to Development, as a universal and inalienable right and an integral part of fundamental human rights” The Declaration is based on the understanding that Poverty is often both the cause and the consequence of human rights violations.

Following this understanding of the interrelation of poverty and denial of rights, KNH has decided that its strategies to address poverty should be based on two pillars, firstly on the Christian values and secondly on the Declaration of Human Rights and there with particular focus on the Child Rights Convention.

However, adopting the human rights approach as a strategy to combat poverty brings about a change of perspective. Needy people are no longer supplicants, but rather holders of rights which are claim able. From this perspective people should be strengthened to work for social justice and living standards with human dignity as their rights.

Thus looking on poverty from the perspective of Human Rights or more specifically from the perspective of the Child Rights Approach, situations of poverty are no longer seen simply from the viewpoint of human needs and developmental deficits, since children and young people are independent beings and have rights which they can claim.

The SHG approach complies with the Child Rights Approach, as it helps to create conditions which enable poor people to understand their rights and to cooperate actively in shaping their own futures.

The SHG approach is an essential step in moving from the elimination of a present need toward help which is sustainable. It helps to strengthen local organizations, communities, and groups also in increasing their awareness of legal rights.

## 1.2 Poverty and Children

The work of Kindernothilfe focuses on the development of children and their rights. It is grounded on the UN convention on the Rights of the Child which underlines that parents, or others responsible for the child, have the primary responsibility to provide an adequate standard of living (Article 27 (2)). In poor countries the parents' ability to earn money for themselves and their children through wage employment is in many cases minimal. High unemployment rates and weak economies jeopardize this source. State support in most countries is minimal or non-existent. Thus many families rely on family and community support for survival.

Children make up a vast amount of the total people living in poverty. Poverty hits children's hardest as it has inherent implications on children and their development.

Research<sup>1</sup> has outlined a lengthy list of disadvantages correlated with children's poverty:

- Poor nutrition
- poor health
- poor cognitive development, poor self-esteem, stigma and isolation
- denial of access or poor education, lack of qualifications, illiteracy
- behavioural problems, truancy, high rates of offending, use of drugs and alcohol
- lack of parental support, child abuse or neglect, experiences of domestic violence
- homelessness, poor housing conditions, poor environment (for living and play)

These factors hamper children's future prospects and perpetuate poverty over generations.

The general category of 'poverty' refers to a vast range of individual people's experiences, as poverty varies in duration, prevalence, repetition and severity. Research suggests that the effects of poverty can be modified by a variety of protective factors for children: inherited individual differences of children; number and timing of stresses, parental support, family social competence, family social control and extended family support. This demonstrates that parents' and especially mothers' resources and capabilities make a considerable difference to their children's reactions to, and experience of poverty.

One third of the world's poor children live in countries, where three out of four women are illiterate. Women, as main child care providers and providers for the family needs play a major role in the lives of poor children. It is common knowledge that women who are responsible for the household budget, tend to spend a bigger proportion on food and other children's needs. The economic and social empowerment of women thus plays a vital role in the eradication of child poverty and the adherence to the Rights of the Child and the Human Rights.

## 1.3 Discrimination Against Women

Women's discrimination plays an important role in reinforcing poverty. 70% of the world's poor are women. Even though women and girls put in more than half of all working hours they own less than 1% of the world's goods. In many areas in the world they are excluded from education, health and social services and have no property or ownership rights.

This exclusion of women and girls from access to and control of resources and opportunities for development arising from gendered roles, stereotypes, rituals, beliefs and other structural arrangements reinforces poverty. Gender-related division of labour makes women particularly responsible for the subsistence of their families and in times of economic crisis, women bear the burden of providing for their families basic needs. One in three women cares for the nourishment and education of her children without a man's help. This huge responsibility is not balanced by the access and the right of women to decision making neither on the level of the families nor on community or political level.

The analysis of women's discrimination requires answers to some basic questions:

- o Who does what and who benefits at whose costs?
- o Who has the access to resources and opportunities?
- o Who controls the resources and opportunities?
- o Who and what supports / perpetuates the patterns of women's discrimination?
- o How do men and women, boys and girls and societies as a whole acquire such biased patterns of gender stereotypes?
- o What can be done to solve this problematic situation, by whom and how? Who will bear the cost, who will be the major stakeholders?

While the list of questions is not complete, it is obvious that the situation girls and women are facing is alarming.

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- About 70 % of all illiterates are women. In certain regions of rural Africa and Asia, the rate of school registration for girls stands at only 60%. In many regions daughters are the first to be taken out of school when education becomes a financial problem.
- Access to food and nutrition is limited for the girl child and women, resulting in malnutrition, anaemia, other deficiencies, as well as in high infant and maternal mortality rates.
- Women lack access to healthcare facilities, which results in a poorly developed awareness of reproductive health, hygiene and sanitation. Every year more than half a million women die from consequences of frequent pregnancies and the lack of medical care during deliveries.
- Many poor women are involved in labour intensive, low-paid, low status jobs without any opportunity for further training, job advancement or promotion.
- 60-80% of the employees in the informal sector are women. This work provides no legal or social security.
- Many women work overtime due to a triple workload. They work for the economic survival needs of their families, provide child care, do household chores and spend considerable time maintaining social networks within kinship groups, their neighbourhood and community, and still rest at the margins of subsistence.
- Abduction of girls, early marriage, child labour, domestic violence against women, rape, gang rape, sexual harassment of women in places of work, in police custody and at the times of conflict are just a few of life threatening situations women and girls have to face.
- Traditional practices such as female genital mutilation (FGM) take lives of thousands of women and girls worldwide and cause a life-long damage to their health.

The above-mentioned context points out the feminization of poverty and the importance of the empowerment of women to overcome poverty. With the SHG approach women are empowered, which will enhance the quality of life, not only for women but also for children, men and community at large. The expected impact – especially for women and children – is:

- o Empowerment of women leads to child survival and better quality of life for children.
- o More years of schooling and higher literacy rates are correlated to less number of children in a family.
- o Voluntary fertility reduction.
- o Better health and nutrition for pregnant and lactating mothers lowers the incidence of several adult diseases like hypertension, glucose intolerance and other cardiovascular illnesses. The well-being of women and girls is well-being of society as a whole.

As deprivation of women<sup>5</sup> can adversely affect women, children and men, empowerment of women will provide betterment for all.

#### 1.4 Attitudes

The poor define themselves as failures financially, socially and in many other aspects. They experience powerlessness, hopelessness, voicelessness, and frustration with a tremendous impact on their personality and community living.

They get accustomed to being pushed out, marginalized and excluded. They get placed at the bottom of the hierarchy and soon experience loss of human dignity. Being poor instills hopelessness, fear, and apathy. They have no power. They cannot afford lawyers or lobbyists. They cannot strike against exploitation, low wages or high rents. Predominantly their attitude is like: I cannot do anything.

Alternate livelihood patterns and group solidarity can change the situation of the poor in a strategic way. Attitudes of the organizations who are implementing the SHG approach are very important as well. Action that is inspired not out of pity but out of compassion that leads to empowerment of the poor to enable them take charge of their situation is required.

#### 1.5 History of the Self Help Group concept

Support groups in pursuit of various mutually beneficial ventures have remained a major social strategy in human history. Common goals, cooperative efforts and common sharing of rewards have brought like minded people together as groups since centuries. The common good of members has been the motivating factor.

With the advent of cash economy, the poor would often have shortage of cash. Moneylenders and traders came in with their interventions to make cash available to the poor. Often a trader would give cash or raw materials to the poor and ask them to produce. He would then buy the product from them at a ridiculously low price. The poor would work for these traders for years together for an unreasonable wage. They cannot get out of this cycle since it is their only source of income. Unfortunately several of these interventions involved exploitative practices oppressing the poor. This led to members grouping themselves to save money and give out the saved capital to members in turns or as credit. Around the mid 20<sup>th</sup> century, Credit cooperatives in East African countries like Kenya and Uganda, Stockvel in Southern Africa and Rotating Savings and Credit Associations in West Africa became popular, especially among the poor.

It is worthwhile to mention that in 1976, Prof. Dr. Muhammad Yunus came up with a Group Lending Program known as the Grameen Bank (literally the Village Bank) in Bangladesh. This was an experiment in giving credit to the very poor without any collateral. Prof. Yunus reasoned that if financial resources can be made available to millions of small people with their millions of small pursuits, it can add up to create the biggest development wonder. The experiment was a grand success and Prof. Yunus was awarded the Nobel Prize in 2006 for his contribution to development.

The Grameen Bank is based on the principles of:

- Mutual trust
- Accountability
- Participation and
- Creativity

Apart from the economic development, the Grameen Bank model also focuses on social issues. In their group meetings, the women are encouraged to discuss and overcome their social problems. One of the most remarkable consequences of the Grameen Bank movement is that within two decades,<sup>6</sup> the fertility rate in Bangladesh declined from 6.1 to 2.9, and that too voluntarily. This illustrates the dynamic power of women in small affinity groups and the consequential trend towards gender equity. Fewer children can be provided with much better care and enhanced quality of life.

MYRADA (Mysore Resettlement and Development Agency), a development organisation in South India started looking for an alternate system of micro-credit than the banking model that the Grameen bank established. The main reason was that the poor very often engaged in different sources of livelihood and the credit had to be more flexible and lend itself to diverse applications. The main feature of this credit model was that the money was saved by the group members and belonged to them. The internal lending was flexible and suited the needs of the borrower. The Self Help Groups were thus born and made their own lending rules. At the group meetings, time was set aside to discuss social problems and issues. Members came up with their problems and suitable solutions. They were encouraged to claim a better place in life economically and socially. MYRADA, through lobby convinced main stream financial institutions including banks to lend to Self Help Groups. The main features of this lending pattern are:

- Lend to unregistered, informal groups that behaved like formal group
- Lend to groups without asking for the purpose of the loan.
- Lend without a collateral

The Reserve bank of India – the apex bank in the country came up with a new policy to this effect acknowledging the existence and functioning of Self Help Groups in 1990. Apart from the economic development, the need for holistic development and empowerment was seen. Self Help Groups, which are made up of 15 to 20 members, were linked together at a second and sometimes a third level such that they could impact the whole community. A people's institution was formed. MYRADA's mission and vision was and still is to foster a process of ongoing change in favour of the poor in a way in which this process can be sustained by them through building and managing appropriate and innovative local level institutions rooted in values of justice, equity, and mutual support.

### 2.1 Basic Principles

The Self Help Group approach is based on 2 basic principles:

Every human being has tremendous, God-given potential. This hidden potential in the poor can be unleashed if conducive environment is provided.

Society has pushed certain sections of her people to the margin saying that they are "No good". These vulnerable and marginalised sections slowly accept and internalize the state they are thrown into. The SHG process helps them question this state and come out of it step by step.

As an individual the poor are voiceless, powerless and vulnerable. By bringing them together as a homogenous collective aware of their rights, they have tremendous strength.

The SHG approach is all about rebuilding strong and homogenous communities thereby bringing people together and empowering them. "Value systems" that were broken and abandoned are systematically restored in the community

### 2.2 Starting with the very poor

The very poor are generally not heard, not seen and not easily accessible. They are therefore easily excluded. Because of this development actors have tended to term them as non-viable. For example most micro-credit providers will not provide credit to the very poor since they are considered not credit worthy and do not have a collateral.

In spite of this bias, the very poor have God-given potential in them. The Self Help approach seeks to bring out this potential and mainstream them with the rest of the community. The approach seeks to draw them back from the margins. Once they start discovering their potential and self worth, there is no stopping them from development.

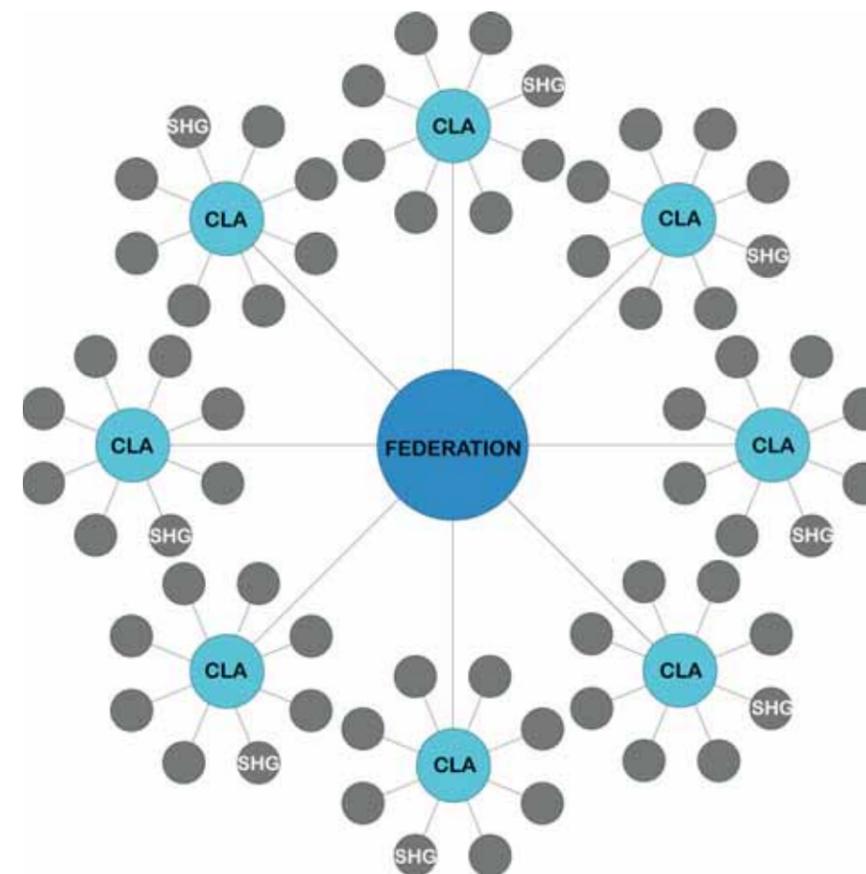
When an organisation promoting the SHG approach enters a poor community, members of the community develop criteria and identify the poorest households in the community based on these self-selected criteria. The first few Self Help Groups are formed with members from these poorest households.

As the poorest members come up socio-economically, other members from next higher strata of the community are included in the People's Institution. Thus starting with the very poor there is a process of bottom-up inclusion in the approach. The Self Help Group approach neither leaves out the very poor nor does it only work with them.

### 2.3 Three levels of People's Institution

In any poor community, the first Self Help Groups – SHGs are formed with the poorest members in the community. 15 to 20 members form a SHG. When there are 8 to 10 strong SHGs, the groups come together to form a Cluster Level Association - CLA. Two members are carefully selected from each SHG to represent them at the CLA. The CLA looks into larger issues that the SHGs and community needs. The CLA establishes linkages with other resource and service providers. The CLA also plays the role of a Duty Bearer to protect the rights of children and the community.

As more and more SHGs are formed, there are more CLAs established. When there are 8 to 10 CLAs, they come together to form a Federation. The Federation would normally register itself as a Community Based Organisation and thus have a legal identity for the entire People's Institution. The Federation, through its empowered members seeks to bring social transformation in the community. By virtue of its strength in numbers, the Federation lobbies with the government and other civil society players to bring policy changes that are just and fair thereby bringing sustainable change. The Federation wields power in terms of a people's institution representing a large number of people.



The SHG process not only brings social and economic development to the members but also is a process that leads to Social, Economic and Political empowerment. The term "Political" is not used in terms of party politics but more of people's power. This is an important factor to usher in an equitable society.

**A quote from Nelson Mandela in his prison years - "When those in power deny your freedom the only path to freedom is power"**

The three levels of the People's Institution, their main roles and functions are described in the chart below:

<b>Self Help Groups</b>	<b>Primary membership – General Body</b> <ul style="list-style-type: none"> <li>- Savings / Credit and all economic activities/Income generating activities</li> <li>- Social bond and Affinity among members</li> <li>- Basic social issues in family and community</li> </ul>
<b>Cluster Level Association</b>	<b>Representative Level</b> <ul style="list-style-type: none"> <li>- Strengthening SHGs and forming new ones</li> <li>- Mobilizing resources and services through Linkages with other service providers</li> <li>- Initiate and overview need-based projects for the community</li> <li>- To establish value system in the community</li> <li>- Making presence felt in local governance</li> </ul>
<b>Federation</b>	<b>Apex Body of the Institution</b> <ul style="list-style-type: none"> <li>- Maintain the characteristics of the Institution</li> <li>- Act as a link between the people and the governance system to maintain peace and security</li> <li>- Lobbying and Advocacy for pro-people's policies</li> <li>- Legal body to interact with external bodies</li> </ul>

Promoting the Self Help group approach is not equivalent to implementing a project or a programme with a defined end. Contrarily, it would be the groups at various levels who will ultimately implement specific projects based on their need and priorities.

The structural causes of poverty are tackled through the SHG process, thereby leading to sustainable development and a structural change.

### 2.4 Development and Empowerment

Development and empowerment are multidimensional. They represent the process of changes in social structures, popular attitudes, national institutions, the acceleration of economic growth, the reduction of inequality, and the eradication of poverty.

The concept of development has changed over time and it would be beyond the scope of this manual to provide a historic overview. At present the points of reference are the UN Millennium Declaration and the rights-based approach to development.

The UN Millennium Declaration<sup>7</sup> puts development at its core. It defines development as a right and reconfirms political, economic, social, and cultural rights. Furthermore it emphasizes fundamental principles like freedom and equality. The Universal Declaration of Human Rights serves as its foundation.

The rights-based approach to development is the manifestation of the view that development and rights are interrelated. An equivalent relationship between poverty and rights is already explained in section 1.1. Development as such is a right stipulated in the Human Rights Declaration and development is understood as the realization of rights.

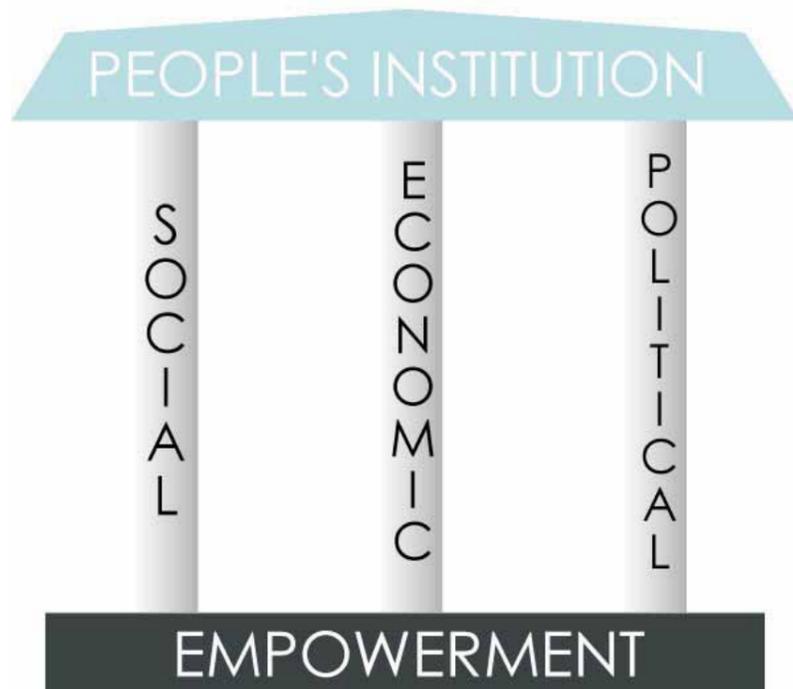
Empowerment is the core strategy of the rights-based approach to development as it is enabling people to claim and realize their rights. According to the World Bank, "Empowerment is the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process are actions which both build individual and collective assets, and improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets." Hence, it also aims at structural changes which bridge the gap in the power structure of society, thereby giving voice and power to people who had no say in the way society was managed.

A few examples for empowerment are:

- o Women can raise their voice against harmful traditional practices and bring about change although traditional leaders try to impose these practices.
- o Farmers have the informed choice to grow what they want to grow and have a say in deciding on the price of their produce. Traders can no more exploit them.
- o Community members have the opportunity to come together to ensure that the local government school delivers quality education and teachers are no more taking their duty lightly.
- o Girl children are going to school and no more staying at home to look after younger siblings because of changes in gender perspectives
- o Gender stereotypes are challenged and transformed such that women are no more subordinate participants of family and society

The Self Help Group approach is a process leading to the empowerment of people. Empowerment is a slow process. Outsiders cannot empower the weaker sections of society. The weaker ones can come together and go through the process of empowerment. However, institutions, NGOs and Government agencies can support processes that increase self-confidence, develop their self-reliance, and help them set their own agenda – unleashing their potential.





The Self Help Group approach can be compared to building an Institution – a People's Institution built on the foundation of "Empowerment". The institution is supported by three solid pillars – Social, Economic and Political empowerment. The term "Social" is referred from a broad perspective to include cultural and religious empowerment. This is especially true in certain societies where members, especially women are subjected to living conditions which evolve from a radical view of culture and religion.

Social, economic and political empowerment is required to enable the poorest to claim and realize their rights as human beings, citizens and equal partners in civil society.

Faith Mutheu is a single mother struggling to raise her 5-year old daughter Kate. Faith and Kate live in Pumuvani, one of the large slums in Nairobi, Kenya. Faith used to work as a casual worker in the industrial area near the slum. Work was not regular. She used to earn KES 100 per day for the hard work put in whenever she was hired. After joining a SHG in April 2006 she started saving regularly. She saw her fellow group members taking loans and starting their own business. She said to herself that she had good cooking skills and that she could use these to earn a living. She first borrowed KES 1000 from the group and bought some utensils. She started cooking food in her home and selling them from her home. She was encouraged by the demand for her products from neighbors. Faith went ahead to put up a temporary kiosk by the roadside covered by plastic sheets. Business started picking up. She took a second loan and a third and has procured the basic needs for her kiosk. Business has picked up she says and has recently employed another woman to assist her. On a good day she earns a net profit of KES 400 to KES 500. When business is not so good, her profit sometimes dips to KES 200. She feels that even on those bad days, what she earns is much more than what she used to earn working as a casual labourer. Faith's daughter Kate attends a kindergarten. Her dream for Kate is that she will be well educated and live a good life. For her own self, Faith hopes that one day she will have a big, permanent restaurant in one of the busy streets of Nairobi making a lot of money.

CASE STUDY

### 3.1 Selection Criteria for the Promoting Organisation and Community

- Identifying carefully the organisation to implement the approach is important
- The right community needs to be selected for implementation
- People who are involved with direct implementation are very important. They have to be identified carefully

#### 3.1.1 Promoting Organisations that can implement well

An organisation who wants to implement the Self Help Group approach needs some organisational traits that make it compatible for the promotion of the approach:

- o Believe in Self Help
- o Believe in Participation and Empowerment of women
- o Willing for a Political empowerment process
- o Comfortable with use of volunteers
- o Are prepared for handing over responsibilities / Phasing out
- o Believe in involving people in decision making processes (not top-down). Strive for Cost effective approaches and solutions
- o Familiar with fund raising / looking for different sources
- o Positive Leadership attitude

The Promoting Organisations who want to implement the SHG approach need to have or develop a certain attitude in order to achieve empowerment:

Attitude that hinders empowerment	Attitudes that promotes empowerment
- The community is perceived as made up of poor illiterate people	- Believe in Human Potential
- Top-down, centralized control in programmes	- Participatory decision making and controls
- Satisfied with meeting needs	- Believe in the empowerment of communities
- Women have no or little potential. Interventions work well through men	- Women have a central role to play in development / empowerment of communities
- We have to solve the problems of people	- People have tremendous potential. They can solve their problems.
- Perceived problems have to be solved immediately	- People have coping mechanisms. Give them time to tackle their problems
- Material resources are key to bring about development	- Human Potential plays a vital role in development
- Our beneficiaries belong to us	- We are one Actor in the development stage along with many others
- Control and Power belong to us	- We need to transfer power and control in the hands of people
- People need NGOs forever	- We need to phase out after our job is done

Not every organisation would necessarily have these attitudes. However, if there is openness to learn, these attitudes could be developed.

## 3. Self Help Groups

### 3.1.2 Right place to implement the approach

The implementing field has to be selected carefully. Some guidelines for where to start:

- o The concept works well with the very poor. A poor/needy area is chosen based on survey and/or available secondary data
- o The promoting organisation is known in the area but not having any other free service (e.g. handouts) delivery programme. As it will become very difficult to justify provision of free services and implementation of the self help group approach in the same community, this should not take place.
- o If the promoting organisation is not known in the area, it is good to spend a few months to build rapport with the community.
- o Preferably no other organisations working in the area providing free services
- o Sufficient population density to build to second and third levels of People's Institution. To be able to form a CLA there should be around 200 poor families in a radius of 3 to 5 kms. To form a Federation there should be at least 1,500 families within a radius of 30 to 40 kms.
- o Supportive local leadership is an important factor to be considered. To win them over initially to accept the concept is necessary.

### 3.1.3 Selection of Community Facilitators (also see 6.2)

The role of the Community Facilitator is very crucial in the whole process. The Community Facilitators have to be selected very carefully. It needs to be clear right from the beginning that the Community Facilitator will be accountable to the CLA once it is well established. The Community Facilitator is not an NGO staff but a volunteer from the community serving her people. Some criteria for the selection of a Community Facilitator are:

- o A woman who is mature and with reasonable education. A highly qualified person may promote dependency
- o A person from the community – who can identify well with the group members
- o With good Communication skills
- o With good facilitation skills
- o Open minded and teachable. Willing to accept criticism
- o Committed to / Willing to identify with poor
- o Not a dictator. Will listen and foster participation
- o Willing to travel / work at odd hours
- o Preferably with a Business aptitude
- o A person with Religious tolerance

It will be helpful to discuss the roles and responsibilities with a prospective candidate before contracting the person. This is not an employment opportunity but a position that needs passion for the people and strong commitment to implement the approach.

## 3. Self Help Groups

### 3.1.4 Selection of staff (also see 6.3)

It is good to have one staff member from the Promoting Organisation to be responsible for the implementation of the approach. This person is generally designated as the Project Officer. Some desirable qualities in the Project Officer would be:

- o Understands development and can internalize the SHG concept
- o Commitment for development of the poor
- o The organisation can release her / him for this work. Person should not be loaded with other tasks
- o Good communication skills
- o Ability to train / transfer inputs to Community Facilitators
- o Can mentor and motivate Community Facilitators
- o A Good Leader

### 3.1 The Target Group

- Self Help Groups start with the poorest households in the community
- The community is involved in identifying the poorest households among them
- Members in one SHG are from the same socio-economic background

**3.2.1** The **target group** has to be carefully selected. Group membership starts with the poorest and most vulnerable members of a particular community and then moves slowly upwards. It is important to identify very poor communities and make the beginning there. They are the neediest and they respond well to this approach.

**3.2.2** The **community participates in identifying the poorest** household among them. A facilitator from the Promoting Organisation prepares the community leaders about the concept and gets them involved in the process. The whole community or sections of the community come together for two Participatory exercises. The facilitator helps the community in a Social Mapping exercise, when the community members map their community – often by drawing on the ground. This is followed by a Wealth Ranking exercise, when the community comes up with criteria to identify the very poor, the poor and the better off among them. The two exercises may take 3 to 4 hours. It is good to involve the community in identifying the prospective members of the Self Help Groups rather than external surveyors doing the same. At the initial stage, the Project Officer (see section 6.2) along with the Community Facilitator would play the role of the facilitator. Once the process is clearly understood, the Community Facilitator could facilitate the process.

**3.2.3** Once the **community identifies the poorest families**, the facilitator visits the family for validation. Once satisfied that this is a very poor family, the woman of the house is invited to come and attend the first Self Help Group meeting. The Facilitator explains how she could get social support by being in the group and the economic development that could take place. The facilitator emphasizes that all the members in the group would be from a similar background.



### 3. Self Help Groups

- 3.2.4 Each Self Help Group is made up of members from **similar socio-economic background**. The groups should have socio-economic homogeneity. This is a very important principle. If there is disparity the stronger members would tend to dominate leading to the weaker members not participating equally. Socio-economic homogeneity refers to people with similar literacy background, similar economic status etc. It does not preclude members of different ethnic or caste background from coming together. Able and disabled members could come together.
- 3.2.5 Experience shows that the Self Help Group approach **normally works well with women**, but not so well with men. Men often find the process too slow with too little money involved. This is not to say that men are excluded from the process: Women group members often state that their partners support them once they have understood how much the family benefits from the approach.
- 3.2.6 In most societies, **women have fewer opportunities for development** and tend to be left behind. As this approach starts for the poorest it is good to start with the women. What has been noticed in working with women's groups is that responsibility for their families and especially for their children takes priority for women. They tend to use micro loans exclusively for improvements to the situation of their families and not for personal consumption, which is often the case with men. What women learn in the group about nutrition, health care, solving conflicts, appreciation of education, child rights and many other things benefit their children immediately.
- 3.2.7 **Mixed groups**, where men and women come together to form groups have been tried. In most situations, men tend to dominate and retard the development of the women. This is to be avoided.

#### 3.1 Features of Self Help Groups

- The features of Self Help Groups have been developed carefully over the years to ensure effective growth and development of the group
- The size and composition of the group have to be maintained
- Regular meetings and regular savings is a basic feature of the SHGs
- Financial discipline and economic activities are important for economic growth

- 3.3.1 A Self Help Group is **made up of 15 to 20 members** from among the members identified as the poorest in the community. If there are more members a second group may be formed. The size of the group is important. If there are too few members the rate at which their savings grows will be slow. The collective strength of the group will be limited. At the same time if the group is large, participation in the group and active involvement of all the members could be limited.
- 3.3.2 It is important for the members in an SHG to commit themselves to **meet regularly on a weekly basis**. The members decide the place of the meeting and the day / time of the meeting suitable to them. The regular meeting gives them a sense of belonging. They start sharing their lives with one another, which leads to a strong support system. The regular meeting leads them to collective action, which may be some service to themselves, to the community or even action against unfair and harmful practices in the community.

### 3. Self Help Groups

- 3.3.3 Members in a group are encouraged to give **a name for their group**. The name gives them a sense of identity. Some names carry the vision of the group. Members come up with very creative names in their own language. For example SHGs are called **Tuongane Sote**, which in Swahili means – Let us unite together or **Bidii**, which means effort. A group in Ethiopia is called **Walda Gudina**, which in Amharic means, progress. The name could be very important. It is not uncommon to find that when someone stops an SHG member on the street and asks her name, she could say I am so-and-so and I belong to such-and-such group.
- 3.3.4 Members are facilitated to make **simple rules for their group**. They write down these rules as their bye-laws and follow them.
- 3.3.5 Group **leadership is on a rotational basis**. There are no Chairpersons, Secretary or Treasurer, which are leadership terminology used in conventional groups. Each member is encouraged to moderate the weekly meeting in turns. There is a book writer who maintains the records. An assistant book writer assists the book writer. These two members are specially trained to do this job. After a term (normally two years) the book writer hands over her job to the assistant and a new assistant is selected. The group also selects two representatives to represent the group at various forums. This position also has a term of two years.
- 3.3.6 Members commit themselves to **save a small amount every week**. It is true that they are economically poor. This saving helps them to stretch themselves and experience the hidden potential in them. Saving is possible by either doing an extra activity or cutting down expenses or a combination of both. The saving leads to financial discipline. The growing capital in the group is a strong motivator to continue saving.
- 3.3.7 It is important for the group to learn to **keep their money safe**. A normal tendency is for them to request the facilitator or the promoting organisation to keep their money for them as their money grows. In doing so, the confidence to handle responsibility and the added value of sharing ownership is diminished. By contrast the group members in keeping their money learn to trust each other, learn discipline and learn to take responsibility. The group members keeping and handling their money is an important principle.
- 3.3.8 Where banks are easily accessible, the group is encouraged to **open a bank account in the name of the group**. Members choose their bank signatories. The Facilitator or a staff member of the promoting organisation should not be a signatory. The bank account gives a feeling of security. It also builds self-esteem. It is no problem if banks are not easily accessible, which is the reality for most poor communities. Members learn to keep their money safely.
- 3.3.9 **Internal lending and micro-enterprise development**: Members are encouraged to take small loans from their group's saving for urgent consumption needs and for micro-business. Members are encouraged to make their own lending rules. They are facilitated to realize that consumption loans are difficult to repay, whereas micro-business could lead to profit. They slowly learn to live on profit rather than living on the capital.
- 3.3.10 Self Help Groups maintain **a high level of discipline**. They are facilitated to conduct their meetings systematically. They often have punitive measures for members who are absent from meetings and for latecomers. Fines or other punitive measures are enforced on



### 3. Self Help Groups

3.3.11 Members have their **individual passbook**. Every time a financial transaction takes place (saving, loan, loan repayment etc) the transaction is recorded in the individual passbook by the bookkeeper. A group also maintains a **Attendance cum Minute book, which in some communities is called a Master book**, which is a combination of attendance register, minute book, accounts book and cashbook. A third book maintained is a **Loan register**. The bookkeeper is responsible to maintain these books. Even when all the members of a group are illiterate, they are encouraged to maintain records. They normally engage a school going child or any other member of the community to do it for them.

3.3.12 Members form their **own rules and byelaws** and record them in the first page of their Minute book. The rules are very basic. They would talk about coming regularly to the meeting, coming to the meetings on time, saving regularly, respecting one another etc. Once the group starts giving out loans, rules related to lending are added. As the group continues to grow, they add rules that they see relevant. For example, many groups would add the rule that if a member comes late she would have to pay a fine. Another rule in many groups is that if a member is absent without prior permission she would have to pay a fine or even forgo taking loans for a few months. When groups mature they even include ethical standards in their rules. Many groups have included in their rules that they will not get their daughters married before they attain the legal marriageable age. Other groups have mentioned that they will not practice Female Genital Mutilation on their daughters. Members take their rules very seriously.

3.3.13 A lot of **training and competence building** is provided to the members and the groups to build their capacity. Most of these poor members have missed out on education and its benefits. The Capacity Building is functional and centered around individual and group activities.

#### 3.4 Operating Principles

- There are certain principles governing the functioning of SHGs. These should be adhered to.
- Group members are facilitated to maintain discipline in the groups. They come to appreciate this as time goes on and add to their rules.
- The Capacity of the members and the groups is built gradually to help them realize their potential.

3.4.1 Except for the objective of forming groups and helping them realize their potential, the **groups should be formed with "No agenda"**. An outside agenda forced onto the group at the initial stages could hinder the realization of ones potential and thereby hinder development. It is important to allow the groups to identify their needs and to prioritize them. They could then be facilitated to pursue initiatives to achieve their goals / vision.

### 3. Self Help Groups

3.4.1 To effectively bring out the individual and collective potential of a group, it is important that **no material resources are easily handed out** to the members or the group. Groups finance inputs out of their own funds rather than receiving them free of charge. This strengthens ownership and instills a sense of achievement.

3.4.2 Groups operate on **Non-political and non-religious** principles. Members could have their political and religious affiliations and convictions but these should not be brought to the group or enforced on others.

3.4.3 **Interactions** with the community and the groups are **normally through a Community Facilitator**. This is a person chosen from the community to play this role. The capacity of the Community Facilitators is built step by step such that the concept and the competencies are passed on to the members in the groups. More about Community Facilitators is given in section 6.2 of this Manual. Keeping limited contact to professional staff members makes the groups grow independent and strong.

#### 3.5 Functioning of Self Help Groups

- Practical details of how a group functions is given in this section
- The economic activities of savings and internal loans are highlighted
- The aspects of bookkeeping are explained

##### 3.5.1 Regular weekly meetings:

Members meet once a week regularly. They choose the time and day of the week that suits them best. They also choose the venue of the meeting. The regular weekly meeting is very important to bring the members together to share their struggles and joys. A poor person is normally very lonely. A lot of poor people live an isolated life. The weekly meeting provides an environment where they develop a strong sense of belonging. SHG members have repeatedly said that although they had lived in the community since many years they had never sat together and shared as they now do in the SHG. They greatly value this opportunity. Members make a commitment that they will meet together regularly.

It is good for the members to sit together in a circle facing each other. The Community Facilitator or visitors can sit outside the circle. If the members are squatting on the floor the Community Facilitator (or visitors) should also identify with the members and squat on the floor.



### 3. Self Help Groups

Some of the good practices followed are:

- o There is a Moderator for each meeting. The Moderator is normally chosen the previous meeting so that she comes prepared. All members will get an equal share to moderate meetings.
- o In many groups the meeting normally starts with prayer and/or song. Different members in rotation lead this. In a pluralistic society the group may start the meeting with a Christian prayer one week and a Moslem prayer the next week if everybody feels comfortable with this. It is important not to impose somebody's faith to anybody else.
- o Attendance is taken. The bookkeeper calls out names and marks attendance.
- o The Minutes of the previous meeting is then read out and members may ratify the same or suggest corrections. The agenda for the current meeting is decided and written down in the Minutes book.
- o Members then pay their weekly savings, which the bookkeeper notes in their individual passbooks as well as in the Minute book.
- o Latecomers pay their fines and absentees of the previous week pay their fines. Since these are agreed upon and written in their rules, there is normally no controversy.
- o The bookkeeper, from records, announces the total savings of the group, the income from other sources like interest earned, fines etc. It is important that all the members know the financial state of the group.
- o Members who had taken loans and whose repayment is due pay back their loans. The bookkeeper records these in the relevant books and also the individual passbooks.
- o New loans are then disbursed depending on the amount of cash available. Those who want loans generally explain the reason for the loans. The group decides whom to loan and also the quantum of the loan. The loans given out are recorded in individual passbooks and in the relevant books of the group.
- o The remaining agenda items are then taken up for discussion. It is good for the group to decide to spend half their time for economic matters and half the time for social matters. Adhering to this time allocation ensures that the groups keep a focus as much on the social matters as on the economic matters. The social development component is as important as the economic one. Some groups discuss the social matters first and then do the economic transactions. Most groups do it the other way around.

**In one of the Self Help Groups in Zambia, the group has decided to meet in the houses of members in rotation. The member in whose house they meet would also be the Moderator for that particular meeting. The Moderator cum host is expected to come up with a topic, which is of interest to all the members. The Moderator would make a brief presentation and then encourage all the members to discuss this topic. The group thereby discusses a wide range of topics covering several social problems and issues.**

EXAMPLE

### 3. Self Help Groups

The meeting normally concludes with saying goodbye or sometimes with a member leading in prayer. The weekly meeting is normally one to one and a half hours in duration. Most groups start their meeting on the agreed time.

#### 3.5.2 Regular Savings

The weekly saving is a very important component in the SHG approach. It helps the members stretch their ability and discover that they can do more than they thought they could. The growing group saving is also a tangible indicator that they are achieving what they have set out to achieve. With new SHGs in a new area, the Community Facilitator has to motivate the members that they should make a commitment to save and really work hard to bring that saving. Savings could be by doing some additional work and earning a little more. It could also be made possible by cutting down on some expense and bringing in the money. Members in Ethiopia for example have said that they cut down on their daily coffee consumption to bring the ETB 1 (USD 0.12) a week. Although this saving sounds impossible in the beginning, members see the advantage in a few weeks and save regularly. The growing group capital handled and kept by the group is an incentive for regular saving. Once few groups have been operating in an area, the weekly saving is not a big issue any longer. When new SHGs are formed, they know that this concept calls for a weekly saving.

Members decide what their **Minimum weekly saving** should be based on their perceived capacity. The amount should not be too easy for some and too difficult for others. The need for forming homogenous groups comes out in aspects like this. Some groups start with a minimum saving of the equivalent of as low as USD 0.05. It is important that all members bring this amount on a regular basis. This amount is normally increased after some time when they realize their potential to save and when their income starts going up.

Some groups have a system of **Optional saving**. All members have to bring the minimum amount but those who are able to save a little more may save that additional amount as and when possible. This additional saving helps the group's capital grow faster. It does not offer any special advantages to those who save more. For example, they do not get more loans or more frequent loans. Keeping the same rules for everyone helps maintain a democratic atmosphere in the group.

Many SHGs have what they call **Additional saving**. This is normally a saving made once a month for earmarked expenses. Money from this additional saving is given out as loans for those specific purposes. For example some groups save for medical expenses. Other groups save for school fees or for educational materials. These loans normally have a longer repayment period with a smaller interest rate when compared to loans from the main fund, which is mainly for micro-business.

Groups have a tendency to save on a monthly basis e.g. for Christmas celebrations and distribute the saving during Christmas time. This is a traditional practice in many countries and should be discouraged within the Self Help Group approach. Members should develop the mindset of spending and living on the profit they make and not living on the capital. The *Merry-go-round* or *Stokvel* concept supports this type of distribution or living on capital. Self Help Group members should be facilitated to understand the difference. When people live on "Profit" they develop economically whereas when they live on "Capital" they do not progress very much.



### 3. Self Help Groups

Self Help Group members that start saving USD 0.10 a week may increase their weekly saving to USD 0.20 after a year and perhaps to USD 0.50 in 3 years. The capital starts increasing. One big challenge is to keep their money safe. Initially they do not even trust each other very much. In some countries the group ordered for a wooden box with two padlocks. The group's money is counted, recorded and kept in the box. The box remains with one member during the week, one key with another member and the second key with a third member. Reasoning being that the box cannot be opened unless all three of them collude. In the next meeting, the money in the box is counted and verified with the record in the Minutes book.

Some groups distribute the money among three or four members and record what each of these members took home for safekeeping. In the next meeting the money is collected, verified and few other members would take it home for safe keeping. This method helps build trust in each other. It also avoids one member carrying too much cash home.

Wherever there is a possibility to open a bank account in the name of the group, it is best to encourage the group to open their own bank account. This greatly builds the self-esteem of the group. The poor members very often think that it is impossible for them to have a bank account. They feel that banks are only for the rich. However, it needs to be checked if bank charges are not too high.

Once members start taking loans and see for themselves the advantage of using their money for profit, safekeeping of the capital is no longer an issue. There is hardly any money available as idle capital. Each week members borrow for various business initiatives. The Cash-in-hand is small. **One can often hear illiterate women say that if we put our money in the bank others are going to borrow it and make profit. Why not we use the money for profit?**

#### 3.5.3 Internal Lending

When 20 members bring USD 0.10 a week each, it is USD 2. In 6 months this becomes USD 52, which is quite a bit of money for the members of the Self Help Group who started with nothing. In the second or third month, members are encouraged to take loans from their group and return it with interest. A group is facilitated to develop their own loan rules and write it down. The loan rules will mainly consist of:

- o Maximum loan amount to be given to a member
- o Repayment period of the loan
- o Repayment in installments or the entire amount
- o Rate of interest

Since the saved capital entirely belongs to the group, the members must be facilitated to feel the ownership and accept total responsibility for the money and its use. Members are facilitated to collectively decide on their loan rules. **The initial loan amount may be small and vary from USD 2 to 5. The loan is paid back in 2 weeks or 4 weeks and the interest charged may vary from 5% to 20% per month.**

### 3. Self Help Groups

For those who are familiar with micro-credit, the above loan pattern may seem strange and non-viable. Many of the members taking loans are doing so for the first time. It is better for them to start with small amounts and be accountable for paying it back on time than struggle with large amounts that they are unfamiliar with. The repayment period is short such that the small capital does not get locked up with few members. The money is rotated fast among many members. More importantly, when a member who has taken a loan has to repay it soon, she tends to value the capital more and make good use of it rather than the money lying around in the house. The interest rate may sound huge. The logic of the SHG members is often different. On one hand there is a strong urge to see that their capital grows fast. They look at interest more as profit sharing with the group. On the other, they argue that they paid very high interest to moneylenders where the interest went into the pocket of the moneylender. Here, it is for the benefit of the group. The members argue that if one member takes a loan and makes a profit of 40% in two weeks why should she not share 10% to the group, which made the loan easily accessible?

In the initial stages, members tend to take loans for consumption needs like paying for medical services or paying school fees. They are hard pressed for cash and they see this as easy access to money. Soon they begin to realize that it is hard to pay back when it is for consumption and not for profitable business. Members from older groups try and manage their consumption needs from their profits rather than from the Capital.

As groups become more mature their loan sizes increase, repayment period is longer and interest rates may drop to 2% to 5% per month. It is not unusual for 4-year-old SHGs to give out loans of USD 200 to a member from their own capital.

Short-cycle loans with a high interest rate are a strong driving factor to develop the business acumen in members. The money from the group is "Hot money". There is a strong urge to use the money well in the shortest possible period and return it to the group so that another member can benefit from the same.

Poor people who have very little capital are accustomed to take up long-term Income Generating Activities. The focus is not on "Profit" but more on the "Activity". With the Self Help Groups the members need to be helped to focus on profit. Once a few members in a group catch this business attitude, it could be very contagious and others catch on.

**Goat or Sheep fattening is an IGA often practiced and encouraged in rural areas. Some business minded SHG members would like to explain their economics:**

<b>Cost of young lamb:</b>	<b>USD 25</b>
<b>Period of fattening:</b>	<b>6 months</b>
<b>Expenses involved during 6 months for feed etc:</b>	<b>USD 20</b>
<b>Sale price of fattened sheep:</b>	<b>USD 60</b>
<b>Net profit:</b>	<b>USD 15</b>
<b>Profit per month:</b>	<b>USD 2.50</b>
<b>Profit per week:</b>	<b>USD 0.62</b>

EXAMPLE

**They would tell that earlier when they sold the fattened sheep and received USD 60 they thought that all of it was profit. Now they know that profit in this activity is very low.**

**Now that they have access to capital, they would rather borrow USD 60 from the group. Buy a fattened sheep from a neighbour, take it to town the next day and sell for USD 80. Even after deducting transportation costs they could easily make a net profit of USD 10 in 2 to 3 days.**



### 3. Self Help Groups

The old adage, "Business cannot be 'Taught' but is 'Caught'" is very true. The Self Help Group is a good environment where members catch business from one another. Their own capital and the lending rules facilitate this process. Community Facilitators could encourage this process. There is a possibility that Community Facilitators instead of encouraging aggressive business could play a negative role due to their own background. This could be discerned by the project officer and/or promoting organisation and corrective action taken.

Starting to take loans early, even when the groups' savings are still small, is important to get the circle of loans and repayment started. If these loans are used for individual business, they can be repaid after a short period of time, which will cause a high turn-over of the money. On one hand the savings start growing and on the other hand, members can gradually increase their business.

#### 3.5.4 Record Keeping

Self Help Groups are facilitated to understand the need for maintaining records and are trained to maintain the same. The Bookkeeper of the group maintains the records and the assistant helps. The records that are maintained are:

- o Individual passbooks where the weekly savings, cumulative savings, loans taken and paid back with interest are recorded
- o An Attendance cum Minute book, where the attendance of members, the agenda for the meeting and the Minutes are noted. In this same book all the financial transactions like savings made by the group, fines collected, loans given out and loans paid back are noted.
- o Once the group starts giving out loans, a Loan ledger is maintained in addition to the above two books.

SAMPLE INDIVIDUAL PASSBOOK:

Savings				Loans							
Date	Weekly Saving	Cumulative Saving	Sign	Paid out				Paid back			
				Date	Amount	Terms	Sign	Principal	Interest	Sign	
02/11/07	20	540	Ruth								
09/11/07	20	560	Ruth	23/11/07	1,000	4 weeks, 5%	Ruth				
16/11/07	20	580	Ruth	07/12/07				500	25	Ruth	
23/11/07	20	600	Ruth	21/12/07				500	25	Ruth	
30/11/07	20	620	Ruth								
07/12/07	20	640	Ruth								
14/12/07	40	680	Ruth								
21/12/07	20	700	Ruth								
28/12/07	20	720	Ruth								
04/01/08	20	740	Ruth	04/01/08	1,400	4 weeks, 5%	Ruth				
11/01/08	50	790	Ruth	18/01/08				700	35	Ruth	
18/01/08	--	790	Ruth	01/02/08				700	35	Ruth	
25/01/08	40	830	Ruth								
01/02/08	20	850	Ruth								
08/02/08	20	870	Ruth								
15/02/08	20	890	Ruth								
22/02/08	20	910	Ruth								
29/02/08	20	930	Ruth								

\* Ruth is the book writer who signs each entry

### 3. Self Help Groups

Record keeping is often a challenge. The poorest of the poor in many countries are illiterate. To begin with they are not able to maintain simple records. The easiest solution may be to ask the Community Facilitator to write the books for them. The group will develop a better sense of ownership of the SHG process in general and the book keeping in particular, if this responsibility remains with them and not the community facilitator or the project officer.

In many groups where all the members are illiterate, they invite a school going child of one of the members to come and write the books for them and then read it out for the members to ratify. There are also groups that pay money to other literate members of the community to come and write their books for them. This reliance on others leads to the urge of wanting to write the books themselves. Groups want to acquire literacy skills and may organise literacy classes. It is better to start when the funds are still small so that the competence of the members grows along with the increase in funds. The Community Facilitator guides the book writer to maintain the records properly





### 3. Self Help Groups

SHG members are proud that they can do this for their community and the community in turn recognizes their services.

Like Community Action, Social problems and Social issues are taken up by the SHGs. Some examples of Social Action taken up by Self Help Groups:

- o Fight against alcoholism in the community with support from local officials
- o Awareness raising and action against early marriage of the girl child in several countries of Asia and Africa.
- o Raising the awareness of the community against harmful traditional practices like Female Genital Mutilation, Abduction etc. To ensure that these practices are no more practiced in the community.
- o Awareness raising in the community of the negative outcome of Communalism and religious Radicalism.
- o Ushering Peace and Reconciliation in communities marred with violence based on ethnic and sectarian divisions.

**In one of the villages of Uganda the SHG felt that the water point from where the community collected drinking water remained very dirty. They cleaned up the place, dug a channel for wastewater to flow out and bought some cement and paved the area around the tap. They also made a rule that cycles should not be washed at the tap nor animals drink water at the tap. They ensured that the entire community followed these rules and that the place remained clean.**

EXAMPLE

#### 3.5.6 Micro-business activities

Self Help Groups are formed from among the poorest in the community, which includes the economically poor. Economic development is one of the first steps in the process of overall development. For most of them, Self-employment is a viable option since wage employment is hardly available. "Business" is more an attitude than an "Activity". SHG members developing a business attitude can make a big difference in their economic development. This does not come automatically to most members and needs to be facilitated. "Business cannot be Taught but is Caught" is an adage to be remembered.

Capital is an important component in the process of business development. Many poor people have not had the opportunity to access capital. When money reaches their hands, they are only used to spend the same. Now that the SHG members are in a different position where small capital is freely available to them, they must be encouraged to see this new prospect where they can use "Capital" to make "Profit". Many of them tend to live on the accessible Capital. They need to learn to live on Profit and use the Capital to make and maximize profit. This is easier said than done

Another important aspect to be considered is the market potential. Many-a-time, one member starts a small business. When other members see that she is doing well, they try to do the same activity almost in the same locality. The few customers are thereby split and none of them are able to survive. It is necessary to facilitate Participatory exercises to help SHG members see various business opportunities and choose the ones which they see viable for them. A "Resource inflow – outflow" exercise to identify business opportunities along with a "Matrix scoring and Ranking" exercise to get a feel of what is viable could be a great help.



### 3. Self Help Groups

The Community Facilitators in many cases do not "think" business and it becomes difficult for them to facilitate the development of business attitudes. In such cases, it may be necessary to bring in relevant, down-to-earth resources persons who can challenge and facilitate SHG members to get involved in business. The business attitude is contagious. When SHG members see one or two of them engaged in active business in a viable environment, the others tend to make a beginning. Some inputs in the facilitation process could be:

- o Business activities could be broadly divided into three:
  1. Trading
  2. Production
  3. Providing services.

Profit has to be the bottom line in any business activity. Normally trading is a good starting point to help members focus on profit. The business cycle is short and risks could be lower than production or services. It becomes easy to compute profit in a short cycle business activity.

- o Keeping business capital and personal funds separate helps monitor the success of the business. The entrepreneur could be facilitated to maintain three separate moneybags, one each for: the working capital, savings and consumption funds from the profit. Even an illiterate person can count their profit through this method and maintain financial discipline.
- o There is often a tendency to start Group business since there is a feeling that all could pool their capital and work together. This normally does not work well since business is more of an individual drive than a group activity. Working together in a vegetable garden is possible and could bear positive results but trying to do profit oriented business is another ball game. SHG members should be encouraged to start their individual business.

**Sylvia is a member of a Self Help Group in Northern Uganda called Bediworo. The group is just 12 months old. Sylvia proudly says that earlier when she had no access to Capital she used to rear chicken. The chicken would lay a few eggs, which she would sell and once in a way sell a hen too.**

CASE STUDY

**Sylvia proudly says that after joining the group, she no more rears chicken. That activity provides very little profit and is too slow. Moreover the risks of losing chicken by disease and from wild animals are high. She now takes a loan from the group and buys chicken from neighbours in her village. The next day she takes the chicken to the nearby town and is able to sell them at a 50% profit. In spite of the small transport cost involved, she says she is able to double her capital in a week.**



### 3. Self Help Groups

#### 3.6 Capacity Building inputs

- Building the competence of group members to organize themselves and to set and achieve their goals is an important input that needs to be provided
- Awareness on various relevant development issues need to be provided. Group members are facilitated to prioritize and take up these issues

The groups have been formed from among the poorest of the poor in the community. This is a section of society that have had restricted opportunities or even been denied education. As they come together as a Self Help Group they are eager to learn. The Community Facilitator provides training inputs in a systematic manner relevant to the groups. Training modules are initially centered on various aspects of Institution Building. The topics for the first training modules are generally:

- o The Self Help Group concept
- o Savings, loans and credit management
- o Goal setting and preparing action plans
- o Communication and Leadership skills
- o Problem solving and conflict resolution
- o Basic Business skills
- o Use of various PRA tools
- o Human rights and Child rights

The Book writer and Assistant book writer of each SHG are given training in writing the books and maintaining accounts. Book writers of different groups are brought together for the training.

Training methodology is very important. Blackboard teaching or lecture methods are not effective for this target group. The trainers could use songs, role-plays and a lot of examples to get their point across. Several participatory tools are used in the process of training and the SHG members become familiar with the use of participatory tools.

When a Self Help Group is new, members meet once a month for training inputs. These sessions could be an extension of a weekly meeting or when the members gather for a training session on a day and time convenient to them. Normally no travel allowance or per diem is paid to the members. The understanding is that they the members seek training and it is provided to them by the promoting organisation

Apart from the training modules for "Institution building", which are listed above, SHG members would generally desire a lot of inputs on other developmental issues relevant to them. These could be:

- o General health and hygiene
- o Nutritious food for children
- o Contagious diseases and Immunization
- o Family planning
- o HIV and AIDS
- o Adult literacy and Numeracy
- o Profitable agriculture
- o Small scale production of snacks for business etc

### 3. Self Help Groups

Community Facilitators should be sensitive to these needs and link the groups with Resource persons. The groups can directly contact these resource persons for necessary inputs for the group as well as for the whole community. Where groups are not able to invite resource persons on their own, the Promoting Organisation can organize inputs from resource persons.

Exposure visits to other groups, organisations and market places can serve as effective Capacity Building inputs. Role models could also come and address the groups to share their experiences.

#### 3.7 Goal setting and Vision Building

- A SHG sets time bound goals for their group and works to achieve them
- A SHG develops a shared vision for its group and members
- Members in the SHG are encouraged to set goals for themselves

3.7.1 Members in a group **plan activities** and prepare a time-bound plan of action. They work consistently to achieve these plans.

3.7.2 Once they get used to working in cycles to achieve plans, they **set goals for themselves**. The goals are SMART. Goals could be in areas related to improved functioning of the group. Goals could also be related to small projects for the community or social issues in the community. The group monitors the achievement of the goals in their weekly meetings.

3.7.3 After achieving two or three goal cycles, the group is facilitated to come up with **a vision for their group**. The vision is more of an accountability free zone. It describes the world as one would like to see it. Further goal setting is related to their vision. These activities help the group members to look at issues in the community. The community in turn starts respecting the group members for their contribution.

3.7.4 Members are encouraged to make **individual goals** for their personal and family's development. These goals and the progress made to achieve them are shared with other members in the weekly meeting. This helps the members to support one another and grow together.

3.7.5 Groups are facilitated to make **self-assessment of their group** on a six monthly basis. Participatory grading tools are used. Members decide on the areas to be assessed and rank them in a 5-point scale. They want to make sure that they are moving towards their vision. The groups are also facilitated to audit their accounts once a year. See section 4.7 for more.

3.7.6 It is important to collect information of the socio-economic level of members in the group when the group is formed. Each group would prepare an **admission register** where these details are entered – a page for each member. This will be the base line information and would serve well to assess the impact over a period of time. A sample admission book format is included in annex 1. The register would be kept by the book keeper along with other books. A photocopy could be kept with the promoting organisation. Subsequent assessments could refer to this base line to assess development.



#### 3.8 Assessment of Self-Help-Groups

- Self-assessment and grading exercises contribute to strengthening of the SHGs
- There are "indicators" which are used by the groups themselves to make self assessments and those which are jointly agreed upon between the groups and the Promoting Organisation.

Monitoring and evaluation can be instruments which contribute to the empowerment of the groups. In monitoring their progress constantly, i.e. assessing the changes occurred through the outcome of the SHGs, the groups learn how to use their resources more effectively. Monitoring tools encourage reflection because they demand that steering of the groups is based on the continuous establishment of outputs and outcomes. Through the process of facilitation, the SHG should come up with standards by which they would like to assess the progress made by the group.

**3.8.1** In order to initiate this learning process a SHG should make a **self-assessment once every 6 months**. At the beginning the assessment takes place with the help of the Community Facilitator. Later on, the group can do this self assessment by themselves and report to the CLA. The CLA can also facilitate the grading process as part of monitoring. When doing a self-assessment the group decides on the parameters against which to assess. The groups can change these parameters if with time other objectives or issues get more important. It is recommended to use a 5 point scale to grade each parameter. The members try to analyse what were the difficulties encountered and how they can improve. A self-assessment exercise may look something like this:

Grading Parameters	Score	Reason for score	Problems encountered	Possible solutions	External support needed
Regular attendance	4	Few members do not come regularly	Members busy with other activities	Change time of meeting	Present venue not available. Look for alternate venue
Regular saving	3	Members do not save regularly	Saving habit not developed	Make commitment	Nil Introduce penalty
Utilising saved Capital	4	Few members not taking loans	Fear of failure in business	Encourage and give ideas	CF to organise exposure visits
Timely repayment of loans	3	Few members do not pay back on time	Business not successful	More careful in selecting business	More PRA exercises to identify viable business
Participation in Meetings	3	Few members talk a lot	Some want to talk others are silent	Everyone be given time to express opinion	CF to facilitate in two meetings
Rotational Leadership	5	Regularly followed	no problem	---	---

In the initial stages, the facilitator helps the members to think on "why" the parameters are chosen. For example, regular attendance would show; suitable time, venue, topics, good relationship among members etc. The score is given after members debate among themselves and finally agree on the figure. Very often seeds or pebbles are used for giving the score. This helps even illiterate members to visualize. It will not be in order to add up the score since different parameters may have different weightage. It is best to leave the score as it is as an assessment of performance. This is a good participatory tool to help a group identify weak areas and focus on improving those.

**3.8.2** As a group grows in maturity, the **achievement of planned activities** would be aspects of the self-assessment. This then becomes a clear marker for growth and development of the group.

**3.8.3** The goals are revised and upgraded once in two years as the group grows in maturity

**3.8.4** When **grading the maturity** for creating the next level of the people's institutions, the Cluster Level Associations (see 4 ) the SHGs should agree on a common set of standards and common weightage in order to be able to compare and decide on the maturity level needed to create a CLA.

**3.8.5** Once a group has a clear vision supported by a vision statement, the self-assessments would also include aspects of **progress made towards the vision**.

**3.8.6** Apart from assessments made by the group members themselves, the **promoting organisation and even the National Coordinator** (see section 6.5) need to monitor the progress and evaluate the outcomes and impact. (see chapter 8. Monitoring and Evaluation). For this purpose the promoting organisation can suggest to add some more parameters or indicators to the grading exercise. In any case the indicators used for the monitoring and evaluation from these levels should be discussed with the SHG Groups. Some indicators of a well performing group which can also be used for an assessment by e.g. Community Facilitators or the promoting organization are provided in the next section.

**3.8.7** In order to facilitate monitoring and evaluation at all levels the **baseline data** necessary for monitoring should be documented in the admission book (see Annex 1) and where necessary in the attendance cum Minute book.



### 3. Self Help Groups

#### 3.9 Expected Output - Self Help Groups

- Self Help Groups are facilitated to assess the strengths and weakness of their groups
- They are helped by the facilitators to develop indicators for their own progress
- When one says Good groups; Good in whose perspective?
- Assessment of maturity to move on to the next stage – the Cluster Level Association

Self Help Groups should be facilitated to assess their strength against indicators that they would like to set for themselves. A Selection of Indicators developed by different groups is given here. This could be expected in a well developed, 2 year old group:

- o Attendance above 90% in 90% instances
- o Regularity of saving above 90%
- o Rotational leadership followed in every meeting
- o Can conduct meetings without Community Facilitators
- o Books maintained regularly without mistakes
- o Loans availed by all members every eight months
- o Loans paid back on time in 90% of cases
- o Less than 20% loans availed for consumption purposes
- o Low Cash-in-hand – less than 10% of capital in 90% instances
- o Loan to Saving ratio above 4
- o Interest earned to Saving ratio above 1:1.5
- o Group's capital increases by at least 150% every year
- o Goals set at regular 2 year periods
- o Action plans prepared in 6 month cycles to achieve goals
- o 80% of planned activities are achieved on time
- o Regularly involved in Community and Social Action. At least 2 activities each in every 6 months
- o All eligible children under the care of members attend primary school if accessible
- o All children below 18, in member's household, get at least two meals a day
- o Children receive medical treatment by a trained professional, when necessary
- o Internal assessments made every 6 months and audit once a year.

**A 6-month old group in Ethiopia has a total saving of USD 50.36. Their interest earning is USD 58.05. The individual saving of each member is around USD 3 and the average loans taken by each member is USD 26. This is a case where the group is really seeing value in their saving.**

EXAMPLE

**Another group in the same district of the same age also has a saving of around USD 50. They have not yet started giving loans. They say that they are waiting for their capital to grow to be able to start a grocery shop as a group IGA. This is a case where the business attitude of members is not developing and they are missing out on personal economic development.**

### 3. Self Help Groups

In groups where literacy levels are low, calculating percentages may be a challenge. At the initial stages, the facilitator can simplify these figures to numbers that a group can well understand.

The total loans divided by total savings is a good indicator of how a group utilizes their money. A ratio of 0.8 or 1.0 indicates that the group is not doing very well in utilizing their money. A ratio of 4.0 or 5.0 indicates that the group is doing well.

Similarly a comparison between the Total earning from interest with the total saving gives a good picture of how well the money is being used in a group. In a group that uses it's money well, the interest earning can even be above the saving. This indicates that the group is utilizing the saved capital well.

The above "set of indicators" for a well performing Self-Help Group could be used as minimum set to assess the maturity of SHGs for forming the next level institution, the CLAs (see 5.2).

#### Kabanyana Daphrose regained hope after 16 years of hopelessness

**Kabanyana Daphrose is a mother of 7 children; she lives in Munyiginya sector of Rwamagana district in the Eastern province of Rwanda. Daphrose got married to a very poor man to the extent that she wanted to run away from him a few months after their wedding. She was always encouraged by her husband that things would be alright with time. The situation worsened when they started having children. They could not even afford a single meal a day, and only survived because of the kindness of their neighbors who would give them food. Both parents and children lived miserably and became hopeless. Their critical situation was known to all the community members. Daphrose's parents advised her to go back home and to leave her husband and children but she persisted in order to protect her children.**

**When the Self-Help approach was introduced in Munyiginya community in 2004, Daphrose joined the Self-Help group. Following various training she received as a group member, her life has been very much impacted through the capacity building for micro-enterprise, among others.**

**Daphrose started a business in selling local juice with RWF 3.000 borrowed from her group; she was able to repay this within a month. The second loan she got from her group amounted to RWF 10,000 and enabled her to sell juice and tomatoes in the nearby trading centre. Her business thrived and today she is the main seller of tomatoes, beans, ground nuts, fish and cooking oil. She now stocks 5 sacks of rice for sale.**

**She has one milk cow with a calf and one hectare of cassava plantation. She is able to cover school needs, clothing, health insurance and food for her family; something she never thought she could afford. She now has plenty to eat and also sells surplus food. Daphrose's dream is to be the best business woman in her area such that other SHG members from different areas will be coming to her place for exposure visits. Daphrose is grateful to KNH for restoring hope for her family.**

CASE STUDY



### 3. Self Help Groups

#### 3.10 Expected Outcomes at individual and group level

- Positive outcomes can be expected at individual level and group level from a good Self Help Group.
- Changes are evident from the first few weeks.
- Outcomes listed here can be expected with groups that are 2 years old and older

When talking about outcomes of the SHG Approach it is important to note the outcome and impact mentioned by the SHG members themselves (see section 8.5). Women joining a SHG have different expectations and vision for themselves. Thus, looking on outcomes from the point of view of the individual member of a SHG, the achievements made with regard to the expected outcomes of the group may vary. This makes it difficult to quantify outcomes in an aggregated way, when considering individual indicators.

From individual case studies, reports of project staff involved and from one multi-country evaluation, carried out in 2005, there is (although not statistically proven) evidence that following outcomes are possible:

- o Enhanced standard of living of members' household as a result of increased income
- o Improved access to basic services like education and health for children
- o Self confidence and self esteem of member has increased
- o Improved family relationships
- o Enhanced health status of family
- o Increased awareness on health and hygiene in the community
- o Improved access to livelihood related services – credit, market, institutional support etc
- o Improved ability to address social issues at the community / village level
- o Increased negotiating power for fair living conditions
- o Improved social networks
- o Participation in local governance

### 4. The Cluster Level Association

Substantial socio-economic development can be noticed in a good Self Help Group. The process however does not stop there. It goes on to build a strong People's Institution. The Cluster Level Association - CLA is the next level. A CLA is normally made up of 8 to 10 Self Help Groups from a specific geographic area. The CLA takes up social, economic and political issues that are beyond the scope of a individual SHG and leads the People's Institution towards empowerment.

#### 4.1 Features of Cluster Level Association

- A Cluster Level Association has clearly defined features
- The CLA has its own objectives and activities that are different from those of the SHG
- A CLA implements their planned activities and projects through sub-committees

4.1.1 Once there are **8 to 10 good SHGs in a geographic area** it is time to think about the Cluster Level Association. A CLA is made up of 8 to 10 SHGs in a geographic area and each SHG sends two representatives to the CLA. If the area is sparsely populated and it is not possible to form 8 groups, a CLA could be formed by 5 SHGs or more. In such cases, there may be 3 representatives from each SHG at the CLA. The SHGs in any CLA are normally within a radius of 3 to 5 kms. It would then be convenient for members to get together on a regular basis and for the CLA to look into area specific needs

4.1.2 Each constituent **SHG carefully selects 2 (or 3) of their members to represent them at the CLA** based on selection criteria developed by them (see section 4.2.1). A member representing a SHG at the CLA has a term. Normally the term is 2 years. Once the term is over, the SHG would replace the representative with another member. In the initial phase, the terms are staggered such that both the representatives are not replaced in the same year.

4.1.3 Members normally **meet once a month** on a day, time and venue convenient to them. At the initial stages they may meet once in two weeks till the CLA activities gains momentum. Founding members select a unique, meaningful name for the CLA. The name gives them a sense of identity.

4.1.4 SHG representatives bring their **monthly report to the CLA** stating briefly how their SHG performed during the month and requests the CLA for support and services on problems they could not tackle at their level.

4.1.5 The CLA consolidates the requests for help that come from their constituent SHG as well as from the community. They prioritize the needs and come up with their **time-bound action plan**, which are SMART, i.e. simple, measurable, achievable, realistic and time-bound. They normally plan for a 6 month period.



4.1.6 The **CLA forms sub-committees** to handle their activities. The sub-committees reflect the action plan and the goals set by the CLA (see section 4.6). There are normally 4 to 6 members in each sub-committee. Sub-committee members are generally from the CLA but a few may be co-opted from constituent SHGs based on their competence. The CLA mandates the relevant sub-committee to do the job and come back to report. Some sub-committees work on a more permanent basis whilst others are for implementing one task only. Some possible sub-committees could be:

- New group formation sub-committee
- Audit sub-committee
- Conflict resolution sub-committee
- Literacy project sub-committee
- Pond dredging sub-committee

4.1.7 Constituent SHGs pay a small **monthly contribution to the CLA** to meet their administrative expenses. The amount is agreed upon by the SHGs and the CLA. It is good for the CLA to open a bank account in their name for safe keeping of their administrative funds, wherever possible.

4.1.8 Unlike the SHGs, **no saving or lending activities take place at the CLA** among the members. CLA members should not gain any personal economic benefit at the CLA level since they also belong to a SHG. Their benefit is mainly social recognition. As a group the CLA will not involve in day to day business activities. They could however access business opportunities for SHGs.

4.1.9 The CLA selects **two representatives** to represent them at various forums. **A book writer** maintains CLA records. Pattern of **rotational leadership** is followed. Each monthly meeting is moderated by a different member and all members get a turn to Moderate.

4.1.10 The CLA develops its **own Bye Laws**, which is recorded. In most cases the CLA operates as **an informal association** and does not go for legal registration. This may vary in some countries where it is mandatory for the CLA to register. In some countries, the CLA submits their Bye Laws to the local authorities as a symbol of recognition.

4.1.11 All decisions are recorded in **a Minute book**. Financial transactions are recorded in a **Cashbook and Ledger**. The CLA has a book writer.

4.1.12 As more SHGs are formed, it would be good to **form more CLAs** than make few CLAs very big. The CLAs will also be forming new SHGs, which they accept as their members from the beginning. When the number of SHGs in a CLA go beyond 14, it is good to split into 2 CLAs.

4.1.13 The **CLA is not a superior body to the SHG** but only a representative body to carry out certain tasks on behalf of the SHG.

### 4.2 Formation of the CLA

- CLAs are made up of SHGs that are self-assessed to be functioning well
- SHG members carefully select their representatives to the CLA based on criteria
- SHG representatives are on the CLA for a fixed term

#### 4.2.1 Preparing for CLA formation

When there are 8 to 10 Self Help Groups in a particular geographic area that are more than 6 months old, the promoting organisation along with the SHGs start planning for the formation of a CLA. The Community Facilitator explains to each SHG how a CLA can further augment the process of development and helps them understand the roles and responsibilities of the CLA. The CF assures that the roles of CLA will not be conflicting to what the SHGs are doing but compound the efforts. Once the SHGs have understood the CLA concept, they need to agree for the formation of their CLA.

Each SHG is then facilitated to do a self-assessment of their group as described in 3.8. If at the end of the assessment, there are 8 or more SHGs that rank well with regard to the discussed and standardised indicators, they are invited to join the Cluster Level Association. For SHGs that do not rank well, this is a message that they need to improve on aspects where they are poor, before they can join the CLA.

#### 4.2.2 Selecting CLA representatives

Each of these good SHGs sends 2 representatives to represent them at the Cluster Level Association. These representatives are carefully chosen after the SHGs understand the roles and responsibilities of the CLA. The SHG normally does this using a matrix scoring and ranking exercise. The criteria for selecting their representatives to the CLA are put on the x-axis. It is important that the group selects these criteria and not the Community Facilitator. Names of 4 or 5 possible candidates who may measure up to these criteria are put on the y-axis. Each candidate is rated against the selected criteria by using 5 seeds. A candidate who scores 5 seeds against a criterion ranks very high in that criterion. A candidate who scores only 1 seed ranks poorly. Based on this ranking two members who get high scores against each criteria are selected to represent the group at the CLA.

Prospective Candidate	Regular in meetings	Regular in Saving	Good leader	Wise adviser	Good communicator
Martha	5	5	4	3	4
Josephine	5	5	3	3	3
Rachael	5	4	3	2	3
Helen	4	4	4	3	3
Sheila	4	4	3	3	2

## 4. The Cluster Level Association

The exercise is carried out in a participatory manner. All the members participate in assigning scores. When there is contradiction, they discuss / argue and finally agree on the score to be assigned. It would not be right to add up the scores since each criterion may have different weightage. The scores are just left on the table to help members make an overall assessment. The selected representatives are sent to the CLA by the SHG. Representatives have a term, which is normally 2 years. When 2 years are over an SHG may decide to resend the representative for one more term or choose another representative. A representative may be on the CLA for a maximum of 2 terms. This is to ensure that all members get opportunities to grow and no one is stuck in a position for too long. Change of representatives is staggered.

### 4.3 Programme Functions of the CLA

- The CLA has clearly defined functions that do not overlap with the activities of the SHGs
- CLAs should not get involved in economic activities for personal gain, but establish linkages and access to information / resources to SHGs

At the Self Help Group level, members focus on their economic development and solving their immediate social problems. For the process of development and empowerment, much more needs to be done. The Cluster Level Association takes up the next level of responsibility. They basically look after their constituent SHGs. They are involved in the overall development of the community in terms of infra structural development and provision of facilities. Social issues in the community are a matter of concern and the CLA takes up these issues. To achieve all this, the CLA mobilizes the community for lobby and advocacy. Strength in numbers is one of their main tools.

To be more specific, the CLA has 5 main functions. They are:

#### 4.3.1 Strengthening SHGs and forming new ones

- Nurturing, Monitoring, Training and \*Auditing constituent SHGs
- Conflict resolution in constituent SHGs when the SHG is unable to resolve internal conflicts
- Forming new SHGs within the geographic area as need arises

\*Auditing is made up of financial and social audit:

Financial audit would be to check if the books of account are maintained correctly and that the cash-in-hand tallies with the records.

Social audit would assess if the group is functioning well according to the agreed indicators

#### 4.3.2 Resource Mobilization through Linkages with other service providers

Although members have developed socially and economically they still need resources and access to knowledge/information and training. The CLA is encouraged to establish linkages to access material resources and social services.

## 4. The Cluster Level Association

To establish linkages, the Promoting Organisation first provides information to the CLA on existing service providers and the services they provide. The CLA is also encouraged to gather information in a systematic manner and record them. The CLA then establishes linkage with Government departments, Non-Government Organisations, Business houses and Financial Institutions to access need-based resources and services. Accessing should always be need-based.

CLAs in many African and Asian countries have been able to access bore wells, community water points, toilets, houses, community halls, schools, health centres, roads, electricity, bus service to the village etc through linkages.

### 4.3.3 Planning and implementing need-based projects

Apart from accessing needs, there could be several need-based projects that the CLA could implement for their constituency as well as for the entire community. The project evolves from needs identified by the constituent SHGs as well as other sections of the community. The CLA does a participatory needs analysis exercise and prioritizes the needs. Needs that are high priority are taken up for implementation. Here again, the CLA could access resources from donors and other service providers to be able to implement projects. Some sample projects that CLAs have initiated and implemented are:

- Pre-school for young children
- Tuition classes for school going children
- Immunization programme for children in the community
- Literacy classes for SHG members and others
- Health centre for the community
- Grain mill
- Grain bank – coordinating purchase of grain during harvest time and resale
- Water shed management
- To act as extension arm of GOs and NGOs for awareness programmes and relief services

The projects are initiated based on need and by the CLAs. Therefore they tend to be relevant and sustainable.

CLAs should not get involved in day-to-day activities of any Business or Income Generating Activities as a group. This will tend to make them loose focus on their main roles and responsibilities. Work could be delegated to constituent SHGs. For example if the CLA raises capital for a grain bank, the day to day operation of the grain bank could be contracted to one of the SHGs close to the grain bank. The contract would stipulate an agreed share of the profit to the CLA for their administrative expenses.

CLAs may link their SHGs with Micro Finance Institutions. However it is not good for them to get directly involved with loan disbursement or collection. The MFI could do this directly. Here again a lot of time and energy would get diverted to administer the loans. It is better done by the MFI who has more competence in such work.

**A CLA called Asipheleli La, which in Zulu means, we are grown up, has been formed in a remote rural area of Swaziland. The 7 constituent SHGs of this CLA brought up the need for a small hall where the SHGs could meet for their weekly meetings and where children could meet on a regular basis for studies and other activities.**

CASE STUDY

**The CLA approached the Inkhundla (the local leadership) and acquired a piece of land. They then met the manager of a large Sugar mill and convinced him to provide them 50 bags of cement for this hall. They requested an International NGO to provide roof sheets, steel doors and windows. A beautiful hall now stands in the village fulfilling the needs of many children and the community**



## 4. The Cluster Level Association

### 4.3.4 Social Transformation in the communities

Development aims at establishing value systems in the community that respects rights and duties of men, women, girls and boys likewise so that relationships among them are strengthened and restored.

Self Help Groups discuss social problems in their meetings. They soon come to a consensus on right and wrong values as well as helpful and harmful social customs and practices. Changing these is not easy since there are powerful forces upholding the negative practices. The CLA plays an important role:

- To raise awareness in the community on Social issues through street plays, songs and debates
- To encourage members in constituent SHGs to make a commitment that they will not follow harmful traditional practices
- To encourage SHG members to influence their neighbours in the community to give up harmful practices
- To develop value statements with the community at the end of the process

Strength of numbers and strong homogenous groups play an important role in bringing about these changes. The time soon comes when the CLA is able to say that in their community such and such practices will not be tolerated and other values will be upheld.

There are CLAs, which today can say that in the area under their geographical purview they are confident that:

- o Not a single girl child goes through Female Genital Mutilation in areas where this traditional practice was rampant
- o Not a single girl is married when she is below the legal marriageable age
- o Abduction of girls has almost stopped
- o Wife beating in the community has dropped drastically

Social transformation is an important aspect of overall development and empowerment. This is one of the functions of the CLA.

**Meserat is a young mother of two girl children in Ginchi, Ethiopia. Her SHG had discussed for long the practice of female genital mutilation that is being widely practiced in the region. Members in the group were convinced that this practice was harmful and the propagation of the same was a blind belief. With support from their CLA, the SHG had included a clause in their byelaws that members of the SHG would not practice FGM if they continued in the group.**

**When the time came for Meseret's eldest daughter to undergo FGM, she managed to convince her husband that they would not continue the practice. There was jeering and pressure from the neighbours and the traditional leaders. With support from her SHG members, Meserat could withstand this pressure.**

**Today the SHG members have been able to convince their neighbours to stop this harmful traditional practice. The CLA has taken support from the local administration. The CLA can proudly say that – to their knowledge - in the Kebele and neighbouring Kebele's (Administrative unit) FGM is not practiced any more.**

## 4. The Cluster Level Association

### 4.3.5 To make the presence of the CLA / SHGs felt at the local government

To bring about sustainable development, policy changes in the governing structure needs to be effected. This is one important function of the CLA that is achieved through:

- o Putting up their candidates in the local governing structure starting from the lowest administrative level and moving up to higher structures
- o To mobilize the people to lobby for just and fair policies that represent the interest of the weaker sections of the community
- o To take up and promote advocacy of issues that adversely affect people and work at bringing the desired change.

### 4.4 Administrative Functions of a CLA

- CLAs have certain administrative roles. The Promoting Organisation must make sure that it hands over responsibilities to the CLA.
- The Community Facilitators starts reporting to the CLA
- The CLA raises funds for all administrative expenses of the People's Institution

Apart from their programme functions, a mature CLA has certain administrative roles to fulfill. By the time a CLA is about one year old, it starts taking over the following responsibilities from the promoting organisation.

**4.4.1 Community Facilitators** who were initially contracted, trained and mandated by the Promoting Organisation **start reporting to the CLA**. The shift could be in a phased manner. Each CLA would normally take over one Community Facilitator and mandate them based on the goals they have set for themselves and their constituent SHGs. There may be cases when the CLA is not happy with the performance of a Facilitator. In such a case they could dispense with the facilitator and choose another person to play the role.

**4.4.2** The **CLA would start paying remuneration to Community Facilitators** they want to retain. The Promoting Organisation initially paid this and the CLA gradually takes over this responsibility. This shift could take place over a period of time. For example, for three months the Promoting Organisation pays 75% of the remuneration and the CLA 25%. In the next three months they pay 50% each. The following three months the CLA pays 75% after which they completely take over. The reason behind this is not because the promoting organisation is running out of funds. It is a step towards empowerment of the CLA and the phasing out of the People's Institution from the Promoting Organisation. This is not reckoned as "employment" by the CLA but more of one member in the community volunteering to serve/help the groups.

## 4. The Cluster Level Association

4.1.1 One of the roles of the CLA is to **raise administrative funds** for the People's Institution. This would include travel, stationary and communication expenses. They have to pay the Community Facilitators. At a later stage they would also raise administrative funds for the Federation. Some of the methods by which they raise funds are:

- o Each constituent SHG pays a monthly contribution to the CLA. This could start as a small amount of USD 0.20 per month per SHG. As the services offered by the CLAs improve, the contributions increase.
- o Every time a project proposal is prepared and external help sought to fund a project, a small percentage (say 10%) is requested to cover administrative costs of the CLA.
- o The CLA provides services to their constituent SHGs like annual audit or providing linkage to a MFI. Every time a service is rendered, the CLA claims a service fee from the SHG that availed the service.
- o High investment / Low risk IGAs managed by SHGs can bring in a steady income. For example: a CLA could raise funds to put up a community bath. A constituent SHG is contracted to manage the bath. The SHG would pay a share of the profit to the CLA every month. Other examples could be a grain mill, a community hall, a taxi etc.

A CLA gradually takes over responsibilities from the promoting organisation and manages as a self-supported group. In case there are not enough Community Facilitators for each CLA, the CLA could also contract new facilitators.

### 4.5 Capacity Building Inputs at CLA level

- CLAs need Capacity Building inputs to understand their roles and function well
- Capacity Building inputs are for Institutional Building and Overall development

Capacity Building inputs need to be provided at the CLA level to help the members realize their roles and responsibilities and equip them to function well. A training manual can be accessed at [www.self-help-approach.com](http://www.self-help-approach.com). The training inputs can be divided into two categories:

#### 4.1.1 Capacity Building topics for Institution building

- o Concept of the Cluster Level Association
- o Roles and responsibilities of the CLA
- o Needs analysis and prioritization of needs
- o Goal setting and realization of goals
- o Working with sub-committees
- o Planning, Monitoring and Assessments of projects
- o Access to Information and Linkages
- o Book writer is provided appropriate training to maintain records

## 4. The Cluster Level Association

### 4.5.2 Capacity Building for overall development

- o Introduction to Appropriate Technologies
- o Rights based approaches, especially Child rights
- o Market linkages
- o Lobby and Advocacy
- o Participation in structures of governance

Capacity Building should not be restricted to training sessions. Visits to other good CLAs could be very enriching. Providing relevant information and helping CLAs access relevant information themselves are important Capacity Building inputs.

### 4.6 Goal setting and Vision building

- A CLA sets time bound goals in keeping with the assessed needs of the SHGs and work to achieve them
- A CLA develops a shared vision along with its constituent SHGs

4.6.1 Once a CLA is formed and understands its roles, the CF and PO facilitate it to prepare an **action plan, which is SMART** (see 4.1.5). Each constituent SHG conducts a participatory needs assessment. They prioritize the needs and send one or two needs to the CLA. The CLA compiles the needs and further prioritizes them to come up with their first action plan. The initial plan could be very short and made up activities within easy reach of the CLA.

4.6.2 It is advisable that the CLA does not wait too long to come up with their **first action plan** and start implementing the same. The first plan could be ready within 3 to 4 months of the CLA formation, by which time the CLA has received basic training and the SHGs are ready with their prioritized needs. Undue delay in action can cause frustration.

4.6.3 After a CLA has gone through one or two cycles of Action plan, the members gain tremendous confidence. They could then have a **goal setting exercise**. Goals could be short and long term. Short term goals could be those they want to achieve in a year and long term could be for 3 to 5 years.

4.6.4 A two-year old CLA could come up with a **vision**. It would be good for the CLA to organize a strategic planning session along with SHG representatives to come up with a shared vision. Their past experience could guide them in envisioning. To ensure objectivity, it would be good if an external facilitator facilitates the vision building process.

To further explain the three:

- To install 2 bore wells in one village for clean drinking water is **an activity**
- To ensure that the community has access to clean drinking water is **a goal**
- Quality life for all members in the community is **a vision**

## 4. The Cluster Level Association

### 4.7 Assessment of the performance of CLAs

- Regular self-assessments help to monitor performance with regard to function and progress of CLAs
- The standards to be achieved are jointly agreed upon between the groups and the Promoting Organisation.

Monitoring and evaluation are helpful instruments to assess progress made. Each CLA is encouraged to carry out 6 monthly self assessments of its performance. The assessment parameters would be based on their roles and responsibilities. The CLA needs to be facilitated to list these parameters by the CF, supported by the project officer. The parameters would change as the CLA progresses in understanding and maturity. At the end of each 6-monthly planning period, the CLA should assess the implementation of plans both quantitative and qualitative.

Once a CLA has come up with their goals and vision statement, assessments should track the process in achieving the goals and the stride towards the vision.

After a CLA has taken over administrative responsibilities, the CLA should assess how they have performed in these. Targets are set as part of the CLAs action plan. In the regular assessments, the CLA wants to know if these targets are met and reasons for lapses. A mature CLA would be able to carry out these assessments even without the inputs of the CF.

The CLA assigns time bound tasks to the CF that is agreed by both parties. The output of the CF is graded once in 6 months using simple grading tools. This participatory grading is based on the expectation of the CLA in terms of time bound achievement and done along with the CF.

In the process of handing over responsibilities to the CLA, role transfer exercises are done, listing the jobs that were done by the promoting organisations that the CLA is now taking over. Time frames are indicated in these role transfer exercises indicating diminishing roles for the promoting organisation and increasing roles for the CLA. Training needs assessments are made based on these role transfer exercises, where the promoting organisation builds the competence of the CLA. In their 6 monthly assessments, the CLA makes an assessment of their performance as well as the inputs promised and received from the promoting organisation. Inputs received through linkages would also be assessed. The results of these assessments should be shared with the promoting organisation via the project officer.

Before creating the next and last level of the people's institution – the Federation - (see point 5.2.1) a standardised assessment of those CLAs wanting to join the next level has to be carried out in order to assess the maturity and performance of the CLAs. The quality standard could be jointly arrived by the CLAs and the project officer / community facilitator, in keeping with the roles and responsibilities as well as the goals of each CLA.

The results of the self-assessments should be reported to the Promoting Organisation and later to the Federations, so that they can strengthen the CLAs where necessary. Where appropriate the assessments should include training needs assessment to help identify gaps and provide the needed capacity building inputs.

## 4. The Cluster Level Association

### 4.8 Expected Output - CLAs

- Indicators of a good CLA have been developed by various CLAs themselves
- These are only indicative. More could be added based on need

A Cluster Level Association can be said to be strong when the following are observed in a two year old CLA:

- Nurtures, monitors trains and supports constituent SHGs. CLA has audited – social and financial - all constituent SHGs at least once a year
- CLA facilitated correction of 80% short falls noted in the audit
- CLA resolves conflicts that may arise in member SHGs, which the SHG is unable to resolve. 80% of constituent SHGs are functioning smoothly.
- Forms new SHGs as need arises or expressed by community members. A new SHG formed within 6 months of established need
- CLA sets up SMART goals in accordance to the needs of constituent SHGs and the community. Goals are set and reviewed every 2 years.
- The CLA ensures that at least 80% of the set goals/objectives are achieved on time.
- Mobilizes need-based resources and services from other players. At least 3 resources / services mobilized each year
- Implements projects that meet the analyzed needs of the constituency and community. These could be literacy classes, day care centres etc. At least 2 projects implemented each year
- Draws plans and proposals for need-based projects in the community. Raises funds and implements them. At least 1 project with external assistance implemented in a year
- Has task-oriented sub-committees working effectively to achieve goals. Sub-committees fulfill tasks on time in 80% of cases
- Takes up social issues in the community and addresses them. They challenge harmful traditional practices and those customs that overstrain community members financially and bring new values. Discussing at least 2 issues seriously and acting on at least one.
- CLAs Question and Challenge exploitative trade / economic practices. At least 2 issues are questioned with facts and figures
- CLAs exert their Political rights in matters concerning the Constituency and Community. Encourages members to represent people in structures of governance. At least 3 members from the constituency contesting for elected, local leadership.
- CLA mandates the Community Facilitator, who takes up assigned tasks and reports to the CLA on a regular basis. The tasks given to the CF and the assessment are available on record.
- The Community Facilitators is paid on a regular basis by the CLA. A 2 year old CLA pays at least 50% and a 3 year old CLA the full remuneration
- CLA consistently raises funds for Administrative expenses of the People's Institution through sustainable activities implemented by SHGs. At least 2 times the contribution of constituent SHGs is raised from other sources.

Some of the key indicators given above will be considered to determine the maturity of a CLA when the time is ripe to establish the next level of the people institution (see chapter 5). The CLAs and the project officer / community facilitator will jointly decide on which of the indicators to choose.



## 4. The Cluster Level Association

### 4.9 Expected Outcome of a CLA

- Expected outcomes differ at different levels and depend on the different perspectives. Some of the following outcomes could be expected by a well performing CLA

Effective functioning of constituent SHGs including provision of administrative support in 80% of the cases

- o An ongoing expansion of constituent SHGs to include more of the community and reach further
- o Effective mobilization of relevant resources and services through establishment of appropriate linkages
- o Improved access to relevant services to the community through initiation of projects
- o Increased visibility of community level issues and action for change
- o Increased awareness and participation in local and regional political activities
- o Sufficient funds are mobilized on an ongoing basis to cover administrative expenses.
- o The Community Facilitator is reporting to the CLA and the CLA is able to support the facilitator financially
- o The CLA monitors the SHGs and provides consolidated reports to the promoting organisation or the Federation

## 5. Federation

The Federation is the apex body of the People's Institution. At the formation stage, a Federation is made up of 8 to 10 Cluster Level Associations, each of which would have 8 to 10 Self Help Groups. This means up to 2000 members representing that many households. Considering an average family size of 5, a Federation directly influences about 10,000 people. This is People's power. The size of the Federation would continue to grow as more SHGs and CLAs are formed over the years.

Although the term apex body is used for the Federation, it does not imply absolute power at the hands of the Federation members representing the CLAs who represent the SHGs respectively. The power still remains with the General Body, which is made up of the SHGs. The SHG members are the "Owners" of the People's Institution and the ones who "call the shots". The CLA and the Federation are representatives of the SHG members placed in position for certain well defined functions.

### 5.1 Features of a Federation

- A Federation has clearly defined features based on its functions
- The Federation has its own objectives and activities that compliment those of the SHGs and CLAs
- The Federation's Executive Committee plans and implements activities of the Federation

**5.1.1** The Federation is an institution in its **own right with a unique identity**. The identity of the Federation does not come from the identity of the promoting organisation but evolves from the vision and mission of its members in the SHGs and CLAs.

**5.1.2** The representative body of the Federation is **made up of two representatives from constituent CLAs**. The representatives are carefully selected by the CLAs based on criteria developed by them. CLA representatives serve for an agreed term on the Federation. The term is normally 3 years. It is possible that the term of a member ceases at CLA level but continues at the Federation. The member would however continue to be a SHG member. However, if a person is no longer member of an SHG she or he cannot be a member of a Federation any more. Change of representatives is staggered. The Federation members meet once in two months. At the initial stages the Federation could meet more often.

**5.1.3** The Federation is the legal holder of the People's Institution and is registered in the country in accordance with a legal system that is close to the operational features of the Federation. This has to be done after a careful study of the legal framework and its compatibility to the SHG concept. If no legal framework is compatible it is wise to lobby for a new law. The Federation should fulfill all the laws of the land.

**5.1.4** The Federation has an Executive Committee to act on behalf of the representatives of the Federation. The Executive Committee members are selected from among the Federation members based on criteria set by the Federation. The Executive Committee members serve for a fixed term. A member can be on the Executive Committee only as long as s/he is on the Federation. The Executive Committee should not have more than 8 members in order to maintain its capacity to act.

**5.1.5** The Federation comes up with a clear Vision, Mission and Objectives, which are developed by participation of the General Body and shared by them.

## 5. Federation

5.1.6 The Federation sets up **task-oriented Committees** to achieve tasks identified by them. These committees work for a fixed term. The Federation hires professionals as and when needed. These external professionals could be on the task-oriented Committees. The Federation could appoint full time staff to fulfill roles that are felt needs.

5.1.7 Federations **provide access to relevant knowledge and information** for the constituency. Some Federations have a Resource Centre to serve this purpose.

5.1.8 The Federation would have **its own office**, communication devices and printed stationary.

### 5.2 Formation of Federation and taking over

- The Federation is to be formed when the People's Institution has grown to the right stage in terms of quantity and quality
- The capacity of the Federation is built to manage the People's Institution and it takes over from the promoting organisation

5.2.1 The Federation is to be **formed when the time is ripe**. The quantitative indicator is that there are sufficient number of SHGs and CLAs – normally 8 to 10 CLAs. Qualitatively, the CLAs must be strong and fulfilling their roles and responsibilities well. Delaying the formation and handing over of responsibilities will retard the process of empowerment.

5.2.2 When the **above indicators are discussed and agreed on** (see section 4.8) between the CLAs, the Promoting organisation could start facilitating the process of forming the Federation.

5.2.3 The Federation concept is to be explained to the CLAs and the SHGs. Once they are willing and consent, the **process of assessments** can begin. Assessments will be made based on key indicators jointly selected by the CLAs and the project officer / community facilitator. CLAs that are assessed to be qualitatively good will join the Federation.

5.2.4 **Two members from each CLA are carefully selected** to represent them in the Federation on a rotational basis. A process as explained in section 4.2.2 is followed. The criteria may be different. The term of the CLA representative on the Federation is normally 3 years. In the first term, one of the representative stays longer by a year such that the replacement of members is staggered.

5.2.5 **Role transfer exercises** are conducted to identify remaining activities done by the promoting organisation that needs to be taken over by the Federation for independent operation. In this exercise, activities still done by the promoting organisation are listed out. The time frame, perhaps in phased manner, for the Federation to take over these activities are written against the activities after due consideration by the Federation.

5.2.6 **Capacity Building needs** are identified in the role transfer exercises. A plan is worked out and implemented. External resource persons may be contracted for

## 5. Federation

5.2.7 Once the Federation is confident to take over the activities, **the promoting organisation phases out**. This is a willful step taken by the promoting organisation in acknowledgement of the empowerment of the people's institution. The Federation could even take over the fixed assets in the field that belonged to the promoting organisation.

### 5.3 Functions of a Federation

- A Federation has clearly defined features based on its functions
- The Federation has its own objectives and activities that compliment those of the SHGs and CLAs
- The Federation's Executive Committee plans and implements activities of the Federation

5.3.1 A newly formed Federation goes through a strategic planning process to come up with its **Vision, Mission and Goals**. This would be the shared outlook of the entire People's Institution and hence representatives from the SHG and CLA levels participate in the process. It would be good for an outside Resource person to facilitate the process rather than the Promoting Organisation to maintain objectivity. NGOs have their own focus and might unconsciously influence the strategic planning of a federation.

5.3.2 The Federation **takes over administrative and management roles** of the People's Institution from the Promoting organisation. Role transfer exercises are conducted between the Promoting Organisation and the Federation such that the Federation will slowly take over activities still carried out by the Promoting Organisation.

5.3.3 By **delegating responsibilities** to the CLAs and SHGs the Federation ensures that the People's Institution functions well and is managed by democratic principles.

5.3.4 The Federation provides **legal identity** to the People's Institution. It should therefore consider various options and register with the appropriate legal authority in the country. Where laws are not compatible the Federation would lobby for a suitable law to provide them legal status.

5.3.5 The **Federation provides services** to the community to maintain equity, peace and justice. Members in the community whose rights are violated can come to the Federation office.

5.3.6 The Federation ensures that the entire constituency and community have **access to relevant knowledge and information**. This could be in the form of a Resource Centre.

5.3.7 Each SHG would pay a small, token **contribution to the Federation** as a mark of Solidarity. This may be in the region of USD 0.50 per year. Administrative expenses of the Federation are mainly raised by the CLAs. The Federation would share their plans and budget to the CLAs, who in turn will raise the needed funds.

5.3.8 The Federation would **call the General Body** as and when need arises. Normally the whole



## 5. Federation

5.3.1 The General Body would come together once a year to make an **annual assessment** of the work of the Federation. Participatory assessment tools are used. An external facilitator may be hired by the Federation for the process

5.3.2 The Federation would **pay for the services received** from the Promoting Organisation as well as other resource persons and professionals

5.3.3 The **Executive Committee** of the Federation could have task-oriented committees to implement various planned activities. Main functions are:

- To ensure democratic functioning of the People's Institution
- To play an important role in ushering Economic empowerment
- The Federation leads the People's Institution to Social empowerment
- The Federation bring Political empowerment to the people
- The ultimate role is to usher a free and fair society where there is respect and dignity for all members.

### 5.4 Possible activities of a Federation

- It would be presumptuous to list the activities of a Federation since it would depend on the individual Federation and the environment in which it operates. Some possibilities, based on experience, are listed.

Activities that a Federation could take up are based on their strength and the functions that the environment demands. Some principles that drive the activities are:

#### 5.4.1 Activities that meet the need of the Community

- A Federation could set up a Resource centre where the community could access relevant information on health issues, market issues, issues related to various government schemes etc.
- The Resource centre could have models of various appropriate technologies, where community members could come and try these out and gather further information
- Provide insurance schemes to the constituency and the community through linkages. These could be health, crop and general insurance
- The Federation could effectively use the print and electronic media to raise awareness on various issues, thereby reaching out to larger society
- The Federation could take up large water conservation measures like watershed management and ecological protection measures covering vast geographic areas with participation from the constituency and community.

#### 5.4.2 Activities where power and influence matter

- Through contacts established and maintained with the police and judicial system, the Federation ensures that justice is imparted to victims of injustice within reasonable time. To champion the cause of the weak and the powerless in society
- Maintain regular contact with local government and work as an extension arm of the government in immunization programmes, relief operations, literacy drive, initiatives of peace and reconciliation etc.
- Establish and maintain contacts with elected representatives at higher levels such that

## 5. Federation

#### 5.4.3 Activities where large numbers matter:

- Organise rallies / campaigns for mass awareness on various social and economic issues
- Propagate and maintain values for the community to follow
- Putting up candidates based on criteria to be elected representatives of the people
- Lobbying and Advocacy for policy changes on various issues that affect the community

#### General

The Federation would prepare an activity plan based on assessed needs. They would ensure that this plan is fulfilled by delegating responsibilities to SHGs, CLAs and the executive committee as well as the sub-committees of the Federation.

### 5.5 Capacity building inputs to a Federation

- Federation members need Capacity Building inputs to understand their roles and responsibilities and function effectively
- Capacity Building inputs are to be provided to the Federation to help them take over from the Promoting Organisation and effectively conduct the business of the People's Institution.

Federation members need to clearly understand their role of taking over from the Promoting Organisation and maintaining a Community Based Organisation. They would need Capacity Building inputs in administration and management of an organisation.

5.5.1 Federation members are trained to fulfill their roles and responsibilities, especially on **human rights, child rights and women's rights**.

5.5.2 Capacity Building inputs are provided for **lobbying and advocacy**.

5.5.3 Federation members need inputs in **administration and management** of the People's institution including financial management. This is important as the federation need to be able to assess the performance of its CLAs in these aspects and give advice. A Federation also might be involved in fund-transfer to CLAs/SHGs, hence need to have the skills to manage this.

5.5.4 The Executive committee and other task-oriented committee members are provided inputs in **project management and financial management** to be able to take up bigger projects than what the CLA would manage. This does not mean that the federation will implement itself, but may need to oversee the tasks delegated to CLAs and SHGs through their committees.

5.5.5 The Federation would need other Capacity Building inputs as and when need arises.

External Resource persons are contracted for Capacity Building inputs of a Federation. The Federation should build a data bank of resource persons for various capacity building needs.

### 5.6 Self-assessment at Federation level

- The Federation needs to make regular assessments of their performance
- The constituency must be aware of the activities and goals of the Federation and be involved in assessing the performance periodically.

**5.6.1** The Federation would carry out a self assessment of its performance once in a year. The executive committee members as well as all the Federation members would be involved in this participatory assessment. The assessment will be focused on effective and timely fulfillment of planned activities as well as planning of activities in keeping with the goals and objectives of the Federation.

**5.6.2** Once a year, the Federation would call the general body. This would be an occasion when the Federation provides a report of the year's activities and share their plan for the next year. This would also be a time when the general body makes an annual assessment of the Federation. The assessment would be based on the relevance of the Federation to the constituency and effectiveness of interventions.

### 5.7 Expected Output - Federation

- Indicators of a well functioning Federation are given in this section
- This list of indicators are only representative. The actual indicators would depend on the environment in which the Federation operates

Some indicators of a well functioning, 2 year old Federation are given below:

- o The Federation has written down vision, mission and goals that were developed through participation of SHG and CLA representatives.
- o Federation members can remember 60% of their vision and mission.
- o Federation has SMART action plan.
- o 80% of planned activities are carried out on time.
- o 80% of members in the constituency, interviewed at random, are of the opinion that the Federation has been of service to them.
- o The local administrative structure is aware of the Federation and its contribution to the community.
- o At least 2 social issues have been taken up by the Federation to influence the community in the last one year.
- o A random survey of constituent members reveals that at least 50% of them or their contact persons have benefitted through the services of the Federation in one way or the other.

### 5.8 Outcome of a Federation

Building and empowering the People's Institution should result in long-term, sustainable impact on the community. Some of the main indicators are listed below.

Effective functioning of the Federation would have a bearing on the functioning of the entire People's Institution and transformation of the community. The institution of a Federation as part of the People's Institution will also have an outcome.

Some of the indicators of a good Federation in a 3-year period (around 7 years since the first SHG) since formation are:

- o The Federation assumes responsibilities that were earlier borne by the promoting organisation, for the SHGs and CLAs
- o The Federation has a legal standing and can transact activities with other mainstream organisations on behalf of the poor, which it represents
- o The community, especially the poor among them, is aware of the existence of the Federation and can easily access them for relevant knowledge, and information
- o The poor in the community can seek the support of the Federation in times of crisis for safety, protection and justice
- o The poor have a fair representation in the local government and are aspiring to have a place at the regional and national level.
- o Policy changes in favour of the poor have been made at the local level and changes are sought for at the regional and national level.
- o The People's Institution is growing at a steady pace each year.

### 5.9 Possible alternatives to a Federation

In certain circumstances, it may not be possible to build the groups to the Federation level. Possible alternatives are described in this section

Here are few cases where the Self Help Group is not necessarily built to the Federation level but still has value and purpose.

**5.9.1** In countries / communities where population density is low, it may not be viable to form 100 SHGs and 8 to 10 CLAs for the formation of Federation. There are perhaps only 3 to 4 CLAs that have been formed. It is possible to form a Union of CLAs. The Promoting Organisation could hand over the groups to the Union of CLAs and phase out. It must however be mentioned that strength lies in numbers. A Union of CLAs may not be able to achieve all that a Federation can, especially in terms of lobby, advocacy and policy change.

**5.9.2** There may be cases, where a Promoting Organisation has just formed a few SHGs, perhaps 15 to 20 and has to close office and leave the place due to unforeseen circumstances. It is not good to abandon groups that have been formed. The right step would be to form one or two CLAs, train them and hand over the SHGs to the CLAs before the Promoting Organisation withdraws.

**5.9.3** There are cases when the objective of a Development Organisation is not to mobilize people to a full-fledged Federation but to have a community partner for their development initiatives. For example it may be Community Based Vocational Training or Community Based Rehabilitation. The main focus in such a case could be vocational training or rehabilitation and not Community mobilization. In such circumstances, a minimum of 10 SHGs and one CLA could be formed. The CLA is trained to take care of the SHGs as well as work as the outreach arm of the vocational training centre or the organisation working for differently abled people for community participation.

## 6. Human Resources

The Self Help Group approach is a process where the lives of scores of people living in disadvantaged situations are transformed. People play a crucial role in the transformational process. This not only calls for hard work but dedication and a passion for people. In other words, implementation calls for “the Head” and “the Heart”.

### 6.1 SHG Members

The members of the SHGs are the most valuable human resources. The whole process is to build them up and unleash their potential. They play a vital role in the process. They do not remain “beneficiaries” but are the “main actors”. This has a ripple effect. The children soon benefit from what the members gain. Children – no matter whether biological, adopted, from the extended family, foster children or child headed households in the community - get better food, education, access to health facilities and basic needs. Spouses of the members benefit. There is greater unity and harmony in the family and sharing of responsibilities. SHG members impact the community. Infrastructural facilities improve and they play a major role in ushering peace and justice.

### 6.2 Community Facilitators

The Community Facilitator (also see section 3.1.3) is the person who maintains direct contact with the groups and plays a crucial role. The Facilitator is not a teacher or a trainer but one who enables the members to do things themselves. Believing in people and their potential is very important. It is not advisable to bring a learned professional as a community facilitator. Someone who is just a small step (socio-economically) above the group members could play the role well. Her educational background shall be such that she is literate and able to manage basic arithmetic operations. There is no need for having A-levels (see box). The reason is to make the group members feel free to work out their development rather than be intimidated by a learned outsider intervening in their midst.

A lot of Capacity Building inputs are provided to the Community Facilitator to build her competence to do the job of facilitating and building the groups. The inputs are provided module by module such that the Community Facilitator develops step by step as the process advances. In most countries where Kindernothilfe has promoted the Self Help group approach, they have appointed a National Coordinator (section 6.5). It is the responsibility of the Promoting Organisation with support from the National Coordinator to ensure that the Community Facilitator receives the needed training as the process advances and that her competence is built sufficiently. The Community Facilitator would in turn build the Capacity of the group members.

**The Community Facilitator is normally a member from the same community where the Self Help groups are to be formed. The person may have a small educational edge over the group members.**

**In a country like Afghanistan most of the group members are illiterate; the Community Facilitators might have attended 5 years of school.**

**In a country like Kenya the Community Facilitator in a rural situation may have reached up to the “O” level (standard 10). It is normally a relative standard.**

EXAMPLE

## 6. Human Resources

The roles and responsibilities of the Community Facilitator are:

- o To prepare the community for formation of the first Self Help Groups
- o Facilitate formation of SHGs, CLAs (see section 4.2.1) and Federation (see section 5.2.2) at the appropriate level
- o Help the group members understand the concept and their respective roles and responsibilities
- o Build the capacity of group members step by step to function effectively
- o Facilitate the process of institution building and discourages dependence on the facilitator
- o Facilitate group members to assess different aspects of their functioning on a regular basis
- o Hand over functioning of the groups to the group members as soon as they are able to manage on their own starting from the SHG level

Administratively, a Community Facilitator (CF) is a volunteer serving her own community. She is not an employee of the Promoting Organisation. A simile would be that of a traditional birth attendant who serves her people without anyone appointing her. This understanding is very important since after the formation of the CLA, the Community Facilitator starts reporting to the CLA and is even paid by the CLA. If the CF understands that she is employed by the Promoting Organisation, this transition will be difficult and the CF may even work against it. If the transition does not take place, phasing out by the Promoting Organisation, which is an important feature of this approach might be impossible to be achieved.

This also necessitates that the CF is not paid a high remuneration to start with. In most countries, the remuneration paid by the Promoting Organisation is in the range of USD 30 to 50 per month. If the remuneration is high, it will be difficult for the CLA to take over. Once a CLA takes over a CF, the CLA normally increases the remuneration depending on the output of the CF and local living conditions.

It is very important to discuss the roles and responsibilities to a prospective candidate before coming to an agreement. In many cases the candidate is looking for a “job with the NGO”, which is understandable due to the high unemployment in the countries and the difficult living conditions people are in. However, what needs to be understood is that this approach wants to empower communities with their own resources so that they stay independent from NGOs and donors in the long run. If this vision is not shared right from the beginning there might grow the feeling of being exploited. When a CF realizes too late that this approach is rather different from what she expected she would leave. This could be a big loss since a lot of Capacity Building investments are already made and one has to start afresh with a new person.

It is important that the Promoting Organisation does not multi-task a CF with different jobs in the organisation. On one hand, the SHG approach is demanding and would need full attention. On the other, this approach may be very different from other jobs. It will be very difficult for the same person to be involved in a hand-out activity in the forenoon and then go to the SHG in the afternoon to say that you have potential to develop and no material resources will be given you.

### 6.3 Project Officer

(Also see section 4.1.4) It is important to set aside a person at staff level of the Promoting Organisation to coordinate the implementation of the Self Help Group approach in the organisation. The Project Officer keeps the management informed about what is going on in the field. S/he leads the team of Community Facilitators in the process of implementation. The roles and responsibilities of the Project Officer are:

- o To provide/coordinate/organize training to CFs, SHGs, CLAs, Federation according to the training modules (see website: [www.self-help-approach.com](http://www.self-help-approach.com))
- o To understand and internalize the concept such as to be able to guide the Community Facilitators not to deviate from the concept
- o To work out the overall implementation plan in consultation with the Chief Executive of the organisation and the National Coordinator
- o To facilitate the CFs plan their activities such that the overall implementation plan is achieved in terms of quantity and quality
- o To monitor the work of the CFs in terms of quantity and quality
- o To Mentor and Nurture the CFs such that they can do their work well in spite of difficulties and hardships in the field.
- o To keep the management informed of the implementation in the field and get them involved.
- o To provide SHGs, CLAs and Federation with relevant information for linkages and project support. Providing information should lead the groups to access information on their own and not be dependent on the Project Officer
- o To actively look for development resources that could be of benefit to the community. For example: appropriate technology, sustainable agriculture, livelihood options etc.
- o To provide periodic reports to the management as well as to the National Coordinator (see section 10.2) if there is one.

Capacity Building inputs need to be provided to the Project Officer from time to time to build her/his competence in implementing the process. The National Coordinator in coordination with the Promoting organisation is responsible for providing this.

### 6.4 The Chief Executive

Although the Chief Executive of the Promoting Organisation may not get involved with the day-to-day implementation of the approach, the organization's conviction in the concept is very important. The Chief Executive can play a key role to instill this.

It is important for the Chief Executive to get familiar with the concept and be convinced that it is a good approach for his/her organisation. S/he needs to be updated on a regular basis as to what is happening in the field. The Project Officer needs to provide this feedback on a regular basis – perhaps weekly. It is also good for the Chief Executive to visit the field once in a while and talk directly to members in the groups. It is normally a powerful experience for any “outsider” to listen to group members when they share the transformation in their lives and that of their family. Internalising the concept within the organisation is important. Good components of the SHG approach could be incorporated as components in other projects and programmes. For example the component of weekly meetings and weekly savings can enhance other community mobilization approaches.

In terms of financial support, the Self Help Group approach may be a low budget project when compared to other projects implemented by the organisation. As comparatively little donor funding is necessary the implementation of the approach does not contribute a lot to the overhead and staff costs of an NGO. Thus normally the reason for a Chief Executive and her/his management to implement the approach nevertheless is that they look at the outcome and impact of the approach rather than the financial value of the input. Again an NGO need to be clear about this before starting with the formation of groups as this would immediately mean that one takes a certain responsibility for the hopes raised in the communities.

It is necessary for the Chief Executive to be part of the Forum of Promoting Organisations (see section 10.1.5) where s/he could meet other players who are implementing the SHG approach under similar environmental conditions. The sharing of experiences could be of great help. There could be national policies and structural difficulties that may restrict the development of the approach in a particular country. By collective action and lobbying some of these hindrances can be overcome by the Forum.

### 6.5 The National Coordinator

In most countries where the SHG approach is implemented, Kindertehilfe has deemed it fit to appoint a National Coordinator, to coordinate the process and organize the needed capacity building inputs in the country.

The main roles and responsibilities of the National Coordinator connected to Kindertehilfe are:

#### 6.5.1 Coordinate the ongoing SHG work

- To explain the concept to the CEO and Management of an NGO and be their contact for any questions that might arise in connection with the approach.
- To motivate the Project Officer of each Promoting Organisation and get a feel of what is going on once every month over the phone
- Visit the Promoting Organisations and some of their SHGs. One visit every 2 months during the first 6 months. Later a quarterly visit
- Visit SHG/CLA training sessions randomly and give feedback on content and method
- Collect quarterly reports from the Promoting Organisations. Consolidate the same and forward them to Kindertehilfe once in 6 months.
- Provide quarterly feedback to person/organisation disbursing money that progress and reporting is satisfactory
- Organise exposure visits (for CFs and Project Officers – once every quarter, for management – once every 6 months)
- Organise training to new community facilitators 1 week, every half year
- Organise Forum meetings for Promoting Organisations – twice a year
- Organise workshops / Training sessions for CFs – twice a year

**Mr. CEO heads a large NGO in one of the African countries. The organisation was keen to start the SHG approach and initiated the process. Initially the CEO did not pay much attention to what was happening in the field. He just considered it as one of the small projects that his large organisation was implementing and left it to the project officer to handle.**

**Based on the insistence of the Project Officer he visited the field nearly a year after the process had begun. Sitting with the SHG members he was amazed at the transformation that had taken place with so little financial resource. He started taking special interest in the approach- visiting the field more often and literally learning from the illiterate women. Today, the SHG approach is mainstreamed among the many projects implemented by the organisation.**

## 6. Human Resources

### 6.5.2 Propagating the concept to other NGOs

- Workshops with field visits as need arises
- Training new facilitators – as need arises
- Organize sensitization programs

### 6.5.3 Developing a resource bank for use by Promoting Organisations, especially in the field of Appropriate Technology, conservation of environment and other technologies relevant for the approach

- Correspond and visit organizations within the country to collect information on Appropriate Technology, micro – credit and other relevant services and disseminate the same to the Project Officers of Promoting Organisations.
- Actively collect relevant information from donor and other external sources for dissemination

### 6.5.4 Disseminating the concept to government officials and other civil society organisations such that awareness about the approach is created

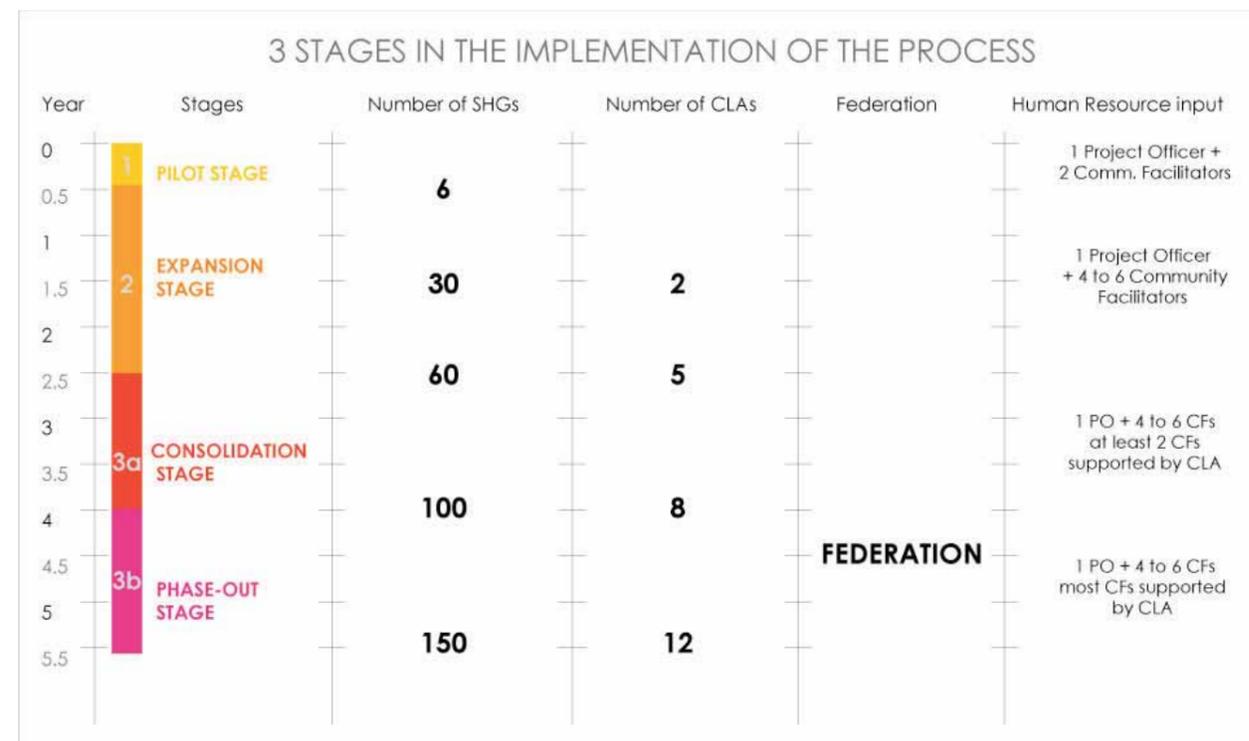
### 6.5.5 Preparing the Promoting Organisations for lobby and advocacy.

### 6.5.6 Participate actively in Annual Coordinators' weekly meeting each year

The National Coordinator is normally hosted by an organisation in the country, which provides legal and administrative support. Programme-wise, the National Coordinator reports to Kindernothilfe.

## 7. Time Frame

The Self Help Group concept is one where numbers are important for the empowerment process since strength lies in numbers. In the process of implementation process a balance has to be maintained between “Quality” and “Quantity”. Indicators for self-assessment of quality parameters for the different levels of the people institution are given in chapter 3.9, 3.10, 4.8, 4.9, 5.7 and 5.8. A thumb-rule indication of the quantitative growth of the process is given in this section.



It would be helpful to break the whole process into 3 stages being, Pilot stage, Expansion stage and Consolidation/phase out stage. A table of the 3-stages is given above showing the desirable growth rate of SHGs, CLAs and the Federation.

**Pilot stage:** This would normally be for a period of 6 months starting from the formation of the first Self Help Group. It is advisable to go slow at this stage since the Promoting Organisation and the people involved are not familiar with this approach and a lot of learning-by-doing needs to take place. The communities where the groups are formed also need to understand and accept the concept, which could take time.

Finding and retaining the right Community Facilitators is a crucial step at this stage. It may be good to start with just 2 CFs at the Pilot stage. The Promoting Organisation would get to understand the roles and responsibilities of the CF before they identify more CFs. It would also be a stage for the CFs to understand and respond to their tasks.

Forming one Self Help Group every month and providing them at least 4 modules of training inputs by the Community Facilitator, could be a good pace at the pilot stage. Forming too many groups at this stage should be avoided.

## 7. Time Frame

Expansion stage: This would be a two year period. A Promoting Organisation that is serious about this approach starts getting a feel of implementation by the first 6 months. This is followed by the expansion stage when the rate of group formation has to increase at a substantial rate to achieve numbers. It would be necessary to identify few more Community Facilitators. To have a team of 4 to 6 CFs (including the 2 who are already there) would be good. By now, the Promoting Organisation and the already formed SHGs would have a good understanding on what is to be expected from a CF. Thus promoting organizations should identify additional CFs in a community with the help of existing SHG members from the very community.

The goal set at this stage should be to form 24 SHGs by the end of the first year –in addition to the six already formed - and another 30 SHGs in the second year bringing the total number of SHGs to 60 (6+24+30=60). Once there are around 10 good SHGs, the CFs should start focusing their attention on preparing the SHGs on the Cluster Level Association concept and formation of the first CLA. It is important that the promoting NGO is aware of the pace the group formation takes place in order to make the CF familiar with the CLA concept in time.

One of the functions of the CLA is to take care of their constituent SHGs and form new groups. Hence by year 2 of the expansion stage, the already formed CLAs would also be forming new SHGs. That is how the formation of 60 SHGs and 5 CLAs is viable. The numbers are again indicative. The actual numbers may be slightly less or more depending on the environment.

Consolidation stage: This could be for a period of approximately 3 years. The rate of SHG formation and CLA formation would continue and further increase since more and more CLAs are formed and are getting involved in the process of group formation and strengthening. A crucial activity at this stage would be the handing over of roles and responsibilities by the Promoting Organisation to the People's Institution.

Formation of the Federation would be another important landmark. The Federation is formed when the number of SHGs is around 100 and there are 8 CLAs or more. This status could be reached in around 4 years from initiating the process. The Capacity of the Federation is built by the promoting organization for the next 1 to 1½ years with the phasing out process taking place simultaneously. By 5½ to 6 years, the Promoting Organisation should be able to phase out completely.

The number of Community Facilitators does not increase at the Consolidation stage but remains at 4 to 6. The Community Facilitators are gradually taken over by the People's Institution from the Promoting Organisation. This transfer starts from the time a CLA is 6 months old.

The formation of new SHGs and CLAs continue even after the Federation is formed and the Promoting Organisation has phased out. There may have been 8 CLAs when the Federation was formed. 3 years later, there could be as many as 15 CLAs under the Federation. The growth in numbers continues as long as the Federation wishes. The Federation may draw a limit based on geographic coverage or an administrative boundary, but otherwise the strength of this approach is that people can join the people's institution on an ongoing basis.

## 8. Monitoring and Evaluation

### 8.1 The use of monitoring and evaluation

- Monitoring and Evaluations are instruments to measure progress in relation to objectives and goals
- In order to find out an efficient and effective way to achieve our goals, we need to know how to measure progress made, i.e. which indicators to choose.

Consciously or not, we human beings are constantly monitoring and evaluating our doing. We all want to know, if our activities bring out the expected output, changes or results. Knowing the outcome of our doing can help us to use resources effectively. Monitoring of activities also can tell us, when something goes wrong and allows us to use corrective measures.

When talking about Monitoring and Evaluation in development context we refer to instruments or tools which are used to assess progress made against objectives or goals. Thus in a first step goals have to become clear and agreed on.

In order to assess if these goals are achieved, different parameters, criteria or indicators are used. In the context of the manual we use the word "indicators". Indicators are needed to give an indication, i.e. a sign or suggestion of "how" outcomes, changes or impact is measured. However, indicators only indicate with regard to the goals set, they do not explain e.g. why a change has occurred.

In summary it can be said that monitoring and evaluation are necessary to make the SHG approach more effective and efficient. Thus the prime focus of monitoring and evaluation is on learning how to do better, not on control.

However, to get most out of this learning process following prerequisites are required. Once the Federation is confident to take over the activities, **the promoting organisation phases out**. This is a willful step taken by the promoting organisation in acknowledgement of the empowerment of the people's institution. The Federation could even take over the fixed assets in the field that formerly belonged to the promoting organisation.

- Goals / vision, discussed, formulated and agreed on
- Indicators, elaborated to measure the progress achieved with regard to goals / vision
- Baseline data and monitoring data have to be documented and analysed

### 8.2 Monitoring and evaluation at different levels

In the SHG approach monitoring and evaluation is carried out at different levels in different ways using various tools.

Starting at the first level and the foundation of the people's institution, the self-assessments and grading exercises carried out by the SHGs with the help of the CF or CLAs are the main monitoring and evaluation tools. These assessments are geared to monitor the functioning of the groups (see chapter 3.8, 3.9, 3.10).

Besides monitoring the functioning of the groups it is recommended that every single member of the group is carrying out monitoring her own goals / vision, which she wants to achieve through her membership in the group. Sharing the progress made on her goals and sharing with other members



## 8. Monitoring and Evaluation

At the CLA level assessments and grading exercises take place in order to monitor the functions and institutional strength of the CLAs (see chapter 4.7, 4.8, 4.9).

On the other hand CLAs facilitate monitoring the SHGs in different areas. They facilitate the assessments of the constituent SHGs and monitor the projects which are given to the SHGs to implement. They follow up the CFs, once the responsibility of CFs is transferred to the CLAs.

CLAs are reporting to the promoting organizations or to the Federations. They are responsible for managing and thus monitoring and evaluating the activities of the SHGs. Monitoring in this respect includes auditing of the accounts carried out by the CLA Audit Committee. The CLAs are required to take actions when the results of the monitoring show that e.g. an SHG needs help to fulfill its function, a project implemented by an SHG does not go well, Community Facilitators need guidance or training, or funds are not used properly.

Promoting Organisations monitor the progress of the SHGs and CLAs, and the newly constituted Federation. The aim is to facilitate the growth of the SHGs in numbers and strengthen the outcome of the SHG approach. At the beginning the Community Facilitators report to the staff of the promoting organizations, later on the CLAs take over the role.

In monitoring the progress made against indicators the promoting organizations are able to determine the maturity of the CLAs / Federation and thus decide when to withdraw and to let the CLAs / Federations carry on their own.

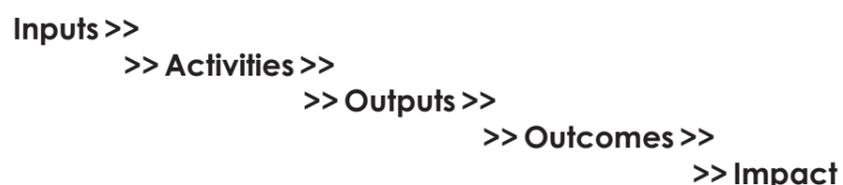
The promoting organisations report to the National Coordinator, who in turn reports to the funding organisation KNH. Sample reporting formats are in Annexes 2 & 3.

The process of monitoring and evaluation needs agreement and collaboration of all people involved.

In short, the monitoring and evaluation carried out at different levels helps achieve the overall goal, which is to empower poor people help themselves and thus overcome poverty for their families, particularly their children.

### 8.3 Result Chain

The chain reaction in the Self Help Group concept can be described as a Result Chain:



Input: Mobilizing the community, group formation and series of capacity building inputs provided to the groups at SHG, CLA and Federation levels

Activities: The regular meetings, savings, loans, business activities, social activities, resource mobilization, projects for the community, sustainable management, service to the community, participation in governance etc,



## 8. Monitoring and Evaluation

Outputs: Measurable results of the activities expressed in terms of Output Indicators. See sections 3.9, 4.8 and 5.7. For example, family income going up, steady increase in group's capital, more children attending school, attention given to children's health needs etc.

Outcomes: Attitudinal or behavioural change that has taken place because of the inputs, activities and outputs as well as other unplanned factors that have played a role in bringing about a positive change. Outcomes are measured through Outcome indicators that are given in sections 3.10, 4.9 and 5.8.

Impact: Long term, sustainable, transformation that has taken place in the community, which could be a change in power structure. The ones who were poor can now realize their rights. Impact is not described in this Manual. It may be too early to talk about Impact. Future editions of this Manual may include this result.

### 8.4 Assessment tools

#### 8.4.1 Revisit baseline information from admission book

This exercise could be done once a year at the SHG level by SHG members. This tool helps each member **to assess personal development** that the member has gone through in the assessment period. Members compare their present status to the baseline, when they joined the group. Progress made and areas that need further attention come out clearly. Through this exercise, they could redefine their personal goals and work towards achieving them.

Assessment parameters	Base line Year .....	Current status Year .....
Age of member		
Education / Literacy level of member		
Main occupation of the family		
Subsidiary occupation		
Land details		
Live stock details		
Other income earning assets in the family		
House detail (type of construction)		
Changes in Family composition:		
Number of eligible children for primary education		
Number of children attending primary education		
Number of meals children are taking per day		
Total annual income of the family		
Share of annual income earned by SHG member		
Any health problem in the family		
Number of children which were seriously sick in the past 12 months		
Number of these children which received treatment by a trained medical person		
Any other points		



### 8.4.2 Five point grading exercise

The 5 point grading exercise is described in section 3.8.1 of this manual. Groups at the SHG, CLA and Federation levels, could do this self-assessment exercise to see if they have achieved their **output** measured against the **indicators** listed in sections 3.9, 4.8 and 5.7 respectively as well as goals set for the group. The advantage of this tool is that it helps them analyse the causes of failure and plan for improvement. The Community Facilitator and/or the Project Officer can facilitate the groups to do the exercise effectively, when they do it for the first few times. Later, the groups should be able to do it on their own. It is good to do this self assessment once in 6 months (except for the Federation that will do it once a year) and report the result to the next higher level. The SHG will report to the CLA and the CLA to the promoting organisation or the Federation.

### 8.4.3 Outcome Assessment of Groups

The outcomes at the SHG, CLA and Federation levels, which are attitudinal changes are listed in sections 3.10, 4.9 and 5.8 respectively. It is good for the groups at all three levels to grade with the 5 point grading exercise the outcomes once a year. The grade could be compared to the previous year's grade and reasons assigned for increase or decrease in grade. A groups outcome grading could look like this:

No.	Outcome Indicator	Max. Score	Actual Score		Enabling factors	Hindering factors	Support required
			Last Year	This Year			

## 8.5 Core indicators for KNH

Children, their wellbeing and their rights are the focus for KNH in the Self-Help Approach. KNH as a child rights organisation is interested to monitor the impact of the SHG on children. As outlined in chapter 1.2, poor children suffer among other disadvantages from lack of good nutrition, lack of access to education and health services. In funding the SHG approach KNH wants to enable children and their communities to live a healthier and happier life which provides opportunities to development through education and capacity building.

In order to monitor the changes occurred through the SHG approach in the lives of children, KNH has stipulated core indicators. These indicators have to be monitored and reported at all levels. It is therefore necessary to start collecting data already at the SHG level. It is assumed that the women in the SHGs are also interested in monitoring the changes with regard to children, as they want a better life for their children. However, before introducing these indicators the SHG members should be asked about their perception and the indicators given below discussed in all details.

The areas which are covered through the monitoring of these core indicators are education, nutrition and health. To be able to assess the functioning of the people's institution, sustainability indicators are also introduced.

Experience has shown that women, who are SHG members, are interested in education for their children. Thus the number of children in an SHG member's household regularly attending primary school is written in the admission book at the beginning of group formation. The group should monitor over a period of time if members are able to send more of their children to school – because of the outcome of SHG.

It is further assumed that through the economic empowerment taking place, SHG members are able to provide better nutrition and health care to their families. KNH suggests that the number of meals per day for all children in the household of an SHG member is stated in the admission book at the beginning. The group is monitoring any progress made. The same applies for medical care.

KNH wants the people's institution to become independent and self-reliable. Consequently funding for this institution is limited till they are able to sustain themselves. KNH is therefore monitoring the steps towards the financial independence of the people's institution using the sustainability indicators. The National Coordinator reports to KNH on the progress against these indicators (see annex 3).

#### Indicators for monitoring the benefits of SHG on children:

- Percentage of eligible children under the care of SHG members regularly attending primary education
- Number of meals per day for all children in the household of SHG members
- Percentage of children who receive medical treatment by a trained medical person when seriously sick

#### Indicators for monitoring sustainability:

- Percentage of SHG members taking at least one loan every 8 months
- Total loan disbursed in a group divided by their total savings
- Annual increase in a Self Help group's capital
- Number of beneficial linkages established at CLA level during last 12 months
- Time the SHG thinks they still need regular support from the promoting organisation

The following Output Indicators will reveal that the groups are performing well:

#### Indicators showing the benefits of SHG on children

- All eligible children in a SHG-member's household regularly attends primary school (girls/boys) if primary school is accessible (percentage of eligible children going to school in comparison of all eligible children in SHG members' households) (to be verified by random sample at school through attendance register if possible)
- Two meals (any) per day for children younger than 18 in a household
- Children receive medical treatment by a trained professional whenever necessary

### Indicators showing sustainability

- Each SHG-member has taken a loan from the group at least once every 8 months.
- Loan to Saving ratio is 4:1 or greater
- Rate of annual Capital increase is 150% or more  
(Measurements: Below 100% - Poor, 100 to 149% - Average, 150 to 199% - Good, 200 to 249% - Very good, above 250% - Excellent)
- More than three beneficial linkages are established at CLA level during the last 12 months (verification whether links are valued as beneficial is to be done by SHG members)
- SHGs, CLAs and Federation follow the process according to the timeline given in the Manual (see section 7)

### 8.6 Data collection and analysis:

Data collection and documentation are prerequisite of monitoring. According to an adage: **“Only the person who knows where she or he came from, knows where she or he is going” (and one might add “at what speed”)**. It is important to note down the starting data and to document the progress made. However only in analysing the data, conclusions can be drawn and a learning cycle initiated.

The following gives some examples of data collection and analysis on SHG and CLA level:

- **Methodology of data collection:**  
For the child benefit indicators the baseline data is available in the admission books. The regular collection of data and updating them takes place in the 6 monthly self assessments of the SHGs (see 8.4.2) and their annual updating of the admission book information (see 8.4.1). Initially the community facilitator or the project officer facilitates these sessions, later the CLA takes over this role.
- **Frequency of data collection:**  
Core indicators shall be collected annually. This is in addition to the 6 monthly assessments that the SHGs carry out. The CLAs are to review plans of action bi-annually. It is suggested to do the collection of data for the core indicators via the CLA by the promoting NGO and the National coordinator annually.
- **Documentation of data collection:**  
SHGs and CLAs will document the data collected in their minute book. SHGs will forward a copy to their CLA. The CLA will compile data of their SHGs and forward a copy to the promoting organisation along with the CLA's own data. The promoting organisation will compile data on the core indicators and forward it to the National Coordinator.
- **Analysis of the data:**  
The data is discussed on the level where it is collected. This should include an assessment of the state of the art as well as a comparison with the data of prior collections. Here an overview sheet with the data from different collections might be helpful. The conclusions and decisions should be written down in the minute book. SHGs should forward copies to the CLA which in turn will forward copies to the promoting organisation along with their own analysis.

Data collection and analysis on the level of promoting organizations and National Coordinator is done with standardised reporting formats, which are discussed during the meetings of the National coordinators and KNH.



### 8.7 Outcome of an evaluation

External evaluation is part of the KNH controlling process. External surveyors examine on a regular basis how effective all projects and programmes supported by KNH really are. The importance is not placed on checking the success rate of a given project but to promote a learning process and deepen the dialogue with partners.

In 2005 an evaluation of the implementation of the Self Help approach in Rwanda, Ethiopia, South Africa and Swaziland was carried out examining particularly its impact on the situation of children in each project region. The study was carried out after 2 to 3 years of implementing the approach.

From case studies an important observation was that children benefited through the process although that was not the mere agenda for starting the groups. What was observed in the evaluation was: improved nutrition, healthcare, improved family relationships and better access to education. Children benefited directly from all this. The situation in families was seen to have changed positively for children, as there are fewer conflicts between parents and more harmony. It was observed that family income was more secure and less alcohol consumed. Conflicts were resolved peacefully rather than violently. The National Health Insurance now covers all members of self-help groups in Rwanda. This was achieved with the help of the CLAs. Access to medical care has had a very positive effect on the situation of children.

The food security situation has improved greatly due to increased incomes from micro-business. Members expressed that their children can now eat three times a day. There were several cases of children who had earlier dropped out from school being enrolled back in school. Members can now afford to buy uniform, books and pay fees for children at school. Members could buy soap for washing. There was increased awareness on children's rights. SHGs are keeping a watch on child abuse and rape.

The evaluation reveals that the very poor are to a great extent prepared to make great efforts to overcome their deprivations, take on responsibility and capable of taking control of their own lives. They learn in the group to act in the interests of their families and to assert themselves. Later on in CLAs the problems of the larger community are tackled. People gain political voice which they use in their own interest and with which they can solve problems. SHGs / CLAs can play a very responsible role in the community depending on the situation in the country and on the support of the organisation involved. For example in Rwanda and Ethiopia the governments accept them as partners in development work and invite the groups to mobilize even more people for this kind of community development.



During the initiation of the Self Help Group approach, it is important that the Promoting Organisation mobilizes groups with no agenda except to bring them together and help them to understand their rights and realize their potential for development and collective action. This is important to open up the minds of the group members to realize their full potential and not settle down with the perspective projected by the Promoting Organisation. However, as the minds of the members and the group open up and they start realizing their potential, the groups can do a lot more as their own initiative when some sense of awareness building on issues that affect their lives is provided.

### 9.1 Children's Groups

In many communities of the world, the Rights of Children are being violated on an ongoing basis. Some practical examples are:

Provision: Children's needs are not adequately met in terms of Education, Health, Nutrition, Shelter, Food, Water, Clothing, Play needs etc

Protection: Children are failed in terms of abuse and violence – physical / sexual, economic exploitation, child labour, insecure living conditions due to war, disaster etc

Participation: Children do not participate in decision-making in issues that affect their lives, they have few opportunities to meet together and hardly participate in development issues

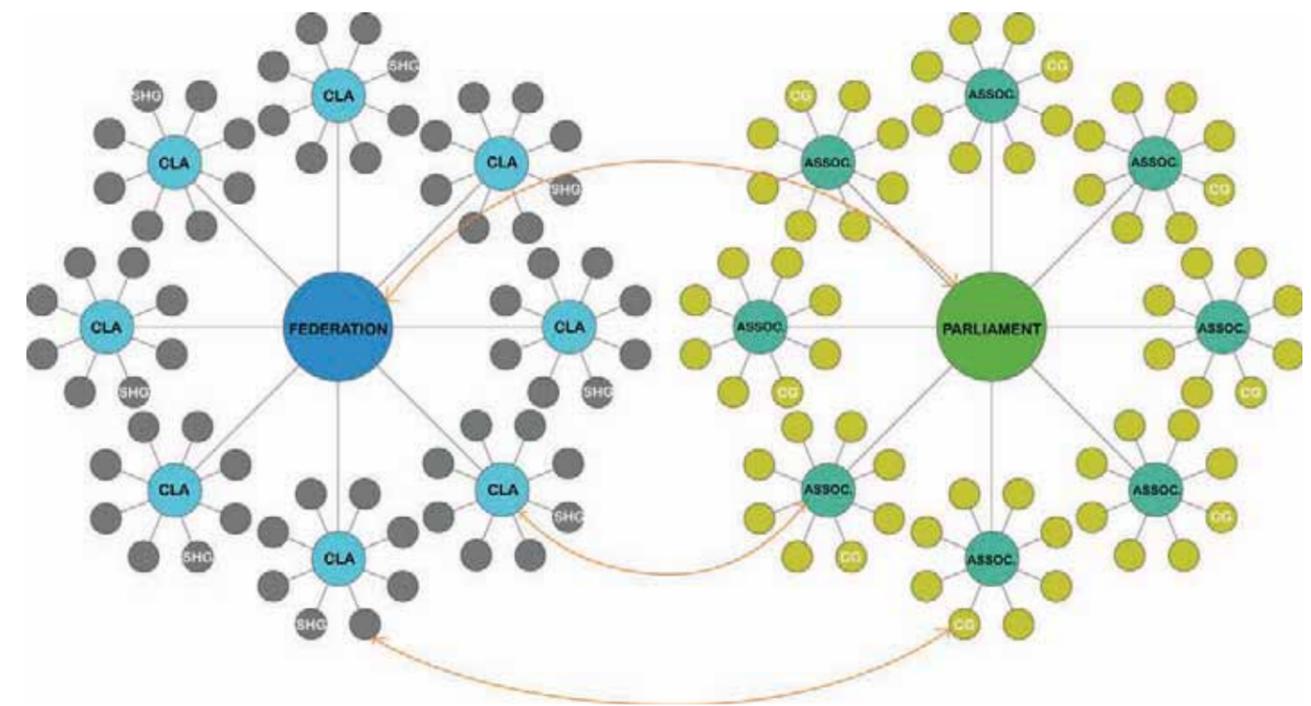
To overcome this situation,

- o Children as "Right Holders" need to know their rights, based on principles of justice, fairness, equity and from a child's perspective
- o Adults from their position of power need to play their role as "Duty Bearers" starting at home, school, religious institutions and the established structure.
- o Children need to meet together as children to share their joys and concerns as well as be aware of their rights

Children's groups are a way of enabling children and the organization working with them to explore approaches to participation. Children's groups can provide a safe place for children to learn, play, and carry out activities that benefit them and their communities. The interests of the children should direct the groups' activities.

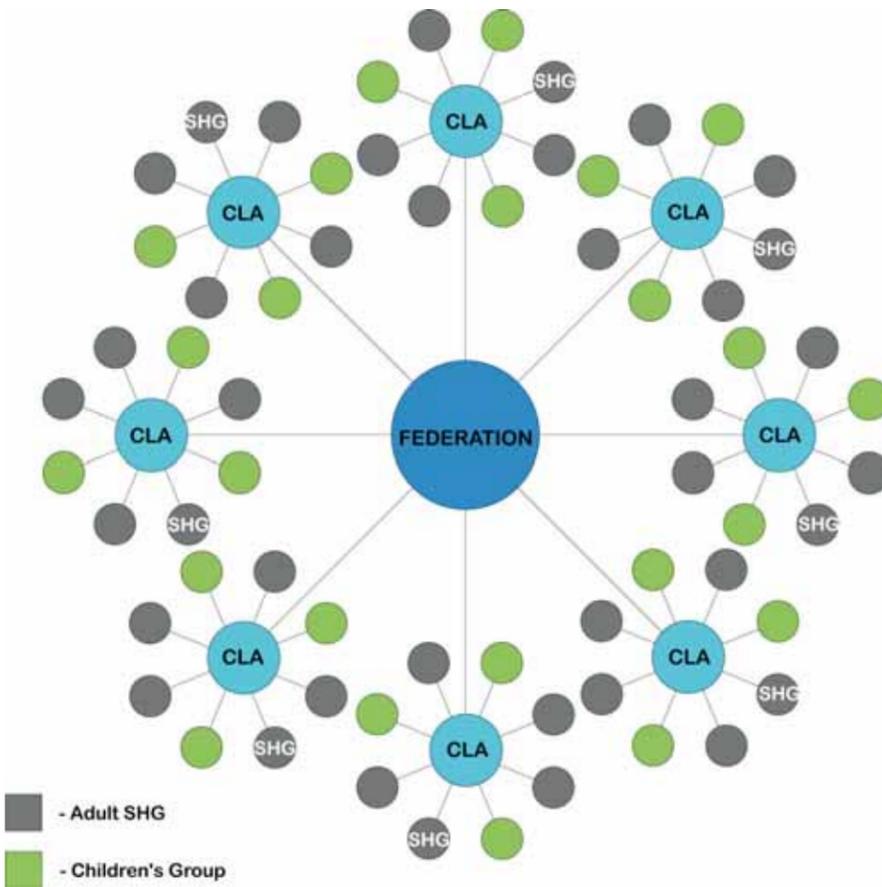
Children's groups can be a part of the People's Institution in the Self Help Group approach. Children's groups are formed according to the principles of the Self Help Group approach. In individual groups children have the space to discuss among themselves and learn about their rights. A Children's group becomes a constituent member of the People's Institution. The adult groups are thereby committed to play their role as Duty Bearers. In this model, the feeling of "We" and "You" is minimized. Rights and Relationships are balanced. Children and Adults work together to make the world a better place for children.

Two models are presented to make Children's groups a part of the People's Institution. One is the **Parallel model** and the other the **Integrated model**. In the parallel model, Children's Groups are formed and come together to form Children's Councils. Councils come together to form a Children's Parliament. The entire institution, as depicted in green on the right is made up of children. There are no adults who "belong" to this institution. The Children' Groups freely interact with adult groups at various levels.



The adult groups/institution depicted in the left in blue/grey have to make a commitment with the children that they will cooperate with them and support each other. There should be a close relationship and the spirit of mutual support and consultation between the two structures. The Children in their groups have the space and opportunity to meet with each other as children and discuss their issues without adults getting involved. At the same time, the adult groups are there to help and support the children as and when they need such support.

In the integrated model depicted below, children form their own groups (marked in green) at the primary level or the equivalent of the SHG level. Just as SHGs would send their representatives to the Cluster Level Association, the Children's groups would also send their representatives to the CLA. The CLA would be made up of representatives from adult SHGs as well as from Children's groups. The same would apply from the CLA to the Federation level. CLAs would send their elected representatives to the Federation, who may be adults or children. In this model children meet together as children only at the primary level. At the higher levels, they are integral part of other adult groups. Children are constituent members of the People's Institution.



The two models have their advantages and disadvantages. In the parallel model, the children have a lot more activities as children at all three levels. The extent to which they can internally discuss their issues could be higher as compared to the integrated model. However, the role of the duty bearer could be weak. There is no strong bond between the adult groups and the children's groups. In the integrated model children's groups are constituent members of the People's Institution. The Cluster Level Association and the Federation have an intrinsic responsibility to take care of the Children's groups and the children who make up these groups. As children grow up and are 18 years and above they easily integrate into the Self Help

Group structure.

A second important aspect is that in the Integrated model, the feeling of "We" and "You" between the adults and the children could be less than that in the Parallel model. On the other hand there might be the danger of adults dominating children on CLA level in the integrated model.

It is important that these two models be presented to the already existing Self Help Groups and facilitate them to weigh the consequences of both the models. It should be the SHG/CLA members who should decide which model they want to adopt. In both cases, the adults play an important role and their participation on this important decision is necessary.

In cases where the adults have not reached the stage where they can comprehend and understand the CLA and Federation stages, it is important that the Facilitator/s help them imagine this situation and help them to make a suitable decision.

In case that, once the children groups are established, the children would prefer a different structure from the adults, a discussion to weigh the pros and cons need to be facilitated with the children and adults together.

**A Training Guide on the Formation and Facilitation of Children's Groups within the Self Help Group approach has been produced by Kindernothisilfe. Those interested in more details can access this Guide in the website [www.self-help-approach.com](http://www.self-help-approach.com)**

### 9.2 Inclusive Development for Differently-Abled Persons

Differently-abled (mentally and physically challenged) persons are a neglected lot in society, especially when they are from socio-economically poor background. They experience greater levels of marginalization than their abled brothers and sisters who are poor. Inclusive development for differently-abled persons has developed over the past few years and has gained wide acceptance. The Self Help Group concept could be extended in this aspect: Groups of differently-abled persons or persons affected by disability like family members could form Self Help Groups. The factor of homogeneity is disability.

These groups would function like SHGs. They would be involved in economic activities like saving, credit and micro-business. A lot of their social activities would evolve around the state of disability of members and their loved ones. These groups would be linked with the CLA like any other SHG. At the CLA level, their representatives would bring up problems and issues that they are not able to solve at their group level. The CLA / People's Institution would take up problems experienced by these constituent members who are differently abled and work on bringing a solution. They would also take up wider issues and try to work out changes in the structure such that the community and the authorities are more sensitive to the needs of the differently-abled and work out rules and policies that are favourable to them.

There could be special treatment, aids and appliances needed for these members with special needs. They could try to access them through linkages like other needs. However, if that is not possible, the Promoting Organisation could supply these at subsidized cost through the CLA and special committees of the CLA. The CLA would be able to assess needs more realistically than the organisation itself. This also provides greater credibility for the CLA and a sense of responsibility.

### 9.3 Community Based Vocational Training

Skill training leading to income earning opportunities has been an important development initiative. Such training has often been centre-based and not directly relevant to poor communities due to transport problems, training costs and a general attitude towards institutionalized training. A vocational training provider can effectively reach to a community with participation by a People's Institution. The CLA could act as the extension arm of the training provider. Market opportunities and skill needs are identified by the CLA using participatory tools. The SHGs and CLAs identify youth who could be trained in those identified skills. The training provider imparts competence based training. The People's Institution provides the much needed post training support.

Such models are working well among partners of Kindernothisilfe in Kenya and Uganda. The vocational training centres are able to provide need based skill training to poor youth in the community. The CLA as their extension arm in the community plays an important role in identifying viable skills through participatory exercises based on market opportunities and locally available resources. The SHGs and CLA identify youth from the community whom they would like to be trained. They also provide aftercare such that the youth can establish their business to serve the community as well as earn a living. The outcomes of this model are:

- o Youth from the community get opportunities for income earning, which till now were not seen by them.
- o The trained youth provide goods and services for their community, which so far were accessed from outsiders.
- o Migration of youth to urban centres is reduced.

### 9.4 Projects and Programmes

The Cluster Level Association and the Federation could take up large projects and programmes to meet the felt needs of the Community. The CLAs would already be familiar with implementing projects for the constituency and the community. Once they have reached the Federation stage larger projects and programmes could be taken up. A few examples:

A Federation has taken up an international donor funded **water shed management programme** covering several hundred hectares. The area under the water shed is divided and given under the jurisdiction of different CLAs. The actual maintenance and use of the water shed covered land is for the SHG members and small farmers in the community. The beneficiaries have taken up additional components in the land like reforestation, fishery and a shift from conventional to sustainable agriculture. The model works well because the maintenance of the water shed has been effectively organized. Thus silting, breaking of bunds and poor effectiveness is avoided.

A Federation can take up **marketing initiatives** cutting out middle men, thereby increasing the so much needed profit of the producer and the retailer. CLAs in rural areas coordinate the collection and transportation of farm produce. They link with urban CLAs who through their SHG members sell the products thereby giving themselves a profitable trading business. This ensures that the producer gets a fair price for his/her efforts. The advantage of increased market prices is passed on to the producer, which normally is not the case. Producers are also encouraged to diversify their product with direct market feedback received from their counterparts in urban centres.

A Federation could take up a **comprehensive child care programme** for children in a large geographic area. Each CLA in the Federation takes up different components of the programme. These components could be:

- Quality primary education ensuring high rate of school participation
- Immunization for children
- Access to health care at reasonable cost
- Relevant skill training for youth leading to sustainable livelihood
- Child participation and child rights for children in the community
- Lobby and advocacy for child friendly policies

The Federation should not get directly involved with the use of accessed funds. Their prime responsibility will tend to get diluted. However, the People's Institution can use the legal identity of the Federation to access funds. A separate committee can be appointed in such cases to monitor the use of fund.

Each CLA could develop expertise in a particular field. They could develop linkages with other actors in the development scene and ensure that their children have a better future that is sustainable.

### 9.5 Integration of SHG approach in Community Development projects

The SHG approach could be integrated in a Community Development project. This could ensure greater participation of the community and facilitate services reaching to the very poor in the community. The sustainability of the project interventions after the project period is over would also be enhanced.

The danger however could be that the groups are formed with a certain agenda, in conformation with the project objectives developed by the NGO or a donor. This could be against the principles of the SHG concept. The integration could only be done, if the implementing organisation understands the SHG concept and is willing to give time for the groups that are formed to discuss and decide whether the project objectives are indeed their priority needs. Another option is to provide some flexibility in the project objectives such that the assessed needs of the groups could be included as project objectives over a period of time.

Integration of SHG approach may not be viable in short cycle projects of 2 to 3 years. However with longer project cycles, there is time for group formation, group strengthening and adaptation of the project objectives regarded as necessary by the groups.



Children's Self Help Group

Kindernothilfe initiated this approach for the first time in Sri Lanka in 2001 and at Rwanda and Ethiopia in the year 2002. Seeing the effectiveness of the approach, they have introduced the approach in 8 African countries and 6 Asian countries in the last few years. Kindernothilfe does not implement directly but works through partners in these countries.

### 10.1 Support provided

In the countries where the implementation of the SHG approach is already going on, Kindernothilfe has provided inputs. In general the process is as follows :

- The concept is introduced to organisations that are identified by Kindernothilfe as prospective Promoting Organisations of the SHG approach in the country.
- These organisations are given time to share the inputs received at these introductory workshops within the organisation and make up their mind if they want to implement the approach. In some cases, they are even taken for an exposure to a neighbouring country where the process is being implemented
- Once they decide to start – modular, hands-on training is provided to the Project Officer and two Community Facilitators from each organisation
- Progressive field trainings are provided to Project Officers and Community Facilitators at intervals of around 6 months during the implementation process.
- A new batch of Promoting Organisations is included after the first batch has stabilized, which could be a year or two later. In some countries there have already been 4 batches.
- Successive hands-on training is provided to the Project Officer and Community Facilitators of these organisations that join in successive batches
- A National SHG Coordinator has been appointed in each country to coordinate the process and organize the necessary Capacity Building inputs
- The Chief Executive Officers of all the Promoting Organisations in a country meet every 6 months to share experience and learn together.
- The National Coordinator ensures that the ongoing Capacity Building inputs are provided by competent trainers according to the progress of the approach and other training needs identified
- The National Coordinators of different countries within a continent meet together once every year for a week to share experiences and learn together
- Kindernothilfe facilitates the whole process and provides financial support for the Capacity Building process.
- Kindernothilfe has also provided financial support for implementation in stage 2 of the 3 stages (see section 7) to most of the Promoting organisations.

**10.1.1** Capacity Building inputs are provided by Kindernothilfe / SHG National Coordinator at all three stages of the process.

**10.1.2** Kindernothilfe may choose to financially support a few organisations based on need. The organisation should prove its commitment by starting stage 1 on their own. Kindernothilfe could provide financial support in stage 2 for a period of 2 years only. The Promoting Organisation should access funds for continuing the process in stage 3 from another donor.

**10.1.1** The National Coordinator closely monitors stages 1 and 2. If for any reason, Kindernothilfe wishes to fund a Promoting Organisation in stage 2 along with other project funds, the funds for the Self Help Group institution building would be budgeted separately and channeled through the control of the National Coordinator

**10.1.2** At stage 3, CLAs may wish to approach KNH for funding of their need-based projects. These applications can be routed through the National Coordinator and recommended by a granting committee set-up for the purpose.

**10.1.3** The National Coordinator organizes regular meetings for the Promoting Organisations. It will be important for the Promoting Organisations to be involved with the Management Forum in the country through all 3 stages of the approach. This will add to the learning experience and strength of lobbying and advocacy. Over a period of time, the Forum could be an independent body owning the Self Help Group approach in the country.

### 10.2 Reporting System

Reports of the progress made and the challenges faced are very important for Kindernothilfe to monitor the overall results. The reports serve as qualitative and quantitative indicators of progress.

Till the stage when the Federation phases out, the promoting organisation collects information from the CLAs (from CFs till CLAs are strong) and sends them to the National Coordinator on a half yearly basis. The reports contain output and outcome indicators, including the core indicators that are important for Kindernothilfe. A reporting format is presented in Annex 2. Once the Federation is formed, these reports and may be a modified version could be sent to the Federation. The Federation could share this with the constituency during the annual meetings and also use sections of it for monitoring.

The National Coordinator compiles these reports and sends the overall country report to Kindernothilfe once in 6 months. This report highlights the quantitative progress in the country as well as the core indicators. A sample reporting format is presented in Annex 3 of this manual.

### 10.3 National Coordinator's meet

Kindernothilfe is aware of the crucial role that the National Coordinators play in promoting and furthering the approach in their respective countries. The National Coordinators meet once every year for a week, continent wise. At these meetings, a lot of sharing of experiences and learning together takes place. Representatives from Kindernothilfe are present at these yearly meetings and the state of the art is updated.

### 11.1 Can existing groups be converted into SHGs?

In many development programmes, people are mobilized and helped to form functional groups. These may be: savings and credit groups, farmers union, women's groups to fight against abuse, support groups for HIV affected persons etc. One should not try to convert existing groups. Two main reasons are: The groups very often are not economically homogenous and they have come together with an agenda. Homogeneity and an open mind are basic requirements for a self help group.

### 11.2 Does the SHG concept work in rural and urban situations?

Yes the approach works both in rural and urban situations. In a rural community the affinity among members is strong and people stay in the community on a more permanent basis. The advantage in the rural situation is that the sense of belonging together within the groups could develop faster and members do not leave a group easily. In an urban situation there are these disadvantages. However market opportunities are much higher and the economic development of members takes place at a more rapid pace, which acts as a binding factor to counter the normal heterogeneity of the community. Urban groups also have rules for members who have to leave the group for authentic reasons to go away with their savings.

### 11.3 When should SHGs / CLAs get themselves legally registered?

Registration normally provides legal identity and better access to services for the groups. However registration could also bring the groups under "Conformity" to the framework of the registering authority, which can restrict their development and empowerment. Registration should be avoided whenever the byelaws of the registering authority do not fit exactly with the concept, which is normally the case. The groups could lobby to present themselves as a new entity in society and demand access to resources and services without formal registration.

The Federation, being the legal holder for the entire people's institution would need a formal legal identity. Here again the Federation along with the groups could lobby for a legal framework that fits the Self Help Group concept. The issue of registration varies from country to country. The matter has to be studied carefully and the right step taken without putting the groups in jeopardy.

### 11.4 Can SHG group members be Community Facilitators?

In principle, Yes! In fact some members of a functioning Self Help Group could prove to be very good Community Facilitators since they have gone through the process themselves. However, a person cannot belong to a SHG and at the same time facilitate the same group. It becomes a conflict of interests. After the initial implementation when more Community Facilitators are to be contracted, a SHG member could take up the position provided she facilitates other groups than her own.

### 11.5 How many SHGs can one Community Facilitator handle?

This varies as the process advances. For example in the first year, perhaps a community facilitator can look after 8 to 10 SHGs. As the process advances, some of the SHGs mature and do not need the Community Facilitator in each meeting. The CLA also starts taking care of the SHGs. In the third year of the process, a CF could perhaps be responsible for 25 groups and at a later stage, even for 40 or more SHGs.

### 11.6 Can CLAs formed by different Promoting Organisations come together to form a Federation?

Yes! The groups do not bear and uphold the banner of the Promoting organisation but their identity is the people. CLAs formed by different Promoting Organisations can come together to form a Federation. At the same time the promoting organizations involved should make it transparent to the CLAs which NGO has which responsibility in the course of the formation and consolidation of the federation.

### 11.7 Should SHG members be paid per diem or provided snacks when they come together for training sessions?

No! This is a Self Help approach. Community members are normally accustomed to be provided incentives for attending meetings and training sessions. In this approach, it should be made clear from the beginning that the training sessions are for the benefit of the group members and the sessions will be conducted only if they want it. It should be made clear that there will be no incentives.

### 11.8 What happens when an organisation wants to stop promoting the Self Help Group approach?

It is undesirable to abandon groups for whatever reason. The groups were formed initially with promises about their future development. It would therefore be careless to abandon them half way. A positive step would be to form one or more CLAs depending on the number of the SHGs, equip the CLA/s to take care of the SHGs and hand over the groups to the CLA/s before leaving the groups.

### 11.9 To what extent can one deviate from the approach?

Even when one follows some of the principles and deviates from others, there could be a positive outcome. However, to deviate in one aspect often has consequences for other aspects of the approach. It is recommended to follow the Manual to achieve the full potential of the approach, which is social, economic and political empowerment.

## 12. Related Sources and Literature

Organisations who would like to visit some of the groups or get in touch with the SHG National Coordinator in some African and Asian countries may visit [www.self-help-approach.com](http://www.self-help-approach.com) to obtain contact e-mail addresses.

Individuals / Organisations in other countries who may wish to contact Kindernothilfe for more details may contact at [info@kindernothilfe.de](mailto:info@kindernothilfe.de)

Detailed training modules for training SHG members and CLA members may be found in the website [www.self-help-approach.com](http://www.self-help-approach.com) under the link "Useful Resources".

A Training Guide on the Formation and Facilitation of Children's Groups within the Self Help Group approach has been produced by Kindernothilfe. Those interested in more details can access this Guide from the website [www.self-help-approach.com](http://www.self-help-approach.com)

Kindernothilfe developed a "Child Rights Concept" for its cooperation with partners. It can be obtained from the website [www.kindernothilfe.de](http://www.kindernothilfe.de) or you contact [info@kindernothilfe.de](mailto:info@kindernothilfe.de) for a copy

## 13. Annexures

### 1. Admission Book format:

- SHG member's name
- Date of admission
- Name of the SHG
- Habitation name (e.g. name of village, community)
- Age of member at admission
- Sex
- Marital status
- Education / Literacy level of member
- Main occupation of the family
- Subsidiary occupation
- Land details
- Live stock details
- Other income earning assets in the family
- House detail (type of construction)
- Family composition: (Name, relationship, age, sex, literacy, status, occupation)
- Number of children in the age for primary education
- Number of children attending primary education
- Number of meals children are taking per day
- Total annual income of the family
- Share of annual income earned by SHG member
- Any health problem in the family
- Number of children which were seriously sick in the past 12 months
- Number of these children which received treatment by a trained medical person
- Any other points

Signature of member

Date

### Annex - 2 Quarterly reporting format – Promoting Organisation to National Coordinator

1. Date of Report
2. Name of the NGO and Address:
3. Reporting period  
(e.g. Quarter ending March 31st, 2007)
4. Annual Budget Information

Title/ Short description:	
Budget period	(e.g. January to December 2008)
Financial Year	
Total budget	
NGO contribution	
CLA/ SHG contribution	
KNH grant	
Actual spent during reporting period	

5. Background information

	Up to this quarter (e.g March 31st, 2008)	By end of the year quarter (e.g December 31st, 2008)
Total number of Functioning SHGs		
Number of SHG members		
Number of Children		
Number of communities that SHGs are in		
Total number of functioning CLAs		
Name of staff person responsible for SHGs in your organisation		
Names of community facilitators working with SHGs:		
Attach the map showing the communities where SHGs are in and new communities where SHGs are going to be formed. (Use two different colours for existing and new SHGs)		

6. Statistical information

	Statistics up to last year (eg. December 2007)	Statistics by end of reporting period (eg. March 31st, 2008)
Total savings of SHGs		
Total other funds		
Total own Capital		
Total loans given out		
Total loan repayments		
Loan / savings ratio		
Amount of external funds accessed by SHGs, if any. Please mention source		
Amount of external funds from promoting organisation		

Planned / Achieved Activities (Please do not put "X" or tick mark. Write the number of units in boxes, Add new activities if necessary)

Activities	Total units	2008												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1 New SHG formation	e.g. 30	5		5		5		5		5		5		5
2 CLA formation	e.g. 5		1		1		1		1		1		1	
3 New SHG members training	e.g. 180	15	15	15	15	15	15	15	15	15	15	15	15	15
4 New SHG book writers training	e.g. 6			2				2				2		
5 Training of weak SHGs	e.g. 10			1	1	1	1	1	1	1	1	1	1	1
6 Training needs assessment of strong old SHGs and organise need based training	e.g. 5			1		1		1		1		1		1
7 CLA member training	e.g. 5			1		1		1		1		1		1
8 CLA exposure	e.g. 15			3		3		3		3		3		3
9 CLA book writers training	e.g. 5	2	3											
10 Training to CLA sub committees	20		5	5	5	5								
11 Federation Formation	e.g. 10		2		2		2		2		2		2	
12 Establish sustainable Linkages	1			4					4					

Note: NGO should identify the weak SHGs and strong SHGs to fix the total units of Point no. 9 and 10.

7. Description of each activity (write a small note about each activity, explain "how")

AN	Activity	Description
1	New SHG formation	
2	CLA formation	
3	New SHG members' training	
4	New Book writers' training	
5	CLA members training	
6	CLA exposure	
7	CLA book writers training	
8	Training to CLA sub committees	
9	Training of weak SHGs	
10	Training need assessment in strong old SHGs and organise need based training	
11	Linkages	



8. Training calendar (Please do not put "X" or tick mark. Write the number of units)

Training Topic/ Month	Size of unit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>1. SHG training</b>													
<b>1.1 SHG members training</b>													
SHG concept	e.g. 15 members in one unit												
Saving credit management													
Goal setting													
Communication leadership													
Conflict resolution													
Business promotion													
<b>1.2. Book writers training</b>	e.g. 2 BW / SHG X 5 SHG = 1 unit												
<b>2. CLA training</b>													
<b>2.1. CLA members training</b>													
CLA concept	e.g. 15 members in one unit												
Importance of Sub-committee formation, monitoring													
Gender													
ETC.....													
<b>2.2. Training to CLA sub committees</b>													
1. How to form new SHGs	e.g. 3 members												
2. How to approach institutions													
ETC													
<b>2.3. CLA book writers training</b>	e.g. 2 BW/ trg												
<b>3. Training to old SHGs</b>													
<b>3.1. Weak SHGs</b>													
<b>3.2. Need based training to old strong SHGs</b>													

9. Role of staff, CF and CLA in activities of year 2008

	Activity	Staff	Community Facilitators	Cluster Level Association
1	New SHG formation			
2	CLA formation			
3	New SHG members training			
4	New SHG book writers training			
5	CLA members training			
6	CLA exposure			
7	CLA book writers training			
8	Training to CLA sub committees			
9	Training of weak SHGs			
10	Training needs assessment and organise need based training			
11	Linkages			

- 10. Briefly write-up the NGO's plan to sustain the process after funding from KNH stops - Plan for sustainability/ phasing out.
- 11. Provide a few case studies of success in implementation.
- 12. What have been some of the main challenges in implementation?
- 13. Report any innovative interventions in the implementation process.

Submitted by  
Date of submission:



**Annex - 3 Half yearly reporting format – National Coordinator to Kindernothilfe**

1. Date of Report:
2. Title of Measure/Project:
3. Reporting period:  
(e.g: Half year ending June 30, 2008)
4. Report from:  
(Name of Coordinator and country)
5. Annual Budget Information  
Budget period: (e.g: January to December 2008)

	NGO "a"	NGO "b"	NGO "c"	NGO "d"	TOTAL
Financial Year					
Phase					
NGO contribution:					
CLA/ SHG contribution:					
KNH grant:					
Total budget:					
Actual spent during reporting period					

6. Background information – Up to this reporting period (e.g: June 30, 2008)

	NGO "a"		NGO "b"		NGO "c"		NGO "d"		TOTAL	
	End of previous reporting period	During this reporting period	End of previous reporting period	During this reporting period	End of previous reporting period	During this reporting period	End of previous reporting period	During this reporting period	End of previous reporting period	During this reporting period
Total number of Functioning SHGs										
No. of SHG members										
No. of children										
Total number of functioning CLAs										
Total savings of SHGs										
Total capital of SHGs										
Total amount of loans given										
Total loan repayment										
Loan/Savings Ratio										
Amount of external funds accessed										

7. Planned / Achieved Activities (Please write the number of units in boxes, Add new activities if necessary)

	Activities	Total units planned	Total units achieved	2007 achieved													
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
1	New SHG formation																
2	CLA formation																
3	New SHG members training																
4	New SHG book writers training																
5	Training of weak SHGs																
6	Training needs assessment of old SHGs and need based training																
7	CLA members training																
8	CLA exposure																
9	CLA book writers training																
10	Training to CLA sub committees																
11	Federation Formation																
12	Establish sustainable Linkages																



8. Comments on specific successes & challenges / Explanation of variances from the Plan

	<b>Activity</b>	<b>Explanation on Variance</b>
1	New SHG formation	
2	CLA formation	
3	New SHG members training	
4	New SHG book writers training	
5	CLA members training	
6	CLA exposure	
7	CLA book writers training	
8	Training to CLA sub committees	
9	Training of weak SHGs	
10	Training needs assessment of old SHGs and need based training	
11	Linkages	

9. Role of staff, CF and CLA in activities of year 2007  
Based on reports from the Promoting organisations, write a small note on how responsibilities for various activities are shared between the Staff, Community Facilitators and the CLA
10. Brief write-up of NGO's plan to sustain the process after funding from KNH stops - Plan for sustainability / phasing out
11. Attach the National Coordinator's Annual Capacity Building plan and briefly report how much of it was achieved quantitatively and qualitatively.
12. Provide a few case studies of success in implementation
13. Provide a few case studies showing what has positively changed in the lives of children.
14. Report any innovative interventions in the implementation process.

15. Budget of National Coordinator (budget lines and other details to be adjusted as individually agreed):

<b>Serial no.</b>	<b>Budget Line</b>	<b>Annual Budget</b> (mention budget period)	<b>Actual spent</b>	<b>Variation</b>
1.	Capacity building			
2.	Travel expense			
3.	Salary and allowances of National Coordination			
4.	Printing and stationary			
5.	Accommodation and food costs			
6.	Administrative expenses			
7.	Training for NGOs			
8.	Contingencies			
	<b>Total</b>			

Submitted by  
Date of submission: