



The Self Help Group Approach Manual

"Self Help Group" (SHG)

Thank you SHG
You have opened my eyes
And eyes of my fellow neighbours
You have opened my mind
By giving us information on how to save
And that one day I will have my own bank book.
We knew nothing about an organisation
How it is build.
But now my eyes are opened!!

Having you SHG is like having a father and a mother
Today we have you SHG and we wish
You can expand the whole of Swaziland

We have now built our own group
And truly after the benefit and our wide
Opened eyes we shall not give up
All this is because of you SHG.

No matter how little our money is
But we have money in our books.
All this is Because of you SHG.

Wake up sister and brother
Wake up mother & father
Let us hold on to SHG
Let us not give up.

By Mary Mbhamali,
Sukumani Bomake



Table of contents

ACRONYMS USED IN THIS MANUAL	6
1. CONTEXT	10
1.1 The Self Help Group Approach in the context of development	10
1.2 Poverty and its effects on children and caregivers	10
1.3 Development and Empowerment	11
1.4 Promoting development through enabling change	12
2. OVERVIEW OF THE SELF HELP GROUP APPROACH	13
2.1 Building an Empowering People's Institution	13
2.1.2 The Three Dimensions of the SHG Approach	13
2.1.3 Basic Principles	14
2.2 Starting with the very poor	14
2.3 Three Levels of the People's Institution	15
2.3.1 The Structure	15
2.3.2 Functions and Impact at the Three Levels:	15
2.4 Sustainability and Role Transfer	17
3. SELF HELP GROUPS	19
3.1 Principles of forming Self Help Groups	19
3.1.1 Critical analysis of the situation	19
3.1.2 Starting with the poorest	19
3.1.3 Starting with women	20
3.2 Preparing the Work	21
3.2.1 Working with and through NGOs	21
3.2.2 Selecting the Area and Involving the Community	22
3.2.3 Selecting the Staff	22
3.2.4 Selecting the Community Facilitators	22
3.3 Features of Self-Help Groups	23
3.4 Operating Principles	25
3.5 Functioning of Self-Help Groups	25
3.5.1 Regular weekly meetings	25
3.5.2 Regular Savings	27
3.5.3 Internal Lending	28
3.5.4 Record keeping	30
3.5.5 Profit-Oriented Activities	31
3.6 Goal-Setting and Vision Building	31
3.7 Monitoring and Self-Assessment	32
3.8 Action Plans	33
3.9 Capacity Building	34
3.10 Anticipated Progress of SHGs	36
4. CLUSTER LEVEL ASSOCIATIONS	38
4.1 Features of Cluster Level Association	38
4.2 Program Functions of the CLA	39
4.2.1 Strengthening SHGs and forming new ones	40
4.2.2 Resource mobilization	40

4.2.3	Planning and implementing community initiatives	40
4.2.4	Social transformation in the communities	41
4.2.5	Participation in governance and advocacy	41
4.3	Administrative Functions of a CLA	41
4.4	Capacity Building Inputs at CLA level	44
4.5	Action Planning, Goal setting, and Vision building	45
4.6	Self-Assessment of the Performance of CLAs	46
4.7	Anticipated Progress of CLAs	46
5.	FEDERATION	48
5.1	Features of a Federation	48
5.2	Formation of a Federation	49
5.3	Roles of a Federation	50
5.4	Financing Federations	52
5.5	Capacity Building	52
5.6	Self-assessment at Federation level	52
5.7	Phasing out	52
5.8	Anticipated Progress of Federations	54
5.9	Possible alternatives to a Federation	54
6.	SELF HELP GROUP APPROACH MILESTONES	55
7.	LOBBYING AND ADVOCACY	57
7.1	Introduction	57
7.2	Advocacy and Lobbying	57
7.3	Who should undertake advocacy and lobbying activities?	57
7.4	Strategies for advocacy and Lobby	59
8.	Actors and Roles	60
8.1	SHG Members	60
8.2	Community Facilitators	60
8.3	Project Officer	61
8.4	The Chief Executive and Board	62
8.5	The National Coordinator	62
9.	FOSTERING LEARNING	64
9.1	Learning in the Peoples Institution	64
9.2	Learning in the Promoting Organization	65
9.3	Use of Trainers of Trainers	66
10.	MONITORING AND REPORTING	68
10.1	Meaning of Monitoring and Evaluation in the SHG Approach	68
10.2	Terminology: Results Chain and Logical Framework	69
10.3	Types of monitoring that are practiced in the SHG Approach	70
10.4	Basic Steps of Monitoring in the SHG Approach	71
10.5	Monitoring at different levels	73
10.6	Overview of the Monitoring and Reporting System of the SHG Approach	75

11.	WORKING WITH KINDERNOTHILFE	77
11.1	How Kindernothilfe starts the Promotion of the SHG Approach in a country	77
11.2	Kindernothilfe & Finances	77
11.3	Kindernothilfe & Capacity Building	78
11.4	National Coordinator's meeting	79

ACRONYMS USED IN THIS MANUAL

SHG	Self Help Group (the starting point for the SHG Approach and the first level of the Peoples' Institution. See Chapter 3 for further explanation)
CLA	Cluster Level Association (a body formed by representatives of Self Help Groups and the second level of the Peoples' Institution. See Chapter 4 for further explanation)
NGO	Non-Government Organisation
CF	Community Facilitator
PO	Project Officer
NC	National Coordinator
MFI	Micro Finance Institution

Preface

Kindernothilfe works towards a world in which all children enjoy their rights regardless of their social, economic, political and religious backgrounds. Poverty is a core obstacle to the realisation of these rights. Through its partners around the world, Kindernothilfe works with children, women their families and their communities to identify and address the underlying causes of poverty. The Self Help Group Approach (SHG Approach) has become a central part of this work.

Since Kindernothilfe and its partners first began working with the SHG Approach in 2002, it has benefited more than 600,000 women and an estimated 1,600,000 children in Africa, Asia and Latin America. During this time we have seen evidence of remarkable changes in the lives of women, their families and communities, ultimately bringing about positive and lasting change in the lives of children.

As this Manual describes in detail, the SHG Approach is a methodology which works by providing women who are living in poverty with tools for making changes in their own lives based on their own priority needs and at their own pace. It focuses on very poor communities or households and succeeds where other approaches - in our experience - have had difficulties in substantially changing the lives of these poorest of the poor. We believe that the key to success in this endeavour is an attitude change among poor people themselves, towards believing in their potential. This is something one cannot learn, but only become convinced of through observation and participation.

What is the SHG Approach?

The SHG Approach is a rights-based approach which views poverty as the denial of rights and poverty alleviation as a process of reclaiming one's rights. Given the multi-dimensional nature of poverty, however, the SHG Approach puts equal emphasis on the goals of economic, social and political empowerment. In order to achieve these goals, it offers a framework and guidance for establishing a 'People's Institution' which provide an environment of trust and cooperation in which people come to realise they are able to help themselves to achieve the economic, social and political goals that they themselves define.

Our experience has shown that the SHG Approach is ideal in 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 the basic rights of children; and prevailing conditions do not allow the poor to participate and to develop.

Implementation of the SHG Approach revolves around a number of key steps that are set out in detail in this manual and include:

- Identifying the very poor, mobilising them and helping them realise their rights by building their capacity so that they can participate equally in society.
- Bringing large numbers of people together in small, homogenous groups that meet and share their experiences, concerns and ideas on a weekly basis.
- Generating an attitudinal change in members so that they can unleash their God-given potential. This is achieved by helping members realise that they are worthy, have potential and can take action for their own development.
- Establishing the structures of a People's Institution as small groups come to work together through larger clusters, and eventually through a large representative organisation that works to bring about structural changes.
- Supporting the structures of the People's Institution to establish linkages to relevant stakeholders on community, district, regional and even national levels.
- Handing overall ownership and responsibility to the People's Institution after developing their capacity to continue independently and sustainably.

What is the reason for our enthusiasm?

It is touching to listen to a woman who used not to have sufficient means to support her children let alone to send them to school, proudly talk about the changes in her life and family, her ability to nourish and support her children and provide them with an education. It is inspiring to see groups of women who have for a long time felt marginalised by their poverty, making plans for how they can improve the communities they live in, and to see how they are gaining influence and appreciation in their communities despite having been previously ignored. And it is very impressive indeed to meet women who, despite their poor background, now represent almost 2,000 households and who discuss and negotiate with politicians and other decision-makers to help bring about changes in the lives of their constituents. It is these changes in the lives of individuals, families and communities that keep us motivated to continue to work with our partners to follow the SHG Approach.

The revised 2nd edition of the Manual

This 2nd edition of the Manual was developed by many people through a participatory and consultative process. The chapters were drafted by different people based on their long-standing experience with the SHG Approach. They are in alphabetical order Jethro Bamutungire, Jiah Sayson, Libby Dometita, Loise Maina-Gichina, Nalayini Rajaratnam, Ethiraj Murugan, Thomas Paul, and from KNH Albert Eiden, Gudrun Steiner, Karl Pfahler, and Uta Dierking. Afterwards these chapters were shared for feedback with all SHG National Coordinators, consultants and trainers as well as the relevant departments in Kindernothilfe. Following these consultations the chapters were finalized by the editorial team at the Kindernothilfe Head Office. We are grateful for all their contributions. Without that it would not have been possible to produce such a rich document.

It is a great pleasure to make this revised manual available to those wanting to learn more about the SHG Approach as well as those already planning to use it. It is also a reference book for those who are in the process of implementing it. While the Manual sets out the broad structures and principles of the SHG Approach, the strength of the approach also lies in its flexibility. Every context has different social, economic and political dynamics to contend with. It is our expectation and hope that, as the SHG Approach is implemented, it is adapted to the local context where necessary to bring about the most positive results possible. Kindernothilfe continues to work closely with partners to learn from experience in implementing the SHG Approach and incorporate new ideas as they emerge. For instance, the concept of Children's Groups is currently being developed as an extension of the SHG Approach and will be the subject of a separate Manual.

Having said that, our experience over the past decade suggests that the success of the SHG Approach lies in the belief that different people have different potential and in the careful introduction of its basic principles and adherence to these in order to strike a balance between economic, social, and political empowerment. It is our wish that this manual will enable the user to achieve exactly this. We are thankful for the great opportunity the SHG Approach offers poor families and communities. It is our wish that this revised manual – which incorporates 10 years of experience and learning – may be a useful tool to guide those working with the SHG Approach.

We believe that the extension of the SHG Approach to new communities, countries and regions will enhance the prospects of children, young people and poor communities all over the world.

Introduction

This Manual describes the underlying foundations of the SHG Approach, its principles, how it is implemented, and what one can expect from working with the approach. It consists of three major parts. Chapters one and two describe the development policies and the principles which are at the foundation of the SHG Approach as it is promoted by Kindernothilfe. Chapters three to five explain how Self Help Groups, Cluster Level Associations and Federations are formed, strengthened, and empowered to stand on their own. Chapters six to eleven outline crucial cross-cutting topics for the implementation of the SHG Approach, such as the human resources required, the concept of learning, the inbuilt self-monitoring system, the importance of lobbying and advocacy, what organisations can expect from Kindernothilfe when working together with the approach as well Kindernothilfe's expectations.

The Manual is complemented by a series of detailed Training Manuals which are used by Promoting Organisations in the field when they form and develop the capacity of Self Help Groups, Cluster Level Associations and Federations. These training manuals are translated into several local languages. They are distributed by the National Coordinators of the SHG Approach who work on behalf of Kindernothilfe in the respective countries.

The chapters describe the topics and highlight typical examples and interesting experiences through small case studies. Pictures give some visual impressions of how things look on the ground. Details of the implementation, such as the forms which are used or the facilitation steps which are taken, vary between different continents and countries. Therefore, they are not included in this manual, but are set out in the above mentioned training manuals.

This is the second fully-revised edition of the Manual of the SHG Approach which was first published in 2008. Working with this approach involves ongoing learning and reflection, which is very enriching. This 2nd edition of the Manual therefore incorporates the new developments that have resulted from experiences of implementing the SHG Approach. Readers who are familiar with the 1st edition will observe changes throughout the Manual, like the stronger focus on capacity development and learning as well as the comprehensively revised chapter on monitoring. There is also a new chapter on lobbying and advocacy due to its importance for achieving change. A few chapters were dropped in order to not overload this Manual with too many specific cases.

1. CONTEXT

1.1 The Self Help Group Approach in the context of development

The SHG Approach to development promotes the enjoyment of human rights for all vulnerable and marginalised people, especially the poorest of the poor. It does this by first focusing on the poorest women and their children and then broadening the focus to entire families and communities. The SHG Approach is a bottom-up approach which builds on peoples' existing capabilities and strengths. It is an empowerment approach which prioritizes the building and strengthening of a People's Institution. It does this by investing in social capital and human capabilities, especially those of women with their children, to enable them to participate in decision-making at the household, community, and macro level and to lift themselves out of poverty.

In particular, the SHG Approach is a rights-based approach. The United Nations has recognised that "The existence of widespread extreme poverty

inhibits the full and effective enjoyment of human rights"¹. As a Child Rights organisation, Kindernothilfe's SHG Approach focuses on development in the best interests of the child, in accordance with the United Nations Convention on the Rights of the Child. Applying the rights-based SHG Approach brings about a change in perspective. Marginalized women and children are no longer viewed – and no longer view themselves – as passive subjects or victims, but as holders of rights which are claimable from the authorities such as local, regional or national governments. In this way, the capacities of underprivileged and marginalized women and children are strengthened and they are able to work towards social justice and their own livelihoods with dignity.

1.2 Poverty and its effects on children and caregivers

Poverty is created by many internal and external factors that impact on a country, region, community or family. Poverty is not only an economic and political phenomenon at the national or regional level, it is a multidimensional and multifaceted social problem that goes beyond not having enough income or the means to meet basic needs such as food, clothing and housing.

Kindernothilfe shares the view that poverty is the primary obstacle to attaining an adequate living standard and the realisation of human rights². Poverty hinders peoples' access to resources such as property and other assets as well as natural or financial resources. It also denies or restricts access to basic services such as education and health facilities and prevents or inhibits access to social, economic and political participation. Providing people with the building blocks to lift themselves out of poverty therefore contributes to the realisation of human rights.

Children make up the vast majority of the total people living in poverty. Poverty hits children hardest as it has inherent implications on their development. For example, poor nutrition and poor health lead to poor physical and cognitive development. Common manifestations of poverty for children include denial of access to or poor education, lack of or inadequate parental support, violence, including domestic violence, child neglect, poor housing conditions and



Children are the main target group of KNH,
Photo: Gudrun Steiner

¹ Vienna Declaration 1993, article 14.
² N.N.

poor environment for living and play. These factors hamper children's future prospects and often perpetuate poverty over generations.

In particular, the resources and capabilities of the direct caregiver make a considerable difference to children's reactions to, and experience of poverty. Most direct caregivers in poverty-affected families, communities and countries are female, particularly older girls and women of all ages. Female caregivers affected by poverty often suffer from the additional burden of gender based discrimination. This discrimination contributes to the high impact of poverty on individual lives. Effects of gender based discrimination include high maternal and new-born mortality rates due to inadequate and unequal access to nutrition, as well as the denial of sexual and reproductive health services and rights. Women often suffer life-long damage to their physical and psychological health and life threatening situations caused by traditional practices like female genital mutilation or early marriage. Girls who grow up in poverty are also vulnerable to sexual exploitation, child labour, rape and abduction. Women also often struggle with very high workloads in low-paid and low-status labour due to discriminatory access to primary, secondary and tertiary education, vocational training and are denied or have limited access to property and land ownership.

Poverty affects the attitude of people. They suffer from limited influence and power which can cause a feeling of voicelessness, powerlessness and apathy. These experiences can have a reciprocal impact on the way they are perceived by members of their community. Communities often start to discriminate, marginalise and exclude these people, intentionally or unintentionally. Over time, people living in poverty may get used to being marginalised and excluded. In addition and as a result of the exclusion, these people are often not aware of their constitutional and human rights. Since they don't have the resources to counter exploitation, low wages or any other humiliating circumstances, their attitude is can often become fatalistic.

1.3 Development and Empowerment

Development and empowerment complement and reinforce each other and are both multidimensional in nature. They represent a process of change that

includes social structures, popular attitudes, national institutions, economic growth, reduction of inequality, eradication of poverty and the realisation of human rights.

As previously stated, the SHG Approach is a rights-based approach to development. It is based on the view that development and human rights are interrelated and therefore need to be addressed equally in order to bring about meaningful and positive change in people's lives. It employs the principles of equality and non-discrimination to address the root causes of poverty. Poverty reduction strategies target individuals and groups that are socially excluded, marginalized, vulnerable and disadvantaged. The rights-based approach to poverty reduction espouses the principles of universality and indivisibility, empowerment and transparency, accountability and participation. It addresses the multi-dimensional nature of poverty beyond the lack of income.

Empowerment is the core strategy of the rights-based approach to development as it enables people to claim and realise their rights. It is the process of enhancing peoples' capabilities and assets so that they can make informed choices to take actions and to achieve their desired goals. Central to this is the influence and control of the factors that affect their lives, such as overcoming exploitative structures and relationships. Hence, a rights-based approach also aims to bring about structural changes which overcome gaps in power structures of society, thereby giving voice and power to people who previously had no say in the way society was managed.

Some examples of empowerment are:

- > Community members have the opportunity to come together to ensure that the local government school delivers quality education and teachers don't take their duty lightly.
- > Girl children are going to school and are no longer staying at home to look after younger siblings because of changes in gender perspectives.
- > Women can raise their voice against harmful traditional practices and bring about change despite traditional leaders trying to impose and reinforce these practices.
- > Farmers make an informed choice to grow what they want and have a say in deciding the price of

their produce. Traders can no longer exploit them.

- Cultural norms and patterns that suppress certain sections of society, especially women, are challenged and change is achieved.
- Gender stereotypes are challenged and transformed so that women are no longer considered inferior members of family and society.
- Unjust government policies that favor the powerful are challenged so that there is greater justice for the weak.
- Active participation of community members in setting priority areas of issues that respond to their rights

1.4 Promoting development through enabling change

The SHG Approach used by Kindernothilfe and its partners addresses the above mentioned effects of poverty. Target groups and beneficiaries of the approach are mainly women and children living in very poor, marginalised and vulnerable situations or environments. The approach has been proven to bring about changes in women's lives, first regarding their attitude and self-esteem followed by their empowerment in social-economic activities and further in relation to their political participation and advocacy activities. Through their involvement in Self Help Groups, women gain power, knowledge and capacities in relation to different subjects and on different levels. They are able to freely own and spend the revenues of their businesses and become involved in social and structural improvements for their community. Women report that domestic violence decreases and that traditional roles in families are modified to their benefit.

This has an impact on children. The most remarkable, positive impacts on children are: improved and sustained nutrition and health status, improved and sustained access to primary and secondary education and decreased involvement in child labour, particularly in agricultural settings.

The SHG Approach follows a set of correlated activities undertaken in a chronological order that has been proven to have the intended impact. However, Kindernothilfe with its partners, are in a permanent process of learning and reflection in order to adjust and improve the approach. Through these revisions, we are able to enhance the approach

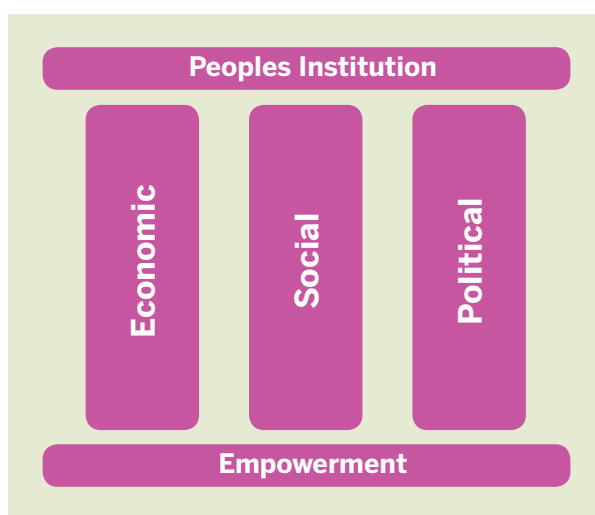
by learning from challenges and find ways to prevent bringing about unintended negative consequences.

Sustainable development is dependent on numerous factors and causes. The SHG Approach is based on the understanding that people are the main actors in bringing about sustainable development and are the essential change agents in any given environment. Therefore the approach is not implemented with financial, material or labour contributions to the target group. Instead, the main methods are knowledge-based facilitation at community and group levels. Development is initiated by the women themselves as they realise their potential to change their situation as well as that of their community and beyond. Processes such as participatory self-assessment, the setting of goals and the creation and monitoring of action plans by the groups are key techniques used to implement the approach. Development initiated by the individual women, children and groups expand over the time in the direction the women, groups and communities freely decide using the structure of the People's Institution.

2. OVERVIEW OF THE SELF HELP GROUP APPROACH

2.1 Building an Empowering People's Institution

The SHG Approach is a process designed to lead to the empowerment of people. Empowerment is a slow process that involves both individuals and institutions. Individuals are the ones who come together and go through the process of empowerment. Institutions such as Promoting Organisations and Government agencies can support empowerment with processes that increase self-confidence, develop self-reliance, and help people set their own agenda – unleashing their potential.



The SHG Approach can be compared to building an Institution – a People's Institution constructed on the foundation of "Empowerment". The institution is supported by three solid pillars – Social, Economic and Political empowerment. The term "Social" is broad and includes cultural aspects of society. Social, economic and political empowerment are all required to enable the poorest people to claim and realise their rights as human beings, citizens and as equal participants in civil society.

Political empowerment calls for the removal of barriers that limit people's choices and prevent them from taking action to improve their wellbeing. More particularly, political empowerment includes strengthening the basic principles of good governance by enhancing people's participation, improving efficiency in pro-poor development and promoting democratic accountability and transparency. As poverty is linked to powerlessness,

injustice and exclusion, empowerment means promoting human rights, increasing the diversity of civil society actors, reinforcing the rule of law and the impartial administration of justice and giving the poor a stronger voice and more control over the type, quality, and delivery of services they receive.

2.1.2 The Three Dimensions of the SHG Approach

As previously stated, the three important dimensions of life that are the focus of the SHG Approach promoted by Kindernothilfe are: economic, social and political empowerment. The following provides a brief explanation of how these elements are addressed by the SHG Approach, including their key principles. Further detail of the processes involved is provided in the following chapters.

Economic

The key principles of the economic dimension of the SHG Approach are: mutual trust, accountability, participation and creativity. Through forming Self Help Groups that collectively save agreed amounts of money and give loans to their members to improve their economic situation, these principles are developed both in individuals and the group. Some of these principles are found in micro-credit programmes³ set up for people living in poverty and lacking financial resources. However, the SHG Approach is not a micro-credit programme as the money to be lent is not controlled by a bank or a fund, but saved by all group members themselves. Unlike micro-credit programmes, the savings and other income such as interest payments are kept within the Self Help Group. It is only loaned to group members based on the group's own rules regarding repayment and interest rates. These features prevent external dependencies, foster and protect the interests of the group and their 15-20 members. Specific attention is given to the assurance of loan and interest payment. The lending is combined with encouragement and group support for starting up individual business activities and the mutual learning process that occurs by starting with small loans and businesses and growing with them over time.

Social

The key principles of the social dimension of the SHG Approach are: affinity, trust, participation and mutual responsibility.

³ E.g. The micro-credit programme of the Grameen Bank

There is a special focus on individual and community level problem solving. The Self Help Groups discuss problems in their private lives or in their community and develop solutions together in their meetings. Gradually, as the number of groups increase, Cluster Level Associations, made up of Self Help Group representatives, are formed and are able to further develop the strength of the social dimension through linking the activities of groups to other key stakeholders and tackling social or community issues that are beyond the capacity of one group alone. The process is linked with the practical and financial support among the group members, and therefore provides a holistic approach to improving the lives of members and their communities.

Political

The key principles of the political dimension of the SHG Approach are: independence and involvement. Self Help Groups take up issues of concern in their neighbourhood and work together towards a solution. They gain additional support to work on larger issues by linking together at the Cluster Level

Association level. When there are enough Cluster Level Associations, they may make the decision to join together to form another structure to represent their collective interests - a Federation. These Cluster Level Associations and Federations aim to function as a legitimate part of civil society to ensure that the voices of their members can be heard throughout the local, regional and national level governmental structures.

2.1.3 Basic Principles

The SHG Approach is based on 2 basic principles:

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

Society has pushed certain sections of her people to the margin. These vulnerable and marginalised people slowly come to accept and internalize the situation they have been thrown into. The very poor are therefore often unheard and unseen by the rest of their community, and in particular by decision-makers. The very poor are thus easily excluded. Even some development actors have excluded them from programs because of the extent of their poverty. For example, some micro-credit providers will not provide credit to the very poor since they do not have

collateral and are considered not credit worthy.

In spite of this exclusion and disempowerment, the very poor have enormous God-given potential to improve their own lives. The SHG Approach seeks to bring out this potential and fosters their integration 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. The process involved in the SHG Approach helps them to (re-)discover their potential step by step and realise that they are worthy citizens who can achieve a lot in life.

2. As individuals the poor are voiceless, powerless and vulnerable. By bringing them together as a homogenous collective that is aware of their rights, they gain tremendous strength and can claim their rights.

The SHG Approach focuses on building (or rebuilding) strong and more just communities by bringing people together and empowering them. Value systems are systematically restored, redefined and instilled in the community. Their collective bargaining power increases, enabling them to access better services as well as claim their entitlements.

2.2 Starting with the very poor

When an organisation promoting the SHG Approach enters a poor community, members of the community, using participatory tools, develop criteria for identifying the poorest households in their community. The community members then identify the poorest households based on these self-selected criteria. The Self Help Groups are formed from among these poorest households. After time engaging with the SHG Approach, these community members improve their socio-economic wellbeing and are no longer the poorest in the community. At this point, other members from the higher strata of the community form Self Help Groups. Thus starting with the very poor there is a process of bottom-up inclusion in the approach. The SHG Approach neither leaves out the very poor nor does it work exclusively with them.

Case study: Improving Children's Nutrition in Rwanda

Before joining a Self Help Group, most of the women members would struggle to get one meal per day – a meal that was not even nutritionally balanced. Unsurprisingly, their children often suffered from diet related diseases. Not all children could attend school regularly because their parents could not afford school materials, uniforms, and school fees. Besides, it would be difficult for children to follow in class when they were hungry. Children did not attend kindergartens but would straight go to primary school, if they were able. Some women could not read or write.

Following the establishment of SHGs, the situation today has dramatically changed. Children have at least two meals per day, women are engaged in different activities that generate incomes to meet family needs. Children access health facilities because women enroll the entire family in health insurance scheme using the profit from their income-generating activities or from individual savings. Adult literacy classes have been started to assist SHG women and community members who cannot read and write.

2.3 Three Levels of the People's Institution

2.3.1 The Structure

In any poor community, the first Self Help Groups (SHGs) are formed with the poorest members of the community. Groups of 15 to 20 members form a SHG (the first level of the People's Institution). When SHGs grow in number and begin to realise that there are problems they cannot solve without the help of other groups, they are prepared to form a cluster of self-help groups or a Cluster Level Association (CLA). Generally when there are about 8 to 10 strong SHGs, the groups come together to form a CLA (the second level of the People's Institution). To do this, two members are carefully selected by the SHG members from among themselves to represent their group at the CLA. Thus a CLA is made up of 2 representatives from each of the SHGs that are part of the CLA.

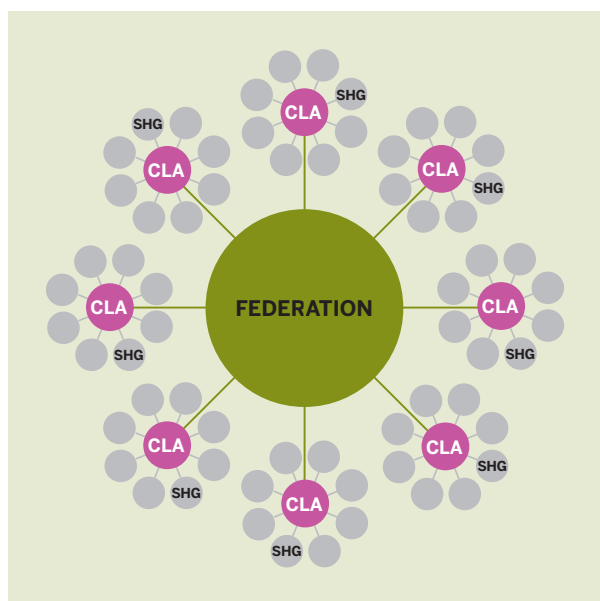
As more and more SHGs are formed, there are more CLAs established. When there are about 8 CLAs, they come together to form a Federation (the third level of the People's Institution). The rich experience of CLAs in bringing about important changes in the community, whether infrastructure development, helping improve social service delivery, and/or reducing structural dependencies motivates them to participate in local governance ensuring that the

principles and features of SHG are recognized and find their way in local, regional, and national laws and policies. In most countries legally registered Federations take on a critical role in the socio-economic and political development of their regions and lobby for policy development. The structure looks like the diagram (Fig.2).

There is no hierarchy between the levels. The levels relate to the different roles and functions that take place within the People's Institution. As the People's Institution continues to grow in terms of number of SHGs and CLAs the Federation includes more and more CLAs, thereby consolidating its strength in terms of numbers. In many cases the Federation registers itself and obtains a legal identity for the entire People's Institution.

2.3.2 Functions and Impact at the Three Levels:

The SHG Approach is a holistic approach which, when implemented according to the principles, leads to social, economic and political empowerment for the individual, the community and beyond. At each level, different activities take place that are complementary to one another to achieve holistic development that is sustainable.



Structure of the Peoples' Institution

At the SHG level:

- Members meet together to save regularly and to take loans to start/enhance their own small businesses and improve their income
- Members discuss and take decisions during the SHG meeting, decide common rules for all of them, and monitor whether they are followed.
- Members share with each other their problems and issues that are obstacles to them and give each other advice. Care and concern for one another within the group develops.
- Members set individual/personal goals and group goals to change aspects of their lives and in their environment. They plan and implement activities to achieve their goals and to solve issues in their families and neighborhood.

The outcomes sought at the SHG level is that members who started very poor develop economically and socially. They are able to meet their basic needs and their social capital is enhanced. They start making important decisions together in the group and also for their day-to-day lives. The discussions and decision-making strengthens their self-esteem and opens new possibilities for involvement in family and neighborhood issues. Things happening at the SHG level are mainly oriented around issues that impact on the life of individual group members, their families and their immediate environment.

At the CLA level:

- The CLA ensures the regular functioning of their SHGs and forms new SHGs as need arises

- The CLA mobilises resources for the needs of the community from government and non-government sources
- The CLA sets goals and plans activities and projects to address the needs of the community with or without support from external agencies
- The CLA discusses values and traditional practices in the community with the SHGs and agrees on an acceptable social norm which are followed by all members
- CLA/SHG members participate in governance, both within the CLA, as elected representatives, and externally, through lobbying and advocacy

The outcomes sought at the CLA level are that community needs are effectively addressed, new SHGs are formed and existing SHGs are taken care of, a new value system is evolving and maintained and the people participate in governance.

At Federation level:

- A visible and sustainable People's Institution is established. In the long term the People's Institution is able to stand on its own.
- The Federation is aware of the rights of the people and jointly claim their entitlements effectively utilizing the strength of numbers that it represents
- By playing the role of an effective bridge between the people and the state, the Federation is able to contribute to peace, security and justice.
- The community is able to raise its voice against injustices and seek good governance and accountability from the responsible authorities and decision-makers.

The outcome sought at the Federation level is that a strong People's Institution is created that is constantly removing barriers that prevent people from making choices towards improving their wellbeing and prevent them from claiming their rights.

Through the three levels of the People's Institution, the holistic needs of the people are catered for, at the personal, community and governance levels. Areas of impact which can be achieved by the SHG Approach can be described as below:

The people's Institution and examples of outcome achieved at the three levels



*Example “access to education”

SHG level: Because of better income, SHG members are able to cover school expenses for their children. Because of their group discussions members also see the relevance for the girl child's education.

CLA level: A CLA lobbying at local government and the community for adding another class room at the existing school.

Federation level: A federation lobbying for a policy saying that there should be a primary school in x km radius or following up that such kind of existing policies are implemented (beyond the community level)

Although Kindernothilfe works in partnership with local NGOs (referred to in this Manual as Promoting Organisations) to introduce the SHG Approach to communities, promoting the SHG Approach is not equivalent to implementing a project or a program with a defined end. The SHG Approach, as the name suggests, it is a process by which the different levels of the Peoples' Institution are established. It is the groups themselves, at the various levels of the Peoples' Institution that design and implement specific projects based on their own need and priorities. The structural causes of poverty are tackled through the SHG Approach, thereby leading to sustainable development and structural change.

2.4 Sustainability and Role Transfer

Sustainability of the SHG Approach refers to both the sustainability of the structures and the sustainability of the changes that they bring about.

1. *Sustainability of structures* involves the institutions eventually becoming self-sufficient in terms of their structure, their agenda and by being able to generate their own resources (e.g. through external funding or income-generating activities) so that the benefits are experienced by future generations, especially their children.
2. *Sustainability of the changes* achieved involves, for example:
 - Household and community resilience – resilient communities are readily able to anticipate and adapt to change through clear decision-making processes, collaboration, and management of resources internal and external to the community.
 - Environmental sustainability – an environmentally sustainable system must maintain a stable resource base, avoid overexploitation of renewable resources and preserve biodiversity.
 - Structural change – the structural dimensions of poverty are addressed through the empowerment of poor and marginalized households.

In order to realise this goal of sustainability, a series of role transfers need to take place during the entire process, beginning when external support is provided and continuing until the People's Institution formally takes over. It is very important that the Promoting Organisation, the people who facilitate groups during the process as well as the group members themselves understand this right from the beginning.

As the groups are formed and their capacity is built, the role played by different actors changes. Initially a Community Facilitator (CF) provides a lot of direction to the SHGs, however as the SHG matures, she reduces her presence and gradually hands over roles to the SHG. Once the SHG is a member of a CLA, the CLA takes over additional roles of the CF until eventually the CF stops her active support of the SHG. A similar process takes place with the CLAs until the Federation formally takes charge of the People's Institution:

- To begin with, Kindernothilfe, through the National Coordinator or Coordination Office introduces the concept to NGOs and Community-Based Organisations (usually local NGOs with experience in community development) that may be interested to become a Promoting Organization for the SHG Approach. The organisations are given an opportunity to decide if they would like to promote the approach in the region where they are active.
- The NGOs that choose to become a Promoting Organisation select CFs and a staff member to be the Project Officer. Working through the National Coordinator or Coordination office, Kindernothilfe provides the training and assistance needed to build the competence of the organisation, the Project Officer and the CFs to promote the SHG Approach.
- The CFs, under the guidance of the Project Officer and with support from the Promoting Organisation, form the first SHGs and, eventually, the first CLAs.
- In the initial months, the CF attends every meeting and performs a "hand holding" function. Once the groups have understood and internalized their roles, the CFs slowly phase out their involvement and allow the groups to function on their own, assessing their own situation and making decisions themselves.
- Once a CLA is strong, most of the roles played by the CF is taken over by the CLA. These include: formation of new SHGs, strengthening new and existing SHGs, gathering relevant reports from the groups, facilitating self-assessments of the groups etc.
- The CF who was earlier reporting to the Project Officer / Promoting Organisation starts reporting to and works closely with the CLA. The CF may eventually be serving under the CLA and be remunerated by the CLA, if they see a need for that.
- The Project Officer facilitates the formation of the Federation when there is sufficient number of strong CLAs.
- The Federation links with various actors in the environment to be able to stand on its own.
- Funds needed to operate the People's Institution are raised at the CLA level. This covers the CLA's administrative expenses as well as the program and administrative expenses of the Federation.
- Where possible given the local political and legal environment, the Federation seeks a legal identity in the country where it operates and registers under a law that is compatible with the SHG concept.
- The Promoting Organisation hands over its remaining function to the Federation and phases out all of its activities. They may start this approach in a new area.
- At another level, the Promoting Organisations come together on a regular basis as a forum of SHG promoters. In some few countries they formed a consortium or a formal network of organisations for the SHG approach.

3. SELF HELP GROUPS

This chapter assumes that the approach is starting for the first time in a community and that it is the first time for the promoting organisation to engage with the approach. It is intended to guide those involved in the various aspects of starting the approach from the beginning.

3.1 Principles of forming Self Help Groups

3.1.1 Critical analysis of the situation

The SHG Approach builds People's Institutions that are relevant and responsive to poverty-stricken situations where human rights violations are also likely to be taking place. Various methodologies can be employed in order to come up with a situational analysis that shall serve as basis for deciding where (in which communities) to promote the approach as well as why.

The previous chapter explained that the approach is intended for the poorest of the poor and that it seeks

to achieve empowerment and not just development. The situation analysis should articulate the reasons for or causes of poverty, which often include unjust systems or traditions that cause people to become disempowered. The analysis may go further, identifying, for example, gender gaps in the power structures of the community, describing the social context of women's work in the community as well as providing examples of gender issues and concerns, which later could be dealt by the women themselves. An important part of the analysis of the area is an assessment of potential risks, their seriousness, and how they can be mitigated. The situation analysis must also articulate the plight of children including the profile of child rights issues and concerns.

3.1.2 Starting with the poorest

As previous sections have mentioned, poverty is not just an economic concept but has many dimensions which require multi-dimensional solutions. By looking at all the dimensions, we can come up with a description of who is the poorest of the poor. The dimensions could be different in different socio-



Example of well being ranking, Photo: Jiah Sayson

economic, cultural and geo-political circumstances. The degree of gravity or magnitude of poverty could also vary from one place to another.

What is important is first to gain a clear understanding of the poorest of the poor. Second, it is important to recognise that even huge poverty alleviation programs (especially those run by the state) reach the poor but often do not reach the poorest of the poor. The SHG Approach instead *starts with* the poorest of the poor. As the lives of the poorest improve, others may be included in the approach. This preferential treatment is aimed at giving dignity to the poorest, reducing gaps and helping them participating equally with the better-off populace in all three spheres: social, economic and political.

3.1.3 Starting with women

A woman or girl who is of the poorest of the poor is doubly discriminated. Poverty hits her more harshly compared to her male or boy counterparts. A

woman's role as child-bearer, mother and caregiver means that she faces additional risks to her health through pregnancy and childbirth, and then has to support her children, meaning that she cannot perform well in the midst of poverty. This consequently affects the children under her care. Ultimately, this leads to more poverty for these children as the consequences of poverty cross the inter-generational divide. For example, a poor woman is malnourished, she has not much food for herself or for her children, and their health is poor as a result. If there is food, it may go first to the husband. This leads to her further malnourishment as well as her child.

It is important to have a clear understanding of the correlation between discrimination of women and poverty. Women's poverty is reinforced and worsened by structural discrimination. This discrimination can also be a key barrier preventing women from lifting themselves out of poverty. Therefore, there is the intention of the SHG Approach to embrace a framework of working with women to



A typical SHG meeting, Photo: Partner

help them come up from this despair. The SHG Approach is also based on the conviction (which later can be translated into strategies initiated by the women themselves) that empowering women directly helps children. Therefore, there is recognition that women are active agents themselves, and given the chance, and given the power, they can do a lot to bring development and empowerment to themselves and others.

Although men's attitudes and behavior towards women can be seen as part of the problem, men can also play an important role in supporting women's empowerment.. How they may be involved and at what stage depends on the gender situation in the community (i.e. gender gaps, degree of gender based violence or abuse, gravity of discrimination, cultural biases, etc.). Men's involvement should be determined by the SHGs themselves. For instance, once their confidence has increased through their involvement in the group, they may feel more comfortable with their capacity to negotiate with men to be involved in ways that are beneficial for all.

Depending also on the gender situation, it may be important for the Promoting Organisation to seek consent (directly or indirectly) from men when organizing the women into SHGs. Continuous and conscious steps including sensitization of men may have to be taken by the SHGs to gain this consent and later respect of the men in the community (e.g. husband, brother, father father-in-law, male elders in the village, etc.).

3.2 Preparing the Work

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

3.2.1 Working with and through NGOs

NGOs vary in their philosophy, strategies as well as focus. They have institutional affiliations that also define, promote or hinder achievement of such goals. They have established a reputation and a track

record. Using all these indicators, it is important to ensure that the NGO, its values and its reputation is compatible with the SHG Approach before that NGO becomes a Promoting Organisation.

Compatible traits:

The values and attitudes of Promoting Organisations are a very important factor for working successfully with the SHG Approach. It can be difficult to find out how a particular NGO is perceived by communities in the area in which it works and it may take time. Certain indicators which may vary from one country to another could be used. For example, looking at past and present programs, how they were designed, what they achieved and how the managers view their achievements and failures can give important insights. Also the vision, mandate, and track record of the NGO can be very helpful.

Not every organisation would necessarily have all the following attitudes. But at least there should be an indication which set of attitudes the NGO possesses. Furthermore, if there is openness to learn as well as unlearn, these attitudes could be developed to a certain extent. Some indicators for selecting NGOs could be the following:

- > Believe in Self Help-that people in the community have knowledge and abilities with which they can help themselves better than outsiders helping them.
- > Believe in Participation and Empowerment of women; practice gender sensitive system, policy, methods of work etc. – also in the organisation itself
- > Believe that community members can analyze their situation, identify choices, understand consequences, choose best solutions and take decisions with facilitation and participatory tools.
- > Possess a solid grasp on general as well as specific issues about their country or affecting their country
- > Willing to support a political empowerment process; having a rights-based mindset
- > Comfortable in working with volunteers
- > Prepared and willing to hand over responsibilities; willing to work towards phasing out
- > Experience in implementing community-based programs including but not limited to organizing groups in the community,
- > Experience in resource mobilization and fund raising; does not depend on one donor (Kindernothilfe) to continue promoting the SHG Approach

- Willing to commit some resources for the development and skills enhancement of staff.

Lastly the NGOs have to conform to the eligibility requirements of becoming a partner of Kindernothilfe.

3.2.2 Selecting the Area and Involving the Community

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

- The concept works well with the very poor.
A poor/needy area is chosen based on the situational analysis made.
- The Promoting Organisation is known in the area but not known for giving free hand-outs.
- Preferably no other organisation is working in the area providing free hand-outs.
- There is sufficient population density to build to second and third levels of the People's Institution. To be able to form a CLA there should be around 200 poor families in a radius of 3 to 5 kilometers.
- Supportive local leadership is an important factor to be considered. To win them over initially to accept the concept is necessary.
- It is important to involve the community as a whole as well as its leaders.

Key principles about the community are:

- A community is composed of people within certain geographical boundaries. The SHG Approach is a community-based approach. It cannot and should not be isolated from the community. The SHG Approach itself should be owned by the community. The groups to be formed are part of this larger community.
- In any community, there is an indigenous and existing leadership structure either formal or informal. Before starting the SHG Approach, they have to be recognized and consulted. Their consent is an important criterion.
- There is a mutually exclusive relationship between the groups and the community. One mutually supports the other. During difficult situations, the community will back up the SHGs, as they are its own.
- The community leader provides inputs to the situational analysis and shares key knowledge how to go about starting the approach.

3.2.3 Selecting the Staff

A specific full time staff is assigned in every Promoting NGO 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:

- Understands basic development concepts (poverty, gender, class, social identity and relations, development, empowerment etc...) and have a good grasp on issues and concerns that affect the community and the country
- can internalize the SHG concept; believe that the poor has knowledge and wisdom believe that the women when united can achieve a lot:
- Is committed to empowering the poor
- Is able to be released by the Promoting Organisation for this work (the person should not be loaded with other tasks)
- Possesses good communication skills
- Has the ability to train / transfer inputs to CFs
- Can mentor and motivate CFs
- A mature person who works reliably on her/his own and likes travelling in the community
- Speaks the local language(s)

Although only one staff member of the promoting organisation is assigned responsibility for supporting the implementation of the SHG Approach, it is important that all staff and the whole organisation understand and accept the approach. In particular, the leadership of the organisation needs to support the Project Officer and be involved in meetings in which all promoting organisations come together. Their understanding on the "why" of the approach should match the Project Officer's understanding of it.

3.2.4 Selecting the Community Facilitators

The role of the CF is very crucial in the whole process as they are the ones who work directly with the SHGs. The CFs have to be selected very carefully. It needs to be clear right from the beginning that the CF will be accountable to the CLA once it is well established. The CF is not a staff member of the Promoting Organisation but a volunteer from the community who serves her people, even if she gets a small allowance or stipend.

Some criteria for the selection of a CF include:

- A person who is mature and with education that

- ensures that the person knows how to read, write and calculate
- A person from the community – who can identify well with the group members as well as having a good grasp of the situation in the community
- A person with good
- Communication skills
- A person with good facilitation skills
- A person with who is open minded and willing to learn new things
- A person with who is committed to and willing to identify with poor people
- A person who will listen and foster participation
- A person who is willing to travel / work at odd hours
- A person who has small scale business experience
- A person with religious tolerance
- A person of integrity
- A person who has volunteered before
- A person who does not have too much responsibility in the community

It will be helpful to discuss the roles and responsibilities with a prospective candidate before contracting the person. This is not just an employment opportunity but also a position that needs passion for the people and strong commitment to implement the approach. There should be a broader understanding about her role not just to “start”, but to accompany the whole process of building the People’s Institution.

3.3 Features of Self-Help Groups

- SHGs consist of 15-20 women who meet weekly, and who form a group identity through naming their group, developing rules and sharing talking about their lives
- The SHG members save small amounts of money which is then loaned to the members according to the group’s rules.
- The group maintains good records of their savings, loans and other economic activities. records about their savings and their activities.

A SHG is usually made up of 15 to 20 members from among the women 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 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.

It is important for the SHG members to commit themselves to meet regularly on a weekly basis with a prepared agenda. 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 a service to themselves, to the community or even action against unfair and harmful practices in the community.

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 in Kenya SHGs are called ‘Tuungane Sote’, which in Swahili means ‘Let us unite together’ or ‘Bidii’, which means ‘effort’. In the Philippines, the ‘Brasscasting’ SHG got its name from the common skills of the members who make different kinds of bells, gongs, and other cultural artifacts made of bronze.

Members are helped by the CF to make realistic rules for their group. The rules are very basic. They involve 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 gain experience, they add rules that they see are 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. They write down these rules as their by-laws and follow them. These rules are modified by the group when they see fit.

Group leadership rotates among the members. There are no Chairpersons, Secretary or Treasurer, the 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 trained especially for the task. After the agreed fixed term the book writer hands over her task to the assistant and a new assistant is selected. The group also selects two members to represent the group at the CLA. This position has a term of two years. They may also select other representatives for other fora.

Members commit to save a fixed amount every week. It is true that they are economically poor but saving helps realise their economic potential. Saving is possible by either doing an extra activity or cutting down expenses or a combination of both. The savings leads to financial discipline. The growing capital in the group is a strong motivator to continue saving.

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 this grows. But neither the NGO nor the CF shall do this. It is an important principle that group members keep and handle their money. They develop financial management skills as they learn the value of accountability and take full responsibility for their finances.

When SHGs are mature and have proven to themselves their ability to manage money, the group may, as they see fit, open a bank account in the name of the group. In many countries there are schemes meant for poor/ women implemented by Government with the participation of banking institution. Having an account in the bank help SHGs understand the banking procedures. Bankers also come to know about credit worthiness of SHGs etc. Members choose their bank signatories among themselves. The Facilitator or a staff member of the promoting organisation should not be a signatory. Other groups realise that it is more helpful for them to circulate the entire capital among the members and don't open a bank account.

Internal Lending and profit-oriented activities:
Members are encouraged to take loans from their

group's savings for urgent consumption needs and for profit-oriented activities. Members are encouraged to make their own lending rules. They are facilitated to realise that consumption loans are difficult to repay, whereas micro-business loans could lead to profit. They slowly learn with the help of training by the CF and through the experience of other group members to live on profit rather than living on the capital.

SHGs maintain a high level of discipline. They are facilitated to conduct their meetings systematically. Fines or other punitive measures are enforced on members who do not follow the rules set. They also make sure that their agreements are held and come up with mechanisms to monitor and ensure its implementation.

Members each have their own passbook (or individual record book). Every time a financial transaction takes place (saving, loan, loan repayment etc.) the transaction is also recorded in the individual passbook by the book writer. All of these records are updated regularly. In some groups members have individual record books which contain not just the financial transactions but also the admission sheet information of the individual member (socio-demographic information) and her individual goals. This way the member can monitor and reflect on improvements in her own and her family's living condition.

The group also keeps a Master Book (often called Mother Book), which contains the attendance register, minutes of the meetings, records of all financial transactions, training register, group goals, results of the grading of the progress on the goals, and the action plans of the group. 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 assist them maintaining their books. Signatures can be made even using the thumb.

The group is also encouraged to provide monthly report to the CLA, which helps to document progress. Generally this consists of providing most of the information contained in the Master Book as well as an analysis by the SHG of the successes and challenges encountered in implementing their group

goals and plans. It also records actions that the group will take in order to improve their weak areas. The report is submitted in writing or orally to the CLA for them and other SHGs to learn from the group or take action in helping them.

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

3.4 Operating Principles

- There are principles governing the functioning of the SHGs which should be adhered to.
- Group members are facilitated to come up with rules for their group. They come to appreciate this as time goes on and they continue to develop their own rules.
- The capacity of the members and the groups is built gradually to help them realise their potential.
- Groups operate on a non-religious and non-political basis

Except for the objective of forming groups and helping them realise their potential, the groups should be formed with 'No Agenda'. An outside agenda forced onto the group at the initial stages could hinder the realisation of one's potential and thereby hinder development. It is important to allow the groups to identify their own needs and to prioritize them. They can then be assisted to pursue initiatives to achieve their goals/vision.

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

Groups operate on non-political and non-religious principles. Members may have their own political and religious affiliations and convictions but these should not be brought to the group or forced onto others.

Interactions with the community and the groups are normally through the CF. This is a person chosen

from the community to play this role. The capacity of the CF is built step by step by the Promoting Organisation so that the concept and the competencies are passed onto the members in the groups.

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
- Certain aspects of bookkeeping are further explained

3.5.1 Regular weekly meetings

Members meet regularly once a week. They choose the time and day of the week that suits them best. They also choose the venue of the meeting. The CFs adhere to these choices. The regular weekly meeting is very important to bring the members together to share their struggles and joys. A lot of poor people live an isolated life and lonely life. The weekly meeting provides an environment in which they develop a strong sense of belonging. SHG members have repeatedly said that although they had lived in the community for 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.

Some of the good practices followed are:

- There is a Moderator for each meeting. The Moderator is normally chosen the previous meeting so that she comes prepared. All members alternate in the facilitation of the meetings.
- In many groups the meeting normally starts with a prayer and/or song. Different members in rotation lead this. It is vital to start the meeting in a way everybody is comfortable with. It is important not to impose somebody's faith to anybody else.
- Attendance is taken. The book writer calls out the names and marks attendance.
- 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 Master Book.
- Members then contribute their weekly savings,

which the book writer record in their individual record book as well as in the Master Book. Sometimes the book writer enters the figures in the Master Book while the assistant book writer enters the figures in the individual record book. They then can cross check each other, ensuring correctness of the entries in the process.

- 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.
- The book writer, from records, announces the total savings of the group, the income from other sources like interest earned, fines etc. It is important that all members know the financial state of the group.
- Members who had taken loans and whose repayment is due pay back their loans. The book writer records these in Master Book and the individual record book.
- New loans are then disbursed depending on the amount of cash available. Those who want loans must explain the reason for the loans. That is

when the group analyses the individual business and if it is profitable. In case a member wants to receive a loan for personal use it indicates a challenge she faces. This helps the members to understand each other's problems. Hence their confidence grows that their money is safe and that the loans will be repaid on time or measure the risk of the loans issued. The group decides who should be provided with a loan and also the amount of the loan. The loans given out are recorded in individual record books and in the Master Book.

- 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.



Women saving, Photo: Jacob Studnar

Case Study: Involving SHG Family Members, the Philippines

In the Philippines, some SHGs are assisted by their husbands to construct meeting centers in spaces made available by local government. In many other cases, SHGs rotate the meeting venue between different SHG member's houses. In the province of Negros Occidental, SHGs prepare food to feed their small children after the meeting. They make sure that they constantly attend to the needs of their children even while performing their tasks in the SHG.

The meeting normally concludes with saying goodbye or sometimes with a member leading in prayer. It may also be helpful to make a summary of the day's meeting before the members sign the Master Book. This helps to ensure that the finance issues, social discussions etc are correct. The weekly meeting is normally one to one and a half-hour in duration.

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 CF has to motivate the members that they should make a commitment to save and really work hard to bring that saving. Savings could be achieved 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 2 (USD 0.12) a week. Although this savings 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 a few groups have been operating in an area for a period of time, the weekly saving is not a big issue any longer. When new SHGs are formed, they know from other groups that this concept calls for a weekly saving.

Members decide what their **Fixed 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 homo-

geneous groups becomes important 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. In some seasonal areas groups pay a reduced amount in lean periods. The saving is normally increased after some time when they realise their potential to save and their income starts going up.

Some SHGs have what they call **Additional Savings** (or Special Savings). This is normally a saving made once a month for earmarked purposes. 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. Some groups save a small amount weekly for social activities, including helping needy people in the community. Members may borrow from this fund when they have a funeral or need transport to go to the hospital. The members also use the funds to support their colleagues, for instance when one of them has a funeral or a wedding. 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 profit-oriented activities.

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 SHG Approach. Members should develop the mindset of spending and living on the profit they make and not living on capital. The *Merry-go-round* concept⁴ supports this type of distribution or living on capital. SHG members should be facilitated to understand the difference. When people live on profit they develop economically

⁴ A group-savings concept in which members collectively save and take turns in using the group's savings (e.g. for funerals, Christmas etc)

whereas when they live on capital they do not progress very much. SHG 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. In this way the capital starts increasing. Not sharing the funds also helps the group capital to grow and hence accord the members opportunities to borrow bigger loans. Furthermore, living on profit (not sharing the group capital) keeps the groups intact and functioning unlike is the case with other concepts where the group “disbands” and start meeting again after an agreed time.

One big challenge is **keeping the money safe**.

Initially SHG members often do not 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. In the next meeting, the money in the box is counted and verified with the record in the Master 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 safekeeping. This method helps build trust in each other. It also avoids one member carrying too much cash home.

Deciding to open a bank account in the name of the group can greatly enhance 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 is important to check 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 don't 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 per week. In six months this becomes USD 52, which is quite a lot of money for the members of the SHG 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 them down.

The loan rules mainly consist of:

- Maximum loan amount to be given to a member
- Repayment period of the loan
- Repayment in installments or the entire amount
- Rate of interest
- Penalty in case of late repayment or default

Since the saved capital belongs entirely to the group, the members must be facilitated to feel 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.

For those who are familiar with micro-credit, the above loan pattern may seem strange and non-viable. Many of the members are taking loans for the first time. It is better for them to start with a small amount and be accountable for paying it back on time than struggle with large amounts that they are unfamiliar with. The repayment period is short so that the small capital does not get locked up in loans to only a few members. This ensures the money is rotated quickly among many members. More importantly, when a member who has taken a loan has to repay it quickly, she tends to value the capital more and make good use of it rather than leave the money lying around in the house.

The **interest rate** may sound huge however it reflects the logic of the SHG members, which often differs from group to group. Some groups focus on their desire to see that the group's capital grows quickly and they look at interest as a form of profit sharing with the group. Others 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?

Case study: Loans for business, Burundi

Capitoline is a member of “Dushirukwizera mu bikorwa” (Faith in our activities), a SHG located in Murengeza village in Burundi. Before joining in SHG, she used to be very poor and was in permanent conflicts with her husband. None of her children was attending school.

In 2009, March she got 10 000 BIF loan to start a small business. She bought tomatoes, avocados and maize in the village and sold them on the main road to Bujumbura. After repaying the loan with interest, she remained with her own capital amounting 18 000 BIF.

She continued her business but got a new idea after six months. She then started buying second hand clothes from the capital Bujumbura for selling them in Murengeza. She is happy that now her family relations have improved and she can afford food and school expenses. She now has own capital amounting to 300 000 BIF.

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 realise that it is hard to pay the loan 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 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. Often, however, the focus is not on making profit but more on the activity itself. With SHGs, the members need to be helped to focus on profit. Once a few members in a group catch this business attitude, it can be very contagious and others catch on.

The old adage, ‘Business cannot be Taught but Caught’ is very true. The SHG is a good environment where members ‘catch’ business from one another. Their own capital and the lending rules facilitate this process. CFs could encourage this process. There is a possibility that CFs, instead of encouraging viable

businesses, could play an adverse role due to their own lack of business background. This should be discerned by the Project Officer and/or promoting organisation and corrective action taken.

EPAY			
Dat	Depo	Total	Byeli mark
06-11-11	10 000	10 000	Andri
13-11-11	10 000	20 000	Andri
20-11-11	10 000	30 000	Andri
27-11-11	10 000	40 000	Andri
04-12-11	10 000	50 000	Andri
11-12-11	10 000	60 000	Andri
18-12-11	10 000	70 000	Andri
15-01-12	25 000	155 000	Andri
22-01-12	25 000	180 000	Andri
29-01-12	25 000	205 000	Andri
05-02-12	25 000	230 000	Andri
12-02-12	25 000	255 000	Andri
19-02-12	25 000	280 000	Andri
27-02-12	25 000	305 000	Andri
04-03-12	25 000	330 000	Andri
11-03-12	25 000	355 000	Andri
18-03-12	25 000	380 000	Andri
25-03-12	25 000	405 000	Andri

Piti piti zwazo re nich

Savings of a SHG member, Photo: Albert Eiden

Starting to take loans early, even when the groups' savings are still small, is important in order to get the cycle of loans and repayment started. If these loans are used for individual businesses, they can be repaid after a short period of time, which will cause a high turn-over of the money. In this way, the savings start growing and members can gradually increase their businesses.

3.5.4 Record keeping

SHGs are facilitated to understand the need for maintaining records and are trained in how to maintain them. The book writer of the group maintains the group records and the assistant book writer helps. The records maintained are:

Individual Passbook (or Individual Record Book) containing the financial records of the savings and loans of the individual SHG member. Record books also include admission sheet information with socio-demographic information, and the person's individual goals and grades.

Master Book (or SHG Record Book or Mother Book or SHG Minute Book) containing the attendance register, minutes of the meetings, records of all financial transactions, training register, by-laws, group goals and grades, and action plan.

Monthly report documenting progress of the group. The information is taken from the Master Book.

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 CF or other people. To enable this, SHGs are encouraged to organise literacy classes, which are attended by illiterate members and others from the community.

It is important that all the members of the group are informed each meeting about the financial position of the group in order to maintain transparency. The accounts are periodically audited preferably once in



Woman doing weaving business, Photo: Christian Hermann

6 months by members from another SHG and later by the CLA Audit Committee or CLA "SHG-Strengthening Sub-committee".

3.5.5 Profit-Oriented Activities

SHGs are formed from among the poorest in the community. Economic development is a critical step in the process of overall development. For most members, self-employment is the only viable option since wage employment is rarely available. The SHG Approach works on the understanding that 'business' is more an 'attitude' than an 'activity'. SHG members developing a business attitude can make a big difference in their economic development. This attitude does not come automatically to most members and needs to be facilitated. As previously stated, 'Business cannot be taught but is caught'.

Capital is an important component in the process of business development. Many poor people have not had the opportunity to save or access capital. When money reaches their hands, they are used to spending it immediately. Now that the SHG members saving collectively, small capital is freely available to them. However they must be encouraged to see the opportunity of using capital to make profit. Instead of living on the accessible capital to meet only their immediate needs, they need to learn to live on profit and use the capital to make and maximize profit.

Another important aspect to be considered is **market potential**. Usually, the SHG member starts a small business that is already commonly engaged by others. The market is divided and unless the SHG member offers something innovative her business will not survive in the competition with the seasoned entrepreneurs. It is therefore necessary to facilitate participatory exercises with the SHGs to help the members see a range of opportunities and choose the ones which they see are

viable for them. A 'Resource Inflow-Outflow' exercise can help them to identify business opportunities. With a 'Matrix Scoring and Ranking' exercise the members can compare different opportunities to get an impression of what is viable.

The CFs in many cases do not have business experience or knowledge and it can become difficult for them to facilitate the development of business attitudes. In such cases, it may be necessary to bring in relevant, resource persons who can challenge and facilitate SHG members to get involved in business. The business attitude is often quite contagious. When SHG members see one or two of members engaged in active business in a viable environment, the others get motivated to try their own.

SHG members are encouraged to begin with 'trading' as business activity since the business cycle is short and risks could be lower than 'production' or 'service'. Moreover, SHG members are encouraged to start their individual businesses in order to develop the business attitude and personally learn about business management. In this way each member can focus on her business and this prevents unnecessary conflict with other SHG members when it comes to management decisions and profit sharing.

3.6 Goal-Setting and Vision Building

GOAL	April	July	Sept	Nov-25
1. Makabaton ug Anak	1	1	1	1
2. Makasal sa Simbahan	0	0	0	0
3. Makahuman ug Eskwela ang mga Anak	1	1	1	1
4. Malinawon nga pagpuyo	3	3	3	4
5. Makapatindog ug Sariling balay	0	0	0	0
6. Maa-tong panglawas	3	3	3	4
7. Makabaton ug mga butang	2	2	2	3
Average	1.4	1.4	1.4	1.7

Goals and grades of a SHG member, Photo: Albert Eiden

- A SHG sets 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

An important part of SHG activities is goal-setting and vision building. These activities give both individual members and the group a focus for their activities and enable them to review their progress. The following steps encourage SHG members to gradually develop skills in planning, developing a group vision and goal-setting.

- Members in a group **plan activities** and prepare time-bound plans of action. They work consistently to implement these plans.
- Once they get used to working in cycles to achieve plans, they **set goals for their group themselves**. Goals could be in areas related to improving the functioning of the group. Goals could also be related to small practical initiatives for the community or for addressing social issues in the community. Some groups also monitor the achievement of the goals regularly every 3-6 months with grading in their weekly meetings.
- After some time, when they have fully internalized the SHG concept, the group is facilitated to come up **with a vision for their group**. It describes the world as one would like to see it. Further goal setting is mostly related to their vision. This helps the group to look at and address issues in the community. The community in turn starts respecting the group members for their contribution.
- In some groups members also 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. Members may record their individual goals in their individual record book as an accessible reminder.
- Goals are **replaced by new ones** once the old ones have been achieved and the group comes to the conclusion it is not important to monitor it any

more. Sometimes goals are achieved, but the groups decide to continue monitoring it to make sure one does not fall back into former practices. Goals which have become redundant because someone else did it already or goals which are not a priority any more can also be dropped. New goals are included in these situations or if new goals are set, which are a priority for the group.

- Groups are facilitated to make **self-assessment of their group** (see following section) on a six monthly basis. While some groups look at how well they are functioning (like regular savings and attendance) others are also grading the achievement of their goals. Participatory grading tools are used. Members decide on the areas to be assessed and rank them. They want to make sure that they are moving towards their vision. The groups are also facilitated to audit their accounts once or twice a year.
- It is important to collect information about the socio-economic level of members in the groups when the group is formed. Each group should have an admission book or prepare an **admission sheet** in their individual record book. This provides the baseline information and serves well to assess the impact of SHG on the lives of the members, children, and their families over a period of time. Subsequent assessments can refer to this baseline to assess development.

3.7 Monitoring and Self-Assessment

- The group decides which 'Indicators', will be used to make self-assessments so they can track their progress.
- SHGs are facilitated to assess the strengths and weaknesses of their groups
- Self-assessment and grading exercises contribute to strengthening of the SHGs

Monitoring contributes to the empowerment of the groups and their members. By constantly monitoring their performance and progress, (i.e. by assessing the changes that have occurred), the group learns how to use its resources more effectively. Monitoring tools encourage members to reflect on the changes that have occurred, the reasons for these changes and what they want to do next. This supports the steering of the groups.

- In order to initiate this learning process a SHG should make a self-assessment once every 3 to 6 months. At the beginning, the assessment takes place with the help of the CF. Later on, the group can do this self-assessment by themselves and report to the CLA.
- With the help of the facilitator, the SHG should come up with the **indicators** with which they can assess the progress made by the group. They may be on topics related to how well the group is functioning. For instance, they may assess whether rotational leadership is practiced by all or how well all members participate in discussions. Some groups also assess the progress made on their group goals. The groups may change these indicators if, with time, other goals or issues become more important.
- Grading is a way of scoring levels of achievement against a particular indicator. Different types of scales can be used depending on the literacy level and local context. In some areas for example, SHGs use a 5 point scale, while others use a 10 point scale, or 0-2-4-6. Very often seeds or pebbles are used for giving a score. This helps members to visualize which is important especially for illiterate members. Many groups use symbols for recording scores against the indicators when grading group goals or recording the individual goals, this can make it more accessible and easier to remember.
- After the grading, group members **analyze** the result and ask themselves questions like: What is different from last time? Where are we strong? Where should we improve? They also discuss what the difficulties were encountered and how they can improve. Once they have decided what new issues they will take action on, they include this in their action plan.
- A special assessment is the grading of the maturity of the SHGs for forming or joining a Cluster Level Association. For this the SHGs should agree on a common set of standards and common weighting in order to be able to compare SHGs and decide on the maturity level needed to create or join a CLA.
- Apart from assessments made by the group members themselves, the promoting organisation and even the National Coordinator need to monitor the progress and results of the SHG Approach Program. For this purpose in some countries the promoting organisation suggests to add a small number of indicators to the SHG grading exercise. For the National Coordinator, these are the so-called core indicators. In all cases these indicators should be discussed with the SHG groups.

3.8 Action Plans

SHGs make their own action plans to strengthen their group and to act in their environment. They are important for helping the group to work in a structured way, to reach consensus on the steps they want to take, and to make decisions about the resources they are going to use for their activities.

- An action plan is developed by all members together in a group meeting. For this they use a format, which varies from area to area. Usually it includes the activities, the target, the time frame and the money required.
- The activities are defined by the SHG members. Many activities are related to the goals of the SHG and the results of the assessment of how well the SHG is functioning. Typical activities are related to improving something in the neighborhood. This

Case Study: SHGs Take Action for Clean Water, Uganda

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 area, dug a channel for wastewater to flow out, bought some cement and paved the area around the tap. They also made a rule that bicycles should not be washed at the tap. They ensured that the entire community followed these rules and that the place remained clean.

can be the improvement of infrastructure like the creation and maintenance of public facilities. But it can also be about social changes, like the change of attitudes and practices in the neighborhood, like combating domestic violence. Inward-looking activities may be to increase the weekly saving, for example. Issues beyond the capacity of a SHG are usually brought to the CLA.

- Action plan progress is reviewed regularly during group meetings. This helps to monitor how far members have progressed with the implementation and aids discussion of successes and challenges.
- Many groups have annual action plans. At the end of a year they do a final review of what they have implemented and then do a new action plan. If new issues are emerging, creating the need for new goals, the corresponding activities are added to the action plan.

3.9 Capacity Building

- Building the competence of group members to organise themselves and to set and achieve their goals is important.
- Awareness of various relevant development issues needs to be raised
- Group members are encouraged to prioritize and address issues impacting their lives.
- Groups identify their own capacity building needs

The CF is the key person for the capacity building of the SHGs. She provides training and support herself, sometimes together with the Project Officer, but she also organises training given by other resource persons, depending on the topic.

- Training inputs are usually given during regular meetings. All members of an SHG should get the training together. Only special trainings, such as training of book-writers, are given to selected members.
- Trainings are given in a systematic manner with recaps in following group meetings. The CF provides a learning environment for the SHG members that make them feel that they are undergoing important training.
- Training methodology is very important. The trainer engages the SHG members in participatory exercises in order to draw out the learning and insights of each member. The trainers could use songs, role-plays, story-telling, examples, visualizations, and other creative methods to facilitate better appreciation and understanding of the topics. The trainer and the SHG members are encouraged to use locally available materials.
- Some of the trainings will have to be repeated as members start practicing what they have learnt. At later meetings earlier trainings should be discussed from time to time. When the concept is very new in a country or for an Promoting Organisation, the time frame for trainings could be longer, like up to 50% more time per session. Once they are familiar with it, trainings are usually conducted faster.
- The training must be properly documented to provide an overview on all the trainings which a group has received and to ensure that they receive all the required basic trainings. Further, the results of the trainings will often form goals or activities for members' action plans or individual businesses.

Name	Sample Topics	Time Frame
Self Help Group Concept	<ul style="list-style-type: none"> › Regular meeting with agenda › Rotational leadership › Roles of moderator, book writers, etc. › Implementation of policies ("bye-laws") 	1st to 2nd month
Savings, Loans and Credit Management	<ul style="list-style-type: none"> › Regular savings and record keeping › Developing loan rules and controls › All members have equal access to loans 	2nd to 3rd month
Building Social Support and Social Capital	<ul style="list-style-type: none"> › Proper credit management › Sharing concerns and burdens › Need for code of conduct (no gossip) › Helping one another in times of need 	3rd to 4th month
Basic Business Skills	<ul style="list-style-type: none"> › Starting with available resources › Market opportunities › Profit and loss, simple business plan 	4th to 5th month
Goal Setting and Action Planning	<ul style="list-style-type: none"> › Individual and group goals › Self-grading of goals › Group action plan 	5th to 6th month

› Basically, there are two kinds of trainings. There is a set of training modules which provide the SHGs with the knowledge and skills they need to function successfully as SHGs. They also include topics which are important for the development and empowerment of the group members, like business skills training. The second kind of trainings are those which the SHGs identify themselves. As groups grow and become more active they identify the need for other training topics.

The training modules for the first **6 months after SHG formation** are the following. They are usually presented in the indicated time frame although this may vary for area to area, based on the local situation. After these basic training modules further ones are introduced to SHGs depending on their interest and the context. Examples are Communication and Lead-

ership Skills, Problem Solving and Conflict Resolution, Human Rights and Child Rights, and Cluster Level Association Concept, Formation, and Management.

SHG members may desire inputs on other development issues relevant to them. These could be for example:

- General health and hygiene
- Nutritious food for children
- Contagious diseases and immunization
- Family planning and responsible parenthood
- HIV and AIDS
- Adult literacy and Numeracy
- Profitable agriculture
- Small scale production of snacks

› CFs should be sensitive to these needs and link the groups with resource persons. The groups might also directly contact resource persons for

Case Study: Learning About Family Planning, Philippines

In Sibutu, Tawi-Tawi, Philippines, the fertility rate is very high in the remote and poor island community of Badjao. Families have an average of 6 children.

The promoting organisation formed SHGs and one of the special trainings they helped facilitate for the SHG was about family planning - Tandu Owak. The SHG members benefitted from the training and resolved to apply what they learned and wrote this in their Master Book.

necessary inputs for the group as well as for the community. Where groups are not able to invite resource persons on their own, the Promoting Organization can organise inputs from resource persons.

- Exposure visits to other SHGs and 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.

3.10 Anticipated Progress of SHGs

SHGs develop as time progresses. To illustrate this some examples are the following:

Three Pillars of the Approach	6 Months Old SHG	1.5 Years Old SHG	3 Years Old SHG
Economic	Regular saving and on-time Repayment of Loans	All members avail loans	Loan to Saving Ratio is above 4
	Implemented and Reviewed Financial procedures	Passed External Financial Audit by CLA	Sufficient Group capital for all members to take loans
	50% of members have a profitable business	All members have a profitable business	All members have multiple profitable businesses
Social	SHG participates in community activities	SHG initiates activities in the neighborhood	SHG successfully implemented projects with CLA
	School enrolment of children of SHG members increased	All school-going children in SHG members' households attend school	School enrolment of children of other community members is increased
Political	Rotational Leadership	Membership in Local Special Bodies	Membership in Higher Special Bodies
	Members are able to participate in decision-making in the household	Members attend community meetings	SHGs partner with men and local authorities in implementing their community initiatives

Case Study: A Test of an SHG's Resilience, the Philippines

A SHG was formed in Northern Philippines. After a few months, half of the membership withdrew because they did not fully understand the approach. The remaining members did not lose hope and continued. They wanted to prove that their group would prosper. They realised that the SHG was too small and that their accumulated savings only generated small loans. To address this they increased their weekly regular savings from PHP 10 to PHP 20. Every new member was required to match the cumulative savings of the existing members. This was too high for the potential members. The SHG became very strong but exclusive.

One day after their regular weekly meeting, the moderator who carried home the group's cash (approximately PHP 4,000) lost the money. The group members believed it had been stolen. They called for an emergency meeting. They invited the Community Facilitator and the Barangay Chief. All SHG members became suspects. One of the suspects was a member who acted strange after the incident but the SHG did not have any evidence against her. The SHG asked the moderator to pay half the amount. Days later, the suspected member announced that she found the money inside the SHG store and that the moderator may have unknowingly left the money. Even then, the SHG suspected that the member took the money but did not want to admit it.

The SHG realised that the group does not exist only for money. They decided to get to know each other better and take care of the personal development and values of their members. Most importantly, they realised that they had become greedy and should begin to share their success with the community. They forgave the suspected member for what she had done. Now, the group has stabilised.

4. CLUSTER LEVEL ASSOCIATIONS

Strong SHGs achieve substantial changes in the lives of their members and their households. The process, however, does not stop there. The Cluster Level Association (CLA) is the next level. A CLA is normally made up of 8 to 10 SHGs from a specific geographic area. The CLA takes up social, economic and political issues that are beyond the scope of an individual SHG.

When there are about 8 to 10 SHGs 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 CF 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 the SHGs that the roles of the CLA will not be conflicting to what the SHGs are doing but complement the efforts. Once the SHGs have understood the CLA concept, they need to agree on the formation of their CLA.

Each SHG is then facilitated to do a CLA-focused self-assessment of their group as described in 3.7. If, at the end of the assessment, there are sufficient SHGs that rank well with regard to the standardized indicators, they are invited to form the CLA. For SHGs that do not rank well, this is a message that they need to improve on aspects where they are weak before they can join the CLA. The CLA, through one of the sub-committees, helps the SHGs to improve and later join the CLA after another self-assessment.

4.1 Features of Cluster Level Association

- A CLA 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
-
- Once there are **8 to 10 strong SHGs in a geographic area** it is time to think about the Cluster Level Association. A CLA is generally 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. It has to be convenient for members to get together on a regular basis and for CLA representatives to visit SHG members .

- Each constituent **SHG carefully selects 2 (or 3) of their members to represent them at the CLA** based on selection criteria developed by themselves (see section 4.2.1). A member representing a SHG at the CLA for a defined 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 so that both SHG representatives are not replaced in the same year.
- Members normally **meet once a month** on a day, time and venue convenient to them. In the initial stages they may meet once every two weeks until the CLA activities gain momentum. Founding members select a unique, meaningful name for the CLA. The name gives them a sense of identity.
- SHG representatives bring their **monthly report to the CLA** stating how their SHG performed during the month, including their financial data, like savings and loans. This report could be oral or written depending on the literacy level of the members. If they have reviewed goals and action plans, they also share the results and request the CLA for support with problems they could not tackle at the SHG level. The problems or needs could be related to the SHG or the community.
- The CLA consolidates the requests for help and suggestions for joint activities that come from their constituent SHG as well as from the community. They prioritize the needs and plan activities to address them. Bigger issues are included into their action plan. They normally plan for a 3 - 6 month period in the beginning and move on to yearly plans once they are familiar with it.
- The **CLA forms sub-committees** to handle their activities. Sub-committees are formed based on identified needs. The sub-committees reflect the action plan and the goals set by the CLA (see section 4.6). Examples of sub-committees include: New group formation sub-committee, audit sub-committee, conflict resolution sub-com-

mittee, linkages sub-committee, literacy sub-committee and pond-dredging sub-committee. Some sub-committees work on a more permanent basis e.g. SHG-strengthening sub-committee whilst others are for implementing one task only e.g. well drilling sub-committee.

- Constituent SHGs pay an agreed **monthly contribution to the CLA**. In addition the CLA needs to **raise funds from different sources** to meet both, their running expenses and their project costs for the benefit of the community. It is good for the CLA to open a bank account in their name for safe keeping of their funds, wherever possible. Use of CLA funds should be based on clear action plans and budgets.
- Unlike the SHGs, **no saving or lending activities take place at the CLA level**. CLA members should not gain any personal economic benefit at the CLA level since they also belong to SHGs. Their benefit is mainly social recognition. As a group the CLA will not involve itself in day to day business activities. They could however access business opportunities for SHGs. The CLAs in Afghanistan for instance own shops which are rented by SHG-members. SHG members benefit from the shops and contribute an amount to cover the administrative costs of the CLA.
- Unlike the SHGs, the CLAs do not build a capital. The funds they receive are for expenses made by them
- The CLA may select **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.
- The CLA develops its own **by-laws**, which are recorded. In most cases the CLA operates as an **informal association** and does not apply 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 by-laws to the local authorities as a symbol of recognition.
- All decisions are recorded in a **minute book**, which contains the attendance register, meeting

minutes, records of all financial transactions, training register, group goals, action plan, grading results and goal-oriented self-grading exercises. Financial transactions are also recorded in a **cashbook and ledger**. The CLA also maintains files, receipts and payment vouchers.

- As more SHGs are formed, the new ones either form a separate CLA or join an existing CLA. Before becoming member of a CLA the new SHGs have to be nurtured to maturity. When fully mature, the decision as to whether they can be incorporated as constituent SHGs or form another CLA altogether will depend on things such as geographic distance, the number of new SHGs as well as the size of membership of the existing CLA. If there are sufficient new SHGs in an area, it is preferred that they come together to form a new CLA. This makes it easier for trainers since they start the training on the same footing which would be difficult for CLA that admits new SHGs after majority of the trainings have been given.
- The **CLA is not a superior body to the SHG** but a representative body that carries out certain tasks on behalf of the SHGs. The CLA neither controls nor dictates the SHGs, but gives support, like organizing trainings, facilitation, grading, and services such as linkages to other organisations and experts.

4.2 Program 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 assist SHGs

At the SHG level, members focus on their economic development and solving their immediate social problems. For the broader process of development and empowerment, much more needs to be done. The Cluster Level Association takes up the next level of responsibility. Their work is to look after their constituent SHGs. They are involved in the overall development of the community in terms of structural development and provision of facilities. Social issues in the community that are beyond the capacity of a SHG are taken up by the CLA. To achieve all this, the

CLA mobilizes the community for lobbying and advocacy activities.

To be more specific, the CLA has the following main functions:

4.2.1 Strengthening SHGs and forming new ones

- Nurturing, monitoring, training and auditing constituent SHGs
- Forming new SHGs within the geographic area as need arises
- Conflict resolution in constituent SHGs when the SHG is unable to resolve internal conflicts

4.2.2 Resource mobilization

Although SHG 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, social services, and information.

To establish these 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 and other organisations, business houses and financial

institutions to access need-based resources and services. CLAs already established have accessed services like immunization, adult education classes, HIV/Aids testing and family planning through such linkages. Accessing such programs and support should always be needs-based.

4.2.3 Planning and implementing community initiatives

Apart from accessing services, there could be several projects that the CLA could implement for their constituency as well as for the entire community. The initiative evolves from needs identified by the constituent SHGs as well as other sections of the community. Needs that are high priority are taken up for implementation. Depending on the nature and size of a project, the CLA could access resources from donors, the community, corporates, banks and other service providers to be able to implement projects. Some sample projects that CLAs have initiated and facilitated are:

- Pre-school for young children
- Tuition classes for school going children
- Immunization programs for children in the community
- Literacy classes for SHG members and others
- Health services for the community
- Grain mills
- Ox-ploughs
- Tree nursery

Case Study: Targeting FGM in Ethiopia

Meseret is a young mother of two girls in Ginchi, Ethiopia. Her SHG had discussed for long the practice of female genital mutilation (FGM) that is being widely practiced in the region. Members in the group were convinced that this practice was harmful and that the propagation of the same was a blind belief. With support from their CLA, the SHG 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 fellow SHG members, Meseret withstood 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 their Kebele (local Administrative unit) and neighbouring Kebeles FGM is not practiced any more.

› Voluntary HIV/Aids Counseling and Testing services

CLAs should not get involved a labour-intensive business or income generating activities as a group. This tends 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, which it can use to cover administrative expenses or finance services to members for example. CLA income-generating activities should as much as possible achieve the dual objective of raising funds for the CLA and meeting a need in the community, like a nursery school project.

CLAs may link their SHGs with micro finance institutions (MFI). However it is not good for them to get directly involved with loan disbursement or collection, as this takes a lot of time and might get them into the role of a guarantor for the loans. The MFI could do this directly.

4.2.4 Social transformation in the communities

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

SHGs discuss social problems in their meetings. They soon come to a consensus on 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, for example through street plays, songs and debates
- › To encourage members in constituent SHGs to make a commitment that they will not follow harmful practices
- › To encourage SHG members to influence their neighbors in the community to give up harmful practices
- › To develop value statements with the community

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

There are CLAs, which today can say that in their area they are confident that:

- › Not a single girl child goes through Female Genital Mutilation in areas where this traditional practice was rampant
- › Not a single girl is married when she is below the legal marriageable age
- › Abduction of girls has almost stopped
- › All children of eligible age are in school
- › Domestic violence 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.

4.2.5 Participation in governance and advocacy

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

- › Putting up candidates to participate in the local governing structure starting from the lowest administrative level and moving up to higher structures
- › Mobilizing people to lobby for just and fair policies that represent the interest of the weaker sections of the community
- › Advocating for the implementation of good governance policies
- › Taking up and promoting advocacy of issues that adversely affect people and work at bringing the desired change.

4.3 Administrative Functions of a CLA

- › CLAs have certain administrative roles. The Promoting Organizations must make sure that they have a good understanding of them and that they gradually hand over responsibilities to the CLAs.
- › The Community Facilitators starts reporting to the CLA
- › The CLA raises funds for all administrative expenses

Apart from their program functions, a mature CLA has certain administrative roles to fulfill. By the time a CLA is about one year old, it shall start taking over the following responsibilities from the Promoting Organisation.

Community Facilitators who were initially assigned, trained and mandated by the Promoting Organisation start reporting to the CLA. The shift is usually in a phased manner.

Some CLAs even take over providing direction to a CF based on the goals they have set for themselves and their constituent SHGs, if they see the need for her services. The CF gets tasks from CLA based on the needs of the individual CLAs. While the CLA and Project Officer agree what kind of technical support they still get from the Promoting Organization, some CLAs need people who work for them directly. An example is establishing new SHGs. The CLA may ask the CF to do house visits and the technical work of building an SHG. The corresponding sub-committee

would still do the situation analysis. If a CLA takes over providing direction to a CF, the CLA also gradually takes over the payment of the CF. It is a step towards empowerment of the CLA and the phasing out from the Promoting Organisation. This is not viewed as “employment” by the CLA but more of one member in the community volunteering to serve/help the groups for remuneration. CLAs may opt to identify their own CF once they are taught in which ways such a person can serve them in their CLA activities. In order to be able to pay the CF for her/his services, sometimes four or five CLAs appoint one CF together.

There may be cases when the CLA is not happy with the performance of a CF. In such a case they may dispense with the facilitator and choose another person to play the role. In these cases it is important that the new CF receives proper training to support her in the role.

One of the roles of the CLA is to **raise administrative**

Case Study: Raising steady income for CLA's administration expenses, Afghanistan

In 2010 CLAs in Afghanistan were formed and attended all trainings regarding the concept of CLA.

It seemed impossible for them to pay the salary of the CF. Hence the CLA representatives came up with the idea to apply for funds at private banks as they were newly experienced in Afghanistan. The four representatives visited several private and Government banks. Managers of the banks encouraged and promised to help the women but unfortunately they failed to keep their promises. Some of the representatives got discouraged but one member suggested meeting one of the MP's (parliament members) who is working for women.

The representatives met the MP and asked for support to get a “wheeler Zarang” (small freight motor vehicle). Together the MP and National Coordinator visited the head of Kabul bank and transmitted the message of CLAs representatives to him; he was surprised: “The women are doing these activities! If it is true I will give them three wheel Zarangs”. The three Zarangs have been working in different CLAs in Kabul. The representatives of CLAs gave the Zarangs to SHGs to gain benefit for their families and to submit a part of the benefit to CLAs. The CLAs are now able to pay the salary of the CFs.

funds. These funds are to meet the administrative expenses of the CLA as well as to eventually contribute to the budget of the third level of the People's Institution, the Federation (described in following sections) according to an agreement reached amongst them. A CLA's administrative expenses include, travel, stationary, and communication expenses. Some CLAs also rent a room or pay for the services of a facilitator from their administrative fund.

The CLAs may be able to get a small income from the following sources:

- Each constituent SHG pays a monthly contribution to the CLA as a token fee towards administration. This could be a small amount (e.g. USD 0.20 per month) per SHG. Care should be taken that the CLAs do not tax the SHGs too much since the capital held by the SHGs are mainly for their business needs.
- Every time a project proposal is prepared by the CLA and external help sought to fund a project, a

small percentage (say 10%) is requested from the donor to cover administrative costs of the CLA.

- CLAs do certain tasks for SHGs, like conducting annual audits or providing linkages to a micro finance institution. SHGs pay for this services done by the CLA and this goes towards the payment of the CF, for example. Every time a service is rendered, the CLA claims a service fee from the SHG that requested the service.
- Investments are made that provide the CLA with regular returns without too much effort, like building 2 shops and renting them out, buying 2 motorcycles or a van and hiring them out. A one time capital is raised for this investment. Normally business houses/banks are giving this money. Wherever day-to-day follow up is required, investments should be sub-contracted to SHGs and the CLA would receive a good share of the profit from the concerned SHG.



Pedestrian bridge lobbied for by a CLA, Photo: Khalida Hafizi

Alternatively the roles of a CLA could be described as follows:

Programme roles:

1. Formation of new SHGs
2. Strengthening constituent SHGs (e.g. by training the bookwriters)
- Roles related to groups
3. Meeting material and infrastructural needs of the community (e.g. by mobilising infrastructural development of schools)
4. Meeting service needs of the community (e.g. by mobilising for immunisation of young children in the community)
- Roles related to community needs
5. Working towards social transformation in the community (e.g. by achieving behaviour change regarding harmful cultural practices)
6. Participation in Governance, Lobbying and Advocacy.(e.g. by lobbying for better functioning of health centre.)
- Roles related to governance

Administrative roles:

1. Taking over administrative roles from the promoting organisation (e.g. by providing reports)
2. Fund raising for administrative expenses (e.g. by gaining profit from low risk business investments)

4.4 Capacity Building Inputs at CLA level

- CLAs need capacity building inputs to understand their roles and function well
- Capacity building inputs are for institution building and overall development

Capacity Building inputs need to be provided by the Promoting Organisation at the CLA level to help members realise their roles and responsibilities and equip them to function well. A training manual can be accessed at www.self-help-approach.com. The training inputs can be divided into two categories:

There are several training modules for the CLAs. Examples of some modules are presented in the following table. They are usually presented in the indicated time frame although this may vary for area to area, based on the local situation.

Apart from the training modules CLA members may desire inputs on other development issues relevant to them, like introduction to appropriate technologies.

Capacity building should not be restricted to training sessions. Visits to other well-functioning CLAs, relevant organisations and government centres could also be very enriching. Providing relevant information and helping CLAs access relevant information themselves are important Capacity Building inputs.

Name	Sample topics	Time Frame
Cluster Level Association Concept and Features	<ul style="list-style-type: none"> ➤ The difference between a SHG and CLA ➤ Roles and developing CLA bye-laws ➤ Proper record keeping and use of funds 	1st to 2nd month
Program and Administrative roles of a CLA. Group goal setting.	<ul style="list-style-type: none"> ➤ Detailed understanding of roles ➤ Goal setting and preparing work plans ➤ Appointing sub-committees 	3rd to 4th month
Self-Monitoring and monitoring SHGs	<ul style="list-style-type: none"> ➤ Follow up on work plans and goals ➤ Analyzing monthly reports from SHGs ➤ Taking over from Promoting Organisation 	5th to 6th month
Needs analysis	<ul style="list-style-type: none"> ➤ Analysing community needs with PRA tools ➤ Promoting "visibility" of the CLA ➤ Inclusion of non-members in implementation 	8th month
Human rights and Child rights	<ul style="list-style-type: none"> ➤ Basic civil and political rights ➤ Provision, protection, participation of children ➤ Right holders and duty bearers 	9th month
Lobby and Advocacy	<ul style="list-style-type: none"> ➤ Basic understanding of lobbying and advocacy ➤ Holding leaders accountable ➤ Participation in governance 	12th month

4.5 Action Planning, Goal setting, and Vision building

Once a CLA is formed and understands its roles, the CF and PO facilitate the preparation of an **action plan**. The action plan should reflect the interests of the SHGs and the roles of the CLA. One way of doing this is that all constituent SHG conducts a participatory needs assessment. They prioritize their needs and advise the CLA about which ones require the involvement of the CLA. The CLA compiles the needs and further prioritizes them to come up with their first action plan. The action plan should be for a time frame of 3 to 6 months and be made up of activities within reach of the CLA.

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. Undue delay in action can cause stagnation and demotivation. Once a plan is made, the CLA forms sub committees to carry out the planned activities

within the plan period. Each sub committee is made up of 2 or 3 CLA members. They could induct 1 or 2 SHG members with competence needed for the task in the sub committee. The sub committee will report to the CLA in their monthly meetings the progress made and challenges faced. The CLA advises the sub committees on how to proceed in case they face hurdles which they cannot solve.

The CLA should **regularly assess the implementation** of its action plans by reviewing what was implemented and the enabling factors as well as what was not done and challenges faced. The CLA should then reflect and identify specific actions that should be done to improve performance. These should be included in the next action plan. After a CLA has taken over administrative responsibilities, the CLA should also assess how they and their sub-committees have performed in these.

After a CLA has implemented some activities successfully, the members gain tremendous confidence. Then they could have a participatory goal setting exercise. Goals reflect the roles of the



Grading Results, Photo: Gudrun Steiner

CLA. Once they have established goals, the action plan should reflect them.

A mature CLA should come up with a vision (normally after about two years). It would be good for the CLA to organise a strategic planning session along with SHG representatives to come up with a shared vision. Their past experience could guide them in this visioning exercise. To ensure objectivity, it would be good if an external facilitator facilitates the vision building process.

4.6 Self-Assessment of the Performance of CLAs

- Regular self-assessments help to monitor performance with regard to the function and progress of CLAs
- The standards to be achieved are set by the CLA with guidance of the Promoting Organisation.

Self-assessments are helpful instruments for observing progress made. Each CLA is encouraged to carry out 6 monthly self-assessments of its performance and achievements. For young CLAs, this could happen every 3 months.

The **assessment indicators** are based either on their roles and responsibilities or on their goals. Initially the CLA needs to be facilitated to list these parameters by the CF, supported by the Project Officer. A mature CLA would be able to carry out these assessments even without the inputs of the CF. The indicators change as the CLA progresses in understanding and maturity. If the CLA assigns specific and well-defined tasks to the CF, the performance and output of the CF can be assessed too. Self-assessments can also be useful in the following situations:

- In the process of **handing over** responsibilities from the promoting organisation to the CLA, role transfer exercises are done, listing the tasks that were done by the Promoting Organisation 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. The CLA can use self-assessments to monitor progress on the transfer of responsibilities

- **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 self-assessments, the CLA assesses 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.

- Before **creating a Federation** (explained below) a participatory structured assessment of those CLAs wanting to join 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, 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. These organisations should take note of the assessments including the training needs assessment to help identify gaps and provide the needed capacity building inputs.

4.7 Anticipated Progress of CLAs

Cluster Level Associations grow, and their activities and influence increases as time progresses. To illustrate this the following table provides some examples of how a CLA may change over time:

Three Pillars of the Approach	6 Months Old CLA	2 Years Old CLA
Economic	Member SHGs start paying administrative fees	The CLA has sufficient income to cover all running expenses
	Starts identifying organisations and authorities, which can support initiatives and projects	Mobilizes needs-based resources and services from other players.
Social	Discusses problems in the community which the SHGs raise or they observe themselves	Implements projects that meet some analyzed needs of the constituency and community.
	Starts sensitizing community to access basic services like education and health	CLA advocates that Government authorities make these services equally available to community members
	Discusses social issues in the community which the SHGs raise or they observe	Takes up social issues in the community and works to change harmful values and practices
Political	Awareness and participation in local political activities	CLAs exert their political rights in matters concerning the constituency and community
	Encourages members from the constituency to represent people in structures of governance	Members from the constituency contest, local government elections

5. FEDERATION

Federations form the third level of the SHG Approach. The main focus of Federations is political empowerment. They can play an important role in advocating for pro-poor structural changes. The strength in numbers that a Federation represents makes this possible. At the formation stage of the Federation, it often represents 2000 or more members who meet with each other in their SHGs every week. This is a large number of homogenous, collectively organised people which provides the Federation with great political power. Unless structural and policy changes take place, it may be difficult to sustain or continue the economic, social, and political gains of SHGs and CLAs at local levels. Often, economic and social developments face challenges and barriers which can only be overcome with political intervention.

This means that SHGs and CLAs have to have a clear understanding of why they need a Federation in addition to what they already have. What are the things that the CLA or CLAs cannot do on their own? What is the motivation behind advancing their formation into a Federation aside from the theoretical understanding that 'in number there is strength'?

At the formation stage, a Federation is generally made up of about 8 to 10 CLAs, each of which would have 8 to 10 SHGs with a total of up to 2000 members. Considering an average family size of 5, a Federation therefore directly influences about 10,000 people. The size of the Federation would continue to grow as more SHGs and CLAs are formed over the years.

It only makes sense to form a Federation once the CLAs have understood the concept and see an added value in having it. Also, geographical distances between CLAs is an aspect to be considered. The local political context should also be studied when considering forming a Federation. In some contexts Government structures might be hostile to Federations and might attempt to control them.

Although the term 'apex body' is sometimes also used for the Federation, it does not imply absolute power at the hands of the Federation members. The power still remains with the General Body, which is made up of the SHG members. The SHG members are the owners of the People's Institution.

5.1 Features of a Federation

The three levels – SHGs, CLAs and Federations – together form the entire People's Institution. However, the Federation is the level which represents the entire People's Institution.

- a) The Federation is **a representative body made up of at least 2 members from each constituent CLA**. Representatives serve on the Federation for an agreed term. The term is normally 3 years. The replacement of representatives is staggered to ensure continuity. The CLA and the Federation are representatives of the SHG members placed in position for certain well defined functions.
- b) CLAs that form a Federation should not be too dispersed, but can be spread over an area which allows meeting regularly and sharing a sense of unity.
- c) The Federation normally **meets once in 2 months**. Some also meet monthly or quarterly according to their own needs - this could be more often at the initial stages. There are also additional issue based meetings
- d) The Federation **has an Executive Committee** that acts on its behalf. It is normally made up of 7 to 9 Federation members carefully selected based on criteria defined by the Federation. The term of Executive Committee Members is normally 2 years. The Executive Committee meets more often (normally once a month) to execute decisions made by the Federation. The Executive Committee does not make policy decisions.
- e) The Federation **comes up with a Vision, Mission and Goals** for the People's Institution. It **develops its own By-laws**, which covers the operational features and the norms to be followed by the Federation. They should be in line with the by-laws of the CLAs.
- f) 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. It is the **legal holder of the People's Institution**.

Many Federations are legally registered. This should only be done after a careful study of the legal framework available in the country to ensure the nature of registration is compatible with the operational features of the SHG concept..

- g) The **Federation is not a superior body to the CLAs and SHGs**, but a representative body to carry out certain tasks on behalf of them. The Federation does neither control nor dictate the CLAs, but gives support, like organizing trainings, creating linkages, and giving services like grading.
- h) Unlike the SHGs and CLAs, **a Federation has designated office bearers** who are carefully selected from among Federation members based on criteria they define themselves. These might be a President, Secretary and Treasurer. This is to fulfill legal requirements and is aligned with the legal framework under which the Federation is registered. The office bearers are part of the Executive Committee. The roles and responsibilities of the office bearers are clearly defined in the By-Laws.
- i) The Federation **calls for a General Body meeting** when necessary but at least once a year. The Federation is accountable to the SHG members, who are the foundation of the People's Institution.
- j) The Federation **has task-oriented committees**. These committees may have support from external professionals working with them on specific tasks. The Federation may pay them for these services.
- k) All decisions are recorded in **a minute book, which contains attendance register, meeting minutes, records of all financial transactions, goals, action plan, grading results**. Financial transactions are also recorded in **a cashbook and ledger**.
- l) Many Federations have their own office, which is equipped according to its needs. The Federation would also have its own stationary and communication devices. Some Federations appoint a full time person to be responsible for the office and to attend to visitors.

5.2 Formation of a Federation

Precondition

The precondition to the formation of a Federation is that there about 6-8 strong Cluster Level Associations that understand their roles well and are fulfilling their roles effectively. This is why it may be good to start the process when there are at least 10 CLAs since a couple of them may not qualify. A guiding principle could be that the CLAs are at least 6 months old. This is implied in the precondition.

Preparation of CLAs

There are two main parts to the preparation: 1) To help the CLA and SHG members fully understand the concept of political empowerment so they can decide whether to opt for a Federation and 2) To make sure that the CLAs are strong and are fulfilling their roles before the Federation is formed.

The National Coordinator identifies a resource person to facilitate the process. Each CLA is visited to help them identify issues that have hindered the development of the SHG members and the community and about which they have not been able to do much. These are often issues that cause them to feel powerless as a CLA/Community. These could be issues related to:

- > Trade policies that affect entrepreneurial development of group and community members
- > Discriminating policies
- > Issues of injustice favouring the powerful
- > Peace and security in the community
- > Large scale practice of harmful traditional practices
- > Violation of children's and human rights by powerful sections in society
- > Poor quality of services by the government

The facilitator goes on to explain that when they are empowered, such issues can be addressed. The facilitator further explains that for sustainable development, political empowerment is necessary, and without it, the advances that the SHGs and CLAs have made economically and socially could be easily eroded. The CLA members then share this with the SHGs they represent. Their expectations are stirred up and they are asked if they want to form a Federation in order to build their political empowerment. The Federation formation process should proceed

only when the groups are ready for it and want it. The second aspect is to make sure that the CLAs are strong enough to join the Federation. Unless a CLA is strong and looks after people's needs at that level, the Federation cannot be effective. It is helpful if each CLA conducts participatory grading to assure themselves that they are strong enough to join the Federation. The indicators for the assessment are identified by CLA representatives. CLAs that score less than a mutually defined level in any particular indicator have to wait till they become stronger. On the whole, a CLA should score an aggregate of mutually defined level to qualify. CLAs who do not qualify in this grading are helped to identify their areas of weakness. They work on improving in that identified area. A similar exercise is done after 6 months to check their eligibility.

It is important that the CLAs and the SHGs understand clearly the advantages of having a Federation. They should also be clear that the roles and responsibilities of the Federation are not that of a glorified CLA. If the CLA members decide that they want to form a Federation, and there is a sufficient number of strong CLAs, the CLAs that are eligible and those that are likely to qualify in a few months need to be prepared for the formation of the Federation. This preparation has to be done before the CLAs choose their representatives to the Federation. It is important that they choose their representative based on a good understanding about the role of the Federation. This preparation also plays a role in increasing their anticipation for the

Federation. The main inputs that need to be provided are to give them the basic understanding of the features and roles of a Federation. Since CLAs meet only once a month, this process may take 2 to 3 months.

Once the CLAs are assessed and prepared for the Federation, the actual formation begins. Each CLA selects two representatives from among their members to represent them at the Federation. The CLAs come up with criteria that they consider important in their Federation representatives. If practical, it may be good that all the eligible CLAs decide on 6 to 8 criteria that is acceptable to all of them. Based on the criteria, each CLA conducts a Matrix scoring and Ranking exercise to select two members to represent them at the Federation. This is similar to the participatory exercise described for a SHG selecting their CLA representative.

5.3 Roles of a Federation

There are different ways to define the roles of a Federation. In some countries the roles are defined by the Federations themselves in a facilitated process, but in most countries the Federations are given the following four main roles. They are:

- To build a strong People's Institution and sustain it.
 - Develops its vision, mission and strategic goals that will help enable SHGs and CLAs to realize their own goals
 - Capacitates groups to sustain roles transferred

Case Study: Federations Raising Awareness of Women's Rights in Kenya

Since 1999, a Kenyan law has been in place which recognizes the right of a girl or woman to inherit property belonging to her family. It also makes any act of donation of immovable or assets from the family property as well as the recognition of any right to those assets subject to the consent of both spouses. These laws therefore provide important recognition of property rights, but are dependent on a couple being legally married. What is more, many people in Kenya are not aware of this law or the importance of having a marriage legally recognised. Four Federations - Imihigo, Inganzabunewe, Inyenyeriyiburasirazuba and Imboni undertook a process of sensitising community members about the advantages of having legal marriage and taking advantage of this law. As a result, 765 couples legalized their marriage in a process facilitated by the federations. „Marrying legally will definitely change the lives of these couples, their families and especially give security to their children“ remarked one of the executive secretaries that wedded them. “Getting legally married will give our children the rights to what we own and a sense of belonging“ remarked one of the wedded couples.

- by the promoting organisation to the SHGs and CLAs
- Identifies capacity building needs and builds competence in management, financial, program, knowledge and attitude skills
- Ensures substantive participation of all member SHGs and CLAs based on their roles and capacities
- Obtains social recognition through various forms, i.e. legal identity, representation in decision-making bodies, resource persons in development planning and peace-building processes, etc.
- To advocate that need based services reach the community and are of the required quality. Lobbies for access to relevant information that will enable communities to access services and programs
- Raises awareness on the importance of social protection schemes through promoting community-based initiatives and accessing existing programs
- Cooperates with other people's organizations or groups that address threats to the environment and the community's sources of food, water and sustainable livelihoods
- Establishes partnerships with local government in relevant social activities, such as immunization, relief operations, literacy drives, initiatives of peace and reconciliation, etc.
- Networks with other stakeholders so that the need of people are met adequately
- To work towards Peace, Security and Justice in the community
 - Facilitates the larger community to come up with values for themselves and takes measures to maintain these values (Child labour, early marriages etc)
 - Maintains contact with local administration, police authorities and judicial system at higher levels such that law and order as well as justice are maintained
 - Raises awareness on the rights of people, especially that of children and women at larger levels
 - Networks with organisations working on Human Rights and Child Rights for awareness, information and support
- To positively influence people's thinking and existing policies
 - Lobbies with the government for pro-people's policies in matters of infrastructural development, trade policies, services, gender balance etc.

No.	Capacity Building	Sample topics	Time Frame
1	Concept of the Federation	<ul style="list-style-type: none"> ➤ The three levels of the People's Institution and roles of each ➤ Initial vision and mission ➤ The political level of operation 	1 st to 2 nd months
2	Features and Roles of a Federation	<ul style="list-style-type: none"> ➤ Office bearers of a Federation. ➤ Work plan and proper record keeping. ➤ Receiving CLA reports and acting on them ➤ Training the task oriented committees 	3 rd to 6 th month
3	Institution Building	<ul style="list-style-type: none"> ➤ Management skills and monitoring system ➤ Developing By-laws ➤ Promoting the visibility ➤ Annual General Meeting and utility 	7 th to 8 th month
4	Human rights and Child rights	<ul style="list-style-type: none"> ➤ Better understanding of civil and political rights and the judicial system ➤ Networking with rights based organisations 	9 th to 10 th month
5	Lobby and Advocacy	<ul style="list-style-type: none"> ➤ Shaping public opinion on issues affecting people ➤ Organizing Campaigns and Rallies ➤ Participation in governance at various levels 	11 th to 12 th month

- Advocates policies that uphold the rights of women and children and human rights in general.
- Organizes rallies and campaigns to raise awareness on various issues. (HIV and AIDS, child labour, abuse of women and children, harmful practices etc.)
- Effectively uses the print and electronic media to raise awareness on relevant issues
- Puts up candidates based on criteria to be elected representatives of the people

5.4 Financing Federations

Like any institution, the Federation requires funds to keep going, more so when they have their own office. Administration costs are covered through subscriptions from SHG members and service charges from CLAs and partners.

Often fundraising requires legal status. Depending on whether the CLA or only the Federation has legal status, they either do the fundraising together or the CLA does it on its own. In situations in which both CLAs and Federation raise funds for their program activities, this can become a conflict if they are approaching the same donors. Therefore it is the responsibility of the CLAs to report on their fundraising plans and of the Federation to coordinate these fundraising activities with all CLAs.

The Federation will share the budget with their constituent CLAs who may discuss the budget and finally agree to raise their share of the budget. Apart from the funds raised by the CLA, the Federation will receive a regular contribution from their CLAs. They will also receive a token yearly contribution from the constituent SHG members.

5.5 Capacity Building

The newly formed Federation needs a lot of inputs to build their capacity in various aspects of their functioning. Usually the promoting organisation – sometimes with the support of the National Coordinator - provides the initial trainings (Page 43).

After the 6th month of formation, it is good for the Federation to seek capacity building inputs from other specialized training providers available in the environment so that they don't depend solely on the

Promoting Organisation. Other inputs can still be accessed by the Federation as and when needed. Some of these could be:

- For a clear understanding of rights-based approaches, it will be good for the Federation to link up with and learn from organisations that specialize in rights-based approaches.
- Lobbying and advocacy is an important activity of a Federation. It will be good for a Federation to join hands with a similar People's movement to learn from experience. Many countries have women's networks and the Federation can link up with them and learn from them.
- Some of the administrative procedures have to follow the legal framework under which the Federation would be registered. It is best for the Federation to learn these procedures from experts.

5.6 Self-assessment at Federation level

Similar to the CLAs, the Federation has its own goals and action plan. Both are developed in consultation with the CLAs.

The Federation carries out a regular self-assessment of its performance. The executive committee members as well as all the Federation members do this participatory grading together. The assessment is focused on effective and timely fulfillment of the roles and goals of the Federation. The results of the grading are discussed, compared with the last assessment, and related activities are added to the action plan.

The action plan is reviewed regularly. Some do it at every Federation meeting, others quarterly. Sub-committees also review their action plans regularly.

Many Federations call for a general body meeting of all SHG members once a year. This is an occasion when the Federation provides a report of the year's activities and share their plan for the following year. When the annual report is discussed by the general body this constitutes the annual assessment of the Federation. Topics often include the relevance of the Federation to the constituency and the effectiveness of interventions.

5.7 Phasing out

It is important that the Promoting Organisation begins to gradually hand over all roles and



Prioritizing goals based on roles, Photo: Jiah Sayson

Case Study: Legal identity for the 1st Federation in Kenya creates new opportunities

For about 6 years after forming their Federation, the SHG members have waited to access the benefits of legal identity. After a process of training and assistance, the Federation at developed a constitution and got registered. This was a great step for the federation.

Connected to the Federation's registration are the success stories of the CLAs in resource mobilization and in undertaking of their roles as representatives of their communities in government offices. The CLAs participated in the development of a funding proposal. In this bid they highlighted their need for a meeting place with a resource centre that would give them shelter during rainy seasons and could also be used to generate income for their groups. This request however did not succeed. Despite this setback, the CLAs sat down and thought of ways to raise money for their women. They engaged their Member of Parliament and other groups to assist them in raising the required resources. From these efforts they were promised an allocation of 3.5 million Khs (USD\$40,000) by the Community Development Fund. Pledges were also given by individual well-wishers. The only obstacle in their way was the lack of a registration certificate and a bank account to facilitate the transfer of these monies.

With the Federation registration, this challenge can be addressed and the SHG women are awaiting the receipt of the funds to enable the commencement of the building of their resource centre.

responsibilities to the People's Institution as soon as possible after the formation of the Federation. The Federation is being accompanied in the first few months – say, 12 to 18 months - by a federation strengthening team or a resource person who knows the concept very well. The main tasks in this phase out period is:

- Helping the Federation members to internalize their roles and reminding them about the features of the Federation and their responsibilities
- Facilitating the Federation members to gather relevant information (not gathering it on their behalf)
- Facilitating the Federation members to prepare their first action plan and reminding them about

their capacity building needs

- Consciously allowing the Federation to take relevant decisions and stand on their own

A clear phase out of the Promoting Organization is recommended. It may be that after a year or more the Promoting Organisation (or donor) who played a role in building the People's Institution can work with the Federation in a partnership.

5.8 Anticipated Progress of Federations

Federations develop as time progresses. The following table illustrates some examples of how a Federation may develop:

Three Pillars of the Approach	1 year old Federation	3 year old Federation
Economic	Linkages to larger markets and better business opportunities due to visibility of the People's Institution	Lobby for local policies to promote direct marketing of rural products and establish market places
Social	Public opinion on issues affecting vulnerable sections of society raised	Local norms changed to provide greater equity
	Lack of basic services for vulnerable sections of society analysed	Lobbying for access to quality services is successful
Political	Federation establishes contacts with the legislature, judiciary, executive	Needs of people and unjust practices addressed by them
	Raises awareness in the community on rights of people, especially the vulnerable sections	Lobbying and advocacy activities for rights of people, especially the vulnerable sections
	Members contest elections of governance structures at district level	Elected members effectively take up issues of justice and equity

5.9 Possible alternatives to a Federation

There may be cases where it is not possible or advisable to form Federations, but where SHGs and CLAs still have value and purpose. Some examples are:

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 a Federation. There are perhaps only 3 to 4 CLAs that have been formed. Nevertheless it is still possible that CLA work together and form a Union of CLAs. The Promoting Organisation can hand over the support of the SHGs and CLAs to the Union of CLAs and phase out their activities. It must however be mentioned that one significant factor for change and

development is numbers. A Union of CLAs may not be able to achieve all that a Federation can, especially in terms of lobbying, advocacy and policy change.

There may be cases where a Promoting Organisation has just formed a few SHGs, perhaps 15 to 20 but **has to close their office and leave** 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. There is also the possibility to join CLAs or the program of other Promoting Organisations if they exist in the area.

6. SELF HELP GROUP APPROACH MILESTONES

The SHG Approach uses milestones to provide reference points which guide its promoters and to help them determine if they are on a realistic path towards achieving the goals of the approach. The milestones are based on common experiences collected over the past 10 years. The milestones indicate the desirable growth rate of SHGs, CLAs,

and Federation during a specific time frame, usually one year. It also reveals a process of progressive development of four key phases, the Preparatory/Pilot Phase, the Expansion Phase, the Consolidation Phase, and the Phasing Out Phase. Hence, the milestones connote desirable and indicative progress markers.

The table below illustrates the milestones described above and is explained in the following section:

Phases	Preparatory /Pilot	Expansion			Consolidation		Phase out
No. of months	6 months	36 months			24 months		18 months
Year	0 - 0,5	0,5-1,5	1,5-2,5	2,5-3,5	3,5-4,5	4,5-5,5	5,5-7
New SHGs per year	5	20	25	30	35	40	*
Total SHGs	5	25	50	80	115	155	
New CLAs per year		1	2	3	3	4	
Total CLAs		1	3	6	9	13	
Federation						1	

* The number of newly formed SHGs and CLAs depends on the strength of the people's institution, the successful role transfer from Promoting Organisation to SHGs, CLAs and the Federation as well as the environment in general.

The Four Phases in Detail:

Preparatory/Pilot Phase

The SHG Approach is promoted for the first time in a certain area by the Promoting Organisation.

This phase includes entry into and engagement with people from a geographic area, the provision of first capacity building inputs to the CFs and PO, and the formation of first SHGs in the community. This normally takes a period of 6 months starting from the first SHG field training. It is advisable to go slow during this phase since the Promoting Organisation and the people involved are not familiar with the approach and a lot of learning-by-doing needs to take place. The community, where the groups are formed, also needs to understand and accept the concept, which can take time. Forming one SHG every month and providing them at least 5 modules of training inputs could be a good pace. Forming too many groups during this phase should be avoided.

Finding and retaining the right CFs is a crucial step in this phase. It may be good to start with just two CFs during the Preparatory Phase. The Promoting Organisation can then get to understand the roles

and responsibilities of the CF before they identify more CFs. It would also be a phase in which the CFs come to understand their tasks and roles.

Expansion Phase

This phase is undertaken over a three year period. A Promoting Organisation that is serious about this approach starts to get a feel for what is required for implementation by the first 6 months. This is followed by the Expansion Phase when the rate of group formation increases at a substantial rate to achieve sufficient numbers. It will be necessary to involve a few more CFs. 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 should have a good understanding of what is to be expected from a CF. Thus Promoting Organisations should identify additional CFs from the community with the help of existing SHG members.

The target at this stage should be to form 20 SHGs by the end of the first year of the expansion phase and another 25 SHGs in the second and 30 in the third year bringing the total number of SHGs to 60 (5+20+25+30=80). Once there are around 8 – 10

strong SHGs, the CFs should start focusing their attention on introducing the CLA concept to the SHGs and begin the formation of the first CLA. It is important that the Promoting Organisation is aware of the pace at which the CLA formation takes place in order to familiarize the CFs 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. By Year 2 of the expansion phase, the already formed CLAs are also forming new SHGs. That is how the formation of the target number of SHGs and the 6 CLAs by the end of the expansion phase is achieved. The numbers are again indicative. The actual numbers may be slightly less or more depending on the environment and factors such as population density and acceptance of the concept by the community.

Consolidation phase

This phase can take a period of approximately two years. The rate of SHG formation and CLA formation continues and increases as more and more CLAs are formed and become involved in the process of SHG formation and strengthening.

A crucial activity at this stage is the gradual handing over of roles and responsibilities by the Promoting Organisation to the People's Institution. The strength of the CLAs are indicated by the extent to which they fulfill their roles, such as forming new groups, strengthening old groups, building linkages so that material and service needs in their community are met, covering administrative costs and the ability to report on their activities and achievements.

The formation of a Federation is another important milestone in this phase. As discussed in the previous chapter, introduction and discussion of the Federation concept is initiated when the number of SHGs is around 80 - 115 and there are about 6 - 9 CLAs. Generally forming a Federation can be achieved in about 5 years from initiating the SHG Approach. However, only strong CLAs should form a Federation. After the establishment of a Federation, the necessary training and mentoring is provided either by the Promoting Organisation or a Federation strengthening team, which is coordinated by the NC and composed of people with skills relevant for empowering Federations. At the end of this stage,

the work has to focus on establishing the Federation as an autonomous entity, duly registered (where appropriate) and functioning well.

The number of CFs does not increase at the Consolidation Phase but remains at 4 to 6. This is possible as their work changes due to the transfer of responsibilities from CF to SHGs and CLAs.

Phase Out Phase

At this stage the legal registration should be finally approved (unless local factors mean this is not desired). The capacity of the Federation is built for the next 1 to 1½ years with the phasing out process taking place simultaneously. By 6½ to 7 years after initiating the SHG Approach, the Promoting NGO should be able to phase out completely.

The formation of new SHGs and CLAs continue even after the Federation is formed and the Promoting NGO 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.

7. LOBBYING AND ADVOCACY

7.1 Introduction

Lobbying and Advocacy are integral parts of the SHG Approach which is built on empowering the members in social, economic and political arenas. This empowerment encompasses the need for the members to understand the concept of advocating for their rights and for the desired change in society. Taking up effective lobbying to see these changes become a reality is an important part of this empowerment. In doing so, the approach provides the poorest of the poor with the techniques to bring their agenda to the attention of key stakeholders and demand the realisation of their rights.

Topics which may be relevant for lobbying and advocacy may include:

- a) Child rights, child labour, child abuse.
- b) Land issues of communities who have been displaced due to various reasons
- c) Woman rights, violence against girls and women.
- d) Conducting of illegal activities in communities
e.g.: Illicit liquor brewing and sales, sale and use of illegal drugs etc.
- e) Provision of livelihoods and employment opportunities for youth who have been detained or imprisoned.
- f) Provision of adequate psycho-social facilities to deal with victims of trauma and abuse.

7.2 Advocacy and Lobbying

Advocacy involves any coordinated activity which aims to empower children, their families and communities to claim their rights or works on their behalf, striving to improve political, legal and social contexts. Based on the knowledge and experience of the local communities, advocacy work aims to address and identify the root causes for relevant problems within the community and highlights possible solutions and responsibilities in order to improve the

wellbeing of the community, the individual and children. Depending on topics and goals, advocacy uses different tools and techniques, including, for example, awareness campaigns, rallies, media coverage.

Lobbying is a form of advocacy where decisions makers, legislators and other duty bearers will be urged to address issues faced by the community and take relevant legislative and jurisdictional action to appropriately deal with the issue.

Advocacy and Lobbying should go hand in hand with each other on a sociopolitical level. Lobbying and advocacy go beyond the structure of the SHG movements and reach out into broader civil society in order to connect and cooperate with like-minded actors. It is not only about bringing specific topics to the attention of networks and political bodies. Lobbying and advocacy activities should also involve developing and integrating the various opinions and perspectives of different stakeholders in a participatory manner and use the strength of this information to address decision makers.

7.3 Who should undertake advocacy and lobbying activities?

All three levels of the Peoples Institution can be involved in advocacy and lobbying at various stages.

1. *SHG* – Opportunities for lobbying and Advocacy activities can be identified by each individual SHG member by pointing out a matter of concern to her group. The SHG can then be involved in identifying the common issues in the neighborhood and advocating to address these at the local level. SHG representatives may report their efforts to their respective CLA and request it to become involved on a broader scale.

2. *CLA* – The Cluster Level Association represents and has the support of up to 8 to 10 SHG's and the cumulative strength of 150 to 200 community

Case Study: Demanding Better Services in Sri Lanka

A SHG group in an urban setting in Sri Lanka realised that health and sanitation of their area was being affected by the lack of consistent services of the local municipality in cleaning the public toilets and maintaining them in a hygienic condition. The SHG brought the matter to the attention of the local municipality and advocated for regular maintenance of the facilities.

Case Study: Working with Local Authorities for Change, Bangladesh

Since early marriage was a burning issue in rural areas of Bangladesh, a CLA in Nilphamary organised a rally to raise awareness on early marriage. Other CLAs joined with them and they organised a workshop to bring that issue to the attention of the local government. As an outcome of this, they started to advocate that local government representatives do something about the issue. As a result, the CLAs, who were also working with adolescent groups, stopped a few cases of early marriages with the help of a Government Officer. After a few months of lobbying, the local government declared that early marriage was prohibited in Laxmichap.

members. The added strength of the larger member base can be used to address topics that affect more than one neighborhood and locality. The CLA forms sub committees to handle activities, hence an Advocacy subcommittee could be formed to advocate for matters that affect a larger percentage of the member base of the CLA. This subcommittee should receive adequate training (the training module on advocacy and lobbying) as well as input from outside resources on effective methods for advocacy and lobbying. The group needs to build up networks with other local groups which are involved in advocating for common issues. The CLA should raise awareness and conduct adequate information sharing firstly among its own membership and then conduct awareness campaigns for the rest of the community.

3. Federation –The Federation, being the apex of the People's Institution, and representing the strength of over 2000 members, needs to address and raise awareness of matters that affect whole communities and geographic areas. While the support of a larger member base drives the need for addressing a variety of topics, planning and strategy is also important when advocating for sensitive issues, so as not to harm the overall body of the institution nor

any group of individuals who may be singled out by local authorities. It is important that members of the Advocacy committee of the Federation have prior experience and success in advocating at the CLA and SHG level. This would give them the capacity and knowhow to take up matters that have a wider impact and may be political and sensitive in nature. The advocacy committee builds up relationships and networks with other organisations involved in advocacy and lobbying for common issues in the community. It is able to draw from a pool of resources to discuss, plan and monitor lobbying strategies and advocacy campaigns. The knowledge of using and correctly handling the media, public awareness campaigns, group meetings and when and where to share sensitive information, as well as knowledge and experience of handling local authorities, security structures and national policies and structures are requirements for these members. As situations change and evolve, local government, security structures and national strategies to address specific issues may also change. The need to adapt advocacy and lobbying campaigns according to this changing climate and yet be committed to address the core questions affecting the communities, without compromising, is a skill that is developed over time and experience.

Case Study: Protecting & Promoting the Rights of Women in Uganda

In Amuru and Kileleshwa districts in Uganda, the People's institution has fought for land and property rights of women. This was initiated because of the training on property rights conducted as a result of linkages with relevant organisations. The People's Institution set the pace for the intervention. The Mara Twero Federation contributed to enlightening women about property rights, especially land. The Federation has also had profound effects on the community in preparation of wills.

7.4 Strategies for advocacy and Lobby

Various strategies and methods can be used for advocacy and lobbying at different levels of the People's Institution. Considering the limited financial resources available to these groups, it is important to identify methods which are both effective and cost-efficient. In this regard it has to be borne in mind that advocacy campaigns may require a sustained commitment until they yield results. At the same time it is important to consider the fact that lobbying and advocacy efforts can create security risks for those involved. Powerful players may oppose the efforts and take action to subdue them. In order to mitigate such risks it is often wise to network and form alliances with likeminded players. The security of those involved in lobbying and advocacy as well as the people on whose behalf they take action shall always be of the highest priority. Some common strategies for advocacy and lobby are:

- Meeting and discussing topics with relevant local authorities, writing letters to these officers.
- Involving the media to highlight topics faced by the community with due care being given to maintaining the anonymity of persons, group or communities.
- Using street dramas or poster campaigns to raise public awareness and attention regarding matters of concern.
- Poster campaigns, handouts and seminars to educate the community regarding available legal provisions, local authority structures and methods for obtaining justice and addressing community issues.
- Networking with local legal aid organisations, advocacy networks and institutions lobbying for human rights, to form a unified stand against common problems affecting the community.
- Addressing national policies and security mechanisms that oppress communities and deny their rights though unified advocacy action in larger networks both locally and internationally.

8. ACTORS AND ROLES

The SHG Approach is a process where people's lives are transformed from isolation, deprivation, and oppression to participation, development, and empowerment. Promoting organisations, NGO staff, and CFs play crucial roles in this transformational process.

8.1 SHG Members

The members of the SHGs are at the center of the approach and the most valuable human resources. Through mutual self-help, they inspire their own families, neighbors and the communities to take steps to improve their socio-economic condition by pooling common resources such as time, savings, business capital, land, and social capital. They become the concrete and living examples of how human potential is unleashed when people come together and begin to realise that they can help themselves as long as an environment of trust and cooperation is present. The changes are achieved mainly by themselves through their engagement.

8.2 Community Facilitators

The CF is a volunteer from the community who is in direct contact with the SHGs. The CF is an enabler who helps SHGs to do the things that they want for themselves, their families, and their communities. The achievement of SHG Approach directly hinges on the CF's facilitation skills and commitment to freely devote their time, energy, and passion to a volunteer work that evolves into handing over of responsibilities to the groups.

It is important that a CF identifies with the people in the community in terms of socio-economic standing so that the groups do not feel intimidated by her presence. She must however possess certain qualities that will enable her to fulfill her tasks (See chapter 3.2.4).

A lot of Capacity Building inputs are provided to the CF to build her competence to do the job of facilitating and building the groups. The inputs are provided in modules so that the CF develops step by step as the process of the SHG Approach advances. In most countries where Kindernothilfe has promoted the Self-Help group approach, they have

appointed a National Coordinator (See section 8.5). It is the responsibility of the Promoting Organization with support from the National Coordinator to ensure that the CF receives the necessary training as the process advances and that her competence is built sufficiently. The CF in turn helps build the capacity of the group members. The roles and responsibilities of the CF are:

Administratively, a CF is a volunteer serving her own community. She is not an employee of the Promoting Organization. This understanding is very important since, after the formation of the CLA, the CF starts reporting to the CLA and is even supposed to be paid by the CLA. If the CF understands that she is employed by the Promoting Organization, 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 Organization, which is an important feature of this approach, might be impossible to be achieved.

The Promoting Organization ensures that the CFs develop and are empowered together with the SHGs. To achieve this it is important that the CFs are paid a remuneration based on the going-rate for the volunteers in the area, the workload, and the number of years helping out with SHG Approach promotion, among other equally important considerations. The CFs are persons of good reputation in the community and normally hold certain leadership positions or have experience volunteering in other initiatives. Promoting Organizations cannot compel CFs to discontinue their other volunteer work but should work out a mechanism where the roles and responsibilities of the CF is not compromised.

It is very important that the Promoting Organization discusses with the CF how handing over her responsibilities to the group members at various levels of the people's institution means new and expanding roles and responsibilities for her. More than this, the Promoting Organization ensures that the CF develops the capacity to pursue productive endeavors in the community after the phase-out period. Her network of opportunities must be secured in order to help CFs pursue their own socio-economic and political development and contribute meaningfully to the community in a way that SHGs are already doing.

Organiser	Prepares the community for the formation of the first SHGs Facilitates the formation of SHGs, CLAs and Federation at the appropriate level
Assistant	Helps SHG members understand the concept and their respective roles and responsibilities
Trainer	Builds the capacity of group members step by step to function effectively
Handing Over	Facilitates the process of institution building and discourage dependency on CFs Facilitates SHGs to regularly assess different aspects of their functioning Hands 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

8.3 Project Officer

It is important to have a dedicated person in the staff of the Promoting Organization to coordinate the implementation of the SHG Approach (Also see section 3.2.3). The Project Officer (often referred to as the PO) keeps the management informed about what is going on in the field. S/he leads the team of CFs in the process of implementation. The roles and responsibilities of the Project Officer are:

- To orient all stakeholders in the identified SHG Approach area prior to implementation
- To provide/coordinate/organise training for CFs, SHGs, CLAs, Federation according to the training modules
- To understand and internalize the concept so that they are able to guide the CFs breathe life into the concepts and enrich them through experience
- To work out the overall implementation plan in consultation with the Chief Executive of the promoting organisation and the National Coordinator
- To facilitate the CFs planning of activities so that the overall implementation plan is achieved in terms of quantity and quality
- To monitor the work of the CFs in terms of quantity and quality
- To mentor and nurture the CFs so that they can do their work well in spite of difficulties and hardships in the field
- To keep the management informed of the implementation in the field and get them involved
- To provide SHGs, CLAs and the Federation with relevant information for establishing linkages and getting project support. Providing information should lead the groups to access information on their own and not be dependent on the Project Officer.
- To actively look for development resources that could be of benefit to the community. For example: appropriate technology, sustainable agriculture, livelihood options, etc.
- To provide periodic reports to the management as well as to the National Coordinator.
- Apart from the above roles and responsibilities, the attitude of the PO is very important. S/he needs to believe in the potential of the women, motivate them to realize this and unleash the same. Inputs provided to the PO and even CFs to develop and reinforce this attitude could prove beneficial.

Educational requirements

The Community Facilitator is normally a member of the community where the SHGs are formed. The person may have a little more education than the group members. In Afghanistan, most of the group members are illiterate; the Community Facilitators might have attended 5 years of school. In Kenya, the Facilitator in a rural situation may have reached up to the 'O' level (standard 10). In the Philippines, an elementary education or completion of Alternative Learning System (ALS) may meet the requirement.



Project Officer Training on Resource Flow Analysis, Photo: Balay

8.4 The Chief Executive and Board

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

It is important that the Chief Executive, along with the Board or Management Council, 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 or during Board meetings. It is also good for the Chief Executive and Board to visit the field once in a while and talk directly to members who can share the transformation in their lives and that of their families. Internalizing the concept within the organisation is important. Good components of the SHG Approach could be incorporated as components in other projects and programs. For example, the component of weekly meetings and weekly savings can enhance other mobilization approaches.

In terms of financial support, the Self-Help Group approach may be a low budget approach compared to others 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 a Promoting Organisation. Thus normally the reason for a Chief Executive and her/his management to implement the approach is that they look at the outcome and impact of the approach and the huge number of people they reach with it, rather than the financial value of the input. Again a Promoting Organisation needs to be clear about this before starting with the formation of groups as this would immediately mean that the organisation would have responsibility for the hopes raised in the communities.

It is necessary for the Chief Executive to take part in the National Forum Meetings of the Promoting Organizations where s/he meets 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.

8.5 The National Coordinator

In the countries where the SHG Approach is implemented, Kindernothilfe has a National Coordinator (NC) to coordinate the process and organise the capacity building inputs in the country. Working through a NC makes it possible for Kindernothilfe to support many NGOs in promoting the SHG Approach. New conceptual developments can be spread and implemented in the countries much quicker and more in a more homogenous fashion than if Kindernothilfe would have a one-to-one relationship with each Promoting Organization. The NCs have an overview of how the process in the country is going and keep Kindernothilfe informed. They also get feedback from Promoting Organisations to monitor what works and what does not work in the concept or its implementation. They are the ones who motivate Promoting Organisations to believe in the potential of poor women. They are the ones who support Promoting Organisations in achieving the ultimate objective – helping people to lift themselves out of poverty and realise their right. Their work is crucial in the promotion of the SHG Approach.

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

Coordinating the ongoing SHG work in the country:

- To explain the concept to the CEO and Management of a potential promoting organisation and be their contact for any questions that might arise in connection with the approach
- To motivate the Project Officer of each Promoting Organization
- Visit the Promoting Organizations and some of their SHGs to monitor the implementation process
- Visit SHG/CLA training sessions randomly and give feedback on content and method
- Collect quarterly reports from the Promoting Organizations. Consolidate the same and forward them to Kindernothilfe
- Organise exposure visits for CFs and Project Officers
- Organise Forum meetings for Promoting

Organizations

- To organise capacity building for POs and CFs of all promoting organisations

Promoting the concept amongst other NGOs:

- Workshops with field visits as the need arises
- Organise sensitization programs

Developing a resource bank for use by Promoting Organizations

- Identify issues relevant for the approach
- Correspond with and visit organisations within the country to collect information on 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

Disseminating the concept to the government officials and civil society organisations to build general awareness about the approach.

9. FOSTERING LEARNING

The SHG Approach involves empowering members, their families and children through training, forum meetings, exposure to other communities and groups and visiting resource centres. It is therefore important to identify strategies to foster learning and sharing of experiences in order to enhance learning under the SHG Approach.

In the SHG Approach, learning and sharing of experiences is done mainly to:

- Enable the acquiring of new skills and knowledge
- Provide new and relevant information
- Change attitudes and perceptions
- Arrive at new ideas

9.1 Learning in the Peoples Institution

The People's Institution (SHG, CLA, Federation) learn and share through the following means;

- *Learning within the SHG.* Within the SHG, exchanges are arranged where weaker groups visit the strong ones to be able to compare notes. Also, office bearers like book-writers with good records provide support to other book-writers. SHG members share their achievements in forums and exchange visits. SHG members exposed to trainings share their new knowledge with their fellow group members
- *Arranging exchange visits and exposure both internally and externally for the People's*

institution, Community Facilitators and Project Officers to learn from each other. During these exchanges, common topics of interest are identified by the groups. After identifying SHGs or individuals who are performing well in these specific areas, members of other SHGs visit these groups or individuals to discuss what enabled them to perform so well. The visiting group develops a checklist which is followed during the visit in order to foster the learning process. The SHGs who are performing well on those topics are then used as an example for other groups and CLAs. Alternatively, representatives of the successful groups are given an opportunity to share their experiences during the SHG meetings of other groups.

- *Organizing SHG days.* During these days leading SHGs members stage music, dance and drama performances related to different aspects in the community. There are stalls and exhibitions which show what is being done by the SHGs/ CLAs. This provides motivation to the rest of the groups to act accordingly. The function normally attracts all SHGs/ CLAs in area as well as other community members.
- *Holding quarterly meetings among CLAs.* The meetings are focused on sharing achievements - what enabled them overcome challenges and helped to find solutions. This compels weak CLAs to note what could be done to enhance their own progress.



Exposure of project officers, Photo: TLDFI

9.2 Learning in the Promoting Organization

Some ways through which learning takes place in the Promoting Organisations include the following:

- *Project Officer accompanying* the National Coordinator during monitoring and support visits. A project officer from a particular organisation joins the SHG coordination during monitoring visits and the project officer observes what and how the SHG coordination team does while in the field, learns new insights from fellow Project Officers and People's Institutions visited at that time. At the end of the trip, the Project Officer explains what s/he has learnt and would apply in his/her area. The Project Officer is also given an opportunity to share some experience from his organisation and People's Institutions.
- *Meetings for Directors, Community Facilitators and Project Officers* provide opportunities for them to share with the audience their experiences and in particular specific thematic issues in which they have been successful. For instance an organisation may describe their success in: handling

issues related to HIV/AIDS referral systems, establishing strong linkages or handling community issues. They explain to the audience what methods helped them achieve success. For example, one CLA shared how it handled an issue of land-grabbing by a rich man through drama. Such cases are identified and the Project Officers, CFs and CLAs are given a chance to share and enable others pick best practices.

Directors' Meetings organised bi-annually for Directors and management of the Promoting Organization are very important.. Although it is not expected that Directors spend a lot of time implementing the SHG Approach, their participation in the Directors' Forum Meetings is crucial. This is because Directors' Meetings are the source of information and a key avenues for sharing experiences.

Director's Meetings:

- allow sharing of information about the approach among the Directors and management
- offer the opportunity to all participating organisations to share, learn from each other

Case study: Appropriate Technology and Conserving the Environment in Uganda

In a recent Directors' Meeting in Uganda we included the topic "Environmental interventions using appropriate technologies for sustainable development in promotion of Self Help Group(s) activities" The need for this topic was identified from numerous reports from organisations seeking an alternative environmental conservation practise for communities. The following things were discussed during the meeting:

- Environmental concerns and challenges
- Effects of poor environmental management on an ordinary person including the SHGs members and children.
- What can the Board and Directors do

This topic was discussed by an External person with relevant skills and knowledge and at the end of the day an excursion was organised to the center where appropriate technologies are promoted (For example, fuel-saving briquettes made from biodegradable waste - see picture beside). Such excursions make meetings relevant for the participants and demonstrate how issues are interrelated and multi- disciplinary.

Afterwards, information about the briquettes was shared with SHGs members. A committee (composed of CLA members and other relevant stakeholders) identified interested youth to be trained to make and sell the briquettes. This will help increase the income of the trained youth while contributing to conserving the environment and responding to the community need.

about their achievements, identify challenges and map out a way forward together. It is through such meetings that Directors identify common challenges in their different communities and in particular highlight any contradicting approaches and how to handle them

- provide the avenue through which the SHG coordination office can refresh the knowledge of Directors and management about the SHG Approach by: providing updates, imparting new knowledge, informing them of adjustments and changes and sharing programs and plans for the country. Such updates facilitate the process of strengthening Peoples Institutions and integrating the approach.
- enable Directors to share ideas about achieving sustainability of the approach in the country and how to integrate the SHG Approach into decision-making at the organisational level in relation to policy, strategic planning and program and project development
- provide guidance on what the Directors and management what to focus on and where to provide support to the staff. Since it is the Directors and management who are responsible for implementation of policies at the organisations, it is important to engage them as central and focal persons in the implementation of the approach through organised forums.
- is used as process for identifying capacity building inputs that are relevant to the promotion of the approach and areas of concern for the organisations.
- strengthen interrelationships between organisations and become an avenue for networking amongst SHG-promoters
- share ideas about lobbying for policy changes in their countries, e.g. that banks be willing to open accounts for informal SHGs or for a legal framework that is compatible with the SHG Approach
- share ideas about spreading the approach to the government, other NGOs and donor community (for example for fundraising purposes and awareness raising)

In order for this important learning to take place through the meetings the following are fundamental ingredients in the process:

- Planning and execution of the forum needs to be participatory in nature

- Sharing and moderating should be undertaken by the Directors themselves and therefore the SHGs Coordination office facilitates the process of setting up the meetings and making the necessary arrangements.
- Relevant topics for discussion and presentations should be included in the program. These should be topics that are essential for the SHG Approach enhancement
- The forum arrangements need to ensure that learning is more practical and is geared towards strengthening People's Institutions and propagation of the approach

These forums are also used to pass on the National Coordinator's observations and lessons learnt from exchanges with other NCs.

9.3 Use of Trainers of Trainers

The 'Trainers of Trainers' (TOTs) are a group of Projects Officers chosen to offer support and training to Project Officers or Promoting Organisations that involve different areas of expertise that the Project Officer/Promoting Organisation is not well conversant with.

Training is an important pillar of capacity building in general but specifically for the SHG Approach in that:

- It is a medium through which skills are imparted and new knowledge gained.
- It offers a forum for sharing experiences
- It is an avenue for the dissemination of new information
- Training is an activity that changes people's behaviour and this is significant for the promotion of the approach.
- It gives hands on experience to participants. Participants are given opportunities to practice.

Experience has shown that it is effective to create a pool of trainers in a country (drawing on the country's own resources) who have the knowledge, skills and experiences in promotion and propagation of the SHG Approach. The TOTs also accompany the National Coordinator during monitoring and support visits based on demand, they assist in rolling out specific training that enables faster dissemination of information.

The Strength of having TOTs in the country is that it:

- increases the knowledge base of the approach in the country
- facilitates the development of training skills in the country
- is the means to sustain the SHG Approach in the country
- facilitates the realisation of the potential of TOTs for the benefit of People's Institution and promoting organisations

The role of TOTs implies that they:

- Provide relevant training to SHGs/ CLAs and Federations based on existing training modules and other contemporary issues related to the SHG Approach. For example, business training and coaching.
- Contribute to the contextualization of SHG and CLA training modules, for example through their translation into local dialect
- Contribute to the documentation process of the SHG Approach in the country The TOTs share good practises learnt from different sites (e.g. in a newsletter or handbook of practices). This enables readers to choose the most promising practices and apply them at their own sites.
- Play a complementary role in delivery of training inputs.
- Help in identification and prioritization of country training needs.
- Support the rolling out of training inputs in the implementing organisations and country.

Despite the suggestions and examples presented the above, there remains a lot of space to explore further ideas and to come up with new ways of learning at sharing depending on the country context and available resources.

10. MONITORING AND REPORTING

10.1 Meaning of Monitoring and Evaluation in the SHG Approach

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

In the SHG Approach monitoring takes place on all levels. Most important is the monitoring by the SHG members themselves. They conduct self-assessments regularly. This is one of the core strengths of the SHG Approach. Self-assessments undertaken by people themselves underscores and affirms the belief in the abilities and potential of the SHG members to plan, observe, and to analyse the outcomes of their own personal and community development efforts and to draw conclusions that then inform their future action. .

This is a paradigm shift for many NGOs. In traditional monitoring processes, NGOs collect information from target groups about project progress and analyse it with their experts for their management purposes. Contrary to this traditional monitoring practice, here the SHGs, CLAs and Federations set goals for the changes they want to achieve themselves. They observe and discuss regularly what they have achieved and what they want to do next. This self-monitoring in the SHG Approach makes SHG members strong and empowers them to actively pursue their own development path.

Monitoring asks:

Do we carry out our business activities well enough, do they produce sufficient profit?

Evaluation asks:

Do we have the right business activities, or are there more appropriate ones?

The Promoting Organisations and the National Coordinators also need to do monitoring to steer their work and to design or readjust their activities and strategies. Only if they know the strengths and weaknesses of the SHGs, CLAs, and Federations can they provide appropriate support and input, e.g. through visits and training to help them achieve their goals and eventually become independent. The NGOs receive reports of the SHGs and/or CLAs, which include information about their own self-monitoring, their plans, and their requests for support. The reports include a number of core indicators, which were developed by Kindernothilfe, to help plan and coordinate activities and to be able to observe the impact of the SHG Approach in the country.

Monitoring involves ongoing observation and reflection to determine the progress that has been made in relation to what has been planned, like activities and objectives. It helps to continuously adapt the implementation to changing circumstances and experiences.

Evaluation, on the other hand, is a less frequent and more extensive analysis and reflection to review what has actually been accomplished and compare this to what the goals and expected outcomes were. It helps to adapt future planning and strategy to changing circumstances and experiences.

Some **reasons** for doing monitoring in the SHG Approach include:

- Monitoring helps SHGs, CLAs, and Federations to observe deviations from action plans and problems early enough for remedies to be applied.
- If changes to the plan are necessary, monitoring helps SHGs, CLAs, Federations and staff to take up these issues in a timely manner. This will help to keep the implementation process going smoothly.
- Monitoring helps to systematically track to what extent goals have been met. This motivates members and helps them to be focused and to plan further actions.
- Monitoring helps the SHGs, CLAs, Federations and Promoting Organisation staff to identify the areas where their own performance or effectiveness is low and to identify how they can improve.
- Monitoring helps to identify where one's own

effectiveness is high and to disseminate good practices.

- Monitoring also helps to identify those members, SHGs, CLAs and Federations who need support.

In the SHG Approach we focus strongly on self-monitoring by the SHG members, SHGs, CLAs and Federations themselves. This allows for continuous reflection with broad participation. Evaluation activities take the form of self-assessments, like grading of SHG goals or SHG performance and are usually done twice a year, to assess in a systematic manner the changes which were achieved and what progress the SHGs, CLAs and Federations have made towards their goals. Some also do it quarterly.

External evaluations are conducted in addition from time to time in some projects, looking at questions of strategic interest, like the social impact of the SHG Approach and how to strengthen it. Often evaluations are initiated by Kindernothilfe and the

National Coordinator, and sometimes by Promoting Organisations. Usually they use data which is already available from the regular monitoring.

In short, the monitoring and evaluation carried out at different levels of the People's Institution helps to empower poor people to help themselves and thus overcome poverty for their families, particularly their children.

10.2 Terminology: Results Chain and Logical Framework

For planning, we often refer to the “Logical Framework” (Log Frame), and for monitoring and evaluation we frequently talk about the “Results Chain”. Log Frame and Results Chain have partly different terminology, but they rely on the same logic of the cause-and-effect relationship. The following picture summarizes the terminology with an example.

Results Chain	Meaning (of the Results Chain Term)	Example	
Impact	A change in the situation of the persons, – to which the outcomes have contributed – that can only partially be attributed to the use of the project outputs or to the direct effects.	Children's rights are protected, they are happier, develop more creativity, and have better results in school	Monitoring of Effectiveness = "outcomes and impacts",
Outcome	A change in the situation of the persons the project addresses, which can be attributed plausibly mainly to the use of the project outputs.	the rights of children are better respected in the community and by the teachers; children have a more stimulating environment	
Use of outputs	The application of the outputs (e.g. products, services or acquired knowledge or skills) by the persons the project addresses.	SHG members identify child rights violations in their families and community and conduct activities to address them	
Output	The products, capital goods and services which result from activities and contributions of the target group; may also include changes resulting from the intervention	20 members of the SHG are now fully aware of the rights of children and are motivated to create awareness among others in their community	Monitoring of implementation
Activity	Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs.	training on child rights is carried out for the SHG members	
Input	The financial, human, and material resources used for the development intervention.	staff: 1,5 days for preparation + implementation, 20 SHG members: 0,5 days for participation; Money provided (amount) for purchase of flipcharts	

Additionally, it should be clarified that the term "impact" is frequently used more broadly for assigning ANY significant change induced by an event. This means that the term may sometimes be used in a wider sense to include "outcome".

10.3 Types of monitoring that are practiced in the SHG Approach

Focus on Outcome and Impact as well as on Implementation

Kindernothilfe and its partners strive to have a positive impact on people's lives. This means that the main aim is to empower the SHG members to improve their living conditions and to overcome poverty. Therefore, monitoring should focus mainly on outcome and impact. It is also important to

monitor the implementation of activities and outputs, like the action plans. With this the SHGs, CLAs, and Federations can see to what extent they have implemented their plans, reflect on their experiences had during implementation and draw conclusions for making adjustments to future action plans and activities.

Monitoring Implementation

Monitoring implementation includes examining the 'inputs' including resources (such as the time of the CF), and activities, (such as conducting training). It also involves looking at the 'outputs' - like knowledge and awareness. Activities of SHGs, CLAs, and also of CFs or POs are examined. This is done quantitatively and qualitatively.

Monitoring of Implementation - typical questions (examples):

- How many members are attending meetings regularly?
- Did all members save regularly?
- How many members took a loan?
- To what extent has the action plan been followed?

Quantitative monitoring means looking at numbers, like the number of SHG members who save regularly or the loan amount they took. Qualitative monitoring is an assessment of the quality and the nature of the progress of carrying out activities, like the usefulness of trainings for example.

The information which is being used for this monitoring is generally documented either in the individual record books of the SHG member or in the master book of the SHG or CLA. This means that the information can be revisited at regularly and comparisons can be made at different points in time. Some results of the monitoring, such as the results of reviewing the implementation status of an action plan, is also documented in the master book. Some of this information is shared regularly to the next level of the People's Institution, like from the SHG to the CLA. This helps with providing support, planning joint activities and giving feedback. The implementation of activities of Project Officers and CFs can be monitored by themselves through documenting their activities (which are reported to the higher level), like the trainings they are providing.

Outcome and Impact Monitoring

Outcome monitoring is the observation of immediate and direct results of the activities and of the use of

Monitoring of Outcome - typical questions (examples):

- To what extent has the children's health situation improved?
- How many members have been able to increase their income?
- What was the benefit from the new linkages?

the outputs of these activities. The term direct means that there is a causal relationship between an intervention and the observed change. An example for this is that SHG members get a training on nutrition of small children and that after this they give them more vitamins.

Monitoring outcomes provides reliable and systematic data over time on how the living conditions of the SHG members, their households and the neighbourhood are changing. Therefore it is very important to monitor outcome as well as the implementation. With this SHGs, CLAs, as well as Promoting Organisations and Kindernothilfe will know what difference they are making.

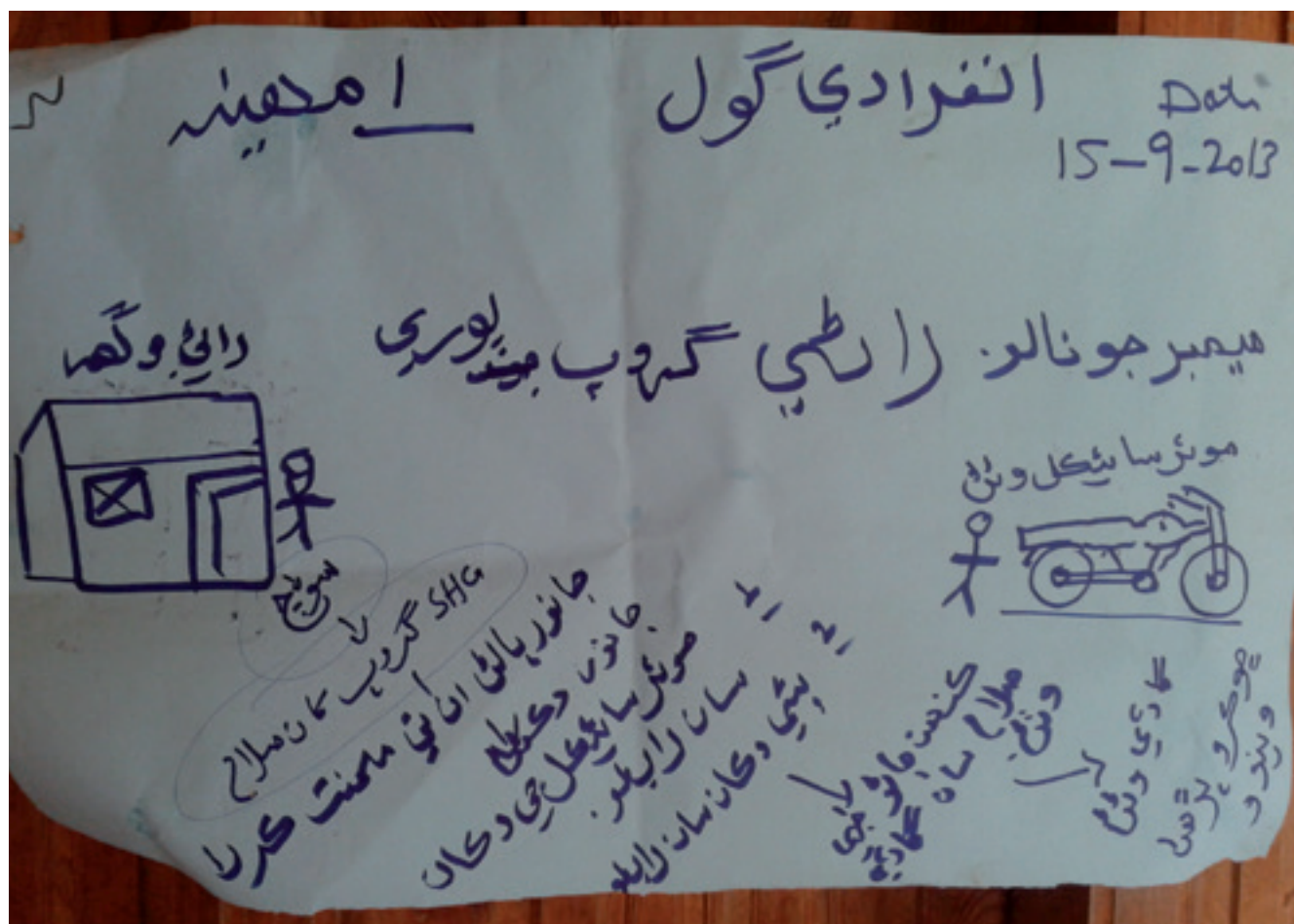
Impact refers to more indirect, long-term changes, wider and sustained results, and also includes changes for the broader community not directly benefiting from the activities. As this is more difficult to measure and to attribute causes, impact is not monitored continuously in the SHG Approach. Instead, impact is usually assessed in evaluations.

10.4 Basic Steps of Monitoring in the SHG Approach

The chapters on SHGs, CLAs and Federations already described how they set goals, create action plans, and conduct self-assessments.

Regular collection of data, like updating the implementation status of an action plan or updating the figure of the total capital saved is the first step in self-monitoring. The data should always be collected during a SHG or CLA meeting where the members can share the information and have the opportunity to speak up if they think something is not correct. This verification of data in the group is very important to ensure the reliability of the information and to ensure the members have ownership of it. All the data should be written down in the individual record book of the SHG member or the minute book of the SHG or CLA, as it belongs to them and can easily be found there later.

Even though it may be possible to collect and report information on many details of the SHGs' or CLAs' activities and outcomes, this is not advisable. SHGs, CLAs and Federations should only collect information which is important for them and which they can really use. One should not forget the nature



An SHG Member Planning Change, Photo: Albert Eiden

of the SHG Approach, which puts the SHG members at the centre. They develop the capacity to identify what they want to monitor and what data they have to collect for that.

The Promoting Organisations and Kindernothilfe should only expect to be provided with the most relevant information which they need to monitor the SHG Program and to plan their activities to support the SHGs, CLAs and Federations. They mainly use information and reports which SHGs and CLAs collect for their own monitoring purposes.

In addition, Kindernothilfe asks all SHGs to monitor a few core indicators. Kindernothilfe as a child rights organisation is interested in monitoring the impact of the SHG Approach on children. In order to monitor the changes that have occurred as a result of the SHG Approach in the lives of children, Kindernothilfe has developed a number of core indicators. The Kindernothilfe core indicators for SHG members and their households are the following:
To what extent...

- > do all primary school aged children attend primary school throughout the year
- > do all children always get sufficient healthy, nutritious food
- > do all seriously sick children receive proper medical attention
- > In addition, Kindernothilfe has introduced the following two indicators in Asia:
- > To what extent...
- > do all households have sufficient income to always cover the basic household needs
- > do all households have access to Government Programs and Social Benefits

It is assumed that the members of the SHGs are also interested in monitoring the changes affecting their boys and girls, as they too want a better life for their children. However, before introducing these indicators the SHG members should be asked about their opinion and the indicators given above should be discussed in all details to have a clear and common understanding of them. For example the members should define for their won context what is

considered sufficient health and nutritious food. This will also help them build their commitment to achieve outcomes in the lives of their children.

Reflection and Analysis

Once the information is collected, the SHG, CLA or Federation members reflect together on how they see the data. This is usually done immediately after the collection of the data and in the same meeting.

Questions they ask themselves are:

- Is there anything of surprise?
- Where are we strong?
- Where are we not so strong?

Besides looking at the data in this way, it is also important to compare the data. SHGs and SHG members usually compare it with the last time data was collected, establish the differences and discuss how they see the differences; like “how did we grade attendance last time and how does it compare with the grade this time?”

CLAs look at their own data, like their own grading results and compare it over different time periods, just as the SHGs do. They also look at data which they receive from SHGs and compare it to previous data to see if there has been progress, for example. In addition, they compare data from the different SHGs to see which are especially strong in some areas or which are not so strong. This is done in a way which is most suitable for the literacy level of all members.

Once the SHG, CLA or Federation have analysed the data, the last round of questions are about looking at the reasons for the figures. Here they ask questions about what contributed to the strong or not so strong figures. What are the factors which are supporting positive results, and what are the hindering factors? What can be done to improve the situation? In this way they analyse the reasons for the changes.

The findings and conclusions of this analysis are documented in the minute book.

Action Planning

Monitoring is beneficial to SHG members in many ways. They see systematically what they have achieved and this is a strong motivation for them. They discuss and come to realise, along with their

friends in the group, the factors that support and hinder development. This helps them in making decisions about their future action.

To ensure that monitoring is really beneficial it is crucial that SHG members use the lessons learned and conclusions to review their action plans. Only if the knowledge is used for action, will it make a difference.

Besides reviewing existing activities in the action plans, SHGs, CLAs and Federations see if there is anything that is revealed by the monitoring which requires additional activities or a change in existing activities. Then this is included in the action plan too. The action plan is usually written down in the minute book, so that it can be found and monitored easily.

Documentation and Sharing

As already mentioned, the results of all three steps (data collection, data reflection and analysis and action planning) are documented in the minute book (master book) of the group. It is also recommended that the assessment results and action plans are represented visually in a way that all members understand and remember in the meetings (for example, using flipcharts and symbols). This will make it easy to conduct the next monitoring and to compare the results.

Some of the information is also important for the next level of the People's Institution; the CLA or the Federation. If they receive the self-monitoring information from the SHGs, they can use it to see how their members are doing, for planning activities to strengthen or support them, or even to initiate joint activities, if some SHGs plan similar activities.

The next levels in the People's Institution, the Promoting Organisation, the National Coordinator and Kindernothilfe, also get selected information, which they use to steer their supporting activities and to realise and document the impact that the SHG Approach is making.

10.5 Monitoring at different levels

In the SHG Approach monitoring, and evaluation is carried out at all levels – from the individual SHG member to Kindernothilfe, but it is done in different ways and using various tools.

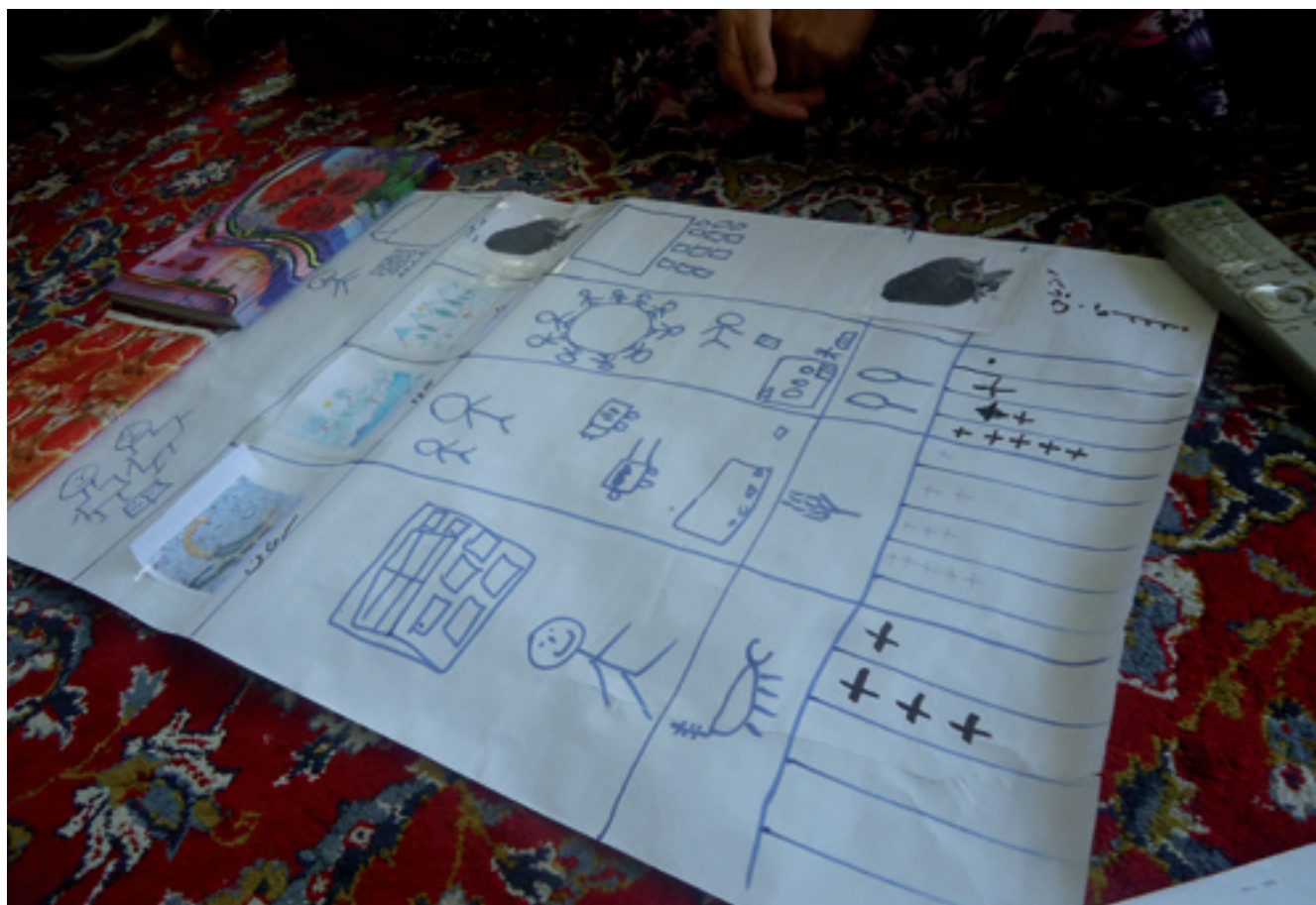
All SHG members monitor their savings and loans. Some also set personal goals for changes they want to see in their lives and monitor them too.

SHGs monitor the savings and loan repayments of their members weekly. They have action plans, which they monitor too. They also do self-assessments with grading exercises of how well the group is functioning. Some also monitor with grading how far they have achieved their group goals.

CLAs also monitor their action plans and conduct self-assessments with grading exercises of their functioning. Some also regularly monitor progress towards their goals. On the other hand CLAs monitor their member SHGs and support them where necessary. To do this they use the reports and self-assessment results received from the SHGs. Similar to the monitoring activities of CLAs, the Federations monitor themselves and their member CLAs.

Promoting Organisations monitor the progress of the SHGs, CLAs, and the Federations for as long as they are involved. The aim is to facilitate the growth of the SHGs in numbers and strengthen the outcome of the SHG Approach through training and guidance. For doing this the Project Officers receive reports from the CLAs and/or Federations. They also monitor the CFs for as long as they do the day to day work with the SHGs and CLAs. For this they receive work plans and reports from the CF and have regular meetings with them. CLAs may eventually take over the monitoring of the CFs.

The Promoting Organisations report to the National Coordinator, who in turn reports to Kindernothilfe and other partners. The Promoting Organisations' and the national coordinators' reports contain aggregated data, results of their analysis, and action planning.

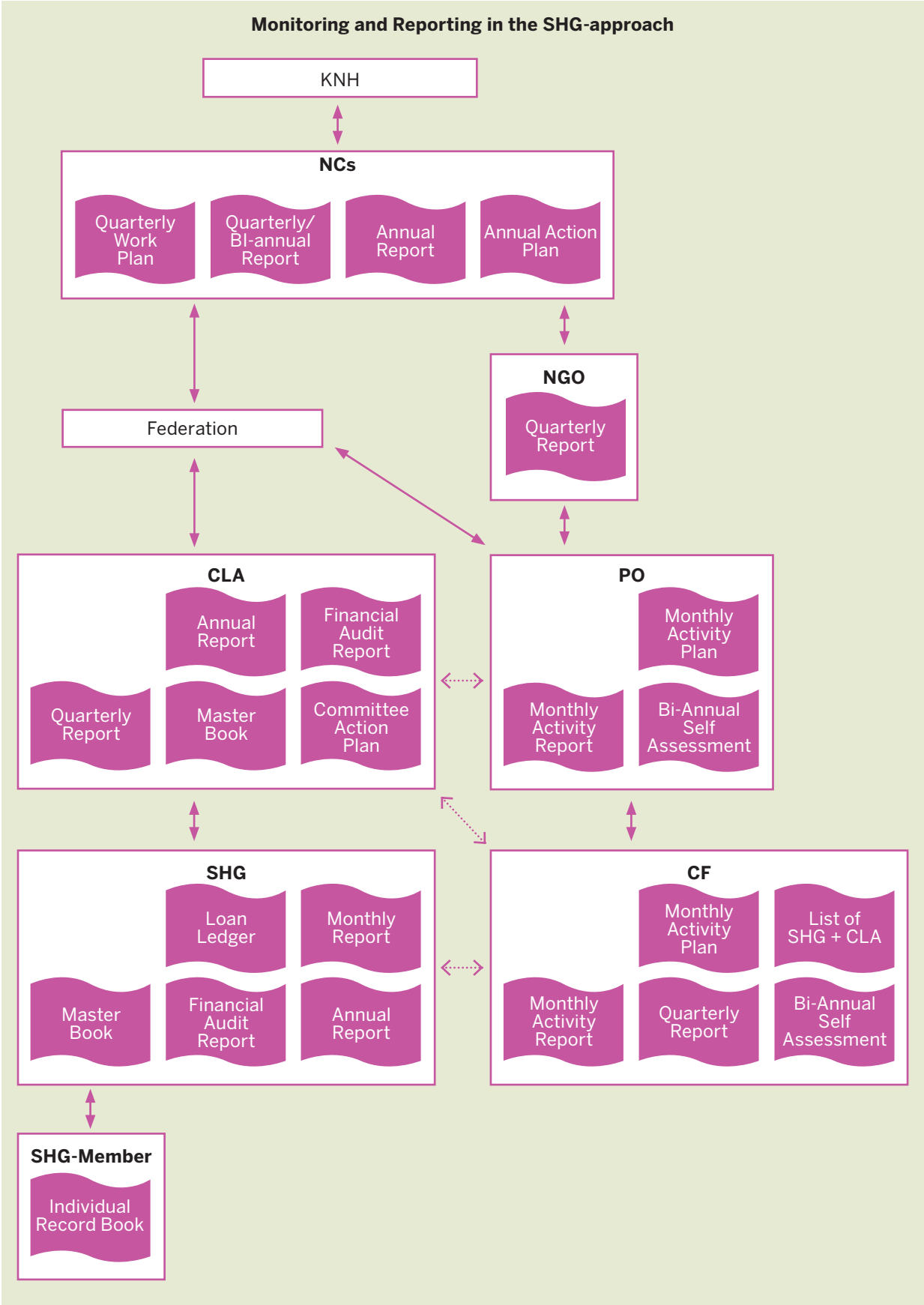


Bi-Annual Action Plan of a SHG of illiterate Women, Photo: Sonya Hakimi

10.6 Overview of the Monitoring and Reporting System of the SHG Approach

Typical elements of the documentation, monitoring

and reporting system are shown in the following graph. In many countries it looks like the following, but might vary a bit depending on the organisation and the local context.



The boxes show typical documents which are kept by the different actors in the SHG Approach. Many are used internally, like a minute book or a loan ledger. Others are shared with others, like reports.

The arrows show the relationships. Some of these relationships – symbolized by a dotted line < --- > – will end after some time, like between SHG and CF when the CLA takes over the support of the SHGs from the CF. Others are permanent, or will start only after some time.

A relationship consists of several aspects. Often it includes reporting to someone and receiving feedback and advice in return.

11. WORKING WITH KINDERNOTHILFE

Kindernothilfe initiated the SHG-approach for the first time in Asia (Sri Lanka) in the year 2001 and in Africa (Rwanda and Ethiopia) in 2002. After seeing the effectiveness of the approach, Kindernothilfe has now introduced it in 11 African and six Asian countries. In 2011 the approach has also been introduced to Haiti in the Caribbean and in 2013 in Guatemala in Latin America.

Kindernothilfe does not implement the approach directly but identifies local partners in the respective countries who want to promote it. Kindernothilfe facilitates the whole process. It provides the concept for the approach through this manual and financial support for capacity building. With the help of consultants and national coordination in each country - who work directly with the implementing organisations - this capacity building happens in a systematic way. Financial support is provided to the promoting organisations for a limited period only.

11.1 How Kindernothilfe starts the Promotion of the SHG Approach in a country

The following section describes how Kindernothilfe typically starts the SHG Approach in a country and how the cooperation between Kindernothilfe and a possible promoting partner may look like. The actual process may vary considerably from country to country depending on the local context.

The establishment of the National Coordination

After having identified a country in which Kindernothilfe wants to introduce the SHG Approach, a National SHG Coordinator is identified to coordinate the process and organise the necessary capacity building inputs. The size and responsibilities of the National Coordination can change during the course of time and depend, for example, on the size of the SHG programme in the country. The National Coordination supports organisations to implement the approach according to the concept. It ensures the ongoing capacity building inputs are provided by competent trainers according to the progress of the approach and other training needs identified.

Identifying organisations to implement the SHG Approach

Regardless of whether it is a new country or a country in which Kindernothilfe has already been supporting Promoting Organisations in the SHG Approach, the National Coordinator identifies prospective Promoting Organizations which s/he thinks might be interested in the self-help-group approach. Then, the following steps are taken:

Step 1: Introduction to the concept

Once there are about 15 to 20 interested organisations, they are invited to an orientation workshop. During this 1-2 day introductory workshop, the SHG concept, its principles and expected changes in the community as well as the cooperation with the National Coordination and Kindernothilfe are explained.

Step 2: Consideration

These organisations are given time (about 2 months) to discuss 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 taken for an exposure visit to other organisations in the country or a neighbouring one, where the SHG Approach is already being implemented before making up their minds.

Step 3: Decision to implement Phase 1

Once organisations decide to start, each of the organisations allocate staff to facilitate the implementation of the approach (please refer to Chapter 8 Actors and Roles). These staff members receive modular, hands-on trainings and progressive field trainings on the concept of the SHG Approach and SHG and CLA formation at intervals of around 6 months. Capacity building at the Federation level depends on the implementation process and varies from country to country.

11.2 Kindernothilfe & Finances

Kindernothilfe supports Promoting Organisations financially to provide capacity building throughout the evolution process of building the people's institution. The amount of support varies in the implementation process and partners are expected to contribute to the implementation with their own resources, too. Depending on the performance of the implementing partner, Kindernothilfe's annual contribution would generally continue for about 5 years on a declining scale. Reduced financial support



Training for Project Officers and NGO-Leaders, Photo: Albert Eiden

to implementing partners is based on the premise that, if implementing organisations pass on responsibilities to the people's institution step by step according to its maturity, they will eventually make themselves dispensable. The Promoting Organisation should access further funds – if needed beyond this time - from other donors. This also means that organisations must be very clear about the phase out strategy from the outset of the programs. This can be achieved by developing a clear role transfer chart that should be understood by the promoting agency and the People's Institution. The National Coordination Office would play a pivotal role in facilitating the development of a clear and tenable role transfer chart.

11.3 Kindernothilfe & Capacity Building

Capacity building inputs on the SHG concept or other specific topics are provided by Kindernothilfe consultants, SHG National Coordinators and a pool of local trainers at all stages of the process. Kindernothilfe supports capacity building not only financially but also by facilitating processes that

enhance the concept and provide opportunities for people involved to exchange ideas and experiences. The elaboration of the SHG Approach manual and the respective SHG field manuals is an example of how Kindernothilfe supports the SHG Approach.

At the same time new challenges need to be addressed: For example, in many areas, husbands support their wives in their businesses and their SHG activities. In other areas, however, we observe that husbands sometimes withdraw from their financial responsibility the more income their wives earn. This can lead to a further increase in the already high workload of the women with the effect that children's support and guidance by their mothers decreases even more.

For meeting such challenges adequately Kindernothilfe draws on the expertise of her committed SHG Consultants. These Consultants work in the different countries and have vast experience and an overview regarding the implementation of the approach worldwide. Kindernothilfe convenes an annual forum meeting

with the Consultants for exchange, learning and to get their input on enhancements of the SHG concept.

On a continental level Kindernothilfe organises meetings for the respective National Coordinators (see national coordinators' meeting section below). These meetings are also used for capacity building inputs on topics such as "human rights" or "monitoring" and their meaning within the SHG Approach implementation.

Last but not least Kindernothilfe staff build their own capacity on the SHG Approach. This happens, for example, by sharing the latest developments and updates, by meeting with the consultants and also through visits to the various countries where the SHG Approach is implemented.

11.4 National Coordinator's meeting

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 on each continent normally meet once every year for a week. Coordinators from different continents may also meet, depending on the topics to be discussed. 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 discussions often inspire modifications to the approach..

The Self Help Group Approach Manual

Imprint

Kindernothilfe e.V.
Düsseldorfer Landstraße 180
47249 Duisburg
GERMANY

Editorial Team

Albert Eiden, David Kowitz, Gudrun Steiner, Isabella Frey,
Lena Grothe, Silvia Beyer, Stefanie Janssen

Proofreading

Wren Chadwick

Design

Manfred Makowski

© 2014 Kindernothilfe e.V.

The publisher is responsible for the content.

Kindernothilfe – For the rights of children

Kindernothilfe was founded in Germany in 1959 with the aim to support needy children in India. In the course of the years Kindernothilfe has grown to one of the biggest Christian non-governmental organisations in Europe to support vulnerable and marginalized children and youth. Today Kindernothilfe supports and reaches out to some 780.000 girls and boys in almost 1.000 projects in 30 countries in Africa, Asia, Latin America and Eastern Europe.

The goal of Kindernothilfe is a world, where all children live in dignity, are able to develop their full potentials and create a better future for themselves together with their families and communities.

kinder not hilfe