

**EXECUTIVE SUMMARY REPORT: EVALUATION OF IMPACT AND  
POTENTIAL OF THE KNH SUPPORTED SHG-APPROACH AS IMPLEMENTED IN  
ETHIOPIA, RWANDA, SOUTH AFRICA, AND SWAZILAND**

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<b>1</b>	<b>INTRODUCTION.....</b>	<b>4</b>
<b>2</b>	<b>HISTORICAL BACKGROUND.....</b>	<b>4</b>
<b>3</b>	<b>PURPOSE FOR THE EVALUATION.....</b>	<b>5</b>
<b>4</b>	<b>EVALUATION TEAM AND METHODOLOGY.....</b>	<b>5</b>
<b>5</b>	<b>EVALUATION FINDINGS.....</b>	<b>6</b>
<b>6</b>	<b>EVALUATION PARAMETERS.....</b>	<b>8</b>
<b>7</b>	<b>SHG/CLA IMPACT.....</b>	<b>8</b>
7.1	IMPROVED LIVELIHOODS.....	9
7.2	INCREASED SOCIAL SECURITY.....	9
7.3	EDUCATION.....	10
7.4	HEALTH.....	10
7.5	LIVING CONDITIONS.....	11
7.6	IMPACT ON CHILDREN.....	11
<b>8</b>	<b>THE INSTITUTIONAL PROCESS AND FEATURES OF CAPACITY BUILDING.....</b>	<b>13</b>
8.1	PROCESS.....	13
8.2	INSTITUTIONAL FEATURES.....	15
<b>9</b>	<b>EMPOWERMENT TREND.....</b>	<b>18</b>
<b>10</b>	<b>SUSTAINABILITY.....</b>	<b>19</b>
<b>11</b>	<b>REPLICATION OF THE SHG/CLA APPROACH.....</b>	<b>21</b>
<b>12</b>	<b>DISCUSSION: ORGANIZATIONS' INPUTS AND OUTPUTS IN IMPLEMENTING THE SHG APPROACH IN GIVEN COUNTRIES.....</b>	<b>22</b>
<b>13</b>	<b>CHALLENGES TO PROMOTING THE SHG APPROACH.....</b>	<b>24</b>
<b>14</b>	<b>CONCLUSION.....</b>	<b>27</b>
<b>15</b>	<b>RECOMMENDATIONS.....</b>	<b>29</b>
<b>16</b>	<b>ANNEX 1. CASE STUDIES.....</b>	<b>34</b>

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## 1 Introduction

A four country evaluation of the Self Help Group approach was commissioned by KNH together with partners. Ethiopia, Rwanda, South Africa, Swaziland were the countries participating in the evaluation. Three organizations participated in Ethiopia, and one each for the remaining 3 countries. Except for South Africa where the majority of the population depends on employment, in the rest of the countries' majority of the population depends on agriculture for their livelihood. All communities visited were falling under the local governance structures. All governance systems have representatives at community level, i.e. Kebele for Ethiopia, Councilor in South Africa, Cell in Rwanda and Inkhundhla (traditional leadership) for the Kingdom of Swaziland. Rwanda seems to offer more opportunity for community participation due to the decision making power given to local committees, e.g. the communal courts and community participation in development through sector committees, mainly due to the strong national building emphasis by the government .

The table below provides some key demographic information on the participating countries.

**Table 1. Country Demographic Data**

<b>Country</b>	<b>Estimated Population (million)</b>	<b>Literacy rate (%)</b>	<b>HIV/AIDS prevalence (%)</b>
<b>Ethiopia</b>	67.8	42.7	5
<b>South Africa</b>	44.2	86.4	21.5
<b>Swaziland</b>	0.948	80	38
<b>Rwanda</b>	8.1	70.4	5.1

*\*Source: National Statistical documents for respective countries*

## 2 Historical Background

Kindernothilfe (KNH), has worked with partners in the above countries to support child focused development mainly using child sponsorship and later family empowerment approaches. KNH initiated the process to promote the Self Help Group approach in 2001. Actual formation of groups started with intensive training input in 2003. Considering the duration of implementation of this approach, the expansion is fairly rapid. Tables one and two below show the coverage of the approach per country and coverage by NGOs participating in the evaluation respectively.

**Table 2. SHGs Distribution by Organizations in Countries Participating in the Evaluation**

Country	Total number of participating NGOs	Total No. of SHGs	Total No. of CLA
South Africa	4	84	None yet
Swaziland	1	30	None yet
Rwanda	6	474	21
Ethiopia	12	411	11
<b>Total</b>	<b>23</b>	<b>999</b>	<b>32</b>

**Table 3: Total Number of SHGs per organization**

Name of participating organization	Country	Number of SHGs formed	Number of CLAs formed	Rural urban location
EKHC	Ethiopia	93	7	Urban
SWDA	Ethiopia	18	1	Urban
FCE	Ethiopia	55	3	Urban
Usizo	South Africa	31	0	Urban/Rural
SCC	Swaziland	30	0	Rural
AEE	Rwanda	387	21	Rural/rural

### 3 Purpose for the Evaluation

KNH together with partners in the respective countries commissioned an evaluation of the SHG approach. The purpose of the evaluation is to assess whether the SHG concept is a viable option within the framework of child focused community development. Details of the terms of reference are found in Annex 1.

### 4 Evaluation Team and Methodology

The evaluation team comprised of two external evaluators covering all countries. These worked with national evaluators in each country. Out of the six organizations, two were evaluated jointly. The details of names of evaluators per country are found in the organization reports.

The evaluation methodology, sample size and groups to be evaluated were decided upon by KNH and her partners. The evaluators modified the methodology in consultation with the organizations, before applying it. A pre-assessment of SHGs and CLAs was conducted by all participating organizations. Some of the operational features of the SHG were analyzed using this data. A total of 50 SHGs and 8 CLAs were covered by the evaluation. Only one SHG in Swaziland could not be visited due to death of a member

the day before the scheduled meeting. The methodology was participatory using tools listed below.

- Briefing with participating organizations
- Brainstorming with SHG, CLA and observation of books
- Case studies
- Individual and group interviews with community leaders
- Visit to group, individual activities, house visits (both income generation and social)
- Brainstorming with community facilitators – in groups
- Brainstorming with staff involved in SHG promotion – in groups
- Presentation of findings of the evaluation to the KNH NGO network
- Interview with management and Debriefing.
- Evaluation Draft Report submission

## **5 Evaluation Findings**

### **Social Economic Environment of the Communities Visited (as observed by the evaluation)**

The communities visited depended on either farming or petty trading and daily laborer work for their livelihood. For SHG members for Rwanda and Swaziland, crop farming and animal husbandry were the main means of livelihood. The main crops grown include potatoes, banana, sorghum cassava, beans, other vegetables and fruits. Goats, pigs, sheep chickens, are the main types of livestock with cattle found in isolation. The third major means of livelihood (mostly for Rwanda) is crafts such as basket, mat weaving. This is a traditionally transferred skill and products are sold locally. The land is generally rugged, highly fragmented, and infertile. Rwanda had serious land problems, highly fragmented and undulating e.g. The largest land holding among SHG members was 50x20 meters (1000msq). Some families depend on seasonal sourcing of land for cultivation, most common in Byumba.

Swaziland presented a desperate hunger situation. The area visited (Ubombo), the poorest in the country) is located in a valley which has received very little rainfall, almost none, for at least 3 years. There was no hope for any harvest except for some cotton grown by a few, and yet agriculture is the main means of livelihoods.

In South Africa, Animal Husbandry, petty business, traditional crafts are the main source of livelihoods. Apart from this, daily labor and old age pension are other sources of income. Though land holding is large, it was not used as it is too rocky and productive. As a result, 60% of the SHG members have left their land uncultivated. Unemployment is the major problem of the area.

For Ethiopia, daily laborer work was the most common means of livelihood, coupled with petty trading, mainly in food items. Livestock rearing mainly sheep, goats, and cattle was also found here although it was not common for the poorer people to own such

assets. Urban poverty is a crucial issue in Ethiopia where the levels of deprivation for all essential services like water, shelter, toilet facilities were alarming. An extreme housing problem was found in Jimma, Ethiopia, where some families living in rented Kebele houses were forced to share the small rooms. The houses were also in a very poor state of repair. Around 30% of SHG members were sharing their house with other families in Jimma area.

The land policies in Rwanda (currently being reviewed) and Ethiopia are such that land belongs to the government, who has the power on allocation. The poor risk being displaced whenever there are new developments. This is likely to happen in Kigali where the area neighboring the city limit has now been awarded urban status. The demands of such include the fact that free range grazing of livestock is no longer allowed. The capacity of the poor (SHG members included) is not yet sufficient to enable them adapt to the new demands and take advantage of new urban status to improve their livelihoods. For Ethiopia (particularly Nazareth), some of the land where the very poor live is designated as prime, demanding sound investments to justify one to continue occupying the land. The resultant may be displacement.

Except for South Africa, all the communities visited had predominantly poor housing conditions and serious water and sanitation problems. South Africa enjoyed some modest government social welfare funds, such as child support and pensions.

The major community problems in the countries visited included limited employment limited access to land, drought, poor housing and sanitation conditions, and HIV/AIDS. South Africa and Swaziland had the most alarming HIV/AIDS prevalence and the impact was eminent. Although other countries show low prevalence overall, the situation was threatening to expand particularly in the poor and vulnerable communities visited e.g. it was common to find terminally ill people in homes, usually spouses or children of SHG members in Swaziland was alarming, high number of orphans and widows. For Rwanda this was attributed mainly to the genocide although HIV/AIDS within the poor population group was starting to be a significant cause. Conflict management and reconciliation were high priorities for Rwanda were high priorities due to the genocide. Communities discussed HIV/AIDS issues where sensitization had been conducted. While HIV/AIDS and impact and women related abuse was in what could be regarded as a disaster state in Swaziland, there was reluctance to even mention this as a concern.

Women in all the countries were carrying a heavy burden to care for the household for both productive and reproductive chores especially child care. A high number of female headed households (widows/divorced/unwedded mothers etc) were observed in all the countries. In South Africa, unwedded mothers only among SHG members were 11%. The number of female heads of households was high (comparatively higher) in Swaziland and some communities in Rwanda. In Rwanda was relatively large with around average of 5 children per family among SHG members. Where human rights sensitization was conducted e.g. for Sike, serious concerns such as female circumcision, abduction of young girls, and spouse abuse emerged. This reveals some of the critical issues facing women.

In terms of child care, major concerns were the ability to feed, take children to school and meet other needs in health, and clothing and even shelter. Basic education in all countries except Swaziland was free but there tended to be hidden costs e.g. requirements to contribute to school construction and rehabilitation projects. Swaziland has school fees as high as 30 USD in some schools per year for primary school alone, before considering other requirements. Ability to meet education needs was a challenge for the poor communities in all the countries.

Access to government services such as information, technology, skills, and inputs was highly constrained overall. In Rwanda for example, there was only one agriculturalist, and veterinary specialist at district level and none for enterprise promotion. There was a research station within the areas visited in Swaziland but most SHG members did not even think they had the right to access some of the seeds that were being promote such as sweet potato vines for multiplication. Access to micro finance institutions by the poor was not readily possible in all the countries, due to non availability and inhibiting conditions.

## **6 Evaluation parameters**

The parameters seek to provide an in-depth understanding of the approach in given country situations. These parameters are based on the findings and outputs expected in the terms of reference as follows:

SHG/CLA Impact: This provides a comparative analysis of main achievements of the SHG/CLA in the given countries from their inception to date (benefits to children in general and livelihoods of SHG members. Side effects–positive or negative.

Process of Institution Building and features: This section seeks to analyze the process of SHG and CLA growth, its features as an institution, and role as a supporting structure for community development. Main constraints faced in promotion of SHG

Empowerment Trend: Efforts have been made to analyze the above parameters to understand their contribution to social, economic and political empowerment and whether the trend is relevant to the given environment.

Sustainability: This part seeks to analyze the findings i.e. whether the approach is sustainable in terms of achievements, structure, costs, and future plans (vision).

Replication of SHG approach: This section explores the potential for replication of the approach.

## **7 SHG/CLA Impact**

Based on perceptions by SHG members, the impact on livelihoods was prioritized above all other achievements in Ethiopia and Swaziland followed by improved social security. In the case of Rwanda, increased social bondage was considered more highly than other achievements. For South Africa, access to micro-credit was perceived the greatest

benefit, followed by group IGAs. True to the social economic background, Ethiopia and Swaziland had acute challenges in the means of livelihoods, faced with the challenges of finding survival means in the face of high unemployment and persistent drought respectively. Even if livelihoods were a great challenge in Rwanda, peace building was seen to be a prerequisite after the genocide. Therefore, peace, reconciliation and bringing people to a position of attaining confidence in each other, enough to work together was important.

### **7.1 Improved Livelihoods**

Improved livelihoods were recognized as great achievements by SHGs in all the countries visited; these were perceived as the highest achievements for Ethiopia and Swaziland. A practice of saving has been developed. This has resulted in creation of capital and access to micro credit enabling members to, start IGAs, scale up, and/or diversify. Some members had engaged in IGAs for the first time. In Swaziland some SHG members had increased their capital base to an equivalent of about USD 50 within one year; from a start of borrowing about USD 4 Emalangenzi (The savings have created capital for members from which they can borrow and to improve their livelihoods. The discipline associated to saving had taught members to manage their finances better, i.e. setting priorities for spending, budgeting and reducing unnecessary expenditure. For example in Ethiopia, it is amazing what difference the reduction in coffee ceremonies makes to the savings (1birr per day), enough for one's weekly saving. Money spent on coffee ceremonies is almost equivalent to 2 days of laborer work per week. There was an increase in income at household level through engagement in, IGAs. Some SHG members were also starting to acquire assets such as livestock, e.g. sheep, goats, cattle, and some household goods as a result of engaging in IGAs. This was most common in Ethiopia, followed by Rwanda. Acquisition of household utensils such as cups, plates, was a major achievement in Swaziland, where amounts borrowed were still cooperatively low. In all countries, earnings were used to meet household needs such as food, education, health, and shelter.

Borrowing from money lenders or other community members was a common but dreaded practice in all countries due to high interest rates, stiff repayment conditions and penalties. The access to own capital by the groups was continually aired as providing great relief from the money lenders' grip.

The improved livelihoods in all countries were commendable. Changes noted here included an increase in the number of meals per day from one or two previously to consistently having 3meals per day. For Swaziland, being able to buy candles for lighting was considered a great achievement. Undoubtedly, the SHG approach has helped members to improve their livelihoods. However there is still need for sustained efforts to reach the desired levels of achievement (sustained minimum living conditions.)

### **7.2 Increased social security**

This was perceived as the most important achievement for Rwanda where community members tended to live in isolation and suspicion after the genocide. Coming together by the poor to form the groups was highly appreciated as it gave individuals confidence, a

sense of belonging, and an assurance of oneness where they viewed each other as sisters. The fellowship and mutual support as a result of SHG was greatly appreciated in all the countries. In Rwanda conflict resolution highly acknowledged as an achievement. SHGs have proved to be a strong social network in all countries. There was progressive development of social bonds i.e., It was repeatedly mentioned that members saw themselves as sisters. The groups support members in difficult and joyous circumstances e.g. death, marriage ceremonies.

### **7.3 Education**

Education has proven to be a key need in families. In all countries it was a great pride to be able to provide education for one's children. The different testimonies in all the countries also show that children are key to any benefits hence the welfare of the members directly translated into improved livelihoods of children. Parents/guardians were better able to cater for the needs of their children. As a positive side effect, the improvement in the household livelihood provided a conducive living environment for children e.g., one 9 year old boy interviewed in Nazareth, Ethiopia said he was now happy because that his mother was able to pay rent timely and hence they did not face the landlord's ridicule and scolding from friends.

Some groups provide loans for education purposes and this eases the burden on meeting such requirements especially at the beginning of the year. Further still some SHGs had initiated savings for education purpose e.g. in Nazareth. These were separate from regular saving. Another case was that of participation in the management of the government managed education bursary at district levels, in Rwanda where the CLA have a say on which children receive sponsorship.

### **7.4 Health**

The health policies in all the countries are such that health services are free but actually only basic consultation is free because one has to pay for different examinations and drugs. Access to health services was a major concern in Rwanda and Ethiopia. In Rwanda the government has introduced a health insurance system, which is group based. Everyone is encouraged to participate (cheapest means of accessing health services by the poor). Contributions are made by SHGs to CLAs, which are used to register members in the national health insurance scheme. Although this achievement is only in its initial stage, it offers great potential to increase access to health services by the poor.

In all the countries, it was encouraging to note that most SHGs allowed members to borrow to address their health problems. Testimonies were shared e.g. in the case of Sike supported SHG where some members felt that they had bought their lives through such support. Some groups in Ethiopia had started a separate saving towards health. Such safety nets should be encouraged.

SHGs have shown capacities to take care of their family health issues such as HIV/AIDS, child health and nutrition. The levels of knowledge achieved during this relatively short

periods of implementing the approach in Rwanda and Ethiopia were most encouraging, coupled with application e.g. willingness to test for HIV/AIDS. In the case of Rwanda, concrete achievements were noted in the practical steps taken where CLAs facilitated SHG members and the general community to undergo voluntary counseling and testing; and formation of a support network by those found to be HIV positive. Where sensitization on key issues such as HIV/AIDS, child Care and nutrition was done corresponding positive behavior was reported e.g., improved child care and nutrition for Sike and EKHC groups. There was also willingness to discuss and take necessary steps to address HIV/AIDS, e.g. caring for the terminally ill in project areas, undergoing voluntary testing and counseling. On the contrary, in South Africa and Swaziland where no deliberate sensitization took place, there was a general reluctance to discuss such issues even if the impact of HIV/AIDS was alarming.

### **7.5 Living conditions**

All the communities visited in Ethiopia were in an urban set up requiring payment of rent, hence ability by members to pay rent, electricity bills and actual installations, was a major achievement. Rehabilitation of houses by SHG members was most common in Rwanda followed by Ethiopia. For Swaziland, ability to buy candles for lighting was a major achievement in improving the living conditions. For South Africa some families have bought household utensils. It was also common to find cases where members were now able to buy some clothes for their children. Improvement in living conditions had great impact on the social security and confidence of the children in respective households.

### **7.6 Impact on children**

Children formed part of the criteria for deciding on SHG membership e.g., households with comparatively more children and not able to send them to school; or households with orphans living under difficult circumstances gained eligibility to SHG membership.

It was striking to observe that in all countries, benefits from the SHG members were primarily for the welfare of children. Income realized from IGAs was invariably reported to be spent on buying food, clothes, paying school fees for children. Even in the case of the youth headed household SHG fund in Rwanda, the benefits were utilized in like manner. SHG members took pride in being better able to provide for their households. The few children with whom discussions were held appreciated the impact of SHGs on their livelihood. In Ethiopia- EKHC one of the children (10 yr) interviewed said he was happy that his mother was no longer frequently threatened with eviction by the land lord for failure to pay rent for their “house” (one room). He was also more confident because his friends no longer ridiculed him saying his mother was a failure who couldn’t even pay rent. He was hoping that his mother would do even better and buy a house for them to live in. For other households in Ethiopia still, some SHG members had managed to pay for their own electricity connection, and hence the children are able to study and their performance was starting to improve. Renting electricity (basically one or two bulbs for lighting) from individuals is common practice in Ethiopia. Those who rent under such conditions do not own switches and hence have no control over usage.

SHGs in all the countries have deliberately included child welfare in their regular discussions. Some of the agenda items discussed repeatedly in the groups included enrollment of all eligible children into formal school, mobilizing resources to enable the children to attend schools (fees, uniform, books etc) and problems of drop-outs. Some SHGs particularly all in Rwanda were monitoring the school drop outs and enrollment. There was an appreciable awareness on the importance of education and hence members strive to send their children to school. However the current thinking seems to be that limited to the formal school and literacy for those who dropped out (Rwanda). Further facilitation is needed to help the groups to develop strategies that may add value such as focusing also on the benefits of education beyond just completion of formal learning, and attaining literacy given the high unemployment rates in these countries. This is where opportunities for child participation could also be sought. Children of SHG members could over time be mobilized to discuss and be facilitated to determine their priority concerns and develop some strategies to address them (they could form social clubs).

Contribution towards education fund at FCE and EKHC of 1 birr and 25 cents per week respectively from each member shows commitment. Creation of an education fund by CLA of Rwamagana and starting of a pre-school by SHG (Rwamanaga), youth literacy classes in Gitarama, all in Rwanda are some of the examples for SHG involvement in promoting education of children.

SHGs have also been involved in addressing children's health issues. Some NGOs have taken advantage of groups and organized several trainings on child care and nutrition, and creating awareness on vaccination in Ethiopia and Rwanda. This has helped to increase awareness among members and to adopt healthy practices e.g. all SHG member children under five in Rwanda were reported to be vaccinated. The practice of giving health loans to members was found in all the countries. SHGs also conduct community education. Although it was not yet well structured, this process is opening an avenue for community to be more aware and participate more actively in the issues that affects the children.

SHGs are playing major role in ensuring peace at home and giving moral support against domestic violence and during difficult situations. In the case of Sike awareness created on, among others, children's rights actions where violation of children's rights have been noted e.g. SHG pursuing redress of a child rape case, and speaking out against female genital mutilation, and even putting a bylaw that forbids the SHG members from participating in any form of genital mutilation. Few cases of wife battering were reportedly addressed thus securing a more palatable and peaceful environment for children.

The potential for greater impact on children certainly exists but efforts should be made to define the desired in this area and the role of the children (participation) in the process.

It would seem that where the NGO has an agenda e.g Sike's human rights, tangible successes have been realized. This is good but the organization should be conscious of

their role i.e., to provide information through awareness raising and other communication modes. Members should decide on their priorities. NGOs should be careful not to impose their agenda but rather provide the capacity building, linkage support, and let the SHG define the way forward.

## **8 The Institutional Process and Features of Capacity building**

### **8.1 Process**

AAE in Rwanda initiated the approach by creating awareness first among community leaders and government representatives. There are a lot of sensitivities associated with formation of groups and hence such an initiative provided the necessary environment for the groups to be formed. In the case of Ethiopia, EKHC and FCE followed a similar process. In Swaziland, only the traditional leaders were sensitized. Sike in Ethiopia decided to directly focus group formation to avoid being seen by the Kebele to be initiating another project which would have required another contract.

In Rwanda, PRAs- wealth ranking was used to identify members. For Ethiopia there was a combination of PRAs and individual identification through home visits. The process of group formation was participatory in more than 90% of the SHGs. This has allowed vulnerable groups to participate such as widows, single mothers, and orphans. An interesting experience of targeting youth headed households to form SHGs in Rwanda was encouraging. Where PRAs were conducted, members could more easily outline their criteria for identification as opposed to cases where some were identified based on only door-to-door visits .e.g. in Swaziland.

It is advisable to use participatory methods for identification of members in order to minimize bias and enhance transparency and a learning process in the selection process. The PRAs also provide more scope for learning.

Community mobilization often raises the expectations of subsidies and free funds and this has been the case in the initial period in all the NGOs. However, it must be appreciated that the process has helped the SHGs to overcome this mindset to a great extent. There is an increase in accepting self-reliance as the way to sustained growth. The case of Ethiopia is particularly noteworthy. Members internal lending systems were progressing with a lot of evidence of growth in IGAs and improved livelihoods.

In Rwanda sequencing training to facilitate integration into community development activities yielded positive results in SHG/CLA participation in community infrastructure projects.

The kind of facilitation given has had great influence on the strength of the SHG direction in terms of activities, e.g. AEE helped the groups acquire space in community leadership and development by providing training in linkages and sensitizing government on the SHG approach. For Sike sensitization in human rights has led to awareness accordingly.

Members were enthusiastic in addressing these problems. This suggests that types of facilitation may influence the direction of activities.

Training on the SHG concept followed after formation of the groups. Where training was sequenced in relation to the current situation, assimilation and application was impressive. For Sike, knowledge levels on enterprise promotion were high. Members could easily site relevant examples on how they had applied the training e.g. politeness in dealing with customers which had earned them a good reputation and led to increased sales.

Where some components were left out of the training e.g. vision building conflict management, knowledge gaps were noted in these areas. In cases where all training was conducted at the onset, there was a tendency of limited ability to apply it to emerging needs, e.g. limitations application of the micro enterprise promotion in Swaziland. The need for refresher training was observed in all the organizations.

Savings in all cases started within the month of group formation. Internal lending in most cases started as soon as rules were formulated, within 6 months. Even in cases where internal lending was delayed subsequent groups were allowed the freedom of deciding when to start this process.

However in spite of the attention given to participation, and training, the orientation in all NGOs as reflected in their SHG meeting facilitation and training was mainly towards daily management and financial aspects. There was little focus on vision building, linkage development (except for Rwanda which has good linkages), and learning and evaluation. The process has been largely left to community facilitators whose knowledge and skills are limited.

Some groups had started Group income generation (GIGA) activities. There is nothing necessarily wrong with such initiatives as they serve the purpose of fund raising for the groups and also providing opportunity for everyone to acquire business skills and strengthen unity. However, these GIGA have not resulted in sustained growth of income. GIGPs would be successful initiated after the group learns to work together and where they have defined vision. In Rwanda, the groups have reached the level where they are even contributing to CLA programs along with their regular contributions.

Ability and willingness to pay for services such as in education and health is an indicator of self-sustainability. In FCE, groups have started adapting the traditional good systems such idir. The SHG structure has allowed them to change the norms of such systems to their conveniences, as the traditional system was not favorable to the poor, especially women.

In many places, (e.g. Sike, FCE, EHKC, AEE, Usizo)) the organizational priorities related to human rights, gender, HIV-AIDS, child care and nutrition, have been absorbed by the groups also. This is to be appreciated. However, other inputs critical to the overall institutional growth of SHGs have been relatively less emphasized.

In case of CLAs, process of formation has again been participatory in all NGOs. Rwanda are providing more services including credit facility to members when compared to other CLAs. This may be because In Rwanda, the level of growth is higher as the CLAs are almost two year old. CLAs in (i) they are relatively older (ii) the facilitation has been regular and from senior members of the staff working closely with field teams (iii) they have better funding from the project.

Discussions on formation of CLAs were initiated at various times ranging from 6-13 months from formation of the SHGs. The quality of orientation seems to directly impact on the knowledge levels and activities undertaken by the CLAs. CLA formation in Rwanda started, as part of the vision building training, when the SHGs were in their third month and CLAs were formed 3-4 months later. It is more advisable to delay formation of the CLA until groups have attained cohesion and a common purpose.

The CLAs in AEE, FCE, and EKHC had formed sub committees (training, conflict resolution, linkages etc) to address given issues. This initiative is commendable as it provides equal emphasis for all aspects of growth, and allows all members to have a specific role to play, but there is need for these sub subcommittees to perform their roles effectively.

All the organizations had community facilitators, who lived within the same communities. These facilitators were either members of SHGs or just selected within the community based on given criteria e.g. commitment. Where these were SHG members, they were not allocated to facilitate the group to which they belonged. The Rwanda selection process was elaborate where the CLAs actually led the process of selection with full participation from SHGs. Community facilitators were supervised by the CLAs and only approach the project office for consultations usually on request by CLAs. This approach offers great scope for strengthening CLA as an institution, and sustainability.

In Ethiopia, the presence of KNH and coordination efforts of DED helped to a great extent to ensure the process to be participatory and self-reliant.

## **8.2 Institutional Features**

Great achievements have been realized under all the key institutional features. The overall ranking however still stagers below desired levels. This does not suggest failure but rather as a gauge, it helps to show how much still needs to be done, in spite of all achievements so far, to reach the desired institutional capacities.

**Vision and Mission:** Some SHGs in all the countries set targets in terms of activities and output which they regarded as visions. Basically vision building was not done systematically in all the NGOs visited. Comprehensive training in vision building was lacking in many cases yet this is crucial in developing the necessary capacities. Only a day's training was conducted in vision building which is inadequate to have in-depth discussions and to develop action plans. SHG did not have direction to progress further due to lack of action plans.

**Organizational Management:** SHGs in all countries have performed well in organizational management. Overall more than 90% of SHG members were from poor and vulnerable households, hence this approach so far is effectively targeting the neediest. Consistently, groups had formed rules which they were observing to a large extent. Groups recognized these as indicators of organizational management. Attending meetings regularly rotation of leadership, where a significant number is usually illiterate is a great achievement. These achievements are mainly due to the fact that facilitation and training inputs were orientated more towards these aspects. Overall the challenge lies in continuing to allow the rules to evolve based on emerging needs during the growth process.

There is need to build the capacities of representatives to perform effectively and not all the cases the rules were put into actions. Such challenges were noted in Swaziland where attendance to meetings and time keeping was still not as desired for a few groups.

**Financial Management:** Regularity of savings, its size, its growth, internal lending aspects, repayment, utilization of own fund for internal lending, book keeping etc was assessed under financial management performance. Findings were encouraging and all ranked high.

Savings were regular among SHGs but generally not growing. This may be attributed to low returns from IGAs. Groups in three countries except Ethiopia had high interest rates, ranging from 10-30% per month. Sometimes the rationale used to arrive at these rates was not understood by members even if they participated in fixing them. To them the principle is that handouts should not be allowed and hence interest has to be levied. The percentage repayment was high based on the rate of returns or even in comparison with national financial institutions. There is need to review the rationale behind deciding the repayment schedule and interest rate. Particularly, it is difficult to justify why the interest rate should be the same for all types of borrowing including that for consumption. In cases where SHGs are transitioning to give medium-term loans e.g. 6-12 months, more facilitation is required for them to understand the implications to help them fix interest rates and payment schedules accordingly.

Management of pass books was generally good for the ledger book was a great challenge in all countries. However, in all cases, organizational / financial management systems and as well as day-to-day book-keeping need more strengthened. In all NGOs, Keeping track of how much owed and repaid at a given time was difficult. This concern should be addressed to avoid more complex challenges when the funds grow. Sike, Usizo, and SCC need to comparatively apply more effort to address these challenges.

**Linkage and Networking:** Appreciable levels of linkage and networking were found in Rwanda and Ethiopia where the CLAs had been linked to sectors and local government structures, and local NGOs. Sensitization of government departments in Nazareth, Ethiopia had also created acceptability by the relevant institutions. It has been ranked as average is high. Based on SHG needs there was an eminent need for linkages to micro

finance institutions to help improve IGAs. Other linkages are needed to promote access to vital information e.g., on HIV/AIDS, human rights, and skills in addressing related issues. For improvement of livelihoods, there is still need for linkages to technologies such as in agriculture, land management and conservation, livestock management, and appropriate construction technologies for housing.

In case of linkage, CLAs of FCE and SHGs of South Africa did some efforts (please see reports). However linkage and SHG involvement in community development programs is good in Rwanda. In Ethiopia and South Africa efforts were limited due to the main constraints that the SHGs are not recognized by the and hence do not have a legal basis for conducting business. Though there are similar constraints in Rwanda, regular sensitization and conscious efforts to involve development agencies have helped them to overcome such legal problems.

**Learning and Evaluation:** In all countries was noted to be average. Members keep records of minutes which are reviewed regularly. CLAs in Ethiopia and Rwanda conducted bi-annual audits of SHGs. This is commendable. Where CLAs existed, representatives shared information. Although groups were aware of indicators for monitoring there were no defined assessment systems for most SHGs. Encouragement of teams to develop simple work plans could form a basis for monitoring systems to be developed.

**Transparency:** Transparency among SHGs/CLAs was high in all countries. Member's access to records was free. Even those who were illiterate were free to ask to be informed on records. Where bank accounts had been opened, banking responsibilities were rotational.

**CLA as an Institution:** Eight CLAs participated in the evaluation, from Ethiopia and Rwanda. The process of CLA formation followed in all countries was participatory. SHGs selected 2 representatives based on agreed upon criteria. The roles of CLA were understood by SHGs. They expected CLAs to (i) address the common concerns of SHGs (ii) regular facilitation and monitoring of SHGs (iii) linkages to meet their credit needs, improve production and access to markets, and to improve their living conditions. CLAs of Rwanda are capable of providing such facilities to some extent, but the present capabilities of CLA members and accounting systems are inadequate to manage the micro-finance at large scale. CLAs at Ethiopia are still in budding stage and right now their institutional capability to provide regular facilitation to SHGs is limited.

CLA as an institution has great potential to influence SHG growth to improve members' livelihoods. Provision of comprehensive training to cover some areas that have been left out which include CLAs in vision building, initiating linkages and networking, and to address other emerging needs, is important, for them to enable them provide adequate support to SHGs.

The development of CLA as an institution should be monitored based on defined indicators under each institutional feature.

**SHG/CLA Support to Community Development:** Rwanda had outstanding social action programs such as community sensitization HIV/AIDS, which culminated into mobilization of mobile voluntary counseling and testing services, and subsequently formation of a network for those who were found to be positive. One CLA in Rwanda still, has facilitated construction of a water reticulation system (Byumba). Other examples include facilitation of SHGs to help them access health services through national insurance and participation in award of bursaries at district level (Butare, Rwanda). It was also encouraging to note that the number of SHG members participating in the local government (peace and reconciliation) and development committees was increasing.

In Ethiopia, Nazareth, SHGs/CLAs was facilitating formation of literacy classes to which the entire community would have access. The SHGs in Sike have approached the Department of women's affairs for support on spouse abuse matters.

In all cases awareness creation on the SHG approach among government officials at relevant levels has enabled appreciation of the concept and hence the linkages. With continued efforts in this direction, there is great potential for the SHGs/CLAs to occupy greater space and contribute more to community development, based on given needs. Government representatives interviewed in Rwanda and Ethiopia (FCE and EHKC) were amazed at what SHGs were able to achieve and expressed willingness to provide support e.g. for land allocation to SHGs/CLAs.

## **9 Empowerment Trend**

Although it may be too early to assess empowerment for SHGs that have existed for barely a year, especially in South Africa and Swaziland, it is possible to note some economic indicators such as number of members taking loans to start IGAs, and increased household income. These indicators can be monitored over time, based on experiences so far. Some members in Ethiopia were progressing well, being able to expand and diversify their businesses. Training in business management and enterprise development, and access to micro credit mainly through group funds, has contributed greatly to the achievement of given results. SHG members were now better able to meet their livelihood needs, educate and care for their children and in few cases, meet their basic housing needs as a result of engaging in IGAs. Others were progressing to start owning assets such as livestock. The SHG approach has led increased member self confidence greatly. However, there is need to increase access to credit, appropriate technologies, markets and facilitate development of entrepreneur skills in order for desired levels of economic empowerment to be achieved.

Social empowerment was seen in the way members had now learnt to work together and support each other as groups and individuals e.g. in times of bereavements. Awareness creation on HIV/AIDS had increased knowledge levels translating into positive behavior such as willingness to undergo tests, support the terminally ill, especially SHG members. The Human rights sensitization conducted by Sike has led to members deciding that they will not participate in harmful traditional practices.

Socially members are gaining recognition in their community due their new found assertiveness and capability to manage their households. The participatory methods used allows for effective targeting of the poor and vulnerable (priority for widow/single mothers/grandmothers). Hence the SHG approach has created an environment for social inclusion.

Another trend noted is one towards social security as seen through conflict resolution, security for children, and those infected and affected by HIV/AIDS, and security against domestic violence. Formation of some youth, heads of households SHGs groups in Rwanda has added a richer dimension where the SHG approach is used to empower a young population.

Regarding political empowerment, some individuals in Rwanda had now been elected for the first time into community leadership positions at the cell level and in development committees; community participation in social actions such as HIV/AIDS sensitization and other community development work such as mobilizing resources to address the community water problem by one CLA, Rwanda still, was also a notable achievement. There is need to harness all the empowerment trends so far, and provide support to, as well as monitor their progression. Indicators for economic, social, and political empowerment can be developed based on the experiences so far.

## **10 Sustainability**

**Achievements:** It is worth mentioning that implementing organizations have made a strategic shift from handout/grants to the SHG approach. In cases where the organizations are implementing one approach, there is less complication as they project only one image and expectations for handouts are less.

The SHG approach provides a platform for members to acquire knowledge and skills to address their household problems e.g. through engaging in IGAs. In all countries, members were increasingly starting to take care of their household needs i.e., food education, health through using their own resources. The confidence gained through such experiences has inspired many to do more. The challenge here is to sustain and increase such achievements to reach desired levels.

SHGs in all countries were willingly taking loans for development activities. These groups have raised their own fund and managed it efficiently. This indicates that the poor can manage funds. They have demonstrated that are credit worthy. This in itself is a big change and step towards sustainability.

SHG members have demonstrated their ability and willingness, however small, to contribute to some services such as education and health in Rwanda (to CLA), and Ethiopia (separate savings for health and education) which indicates progression towards self-reliance.

**Structure:** SHG/CLAs were confident of managing their routine tasks of conducting meetings, savings, internal lending, and recovery even without the support of community facilitators. In case of South Africa and Swaziland, the capacity of SHGs to manage routine tasks still requires more attention. Sike groups though young could carry out such routine tasks except book keeping.

The capacity of the CLA to perform their roles of strengthening SHGs and establishing linkages and networks is crucial to sustainability. SHGs need to progress further and to independently manage higher level growth processes such as:

- 1) Ensure sustainable livelihoods to its members through introduction of technologies, improved production, diversified skills, expand markets and credits;
- 2) Establish strong linkages with main stream institutions based on needs;
- 3) Address social issues such as HIV/AIDS, Human rights; and

Although most SHGs perception of the role of Community Facilitators was limited to that of routine facilitation work, it is possible to further strengthen community facilitators' capabilities for them to take on more responsibilities such as monitoring providing information on linkages and working more closely with the CLAs to establish these linkages.

**Cost:** Sources for promotional and operational costs of SHGs are yet to be explored in all the countries (Sources of funding required for SHGs/ CLAs to function on their own without facilitating organizations' support). Now CLAs are collecting one time membership fees (1000f for Rwanda) monthly fees. For Ethiopia (Nazareth), apart from monthly membership, CLAs were collecting fees levied for any experiential learning visits paid to the SHGs, in addition to the monthly fees. At FCE, SHGs contribute a monthly fee of 5 birr to CLA. SHGs in Sike's case contributed transport money for CLA representatives' bus rides in addition to the 5birr monthly contribution. This amount was used for operational costs of CLA. CLAs have major role in identifying the services that are required for SHG and its members, and to work out the cost of services. Presently, there is high demand for micro credit.

**Future plans:** Training in vision building is still needed for all countries. SHGs should be facilitated to develop a clear focus and set targets. These can then be followed by action plans which will form the basis for monitoring and evaluation. Building such a capacity will enable SHGs to be fully functional even beyond the period of project support.

The capacities of SHGs and CLAs assessed have not yet reached level where the supporting organization should consider withdrawing and let them manage themselves independently. However, facilitating organizations should work to encourage groups to progressively take more responsibility in managing their growth process. Indicators will need to be developed to measure levels of self reliance; drawing from those already being

used e.g. during SHG audits. Periodic reviews such as annual audits are necessary for all, to monitor the growth process.

## **11 Replication of the SHG/CLA approach**

The potential for replication of the SHG approach is undoubtedly high in all countries. All NGOs have showed immense interest to expand the SHG approach to reach a larger population. Involvement and interest of NGO Management has been seen to influence levels of acceptance and also helped in spreading the message, e.g. in Rwanda the government has great appreciation of the approach and has allowed space for SHG to participate in development activities at various levels.

NGOs have shown interest to influence Government, and microfinance institutions' policy, and related service delivery in favor SHG, but there is need for some guidance. DED in Ethiopia has facilitated formation of a working group that is developing advocacy strategies to strengthen SHG legal recognition. The group reports to the NGO forum. Similar efforts could be made in other countries e.g. focusing on SHG access to appropriate technologies, markets.

The impact of SHGs is visible and hence replication is faster. The achievements of SHG so far have attracted great attention from government institutions, some NGOs, and community members in the neighborhoods. At FCE, for example, an officer from Women's Affairs Department has initiated SHGs for 130 employees after seeing the impact of groups functioning in Jimma.

Community Replication experiences were seen in Ethiopia and Rwanda where community members were requesting facilitation and this had been provided to help form new groups. EKHC alone was facilitating about 13 new groups at the time of the evaluation. The facilitation demands for replication are high, and hence having a strategy on how to manage such growth to ensure that the SHG principles are maintained in order to achieve the desired impact is crucial.

The achievements realized so far can also be used as a basis to share experiences with relevant institutions through sensitization and networking initiatives. Recognizing the fact that SHG is an approach and not a project is important. As an approach the SHG can be used as a means to channel all development facilitation where organizations are implementing several other projects. The SHG approach is also appropriate for addressing the major community problems such as unemployment, and HIV/AIDS, and human rights.

## **12 Discussion: Organizations' Inputs and Outputs in Implementing the SHG Approach in Given Countries**

### **Organizational Strategic Focus**

All the organizations (except SCC) participating in the evaluation have had experiences of implementing other development approaches. Rwanda stood out as having made a conscious decision to implement only the SHG approach. This decision has also been reflected in their newly developed strategic plan and the staff distribution. Therefore implementation of the approach has full management backing, from the director to field staff. Management has a good understanding of the approach and this is reflected in the quality of support to field operations. Rwanda also had a comprehensive team of staff working to implement the approach. In Swaziland, even if management has welcomed the approach, their capacity to provide leadership in implementation is limited. In organizations like Usizo and SCC had difficulties in implementation due to divided time allocation by staff who had to work on percentage time. Fully dedicated staff is needed for the SHG to be successfully implemented. Organizations visited in Ethiopia, like Rwanda had a good allocation of staff (although some were not fully funded by KNH) and this was seen to result in more regular interactions (facilitation) and trainings, which in turn had impact on the quality of the SHGs. The general trend was that a community facilitator was responsible for not more than 12 SHGs and there were also coordinators for the field work. The coordinators report to program managers. Such a structured system allows for division of responsibilities and supportive supervision.

### **SHGs Involvement in Community Development Programs**

AEE was found to have the most prominent involvement in community development work. The organization was strong in creating community awareness of the SHG approach. Conscious effort was made to involve the community and community leaders at formation of the groups. Community leaders are also periodically invited to visit SHGs. As a result, the SHG concept is highly regarded by governments officials include mayors as expressed by those who participated in the evaluation. The fact that the nation is undergoing a phase of national building following the genocide also places the SHG concept in high profile as a tool to support this process. CLAs are frequently requested support mobilization of communities for development projects e.g, water reticulation project in Byumba. CLAs and SHGs see themselves as having great responsibility not only to improve their livelihoods but also that of the community. Sike has so far shown potential to help SHGs create awareness on human rights while EKHC seems to be stronger in supporting SHG create awareness on HIV/AIDS and other child health issues. In all cases, these were genuine needs. Clearly the focus areas of a given organization to a great extent are reflected in the activities that the SHGs/CLAs are engaged in. It is important for the facilitating organizations to be conscious not to foster their own agenda but rather focus on creating awareness, based on their cooperative advantage, and let the SHG/CLA decide on how to proceed with the knowledge.

### **Expansion and diversification of Enterprises among SHG members**

SHGs in all the countries visited were engaged in IGAs but Ethiopia was the most prominent. The communities visited had petty trading as one of the major means of livelihood. Therefore they had the highest percentage of borrowing (at least 90%) and the for the use of own fund in lending was also high over 100%. Rwanda also has high usage of own fund even given the constraints in income generating opportunities due to the community's farming based livelihoods. Training in business skills in Ethiopia was very well received and members were already applying it. For Swaziland, this was a relatively new concept and even the IGAs tended to be small and not as intensive. However all achievements are very significant in the given country contexts.

Only Rwanda SHGs received external funds (from AEE) through their CLA. The difference noted was that SHGs in other countries was that the demand for loans could not be met using own funds only. For Rwanda the loans were more readily available but borrowing was constrained by the limited opportunities for more rewarding IGAs due to skills access to technologies and market related issues. It is may not be possible through this evaluation to provide a yes/no recommendation as to whether funding of CLAs is good. However focus should rather be on facilitating access to external support, funds inclusive, through linkages as this promotes self reliance and build on sustainability and phase out. Where external funds are provided, the direction in terms of the intention and how long this will be done should be clear from both the facilitator and SHGs/CLA. The table below provide more insight based on status in given organizations.

### **Financial Management**

<b>Indicators</b>	<b>AEE</b>	<b>SWADA</b>	<b>Usizo</b>	<b>FCE</b>	<b>SCC</b>
No. of groups	16	5	7	6	9
Average Age	22 months	13.4	13 months	22 months	
Savings % in common fund	23 % (30)	82%	78%	49	Above average level
Per member/meeting savings	58 f	0.3 cents	1.3 Rand	0.2 cents	
% age members took loan	> 80%	>95%	>70%	95%	> 90%
% age of own fund used for lending	135 %	161%	63 %	631 %	
Repayment	65% ( needs improvement)	good	good	V. Good	
No of loans given	1005	244	60	2138	
Total Loan amount (	18381	2137	1185	12475	

in USD – only this row)					
Own Fund (in USD, only this row)	13635	828	1873	1957	

**Modification of Traditional systems in FCE (Ethiopia) :**

A system to revive traditional good practices is emerging. Some SHGs have introduced idir, ikub and social fund. Members are contributing a small amount and have created fund for death ceremony (idir’s function) and to build household assets (ikub's function). Members do not want to take part in the regular system of idir and ikub as they feel idir is male dominated creates no space for the poor and ikub is exploitative in nature. Abren Endeg SHG has simply modified the system and created a social fund for supporting any kind of social needs (marriage, death, birth, sickness etc). Contribution made under all these systems within SHG (idir, ikub or social fund), was contributed to members who are in need. This indicates that the SHG members are trying to replicate the good practices with modifications to create space for needs of the poor. The NGO has also encouraged the group by providing some guidance.

**13 Challenges to Promoting the SHG Approach**

- SHGs are growing and some had reached their performing stage where they require specialized skills, larger capital, and access to markets. Microfinance institutions were not readily available in Swaziland and Rwanda. For Ethiopia the problems included none availability, prohibitive lending conditions legality of SHG to make them eligible for such business transactions. In all country situations there is potential for fruitful dialogue with MFIs to help CLAs/SHGs to access this much needed support on favorable terms.
- SHG/CLAs generally lack access to appropriate technologies for processing, construction, and agriculture production for which linkages are needed to enable scaling up and innovation.
- Groups were experiencing problems in book keeping in all countries. Maintenance of ledger books was problematic even after book writers’ training. Recording of minutes was also problematic in some cases where minutes did not fully reflect what was discussed in the meetings.
- An attempt to introduce a monitoring form was made in Ethiopia but CLAs did not yet have the capacity to use these forms. The fact that most groups in all countries did not have clear visions and work plans clearly laid out translated into lack of targets and monitoring progress accordingly.
- For South Africa, it was difficult to monitor the groups as they were in scattered locations.

- Staff and community facilitators in Swaziland had difficulties in facilitating SHG training because they did not fully understand topics. In Rwanda to a limited extent in Ethiopia, staff trained was still finding difficulties in modifying training modules to suit given levels, e.g. CLA, SHGs. There was an added difficulty of effectively facilitating groups with high illiteracy. For South Africa, staff found it difficult to conduct training as they had only received one day training on each topic.
- Facilitation skills were still limited in terms of using more interactive methods. There was a general tendency to use lecture methods making it difficult for groups to assimilate.
- Number of staff and time % time dedicated to promoting the SHG approach was affecting quality in South Africa. This also affected the quality of support rendered to community facilitators.
- Formation of new groups is sometimes spontaneous and imposes sudden demands for facilitation. Based on the fact that older groups also still require substantial facilitation as they progress, this positive growth directly increases the demand for facilitation.
- Most communities have a history of relief support. Having other NGOs implementing relief approaches in the same communities were greater challenges for Sike (Ethiopia), Usizo (South Africa), and SCC (Swaziland). It made it more difficult to help members appreciate the SHG approach. In South Africa, people were accustomed to several Government welfare services e.g., for children.
- It was also a challenge for organizations to implement the SHG approach concurrently with other approaches initiated earlier as this presented conflicting images about the same organization particularly for Sike.
- In Ethiopia legality of SHG was a challenge for Sike, who could not introduce the approach to the Kebele for fear of being implicated for implementing a project that was not authorized by the government, as per requirement. It was also difficult to help the groups to open bank accounts as long as they did not have any legal status.
- For South Africa the political tensions (mainly during recent election periods) and the growing incidences of HIV/AIDS were of concern. The Province is also known for its violence due to political reasons.
- Another major constraint noticed by evaluator in South Africa was the understaffing for promotion of SHGs. The community facilitators are involved in many other works of Usizo and there is no direct link between SHG promotion and other programs.



## 14 Conclusion

The SHG approach has revealed that the poor are eager to address their needs. The impact of SHGs is undoubtedly visible in all projects visited. Conscious decisions made by facilitating organizations to implement this approach, coupled with specific management support provided, seem to affect the levels of success.

The impact of livelihoods, although significant when compared to the previous situation obtaining, is still below the minimum subsistence levels required. More needs to be done to address issues based on particular country and local area situations, to improve livelihoods, e.g. access to credit and appropriate technologies. The SHG/CLAs are showing a great sense of responsibility and ability in self management.

Based on the country situation and how they are facilitated, SHG/CLAs can carry enormous responsibility for community development as seen in the case of Rwanda, where the local government now recognizes them as partners in development and invites them to mobilize people for community development work.

In all countries, SHG/CLA are increasingly seen by government officials (Ethiopia, Rwanda) and community members who were interviewed, as models for development. This is seen in the rapid expansion due to formation of new groups the organizations participating in the evaluation have altogether 614 SHGs, with not less than 10,000 members, drawn from the poor and vulnerable in the community. The potential for expansion of the SHG is high in all countries but with this comes the challenge to strategically manage this growth according to given principles in order for the desired results to be achieved. The model of having a national coordinator, although still relatively new, seems to be working well in Ethiopia and Rwanda. The capacity development of the SHGs and levels of self reliance have an influence on growth. If groups grow and gain independence, they would have less need for facilitation, and allow for more focus on newer ones.

It is interesting to note that in all countries, children were at the center of benefits e.g. improved food intake, shelter. Children's education and health was also a priority in all country situations.

As institutions that steer development based on given needs, SHG/CLAs need to be facilitated to develop necessary capacities. Monitoring of the growth of the institutions (features), achievements and processes leading to these achievements is important. The experiences gained so far provide possibilities for development of related indicators to be monitored periodically. Additional indicators are needed for monitoring levels of self reliance.

None of the SHG/CLAs have reached desired levels of self reliance. All the achievements not withstanding, key concerns in capacity building include the following:

- 1) Training in some cases was not conducted sequentially in relation to the staged of SHG development
- 2) Some key topics e.g. vision building, were not covered in the SHG concept leading to capacity gaps
- 3) Some trainings were too short, covering only a day instead of the recommended 3 days
- 4) The training module is difficult for many to use and this compromises quality of training
- 5) Method of training of SHGs and community facilitators was sometimes lecture type, and this affects assimilation
- 6) Follow up on training needs to be defined using a monitoring system to ensure that emergent needs are addressed.
- 7) More support is needed to strengthen sustainability regarding costs of operations building on existing initiatives.

The role of facilitation at all levels (management, National coordinators, field office, community facilitators, other trainers) is crucial to the success of the SHG approach. The structure facilitation exists but the capacities need to be strengthened for the desirable achievements to be realized. The current initiatives should be strengthened, and periodically reviewed and modified as needed rather than initiate new ones.

Therefore it is important that all involved in facilitation receive quality training to develop relevant skills.

## 15 Recommendations

### Capacity Building

- 1) There is a need to conduct refresher courses for community facilitators, field staff, and project officers on the SHG concept, vision building, CLA roles and responsibilities. Training on linkages and networking is also required for all of them.
- 2) Refresher training is also required for all SHGs and CLAs on roles and responsibilities of all office bearers and vision building. Vision building must include preparation of detailed action plan and monitoring tools. Senior officers or trainers, where they exist, may conduct this training together with community facilitators. This will help them to replicate the model for other groups.
- 3) Training on linkages, and leadership is required for all SHGs and CLAs.
- 4) Training calendars should be developed showing the type of training to be conducted on given dates. These calendars should be developed at organization level and at each SHG, CLA. Coordination among all key stakeholders (SHG, CLA, Trainer, Community facilitators, NGO) should be there when developing the calendars.
- 5) For each topic, a training design must be developed (clearly outlining the training objective/s, expected results and time frame for results, methodology for each session, and required time for each session etc). Quality assessment of training must be held preferably every three months at SHG and CLA based on expected results mentioned in the training design.
- 6) There is a need to use more interactive methodologies in training; visual materials e.g., flip charts, to sustain the interest of the trainees and to ensure better learning. Training should be distinguished from meetings. Where possible, training may be held at different locations within reach. Where the necessary capacities exist, community facilitators should rotate as opposed to one person training the given groups on all topics, to help increase the interest and assimilation. This has worked well in Sike.
- 7) Training of trainers is essential for community facilitators for them to be effective. Field staff also requires training of trainer skills in order to effectively provide the necessary support.  
Orientation sessions on SHG are suggested to sensitize staff and members of local administration, concerned department and other CBOs. Initiates such as formation of an NGO forum by EHKC should be encouraged.
- 8) The SHG approach has high facilitation demands. KNH should consider supporting one fully dedicated staff to work with NGOs promoting SHGs in South Africa and Swaziland.

### **CLA, Micro- Credit and Linkages:**

- 9) CLAs need to be strengthened. Regular facilitation from senior staff, in addition to other support, might help the CLAs. Its role needs to be reviewed and must be directed towards the needs of SHGs; regular facilitation and monitoring of SHGs, credit linkage from financial institutions, creating linkages with local administration to address the issues of living conditions of SHG members and linkage with other agencies for skill/knowledge training must be focused upon.
- 10) If CLA is going to manage micro-credit, there is a need for them to have an intensive training on micro-credit management. The present accounting system is not adequate to manage micro-credit. There is a need to introduce a systematic accounting system at CLA that allows for tracking of credit and repayment. Before entering into micro-credit business, the CLA must undertake assessment of: credit need of SHG members; and local credit system to draw lessons and prepare a break-even analysis. The roles must be clarified and the expected output from each role outlined. Performance monitoring indicators at various levels (organization, national, coordination, CLA, SHG) and tools must be developed to monitor progress and achievements. Each entity should have their own monitoring mechanism to gauge their progress but the information collected should be linked so that it provides status from the highest to the lowest levels of facilitation.
- 11) Repeated and conscious efforts to support SHG/CLA establish necessary linkages should be made especially in Ethiopia, Swaziland and South Africa. Implementing organizations can support SHG/CLA by arranging visits to local government offices and other relevant institutions found in given localities
- 12) SHGs and CLAs should consider getting involved in community development programs to strengthen their image and gain support from the community, government, and other relevant organizations, to address the social issues such as HIV/AIDS and Human Rights.

### **Growth of SHG/CLA and Innovation**

- 13) In case of Education of children, the Rwamagana (Rwanda) education fund model provides lessons not only for Rwanda to expand to other areas, but also for other countries to develop more education initiatives. A clear strategy on how to use this fund is also essential, accompanied by a defined monitoring system to track utilization of the fund at SHG level and the results of the program (with measurable indicators)
- 14) In cases where literacy classes are initiated (Rwanda, Ethiopia), a system should be developed to categorize persons based on age and learning capabilities to ensure a quality learning environment. A syllabus and teaching materials for each category must be developed and used, with recognition of given country policy

guidelines. Necessary linkages with responsible institutions should be developed to ensure that quality and required standards are maintained.

- 15) The concept of expanding to form new SHGs needs to be understood by staff and applied to their context. Factors necessitating feasibility of expansion should be considered i.e. levels of self reliance reached by the older groups, and having a functional CLA and facilitators to continue monitoring activities and providing the needed support. Quality of groups, both older and new should be seriously considered as expansion occurs.
- 16) In Ethiopia and Rwanda where replication was high, with new groups forming on their own, the demand for community facilitator input was high. There is need for organizations faced with this challenge to develop strategies to ensure that community facilitators are not over worked. One of the ways would be to ensure that the older groups become more independent and take more responsibility e.g. for their book keeping and monitoring. CLAs could also take other responsibilities to ensure that SHGs are supported through networking and linkages to other institutions.
- 17) It is advisable that the projects focus on developing self reliance of the SHG/CLAs by building their capacity for them to take full responsibility for managing their finances even as transactions and amounts increase. This will free some of the facilitators' time and allow them to concentrate more on supporting new groups.

### **Monitoring**

- 18) The experience from achievements so far in all countries shows that it is possible to develop monitoring indicators for various purposes. Apart from monitoring of the quality and impact of training, it is suggested that SHG/CLAs are supported to develop comprehensive self monitoring plans and tools for the following:
  - Levels empowerment e.g., livelihoods, economic, social, political
  - Levels of Self reliance
  - Institutional capacities to ascertain sustainability

Indicators should be developed for each form of monitoring. Some examples have been given in country reports.

### **Specific recommendations based on situations (organizational and country)**

- 19) It is good to introduce new ideas such as insurance to the groups and other new components such as community health in the case of EKHC. However caution should be exercised to allow the groups to choose and adopt new components as they see need, based on their priorities. The CLAs should be oriented to understand that all new components should fall within the CLA jurisdiction in

order to avoid creation of parallel structures. CLAs/SHGs in this case should also be oriented/trained to manage such growth.

- 20) Regarding planning to establish another level of institution as federation, the CLA in Rwanda is already playing the roles of federation. In such a case, it is not advisable to have another level that duplicates the roles. However, if they see need to have a federation, the roles of the two entities should be clearly distinguished and the value that a federation would add has to be clearly stated. Models should be sought from which lessons can be drawn before making such decisions.
- 21) Since FCE has started an independent Micro-Finance Institution as an alternate system, CLAs can be linked for credit (only if they want as one of the options). Since policy influencing to allow lending to SHG/CLA is the long-term solution, MFI might work as an interim support measure. FCE has progressed already in this direction and this could create a replicable model. The affiliated MFI of FCE might become useful to demonstrate the credit worthiness of the poor and working of the system with the poor. However the efforts of influencing policy to create space for SHGs should continue as it is going to benefit the entire country. In this context, there is need to collect information to present to the concerned authorities to influence desired change. Besides, KNH along with DED should seriously consider supporting NGOs, to create forums to meet the policy makers to share their experiences with supporting data and arrange exposure for policy makers to SHGs. Other advocacy strategies should also be sought. Some of these efforts may result in affirmative actions by the policy makers. This suggestion is subjected to the policy and views of NGOs.
- 22) Particularly for Swaziland, it is advisable to consider developing a mechanism to ensure that field staff receives uninterrupted management support. With the expected fulltime staff arrangement by field staff, SCC should ensure that the older SHGs receive all necessary support for their development, while continuing with the expansion program. On KNH's part, consideration should be made to have a person dedicated full-time to provide technical support needed for the promotion of the SHG approach, preferably working through the current arrangement where one person covers both Swaziland and South Africa.
- 23) For organizations faced with difficulties due to conflicting approaches which are affecting their SHGs, particularly for Sike, it is advisable for them to consider adopting the SHG as an approach, or at least its principles, and use it as a means to implement all their development projects. In this way there will be less conflict in principles because the organization would be implementing one approach but may address different needs. Where it is decided that other approaches should be phased out, caution should be exercised to maintain a systematic phase out. Seeking to learn from other organizations within the NGO networks that have undergone such processes would be of added value. Similar experiences should be

drawn to learn how to address issues of legality of SHG/CLAs for them to open bank accounts and even access micro credit.

## 16 Annex 1. Case studies

### A. Ethiopia FCE: Social Environment of the Community

**Case -1:** Almaz, a 50-year-old widow and her 3 children and Aregash, a 55-year old widow and her two children of Cheffee SHG are living together with two other families. (Almaz Getahun with her husband and three children and Muluwork, 20 years single girl) in a house of two rooms. They all cook in the same kitchen and jointly pay the rent of six Birr per month to Kebele. Almaz and Aregash have been living together since 13 years and the others have been living with them for six years. None of these families are relatives and all depend on firewood collecting, cleaning and selling of coffee waste, selling charcoal, etc for their living. They use the community toilet, pay 10 to 20 cents to buy 20 lts of water from rich houses and pay 5 Birr every month to a private person who has allowed them to take an electricity connection to their house.

**Case -2:** Elsa, a 12 year girl, daughter of Aynalem from Abren Endeg SHG, was studying in the 4<sup>th</sup> standard, but dropped out of school due to death of her father last year. Now she sells lemons in the market and earns two Birr per day. Aynalem's son Tekalign left school when he was in 7<sup>th</sup> standard and is now working as a conductor in a private vehicle. He is now 18 and earns around five Birr a day. Aynalem bakes and sells bread, which fetches her an earning of about three Birr a day.

### B. Ethiopia EHKC: Change in livelihood to SHG member family

Embet (45) from Feker SHG was displaced with her husband and 3 children during ethnic conflicts from the neighboring district in 1992. Unfortunately one child died in the shelter, where they lived for some years. The family survived on daily laborer work for many years. She joined the SHG due to her husband's encouragement. She continued with the group and saved 50c per week from her work as a maid. One day Embet went home with 50 birr loan from the group. In consultation with her husband, they agreed to start making and selling enjera and bread. She then borrowed for the second time after repaying the first loan. They again consulted each other and decided to start started sheep fattening. This according to her husband was a major shift which he expressed as, "From kneeling, we now started to stand". The third round of borrowing was used to buy a milking cow, which now has a calf and is expected to calve again within 2 months. The sixth borrowing which they are still repaying was used to buy 4 sheep. Embet now has 6 sheep; others were bought from profit. The family now has assets.

The first loan amounts taken by Embet were 50 birr twice, 150 twice, 200, and now 400 birr accordingly. Profits for the various businesses have been 100% on average.

She was proud to say "my children can now feed." The family is also able send children to school i.e. they paid 90 and 70 birr for two children this year. Embet has also enrolled in grade 2 of the extension class (formal school). Her main motivation to start was so that she can sign her signature at the bank.

The couple said they now believe that it is hard work that will change their family situation. They want to diversify and expand their business. Embet now has great hope for the future.

### C. Rwanda, AEE: Increased Social Security

Twivenenubukene SHG of Rubono community in Byumba Center, claims that all members used to drink and each one was spending a minimum of 200f to a maximum 800f per day on liqer. After joning SHG, they says, 16 members have left alcohol. "Saving is like a magnate, it pulls us from alcohol", they claim.

Dorathy, a women member of 25 year old, who lost 3 children out of six, says, when she was drunk, she never use to be careful about men, she used to fight with every one and was not taking care of her children . But now because of the desire to save to keep pace with others and awareness on HIV/AIDS, she reduced the intake, and confident that she comes out this vicious circle very soon. She says, she is careful with men now, sends all her children to school and along with other members, helps HIV/AIDS affected persons for digging land.

#### **D. Ethiopia EKHC: Social security for the displaced**

Yezeshewal (more than 55 years old), from Tamagn SHG fled her home area with her two children (one was an infant) about 13 years ago due to war in the east. Her husband was killed in the war. She got robbed of all her belongings when she arrived in Nazareth. She was forced to give her then 14 year old son to live in one family, working as a laborer so that he could at least have some food and she would only be left with the burden of the infant. She has since been living as a daily laborer, lonely and isolated. Yezeshewal, also has committed to take care of an 11 year old boy (relative) from the distant rural. The boy has serious eye problems (almost blind). She was encouraged to join the SHG by a contact person from one SHG. By then she didn't think she was worthy to participate in any such activities. She was overwhelmed by the acceptance she received when she finally agreed to join the group. She started to save. Convincing her to take a loan was another struggle. Then she borrowed 130 last year which she used to buy a sheep. The sheep has since multiplied to 6. She is keeping them for fattening to sell and start an ox fattening business. For Yezeshewal, the most appreciated benefit was the fact that now she belonged to a group that cared for her. She expressed these when she said "am better. My social bond is strong. I have a place to share my feelings".

#### **E. Ethiopia FCE: Change in Children's Life**

**Case: 1** Tadelech, a member of Hibret SHG dreams of retiring from her business and living in a comfortable house by another five years, as her son is doing teacher training course and there is all possibility of him becoming a teacher. After completion of 12<sup>th</sup> standard, he stopped his education, since he didn't score the required marks to get free education. Tadelech could not afford to pay for his education; he stayed at home for two years. After joining the SHG, Tadelech could invest more in her business (vegetable vending) and was able to earn more. As a result, her son joined a private teachers' training school last year. Tadelech is paying 100 Birr every month for his education. Her son says that in Ethiopia, there is scope for teachers and hence he is sure to get a job.

#### **F. Ethiopia EKHC: Change in the life of orphan**

Tigisti is an eleven year old orphan girl who was taken in by her aunt together with her 3 siblings when they lost both parents three years ago. She is in 5<sup>th</sup> grade. Her aunt sometimes shares what she learns from the SHG (e.g., the importance of saving). She also said that the life of the household had changed when her aunt took a loan and bought sheep for fattening and selling. She was happy that her aunt now has additional income. They have more frequent meals than when they depended only on the bean sorting income. Tigist was now very optimistic about her family's future. She would like to become a doctor when she grows up, so that she can take care of her siblings and her aunt