



Savings and Self Help Groups in Ethiopia:

A review of programming by five NGOs

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ACRONYMS

ACSI	Amhara Credit and Savings Institution
BCR	Benefit to Cost Ratio
ASE	Agri-Service
CBA	Cost Benefit Analysis
CBO	Community Based Organizations
CCMD	Church and Community Mobilization for Development
CLA	Cluster Level Association
COSAP	Consortium of Self Help Group Approach Promoters
CST	CAFOD/SCIAF/Trocaire
ECC-SADCO	Ethiopian Catholic Church Social and Development Commission
FEMA	Farmer's Economic and Marketing Association
FGC	Female Genital Cutting
FGD	Focus Group Discussion
FLA	Federal Level Association
GDP	Gross Domestic Product
GNI	Gross National Income
GRAD	Graduation with Resilience to Achieve Sustainable Development
HDI	Human Development Index
IDI	In-Depth Interview
IGA	Income Generating Activity
KNH	Kindernothilfe (German NGO)
M&E	Monitoring and Evaluation
MFI	Micro-Finance Initiative
NGO	Non-Governmental Organisation
PSNP	Productive Safety Net Programme
PSNP	Productive Safety Net Programme
RCT	Randomised Control Trials
SG	Savings Group
SHG	Self Help Group
SNNPR	Southern Nations Nationalities and Peoples' Region
SRH	Sexual and Reproductive Health
THP	Traditional Harmful Practices
TOT	Training of Trainers
VESA	Village Economic and Social Association
VSLA	Village Savings and Loans Association

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Executive Summary

Introduction

Savings Groups and Self Help Groups (SG/SHG) are an international phenomenon. Although their names, shapes and purposes vary regionally, SG/SHG in one form or another exist indigenously in almost every country. In recent years, SG/SHG have been transformed, primarily by INGOS (though also by for-profit banks and governments), into a core component of the micro-finance world. By bringing together groups of 15-30 people and accommodating very small scale savings and loans, SG/SHG have begun to help the unbanked bank themselves—demonstrating cost-benefit ratios as high as 1:400. This report focuses on SG/SHGs in Ethiopia, where the model has been rapidly taken to scale by the cooperative efforts of five key NGOs, as well as growing organically in some of the communities where these have been set up.

While SGs and SHGs in Ethiopia tend to use very similar modalities and accomplish the same goals, the five NGOs driving expansion have slightly different philosophical approaches to their work. Those preferring the label “savings group” (CARE and CST) view their work in more instrumental terms and provide members with services that facilitate market access. Those preferring the label “self-help group” (Tearfund, CoSAP and Oxfam) take a more rights-based approach and focus on empowering their members to solve their own problems. Both approaches tend to offer the same core package, including financial literacy education and leadership training, and both have been shown to be effective when well implemented.

This report aims to explore the differences between the two main types of SG/SHG in Ethiopia, looking at impacts on both individual beneficiaries as well as on households and communities. In particular, in order to contribute to more coordinated, efficient and effective programming, this research examines the potential for the different approaches to contribute to broader poverty reduction and women’s empowerment.

Methodology

This research began with a desk-based review of existing documentation and a stakeholder workshop—both of which aimed to explore the range of Ethiopian SG/SHG programming and establish a baseline for thinking about its strengths and weaknesses. Fieldwork, which took place in April of 2016 in five purposively chosen locations (four rural and one urban) in three different regions of Ethiopia (SNNPR, Oromia and Amhara), allowed for participatory discussions with a wide range of beneficiaries and key informants. In all, this research involved nearly 70 interviews about programming offered by CARE, Tearfund, CoSAP, Oxfam and CST.

It is worth noting the strengths and weakness of our methodology. On the one hand, the qualitative research benefited the findings by allowing us to see how programming plays out on the ground, rather than focusing on how manuals and top-level programmers believe it *ought* to be provided. It is also stronger for having included not only women beneficiaries, but also their husbands. On the other hand, due to time and cost restrictions, findings are largely impressionistic. Sites were chosen by NGOs, which meant that we tended to see the best rather than meeting groups that were not functioning as well. Furthermore, as became increasingly clear throughout the field work, there

were too many confounding factors for us to be able to attribute any sort of causality. Indeed, even notions about what constituted a “mature” or “recent” group was highly variable.

Findings

Our research found that the five NGOs working in Ethiopia begin with different assumptions and use different modes and methods of implementation. CARE and Oxfam, for example, appear to see SG/SHG as an efficient delivery mechanism for fostering change at the household level, and aim to link the group members with formal economic groupings, such as microfinance institutions and cooperatives, to support economic change. Tearfund and CoSAP are aimed at effecting broader social and political change and see that the relationships within the SHG/Cluster/Federation structure are able, in themselves, to bring about social empowerment and even political and institutional change. Nevertheless, all strive to economically empower participants, and often do so via more social empowerment. Additionally, only CST provides groups with any sort of productive inputs, only CARE has mixed-sex groups, Tearfund’s funding cycle is twice as long as those of its sister organizations (10 years, because it works through the development wing of different evangelical denominations/churches) and only Tearfund, CoSAP and Oxfam organise groups into larger regional and national clusters.

That said, our research found that from the ground most SG/SHGs looked broadly similar. For example,

- Groups run by all NGOs tend to be roughly the same size and to be relatively homogenous in terms of income level.
- Groups use similar targeting, working in similar geographical areas and aiming at the poor—often through the same local partners.
- Most groups focus on women—though all make an attempt to engage husbands in one way or another.
- All groups had external support from facilitators on a regular basis, similar leadership structures, and close relationships with the government—the latter being legally obligatory. However, groups establish their own by-laws and operating procedures.
- Groups meet regularly, in order to foster social capital, and have structured programming.
- Groups offer training that covers both financial literacy and broader development topics.
- Most groups offer social funds and some linkages with microfinance institutions and cooperatives.

Our research also found that regardless of approach, outcomes tended to be broadly similar—although more established groups tended to return larger benefits because of their greater store of financial and social capital. All types of groups are reaching the poor, developing social capital, fostering a savings culture and helping grow incomes. They also appear to be improving gender relations, although it is difficult to disentangle impacts from the broader and more structural shifts that have resulted from government policies around gender.

The successes of Ethiopian SG/SHG appear to hinge on a relatively small number of factors. Group cohesion, for example, emerges as very important. It does not, however, just happen—it requires active work on the part of NGOs to pull and keep groups together. Our research found that regular face-to-face meetings, which get women out of the house and help them develop friendships and a

shared sense of identity, promoted this cohesion—and that where NGOs provide economic inputs they need to be carefully managed in order to prevent them from becoming a wedge between members. Our research also found that social funds, which give members access to emergency resources—especially for health crises, support group cohesion because they position SG/SHG members to support one another in times of happiness and in times of sadness. They also protect members from predatory lenders and prevent asset depletion, crucial to the core objective of poverty reduction.

Social empowerment also emerged as key to success. Groups that had rotating leadership, for example, ensured that the most capable did not dominate, leaving space for the more marginalised to develop capacity to lead. Direct attention to gender equality also appears to return large benefits. We not only found husbands beginning to consult their wives and allow them access to decision-making, but also cascading impacts on children, who had better access to school supplies when their mothers were able to plan and save to purchase them. The training offered by SG/SHG also emerged as an important catalyst for empowerment and development. Whether groups offered health-related trainings on SRH or WASH, agricultural classes on climate change adaptation or livestock care, or livelihoods courses on beekeeping or stove-making, members who felt that they had learned something via participation were not only more committed to their group, but in many cases helped spread the SG/SHG throughout the community.

Our research also supports the notion of “critical mass”—especially as it relates to gender empowerment. When SG/SHGs are for women only, they open the space that promotes women’s voice. Furthermore, when they are organised into clusters and federations they can become a powerful advocacy tool for women’s and children’s rights and provide a counterweight to unequal gender relations and entitlements at a structural level. By helping women further their leadership and management skills, demonstrating women’s success to local communities, promoting sustainability by expanding options for income generation, and creating strong linkages with local government organisations such as the Women and Children’s Affairs Office and the judiciary, SG/SHGs can create coalitions of organised women for change.

Finally, we found that SG/SHG linkages to microfinance organisations appear relatively riskier and that households should not be pushed too fast towards large or overlapping loans lest they risk default.

Conclusions and Recommendations

Our research found that SG/SHG are largely working well in the Ethiopian context. While organizations may hold different philosophical approaches, and have aims that are relatively broader or narrower, the core package of SG/SHG programming appears to be roughly similar and is returning similarly, if not uniformly, positive results. Moving forward, we suggest that NGO partners focus on the following:

- **Focus on reaching the poorest**, especially those in remote rural areas. Our research indicates that they remain the hardest to reach. Special efforts should be made to reach PSNP recipients given that the development of a savings culture dovetails with graduation requirements.

- **Invest in groups for the long haul** given that this fosters economic and social empowerment for women. This will require helping groups develop—and follow—the procedures and by-laws that encourage stability, such as regular face-to-face meetings, leadership that rotates, circulating loans, etc., but will also require ongoing organisational support, especially where local capacity is limited.
- **Support social funds**—given that they simultaneously foster cohesion and discourage the dangerous financial decisions born of distress.
- **Develop broader micro-insurance** functions that build off the notion of iddirs but are targeted at other needs such as health care costs.
- **Prevent elite formation** and capture by ensuring that leadership roles rotate and that all members have opportunities to develop their capacities and skills.
- **Expand opportunities for trainings** and education, ensuring that topics are relevant and well taught. Efforts should also be aimed at ensuring that learning can be shared between groups.
- **Build organisational structures that link SG/SHG together** to grow capacity and strengthen reach. While this may be costly, our research suggests that the payoff could be significant.
- **Make M & E more meaningful.** Our research suggests that a focus on success has tended to drown out opportunities to learn from failure and that current M & E practices are often numeric amalgamations of delivered products.

Introduction

The focus of this report is on the Self Help Group and Savings Group (SG/SHG) Approach in Ethiopia by leading NGOs implemented through a set of local partner NGOs. The report explores the ways in which these groups have impacted on their beneficiaries and the potential of different approaches to contribute to household and broader community-level poverty reduction goals and to women's empowerment. Tearfund and CoSAP support the broader category of Self Help Groups (SHGs) which focus on the poor as responsible for their own development and on the strength of collective structures to deliver development. CST, Oxfam and CARE work more with savings groups (SGs) but Oxfam draws heavily on the SHG methodology for inspiration. There are significant differences between the two approaches, particularly in terms of the philosophies and world views that underlie them, however a key question is how differently these approaches are experienced by the group members and implementing NGOs 'on the ground' (the two approaches together are hereafter abbreviated to 'SG/SHG' unless we are distinguishing between the two). In investigating how the different methodologies are implemented, this study seeks to contribute to more coordinated, efficient and effective programming in Ethiopia that builds on evidence-based good practices to strengthen the impacts SG/SHG can have on beneficiaries and the communities in which they live.

Research objectives

The overall objective of this study is to document and develop a common understanding across key Government and Non-Government stakeholders, of the developmental process, impact and potential of SG/SHG approaches in Ethiopia. More specifically it aimed to:

1. Review the SG/SHG approaches of different NGOs to determine the similarities and differences of the approaches over time
2. Assess the outcomes of these varied SG/SHG approaches in terms of contributions to individual empowerment, intra-household relationships, group relations and support, and community dynamics
3. Determine promising practices and their underlying change pathways.
4. Review the experience of the MFIs that are providing financial support to SG/SHG and determine challenges and good practices and the impact this has on the groups.
5. Create a tool for dialogue for those working in this space which can serve as an entry point to find more common ground and possible entry points for coordination and collaboration.¹

¹ Although not a direct objective of this research, it is anticipated that the study will also contribute to the ongoing project of working with the Government of Ethiopia (GoE) to clarify or establish the legal framework for the SHG/SG approach. Work previously commissioned by Tearfund and CoSAP to assess the existing legal framework with respect to the SHG/SG approach concludes that there are no perfectly fitting legal frameworks in the country that can accommodate the features, roles and functions of the institutions being generated through this programming (SGs/ CLA/ Federations). The NGOs are therefore keen to devise a strategy for looking at a new or an accommodative legal framework that can recognize SGs in Ethiopia.

Structure of report

The report firstly provides a brief overview of the literature on SG/SHG globally and the critical areas that arise in discussions of savings and self-help groups in order to situate our Ethiopian findings before a brief overview of the history of savings and self-help groups in Ethiopia and an overview of the INGOs who commissioned this study and their respective SG/SHG activities. We then describe the research methodology, including caveats relevant to some of the findings given the methodology employed. The main body of the report presents the research findings with a focus on targeting, outcomes, strengths, weaknesses, similarities and differences at the individual level (economic and social), intra-household (focusing on gender roles and dynamics and outcomes for children), at group, cluster, federation and community level in terms of activism and change, and at the organisational level in terms of NGO linkages with government and other agencies, as well as issues of sustainability. Various weaknesses or unanswered questions arise throughout the discussion of the different levels of impact and these are then reviewed before turning to the conclusion and recommendations and implications for practice.

1. Savings and self-help groups: overview of the international and Ethiopian contexts

1.1 Savings Groups and Self Help Groups: An International Phenomenon

SG/SHGs are an international phenomenon. Although their names, shapes and purposes vary regionally, SG/SHG in one form or another exist indigenously in almost every country. Sometimes they help members save for idiosyncratic shocks, such as illness. Other times they help facilitate saving for medium-term events, such as school fees or new assets, or enable longer-term saving, such as for funerals. Over the last several decades, savings groups and self-help groups (SG/SHG) have been formalised and taken to scale around the world, with INGOs—and even formal financial institutions—now offering a variety of products and services in what was previously a self-serve market. Groups in India alone have 50 million clients.

While there are a several basic types of indigenous savings groups², the one most directly applicable to this research is known as ‘Accumulative Savings and Credit Associations’ (ASCRA). ASCRAs operate more or less like small banks or credit unions. Members make regular ‘deposits’, which vary in size according to their financial capacity. Deposits are then left to accumulate, with interest, in order help members pay for expected expenses such as school fees (Bouman, 1994). Funds are also available for short-term loans, albeit with significantly higher interest rates than are applied to deposits, with emergencies such as illness typically given priority when allocating loan funds (Anggraeni, 2009; Bouman, 1994; Thieme, 2003). ASCRAs typically require both security and record keeping, as their membership rolls can reach into the hundreds and their cash on hand can be significant (FAO, 2002).

Recognising that indigenous savings groups such as ASCRAs rarely reach the poorest, who typically cannot afford to contribute on a regular basis, in recent years INGOs have transformed SGs and SHGs into a core component of the micro-finance world and aimed them squarely at poverty reduction. The INGO-supported SG/SHG approach improves on the ASCRA methodology—and the formal financial sector—in several ways. For example, groups tend to be small and composed of members who know one another, which helps foster trust. They also tend to be relatively homogenous in terms of wealth, so as to better accommodate the smaller savings targets accessible to the poor. Tearfund’s groups, for example, start with a savings target of approximately £0.02/week (Tsegay et al., 2013). The loan, interest, fine and fee system means that in addition to profiting from low interest loans, the shared internal savings fund grows. Some INGO-supported SG/SHGs (SILCs and VESAs for example) return this internal fund regularly (e.g. annually) to members, who may keep it or reinvest it as they choose; others do not. Most groups also have some variation on a social fund that can be used for small loans during emergencies.

The broader literature largely fails to distinguish between the Savings Group approach and the Self-Help Group approach-- in part because that literature tends to focus on saving as central to group purpose, ignoring more the more philosophical underpinnings of programming, and in part because as INGOs have taken various approaches into new markets around the world they have heavily

² Including Rotating Savings and Credit Associations and Burial Societies.

borrowed from one another, meaning that over time they have tended to look more and more similar in terms of actual operation. That said, the Self-Help approach more heavily emphasises relationships within and between groups and sees empowering members to change their own lives as more central to core objectives than does the Saving Group approach. Tearfund, for example, modelled its Ethiopian SHGs on MYRADA's Indian "Self Help Affinity Groups". Those groups, which launched in the mid-1980's as Self Help Groups, were indeed deliberately renamed in the early 2000s—when MYRADA discovered that SHGs were being formed without any sort of capacity support—"in order to stress the 'affinity' which binds the members together" (Fernandez, 2008, p.220).

1.2 Including the poorest

As INGOs have taken various models to scale across the developing world, great attention has been paid to how to make groups more inclusive. As SEEP's (2015) guidelines suggest (see below), fostering that inclusivity requires careful planning. Geographical targeting, for example, is one way to help make savings groups available to the very poor. Participatory research, aimed at identifying the particular constraints facing the poorest in a given community, can also help with programme design (Jahns-Harms and Wilson, 2015; Deininger and Liu, 2013). For instance, in India, the Indhira Kranthi Patham programme provides rice on credit to the poorest households—and offers a "community investment fund" to jumpstart lending in the savings groups with the poorest members (ibid.). Evidence also suggests that setting low savings targets, addressing poverty-driven psycho-social constraints, and practicing vertical integration—to help overcome members' limitations regarding literacy and numeracy—can help make groups more inclusive (Jahns-Harms and Wilson, 2015; Lonborg and Rasmussen, 2014; DAG, 2014; Deininger and Liu, 2013; Poverty Outreach, 2011). Group homogeneity is usually considered critical to success, meaning that the very poor should be clustered into their own savings groups and not be dominated by the wealthier; this also embraces a much broader purpose of empowering the poorest rather than just changing economic status. Other research, probably a minority voice, has suggested value in heterogeneity—namely that the less poor can serve as good role models and group leaders (Edwards, 2010; Mayoux, 2000).

1.3 Value for money and common modalities

Whatever the motivation of the promoting agencies, scale-up has been particularly rapid over the last decade, as the risks of micro-credit and/or the transformative power of relationships through group formation to the poorest have become increasingly evident and the cost-benefit ratio of micro-savings has been measured—and found to be as high as between 56:1 and 400:1 (Tearfund, 2016; MicroCredit Summit Campaign, 2014; Tsegay et al., 2013). While these new SG/SHG, like their indigenous forebears, have a wide variety of names, largely in this case depending on with which INGO they are associated and where in the world they are located, programme modalities have certain commonalities beyond group formation and the promotion of savings led microfinance. Many, for example, are aimed at women and most combine their financial goals with other sorts of programming, such as the economic empowerment, transformation of relationships within the group and with the community, improved gender relations or sexual and reproductive health education (Deininger and Liu, 2013; Datu Research, 2013; Jahns-Harms and Wilson, 2015; Sinha et al., 2012).

That said, however, SG/SHG implementation in Asia (including East Asia) and Africa does vary—largely because the history of NGO involvement is much longer in Asia. This has led to not only

greater penetration in Asia, with 50 million clients in India alone (William Davidson Institute, 2016), but also higher levels of institutionalisation (Biscayne et al., 2014). SG/SHG are, for example, explicitly linked to the Indian National Bank of Agriculture and Rural Development because the government sees them as a central part of “efforts to mitigate poverty and promote rural livelihoods” (Biscayne et al. 2014: 13). In Africa, on the other hand, there are fewer legal frameworks linking SG/SHG to financial institutions—and efforts to do so have resulted in mixed results (Biscayne et al., 2014; MasterCard Foundation, 2014). Furthermore, whereas Asian implementation has tended to emphasise peer education and group development, and often directly address gender empowerment, it is generally understood that African implementation has centred more around helping women generate income (ibid.). However, the work of Tearfund, CST and CoSAP suggests that in the Ethiopian context at least, the focus has been as much on the relational and transformational potential of group formation.

1.4 “Best Practices”

As Savings Groups have become a core INGO micro-finance intervention, they have attracted attention from an increasing number of researchers. Research has addressed, for example, the characteristics of the most successful groups, how to reach the very poor, how to foster synergies between financial and women’s empowerment programming and ways of ensuring sustainability. Evidence suggests that while intervention models have much in common, contextualisation and planning are key.

A central observation of some researchers is that not all communities are likely to benefit from savings group interventions. Where there are already strong indigenous groups, or where there is only limited access to cash, interventions are unlikely to enjoy success (Edwards, 2010; FAO, 2002). Other researchers have focused on how group trust can be fostered by both member homogeneity and a clear understanding of group benefits and rules (Edwards, 2010; Gaiha and Nandhi, 2007; FAO, 2002), the necessity of taking into account members’ seasonal need rather than NGO budget cycles when planning for disbursement (Jahns-Harms and Wilson, 2015), and the importance of keeping add-on programming simple and relevant to members’ lives (USAID, 2013; Rippey and Fowler, 2011; Rao, nd).

There are a range of approaches within the SG/SHG practice. Some NGOs (such as Catholic Relief Services) which might best be characterised as delivering SGs are convinced that a market based approach is key to group success so they have deliberate replication through paid facilitators rather than organic replication, even when those facilitators require salaries (Gash and Odell, 2013; Greaney et al, 2013). Others are convinced that organic replication especially by cluster and federation structures results in much more resilient groupings with a wider influence.

There also exists a wide body of research examining how gender equality interacts with savings group interventions—and how interventions can leverage those interactions to maximise both impacts on poverty and gender equality. Evidence suggests, for example, that groups that foster the strongest social ties, which tend to help women recognise their gendered interests, have the largest outcomes—regardless of whether groups are newly formed or whether empowerment programming is retrofitted onto existing groups (Deininger and Liu, 2013). It also suggests that women’s gains are larger where their gatekeepers are targeted with information (Edwards, 2010)

and where group rules require women to use money for their own ends, rather than turn it over to their husbands (Garikipati, 2012). Although care needs to be taken to ensure that savings groups do not become yet another thing for which women become primarily responsible (Jahns-Harms and Wilson, 2015; Gaiha and Nandhi, 2007), fostering ties between women's savings groups and community leadership structures also maximises synergies (Tesoriero, 2005). In Mali, for example, some savings groups worked with village leaders to ensure that children were issued birth certificates and water pumps were installed (Edwards, 2010).

Drawing on this international learning, and with the input of over 70 organizations involved with savings groups in developing countries, the SEEP Network (2015) established a set of guidelines intended to help agencies design and implement quality savings group interventions. Simplified, these guidelines (see Figure 1) suggest that organisations :

- 1) Design the programme with clear objectives that are responsive to member interests, balancing quality and scale, and that align stakeholders in order to avoid gaps and overlaps.
- 2) Know the target populations and plan to reach them, planning ahead to reach the most vulnerable.
- 3) Select, train, manage and monitor group trainers in a way which simultaneously maximises their contribution to group success—and recognises it.
- 4) Promote a tested savings group model and help group members understand and respect its procedures.
- 5) When pairing savings groups with other interventions plan carefully and respect the autonomy of the group—clearly communicating goals and maximising synergies.
- 6) When facilitating links between a savings group and a financial provider, ensure that the interests of the group come first and that members have enough information to make their own good choices.
- 7) Monitor and evaluate outcomes to ensure programme quality, taking care to respect members' data.
- 8) Plan an exit strategy that allows for sustainability and expansion.

Figure 1: SEEP's Savings Group Guidelines

PROGRAM QUALITY GUIDELINES FOR SAVINGS GROUPS		KEY ELEMENTS							
PHASE	PRINCIPLE	Common understanding of program objectives	Realistic benchmarks for both quality and scale	National level coordination	Group procedures that reflect the needs of vulnerable populations	Alignment of trainer incentives with the objective of inclusion	Clear trainer monitoring criteria and responsive feedback	Caution with anyone who views the SG principally as a market for products and services	
DESIGN	① Design the program with clear outreach and quality objectives that are responsive to member interests and align all stakeholders with the desired outcomes.	Identification and measurement of intended participants	Program processes that reach the intended population	Messages that are inclusive of vulnerable populations	Group procedures that reflect the needs of vulnerable populations	Alignment of trainer incentives with the objective of inclusion	Clear trainer monitoring criteria and responsive feedback	Caution with the allocation of group funds for any purpose outside of savings and lending	
	② Know the populations you intend to serve, including the most vulnerable, and take deliberate actions to reach them.	Careful selection of trainers	Tested and effective training methods	Streamlined training structures	Appropriate incentives for trainer performance	Clear trainer monitoring criteria and responsive feedback	Clear trainer monitoring criteria and responsive feedback	Caution with the allocation of group funds for any purpose outside of savings and lending	
IMPLEMENTATION	③ Select, train, manage, and monitor trainers in a manner that recognizes their essential contribution to the program.	Commitment to the group constitution	Caution with tempting shortcuts	Attention to the security of group funds	Respect for both borrowers and savers	Respect for both borrowers and savers	Respect for both borrowers and savers	Caution with the allocation of group funds for any purpose outside of savings and lending	
	④ Promote a tested Savings Group model, and instill in members an understanding and respect for that model's procedures.	Transparent communication of expectations	Respect for the procedures and structure of the SG	Demand-driven quality products and services	Safety of additional services and activities	Safety of additional services and activities	Safety of additional services and activities	Caution with the allocation of group funds for any purpose outside of savings and lending	
	⑤ If choosing to combine a Savings Group with other activities, plan carefully and respect the autonomy of the group.	Education of all parties involved in the financial relationship	Careful assessment of the financial service provider	Care for the interests of the group	Understanding of the implications of mobile banking	Understanding of the implications of mobile banking	Understanding of the implications of mobile banking	Caution with the allocation of group funds for any purpose outside of savings and lending	
	⑥ If choosing to promote a relationship with a financial service provider, empower SG members to make good choices based on their interests and demands.	Varied methods for assessment	Respect for data ownership and security	Monitoring of post-project outcomes	Carefully designed oversight structures	Carefully designed oversight structures	Carefully designed oversight structures	Caution with the allocation of group funds for any purpose outside of savings and lending	
MONITORING	⑦ Consistently monitor and evaluate program performance using responsible data collection, management and dissemination practices.	Clearly planned and communicated exit strategies	Culturally appropriate post-project contracts	Responsive redress mechanisms	Responsive redress mechanisms	Responsive redress mechanisms	Responsive redress mechanisms		
EXIT	⑧ Put in place a clear exit strategy that leaves behind post-program structures for sustainability, expansion of services, and ongoing support.								

1.5 Overview of NGO SHG/SG activities in Ethiopia

SG or SHG?

As noted above, the five NGOs and their partners in Ethiopia base their work in different objectives whilst using similar modalities for much of their work. The box below (Box 1), for example, highlights how CARE and CoSAP differ in philosophical approach. The critical differences seem to lie in the interpretation of the group's developmental function: SGs view the groups more instrumentally whilst the SHGs take a more rights based approach. However, both approaches benefit from the relationships formed and social capital generated within groups and the (slightly) more instrumental approach under the SG also focuses on gender relations, deeply embedded in rights based thinking. Although the findings of this report will suggest that the NGOs work has similar and positive impact in key areas, the NGOs themselves have preferences to whether they are considered Savings Groups or Self Help Groups. We will therefore refer to the groups formed by CARE and CST as Savings Groups (SG) and those formed by Tearfund and CoSAP as Self Help Groups (SHG). Oxfam lies somewhere between but since it aims to form clusters and federations, is considered an SHG in this report.

Box 1 The Difference between Savings Groups and Self Help Groups

Savings Groups

CARE/ASE: The VESA model

A Village Economic and Social Association (VESA) is a group with members from 15-25 households, brought together by GRAD as a foundation for all economic and social activities supported by the project. The members of a VESA are self-selected groups of neighbours and peers and include both men and women (often the husband and wife from a single household). Organizing PSNP households into VESAs is a cost-effective way of delivering diverse services and technical support to large numbers of households in a manner far more efficient than working with individual households. In GRAD, VESA serve as an entry point for: financial literacy and business skill trainings, exposure to agricultural technologies and information, linkages to microfinance and input/output markets, and other livelihoods interventions. Development agents, model farmers, and private sector actors can interface directly with the VESAs and reach a large and receptive audience. In addition, VESAs build social cohesion and capital and are a safe and fertile environment for training/discussion on social and cultural norms that may impede development and contribute to food insecurity (e.g. gender inequality, infant feeding practices, etc.).

(P2 Grad Learning Brief 3, 2014)

The Self Help Group approach

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

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

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

Kindernothilfe SHG Approach Manual p4-14 www.selfhelpgroup.org

Results from existing evaluation evidence

Four of the five NGOs have undertaken evaluations which have largely been positive. Tearfund, for example, which has now been implementing SHGs in Ethiopia for nearly a decade and half and reaches well over a million people, found that its groups are reaching the poorest and have improved household income, assets, nutrition and health, increased children’s school attendance—with some even able to transition to secondary school—and decreased their mortality rate, and freed members from predatory money lenders (Sahyoun, 2016; Tsegay et al., 2013; Horn et al., 2011). It also found, even in the region where it chose to implement mixed-sex groups in order foster community buy-in (Sidma), that SHGs have helped women gain self-confidence, knowledge and skills that are translating into improved access to decision-making, although the evaluation recommended that in order to maximise future benefits groups should focus on women-only in locations where buy-in has already been achieved (Sahyoun, 2016). Similarly, CARE found that the GRAD programme increased economic opportunities for beneficiaries, widened the range of financial products on offer, upgraded extension services and empowered women, improved the nutritional status of infants, children and women of reproductive age, fostered climate change adaption and increased PSNP graduation (GPS, 2015). Likewise, Oxfam found that 90% of its SHG members have started some sort of business from which they are reaping economic benefits-- with women showing the largest growth in IGAs (especially bee keeping) and that SHGs are considered a 'source of solidarity' (Oxfam GB, 2014). CoSAP’s evaluation also found positive impacts, with SHG members mobilising savings and opening, expanding and scaling up profitable IGAs which have increased economic and human capital.

The five NGOs whose work is the focus of this study are listed in the table below along with the name of the project or sub-project that the researchers visited and the implementing partner. The different NGOs will be referred to by the name of the implementing partner (so, for, CARE's GRAD programme the partner was Agriservice, so we refer to CARE/ASE). Some confusion could arise with Facilitator for Change (FC) which was the implementer for both Oxfam and CoSAP's Kindernothilfe so they are distinguished as Oxfam FC and CoSAP FC.

Table 1 The NGOs, their projects and implementing partners

NGO	CARE	Tearfund	Oxfam	CAFOD/SCIAF/ Trocaire working together as CST	CoSAP
Project or sub project name	Graduation with Resilience to Achieve Sustainable Development (GRAD)	Nazareth Community Development Programme	Women in the Honey Value Chain	Livelihood enhancement of resource-poor women, smallholder farmers and land less youth/adolescent girls in Wuchale Woreda	SHG programme
Implementing partners	ASEthiopia; with Netherlands' Development Organization (SNV)	Ethiopian Kale Heywet Church (EKHC)	Facilitator for Change (FC)	HUNDEE;	Facilitator for Change (FC)

Durati on	Dec 2011 -Dec 2016	June 2002 - ongoing	July 2012-August 2017	October 2013-2018	2002 ongoing
Goal	Economic empowerment: to graduate chronically food insecure HHs from Productive Safety Net (PSNP) support and increase each HH's income by \$365 per year.	Tackling economic empowerment + social norm change: both social and economic empowerment of poor and vulnerable communities to move them out of poverty.	Social change for economic empowerment: to empower female headed households to join formal groups as cooperatives and gain from increased economic benefits.	Economic empowerment: to increase the resilience of o increase the resilience of poor Men and Women headed Households by diversifying and increasing incomes poor communities and to enable them to move out of poverty (sustainably).	Economic empowerment of women organized in SHGs, their Social empowerment and Institutional/political empowerment

2. Methodology

2.1 Desk-based component

A desk-based review was undertaken to analyse the existing programme documentation, including evaluations and assessments from all the participating organisations (Tearfund, CARE, Oxfam, CAFOD/SCIAF/Trócaire (CST) and CoSAP). The aim was to map NGO programme design, and secondary evidence relating to outcomes and impacts to inform the overall report. The desk review included documentation provided by participating NGOs and relevant grey and published literature relating to other organisations in Ethiopia, sub-Saharan African, South Asia and South East Asia working on SHG/SHG/SG, including government-supported initiatives. Also importantly, the desk review analyses some background literature on Micro Finance Organisations (MFIs) in Ethiopia to understand their mechanisms of engagement with SHG/SG.

2.2 Stakeholder workshop

Prior to the start of fieldwork, the ODI team organized a workshop with key stakeholders in Addis Ababa to discuss the information on the matrix and to identify what different organizations consider to be the strengths and weaknesses of their approaches. The aim of this workshop was to foster discussions about the different intervention methodologies to inform the analysis and provide more background information for the fieldwork. It was also important to elicit comments from participants regarding the research approach. Representatives from all participating agencies attended the workshop.

2.3 Fieldwork

As the fieldwork could not cover all interventions and all localities, the sampling of localities aimed to be purposive, to capture specific features which are representative of the different programme characteristics or to capture data from unique and successful models. The fieldwork in each locality drew on qualitative and participatory methods, with interactions with focus groups with discussions facilitated through culturally appropriate participatory assessment tools. Fieldwork took place 11-26 April 2016 (including travel time between localities) the team visited 5 localities, allowing approximately 2.5 days per site to conduct meaningful, participatory discussions with beneficiaries. The sites selected included 4 rural localities and 1 urban locality in 3 different regions of Ethiopia (SNNPR, Oromia, Amhara), to get a sense of different contextual factors that might be contributing to the intervention's performance. The NGOs concerned selected the partners to be visited, who in turn selected groups, and the ODI team discussed the various locations and the sequencing of the fieldwork during the planning phase. The NGOs took responsibility for organising the fieldwork (including the selection of the partner NGO, the *woredas/kebeles*, SG/SHGs, the beneficiaries to participate and the identification of, and appointments with, other key informants) for the research process.

Table 2 Summary of sites visited

NGO/Partner	Agriservice (ASE)/ CARE	NAZARETH/ Tearfund	Facilitators for Change/KNH (CoSAP)	Facilitators for Change/Oxfam	Hundee/CST
Site/Region	Meskane Woreda / SNNPR	Adama Town/ Oromia	Bure Womberma Woreda/ Amhara	Dangila Woreda/ Amhara	Wuchale Woreda/ Oromia
Geographical characteristics	High productivity/ drought affected areas	Urban	High productivity	High productivity	Medium productivity
Entry point	PSNP graduates and PSNP recipients	Poor households originally receiving church aid; Nazareth Coalition outreach	Established cooperatives for men with matched funding	Kabele leadership, PRA selection, door to door	Community meetings with Kabele and religious leaders
NGO economic activity	Livestock cooperatives; livestock fattening, links with MFIs, support for private agro-dealers, irrigated vegetable production	None, groups are self sufficient	Making fuel efficient stoves Pre-schools fattening sheep and goat rearing, nursery sites, bread making, petty trade in local market, crop production, local beverage and food making.	Beekeeping training and subsidised equipment	SHG/SG Loans from NGO to groups to buy cattle in turn; female calves passed on to other members
Cluster/ Federation	No	Yes	Yes	No	No
MFI partner	OMO Meklit MFI	Metamamen, Tesfa	Harbu,		

While the majority of group discussions were held with beneficiary women, where programmes reach both men and women, such as with CST/Hundee and CARE/ASE there was at least one group discussion with men to explore the perceived differences and benefits of group membership and activities. Where the SHG/SGs were women only, group discussions were held with husbands of the beneficiaries (who were also organised into productive cooperatives in the case of CoSAP). Where possible (although opportunities were limited), the research team explored the impact that gender composition of groups has on process and outcomes, focusing particularly on power dynamics and roles in the groups. In addition to the group, cluster and federation level discussions, the team conducted a number of interviews with key informants (implementing NGO staff, community level facilitators, Kebele leaders, government authorities, MFI and SACCO staff) to complement information from beneficiaries. With more time, the researchers would also have undertaken more individual interviews as these proved rich and often provided more nuanced information than the group interviews. The interviews are listed in the matrix below (Table 53).

Table 3 Interviews conducted

Interview categories/NGOs	CARE/ASE	NAZARETH	FC/	FC/	CST/	Tot
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		NGO	CoSAP	OXFAM	HUNDEE	al
<i>Focus Group Discussions</i>						
Women SHG/SG	4	2	3	3	4	16
SHG/SG Men	2	0	1	1		4
Cluster/Federation	0	2	1	0	2	5
<i>In depth interviews</i>						
SHG/SG Members Women	2	2	1	1	2	8
Husbands	2	1	1	1	1	6
NGO Staff	1	1	2	1	1	6
NGO Facilitators	0		1	2	4	7
MFI/SACCO Staff	2		1	1	1	5
Government Officers	2	1	2	2	3	10
total	14	9	13	12	18	67

Interviews were recorded and detailed notes taken by the team during interviews and FGD. For the most part, the team members worked in pairs to allow for joint input into and verification of notes. There were regular daily debriefings between the team members to systematise findings to ensure a robust analysis as well as a final debrief.

2.4 Scope of research and limitations

Overall, there are considerable challenges to the type of investigation that the NGOs wished given the difficulty in controlling for the variations in site, individuals, wealth status and other key factors. The strength of a qualitative study such as the one conducted here is that it provides information in depth about complex phenomena and allows for a degree of cross-case comparisons and analysis enriched by the personal experiences of those who are supposed to experience change or facilitate change as a result of the project³. Qualitative research can bring out perspectives from the various local contexts found here and investigate how these perspectives or experiences have changed over time. This allows insights into how a project works on the ground rather infer from the theory of change and implementation models of programmes.

An obstacle to forming a rounded picture of the work of each NGO was the fact that, for the most part, the researchers were taken to see successful examples of the NGO's work. This made sense from the perspective of comparing like with like but also means that nearly every group encountered had done well over the indicators investigated. There were a few exceptions, for example, with two CARE/ASE groups where, keen to see how groups might cope better with covariate shocks and stresses, the team asked to meet a drought affected group and in this process encountered stories of failure and challenges with the economic linkages model of the programme. One of the CoSAP groups and one Oxfam group also seemed more 'average'. What comparing successful groups

³ This discussion draws on the summary in found at https://www.southalabama.edu/coe/bset/johnson/oh_master/Ch14/Tab14-02.pdf

means for qualitative research though is that the research can never understand the whole range of group experiences: weak, medium, strong and failed groups. This limits the findings of this report.

The TORs had specified that this would be a longitudinal study but not conventionally (in that the research would revisit similar groups over a several years span) but one aiming to assess change through comparing longer established and more recently established groups. The intention was to compare mature and recently established SGs/SHGs within the same agency to try to see what worked well over time amongst their different methodologies, what they had in common and to learn from each other.

2.5 Lax Longitudinality

Although NGO partners were requested by their funding agencies to ensure that longer established and more recently established groups were visited for each NGO, this was hard to realise. Maturity was not defined in the early stages, rather, each NGO decided for itself what counted as 'mature' or 'recent' and some programmes had been running longer than others. This left some uncertainty regarding 'mature', was this a 3 or 4 or 5 year old group? If 5 years is taken as a cut off, we have 7 groups that are mature and 9 recent. If 4 years, then 9 are mature, 7 recent; with 3 years as the cut off, then 11 groups are mature and only 5 are recent. To further complicate matters, the mature groups and recent groups are not evenly distributed between the NGOs as the table below illustrates.

Table 4 Duration of group formation

Name of NGO	Name of group	Age of group (years)
Care/ASE	Tatek, Lemlem & Bilew	3
Care/ASE	Tatek, Lemlem & Dedub Fire	3
Care/ASE	SHG mixed group	4.5
Care/ASE	Piazza, Enelma and Lemlem	2
FC (COSAP)	Lemlem	7
FC (COSAP)	Birhan	5
FC (COSAP)	Addisalem (New World)	7
NAZARETH	Yahiwe Nise	14
NAZARETH	Yeras' Fikir	1.5
OXFAM/FC	Serten Enedeg	4
OXFAM/FC	Addisalem II	2
OXFAM/FC	Enamrit	1
Hundee	Bontu	5
Hundee	Bati	2
Hundee	Gebisa	6
HUNDEE	Geregitu	5

The difficulty in separating mature and recent SG/SHGs means that not much emerged from the comparison of groups in the 'longitudinal' way envisaged by the NGOs beyond seeing more mature groups as better established in terms of social relations and often also in terms of the scale and profitability of loans.

If we cannot trace evolution over time within the groups established by the same NGO, this leaves comparison between NGOs. The NGOs certainly have a great deal in common in the way that they deliver these programmes as the table below (Table 5) makes clear.

Table 5 Comparison of activities of NGOs working with SG/SHGs

Activities	CARE/ ASE	Tearfund/ Nazareth	CoSAP/ FC	Oxfam/ FC	CST/ Hundee
Savings	•	•	•	•	•
Loans	•	•	•	•	•
Training (savings, gender, health, nutrition, IGAs, CCA, etc)	•	•	•	•	•
Rotational leadership	•	•	•	•	•
Social fund/donation	•	•	•	•	•
Annual fund share-out	•		•	•	•
Cluster and Coalition organisations		•	•	?	•
Women only groups		•	•	•	•
MFI linkages	•	•	•	•	•
Cooperative linkage	•			•	•
No material support	•	•	•	•	
Facilitators paid by NGO	•	•	•	•	•
Active engagement with husbands or men's groups	•	•	?	•	?

3. How do the different NGOS deliver on their objectives?

3.1 Modes and methods of implementation

The basic core of group formation for savings and loans, training and facilitation lies at the heart of the approaches of the five NGOs and their local partners but beyond this basic core lie a range of the implementation models, underlying assumptions and the methods of implementation. These are summarised, much in the NGOs' own words, in the table below.

Table 6 NGO Implementation: modes, assumptions and methods

NGO	Modes of implementation	Assumption	Methods of implementation
CARE	<p>Economic empowerment: increasing access to financial services and extension services (through financial training, business skill training, info about agriculture technologies, linkages to microfinance and input/output markets)</p> <p>Behavioural change: Improve community resilience by a) increasing information (e.g. on social norms), inputs and services available b) by improving the nutritional status of children, infants and reproductive age women c) climate change adaptation d) promoting aspirations for graduation among targeted PSNP HHs.</p>	<p>1) Improved access to financial services or diversification of income gaining activities (economic empowerment) will empower poor HHs (for development).</p> <p>2) To gain economic empowerment both formal and informal financial services are required</p> <p>3) To ensure sustainable growth development initiatives need to simultaneously increase nutrition intake of vulnerable women and children and adapt to climate change.</p>	<p>SGs: A) VESA groups (Village Economic and Saving Associations): pool savings and provide small loans. VESAs are involved in either or both:</p> <p>1) income generating activities (IGA) (with no access to loans of formal financial services)</p> <p>2) value chain activities (VCs) (provision of financial support through MFIs -HHs with debthistories are excluded)</p> <p>B) FEMAs (Farmers Economic and Marketing Associations) (cooperatives - sharing profit out of produce).</p>
Tear-fund	<p>Behavioural change by developing relational development and development of critical thinking, ensure personal and social development</p> <p>Economic empowerment: Using own saving, and through business training and linkage with financial sources, ensure viable livelihood means</p> <p>Political empowerment: Developing critical thinking, learning and conversations to increase SHG members' involvement in decision making at household & community levels, and influencing of policy and practices.</p>	<p>Economic diversification of women's income gaining activities and access to formal markets (economic empowerment) will increase resilience.</p>	<p>Mix of SHGs/SG: A) SGs: financial capacity building training, pooled funds for a mix of purposes as defined by members, overtime predominantly business loans B) SHGs: platforms for discussions about social issues. C) CLA Cluster level organisations from 8-12 groups D) FLA Federation from 6-8 clusters for advocacy, representation and linkage Selection: two models: 1) community based - community development model (SHGs developed through a project office) 2) Church model.</p>

NGO	Modes of implementation	Assumption	Methods of implementation
Oxfam	Behavioural change: through SGHs women are provided support to help overcome gendered barriers that stop them from participating in formal groups. The approach is also used to accelerate the social and economic empowerment of women by triggering a sense of ability and capability to increase participation and decision making power.	Economic diversification of women's income gaining activities and access to formal markets (economic empowerment) will increase resilience.	SHGs Community level functional adult literacy training, financial and management training, saving schemes for livelihoods and market diversification. <i>Regional level</i> advocating for inclusion of women in formal membership and by creating rules and regulations that support female membership.
CST	Economic empowerment: to diversify and increase incomes, to create sustainable access to water and natural resources, increase the production and productivity of beneficiaries.	Economic diversification of women's income gaining activities and access to formal markets (economic empowerment) will increase gender equality .	SG is informal. Numbers: SG is small (15 to 20 members), generally homogeneous and members are bound by affinity.
COSAP	SHGs1) Economic empowerment: develop saving culture, create greater access to financial resources, reduce vulnerability to crises ,improve livelihood skills, create access to and control of income earned, ensure financial self-reliance, create access to business opportunities 2) Social empowerment: develop assertiveness, build confidence to think independently and analyze problems, promote equal status and active participation, improve power of decision making at household level, enhance recognition and social respect within and outside the family, improve communication and leadership skills, create belongingness and identity. 3) Institutional/political empowerment: develop SHG members' assertiveness to speak in front of local authorities obtain services and resources from government, strengthen the basic principles of good governance by enhancing people's participation, involve Federations to take on a critical role in the socioeconomic and institutional development of their regions and lobby for policy development.	When disadvantaged women are brought together as homogeneous groups and facilitated to unleash their potential and strategize for their future, they become a strong engine of development.	SHGs are grassroots groups. Cluster Level Association (CLA) - a representative body made of 8 or more active and strong CLAs. Federation Level Association: 8 or more strong CLAs come together to form the apex structure; the Federation.

3.2 Targeting- target groups and how they are identified

The agencies all aim to reach the poorest and have a range of different targeting mechanisms in order to do so when forming of SG/SHG which are listed below. It is worth noting that most of the Kebele leaders valued their role in suggesting and selecting an initial group of potential members for the NGOs to meet.

FC formed the group. They first called us for a meeting and then told us to identify our economic status and draw a community map. They gave us seeds which they used to identify our economic status. The first group (one seed) is of rich women; one who have two oxen, a cart and steel roofed house. The second group (two seed) consisted of women with one ox and steel roofed house. The third group (three seed) was for female headed households who have some land and have something to live in.

Oxfam/FC

- ASE is working with PSNP recipients who are extremely poor and graduates of the PSNP (still poor). This is therefore a combination of poverty and geographical targeting and builds on government systems.
- Nazareth uses a rigorous participatory wealth ranking process, the poorest are selected by a community selected jury and sanctioned by the whole community⁴ and will work with other wealth groups, once the poor are sufficiently covered; and the cluster formations will also benefit from expanded membership through successful groups.
- CoSAP/FC targeted geographically because Bure Womberma Woreda, though a high productivity area, suffered high levels of child labour being exported. The NGO did a survey to investigate and found poor farmers facing barriers to marketing; women very unequal in the household; and that child exploitation was also manifested in high early marriage rates. CoSAP/FC began forming cooperatives with poor men and then reached out to women, also using PRA for homogeneity. Cooperative membership was promoted where appropriate for both men and women farmers.
- Oxfam/FC in Mecha Woreda forms homogenous groups through PRA, the agency targets the poorest although will form groups of higher wealth categories. Oxfam facilitators described going door to door post PRA to meet husbands and wives to explain the programme and look for volunteers. Oxfam/FC's main rationale is to create efficient value chains for honey production; this goal benefits from an expansion in producers.
- CST/Hundee targets poor female headed households and women from poor male headed households and groups them by age; to do so, the agency went through traditional and religious leaders to call a community meeting of those considered suitable candidates and then invite them to join. CST also works with male savings groups.

Most NGOs are willing to facilitate non-poor groups once the poor have been reached as the group savings mechanism works for all.

Four of the five agencies focus on forming women only groups (and work with men via other modalities though will often support male SG/SHGs) but ASE works with mixed sex groups.

⁴ NAZARETH began with a focus on extremely poor women through those receiving aid from churches

Table 7 Target groups

NGO	CARE	Tearfund	Oxfam	CST	CoSAP
Characteristics of the groups	1) VESAs: households. Selection: self selected groups of neighbours and peers and include both men and women (often the husband and wife from a single household). Voluntarily formed, self managed. 2) FEMA - formal structures.	All women, all men or mixed .	SHGs: all women. Participation is fully voluntary.	Association of poor women in a community with a common objective of working together for their economic and social , political development, empowerment.	SHGs are grassroot level groups of women from similar socio-economic backgrounds.

3.3 How the SG/SHGs work: the basic model

In this section, a quick overview is given of how the groups work in terms of organisation, membership, by-laws, savings, loans and training.

Internal group organisation

Group membership is usually around 10-30 members and organised by locality (usually no more than a half hour walk away from a central point) and homogeneity, taken as same sex (in four out of the five cases here) and similar economic status. Homogeneity can, of course, be lost over time as individual success may mean differentiation but this may not affect strongly coherent groups).

Table 8 Group numbers

NGO	CARE	Tearfund	Oxfam	CST	CoSAP
Characteristics of the groups	1) VESAs: numbers: 15-25 2) FEMA - formal structures.	15-20 per group	15-20 per group	15-20 per group	15-20 per group

Groups are organised according to strict rules which members agree, together with support and advice from facilitators; this process creates a sense of ownership regarding the group. The by-laws often specify frequency of meeting (usually weekly or fortnightly); a set of penalties for non compliance (late repayment of loans, non attendance to meetings, lateness, no retention of interest or profit if a member leaves the group, the purpose of the social fund or social contributions, non-compliance with harmful traditional practices and so on). The by-laws differ from group to group so what holds for one group may not for another but ensure transparency regarding key activities.

When a member moves to another place because of divorce or another problem we pay only the money she saved but no interest. When a member fails to save continuously or

wants to withdraw from the group we cancel her membership and we don't pay even her savings.

Oxfam/FC SHG⁵

There were no discernible operational differences between the types of penalties for the various NGOs although close adherence to the by-laws is likely to be a sign of group strength and coherence. It should be clear that in agreeing that members contribute to a social fund or oppose traditional harmful practices in by laws, social awareness is built into the group from the beginning as well as some assistance for crises.

Leadership positions are democratically elected and rotate regularly around the membership with the aim of ensuring all take a turn and develop the skills required. This is a critical source of empowerment for many members as it will be the first time they will have had a leadership role in any entity outside the home.

On the first meeting, we formulated a by-law, set positions halafi/dagna (chairperson/representative), tsehafi (secretary), and genzeb yaz (finance), and contributed some money for our saving. The chairperson is responsible for collecting money, chairing discussions, passing on messages from Hundee, enforcing the bylaw. She follows upon members and is responsible for strengthening and holding the group together. The secretary writes reports and is responsible for the saving account. Finance is the woman who holds on the money and gives out loan.

Hundee SHG

Facilitators

Facilitators⁶ mobilise groups, train members, help with groups' record-keeping, monitor savings and loans, and create linkages with other productive or organisational linkages, as such, they, are an integral part of the model. The basic qualification is to be female (or male for ASE), have graduated from 10th grade or above and local to the Kebele (to know the community). Most facilitators met were young, between 20-30, and had responsibility for an average of 5 groups. Training for facilitators centres on the group methodology, participatory rural appraisal techniques (for wealth/well being ranking, etc.), savings and loans rules and regulations, and a range of other technical subjects depending on the NGO, such as agronomy, animal husbandry, gender relations, nutrition, basic literacy, health, pre-natal care, sanitation and so on. Facilitators are staff members of the implementing NGO. Training approaches differed: much training was given by the NGOs; sometimes facilitators received technical support and training from government experts; others trained new facilitators alongside the SGs and government officers to increase mutual understanding and empathy.

The facilitators visit the groups weekly (for the most part) and lead discussions on the savings and loans and on developmental topics according to a schedule and to group interest. Particular tasks were to supervise the book keeping by the group secretary, resolve conflicts and to link the group with other activities or trainings where available. Facilitators for SHGs work closely with the cluster

⁵ Note that this is an example from the bylaws of only one group, as an illustration.

⁶ Or animators as ASE calls them

sub-committee members who are responsible for either conflict resolution, resource mobilization or linkages where clusters are functioning. Facilitators work closely with Woreda and Kebele Women Affairs and the Health Extension Workers (HEWs) who take the opportunity of women being at regular group meetings for education on reproductive health and other areas including literacy, gender sanitation, etc. Facilitators for agencies that work with cooperatives or MFIs may also focus on developing or strengthening these linkages. Although the agencies contracting this research had hoped to learn which mobilisation approach worked best, it was not possible to reach a conclusion given the scope of the fieldwork. It is also that, if well trained and managed, the different approaches have the capacity to work equally well.

Savings and loans

Groups usually reported beginning with small but regular savings, with members saving as little as ETB2-5 (approximately US\$0.09-22) or less. Training is given by the facilitators in the principles of saving: how to find a little money to save, when, how and for what loans can be taken and how interest rates work.

Groups aim to save to create a pool for loans (mainly) for income generating activities. Once the pooled savings reach a certain level, which often took several months, loans to group members could begin. This is one of the critical advantages of group savings, pooled funds create opportunities for greater profitability and productivity more quickly than individuals saving alone. Initial loans are usually small (300-500ETB, approximately USD13-21) since members may not borrow more than the combined amount of their own savings and those of a member who stands as their 'collateral' or 'surety'. All loans require a collateral holder and this increases scrutiny of the loan as well as group coherence. Interest rates are set by the group and were usually relatively low (varying in the examples encountered from 3% to 10% a month); often the interest is paid back monthly with the loan repaid at the end. Loans are mostly restricted to a 3-4 month period to ensure all members have access to a loan but also to prevent borrowers developing a sense of ownership with regard to the funds.

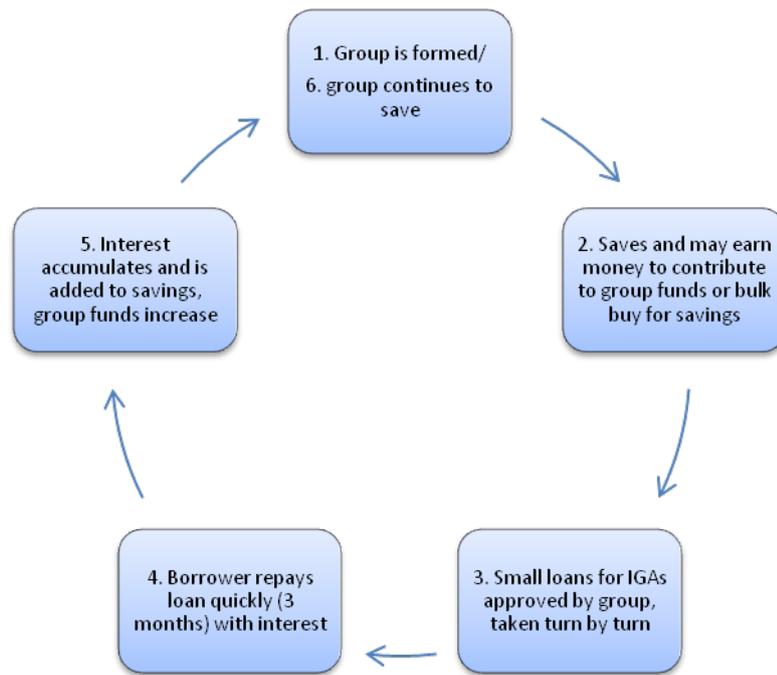


Figure 2 The logic of the Savings Group

Group discussion and approval of business plans

Group members and NGO staff stated that by preference, loans were for productive activities not consumption but sometimes loans are taken for household consumption.

We have set a system to make sure that no one uses it for their own purpose; not to be used for cloth or something to consume at home. We do not want members to use it for this purpose for it is difficult to pay back the loan once used for such cause.

HUNDEE

A normal practice as a pre-condition for the loan was group discussion and approval of individual business plans; this constituted a further level of security. It also increased transparency as group members, who were all relatively local, would often be able to check up informally on for what the loan had been used.

4. Findings: SHG/SG Outcomes and strengths

4.1 Individual level

Benefits of group membership for individuals

Nearly all of the respondents interviewed had a positive review of their SG/SHG experience; this broke down into a distinct set of benefits. Of key importance was the development of a new savings culture for members which allowed a greater ability to plan for the future. The other frequently mentioned improvements were: the access to low interest loans; new income generating activities; greater dietary diversity; increased and smoother health and education expenditure, enhanced mobility, greater self confidence and stronger social relations. Many also mentioned new skills learnt from training for business planning or to income generating activities but also changes in intra-household relations. Focus Group Discussion participants reported that groups had lost few members, mostly during the early days because of marriage or moving away and that often those that left the group later asked to rejoin or found other groups when they saw the success of the groups.

Savings and planning

The impact of planning and savings tools appears profound and to have brought in a more consultative decision making process particularly in planning how to invest the next loan from the SHG/SG group. Many women in the groups said that they had learnt to manage their money better and to plan for the future. Men in Meskan joked that they now had to lie about how much they got when they sold animals at the market because they could no longer admit to their wives that they had treated their friends to food and drink whilst there; they said that previously they would not have had to bother lying, so that this, bizarrely, was a sign of women's empowerment.

Being able to invest in businesses and to manage their household's needs more effectively, many women found themselves credit-worthy for the first time.

Savings Culture

Many of those interviewed described how they had learned to save a small amount of money regularly and to reflect more carefully on their expenditures. Every group reported that they had come to understand and appreciate the value of having a 'savings culture'.

The savings and business training was very good. We are not careless or extravagant with money any more. Now we think more carefully about how we spend money. 6-10 birr used not to be much at all but now a member will think that this is their savings contribution.
SG CARE/ASE

The facilitator brought us together to establish the group. Then we established the group and began by saving 1 birr per week. But now we are saving 3 birr.
Hundee SHG

The field workers told us to cut back on coffee, onions, oil, by reducing – we should try saving 50 cents, those of us who drink coffee together. We tried that with just ten of us together, our savings got higher. We added more members, invited them to join. By discussing, made that 1 birr savings every week.

CoSAP/FC

Amount saved varies based on capacity (e.g) some save 2 birr, some 5 birr, some 10 birr, you can even save 1 birr There are limitations in the rains, may save 2 birr and then harvest can save up to 15 birr.

Oxfam/FC

The early days of the group are the most challenging as members are asked to face some hardship but receive little reward. This is when groups are most likely to fail.

Actually, it is not doable to save on a regular basis for many members. Most of them are struggling to pay their weekly savings by diversifying their income. They save some amount that they can afford. At the beginning, for instance, it was very difficult for me to save 50 cents regularly because my income was "hand to mouth". My husband died when I was pregnant to my last child. So with dependent children at home, it was not easy for me to save on a regular basis. But thanks to the group, nowadays I am able to earn more and save more without difficulty.

Nazreth (In depth interview)

We buy education materials and uniform for our children. Our living standard has changed. We now buy rice, pasta, oil. We have furniture such as table, shelves, eating utensils.

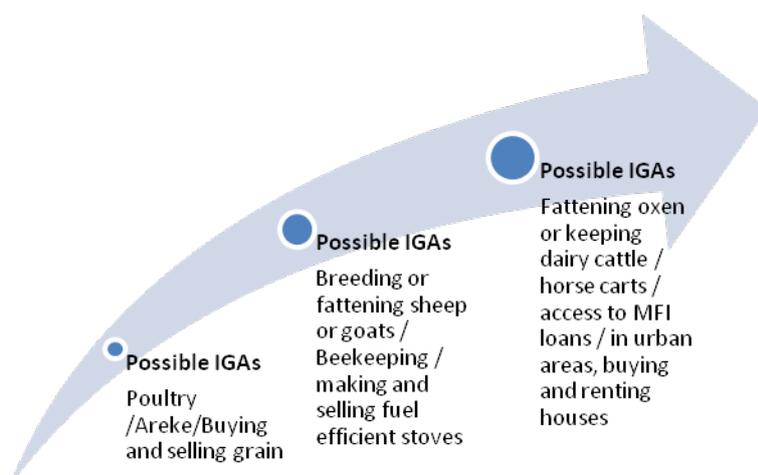
Hundee SHG husband

The benefit of saving in a group is that after a few months, the savings have increased but also that the pooled savings can be used for group income generating or saving activities even earlier than through saving as an individual. Also, Tearfund members in Nazareth described a range of activities such as bulk buy cooking oil to be distributed to members at cost price thus saving them money. Similarly, groups described lacemaking or cotton weaving as a group enterprise to raise funds for the group.

Economic impact - savings and investment trajectories

The potential for investment in IGAs by individual group members according to the respondents is closely tied to savings levels which are themselves determined by the economic situation of group members, how long the group has been established and what opportunities local markets and infrastructure permit. There was an approximate step by step trajectory for group members which showed that what they could invest in varied with the loan they could access. A common pattern for women in these 5 sites, especially the rural ones, is that they would often begin with loans to buy and sell grains, keep poultry or buy barley and wheat to brew a local alcoholic spirit, *Arake* and use the by-product (the most easily affordable malt) for fattening animals. Once group members had accumulated sufficient funds, those who wanted to could risk moving into larger projects such as growing vegetables, breeding sheep or goats or fattening them for market; in some areas, fuel efficient stoves and beekeeping were popular IGAs and were promoted by the NGOs. Dairy cattle and fattening oxen for sale tended to be dominated by men though there were some exceptions. The diagram below illustrates the nature of the trajectory.

Figure 2: Common trajectory of loan size increase and usage



Some examples of how women used their loans are given in the box below. These were very typical stories.

I took 500 Birr and bought a goat for breeding. After sometimes the goat gave birth to two baby goats. After 5 months I sold one goat and settled my loan. I also sold the other goat for 700 Birr after fattening it. The goat also gave birth to another two baby goats/kids.

CARE/ASE female member

I save regularly. What is important is that we borrow from our savings. For example, I borrowed 500 Birr plus 100 bonus. I used the 600Birr to buy seeds. I planted the seeds and at harvest time sold the seeds for double the amount of money I borrowed. I then returned the money I borrowed in 4 months.

CARE/ASE male member

At the beginning I took 50 birr and bought hybrid chickens, 5 chicks and roosters. I have sold the roosters for 400 birr and repaid the loan with the interest. The interest rate was 2.50 birr. But I kept the chicks and the chicken. For the second time, I took 2000 birr and bought 4 sheep for fattening. I sold them 6800 birr. I used areke residue to feed the sheep. But there was expense for vaccination (32 Birr). Within a year I repaid the loan and the interest i.e. 3200 birr.

CST/HUNDEE

I took 200 birr and bought female sheep/ ewe. The sheep gave birth to two lambs and I sold 700 each and the ewe/mother sheep 1200 Birr.

FC CoSAP

The first time I borrowed money from the group was to buy oil and soap from Kalehiwot. That was six months after I joined the group. The second time, I borrowed 2000Birr. We had unpaid bill for water. The authorities cut the water supply to our house. I used the money I borrowed to pay our bill and get the pipe repaired. My husband helped me pay the money back in a years time. For the third time, I borrowed 300 Birr. I went back to school and paid the course fee. with the rest of the money bought some good from Adama and sell them in Addis. That was profitable. That way I was able to pay back my debt while at the same time I paid for my course.

Nazareth

I borrowed 1200 for 2 beehives, have paid all back, I sold honey and added money by selling grains and am now borrowing 1800 for 3 beehives

Oxfam/FC

Economic impact - diversification of livelihood activities

Almost the most important economic outcome for group members is that they are able, with loans, to diversify and improve the quality of their income generating activities and thereby reduce the vulnerability and poverty of their households. There were multiple examples of this.

Previously we were dependent on our husbands' income for everything. But now we have managed to generate our own income.

Oxfam/FC

Before we had to rent our land but now we have taken it back and are growing hot chillis, potatoes and kale with which we feed ourselves and have a surplus.

CARE/ASE

I took a loan of 1200, bought sheep – male sheep – I am going to sell it for Easter. People have asked locally if I sell for 2000 birr but I will probably take [it] to market. But I will make profit and I will use this to trade potatoes and onions and make another profit.

CoSAP/FC

Previously I used to work in a [village] beauty salon, but the income was occasional, I used to get more money during holidays but on other days I may not get anything. But after the establishment of the saving group, in addition to the beauty salon, I am able to diversify my income in that I have engaged in multi income generating activities like poultry, fattening and selling of areke and soft drinks

SHG/SG IDI Humdee

We have seen changes in our lives. We have now cattle. Before we used to long for milk. Now we are selling milk for a living. We are fattening sheep and selling them in the market. We are now becoming owners of property. We are now buying what we need in the house and making our house complete. I have a cow now. Before I used to be poor. I have built a big steel thatched roof house. It is by using the loan and selling drinks that I have changed my life. We used to share cows with the rich people. We are now free from that. I did not have a thing before and now I have bought an ox.

Humdee SHG

So most of our wives took 500 Birr to engage in poultry and selling of eggs, vending different crops in small amount; so taking loan from our saving helps a lot in making a living although we can't totally depend on that.

CARE/ASE

The Nazareth Example

In every site, the team were shown success stories but the women in Nazareth provided the most dramatic examples. The success of the Nazareth project is remarkable and appears to be the result of its long term establishment, the dedicated involvement of Tearfund, the wholehearted

application of the self help methodology and also the potential offered by a dynamic urban context. The federation for the groups in Nazareth has now established itself as an independent NGO (with a similar status to an *Iddir*) based on the federation, the cluster and group memberships. The accounts below though illustrate the role of an urban environment which offers a density of population and a wider range of entrepreneurial, educational and employment possibilities as well as close proximity to the markets of Addis Ababa. In Nazareth, the wealth status of SG members is diverse: some women have husbands earning salaries or other incomes, others are single parents, some trade and some are in employment. Narratives often focused on the struggle to achieve livelihood security in the urban context in terms of housing, access to low cost mortgages and the restrictions of rented accommodations for those trying to run a business rather than the agricultural market based struggles of the rural areas.

Success stories from Nazareth mature group members

I am the SHG member who organized the SHG at the beginning. I bought a house and there used to be two rooms made from only wood and earth. This was 10 years ago and at that time one pack of cement was beyond 20birr. I used all the 1000birr to buy cement for the house. construct house. And again I took 2000birr. At that time I used 3000birr for the house but now that 3000birr worth more than 30000birr. Recently I took a loan and paid for axion (share) in a building.

I took a loan and used it to add it to money to buy house. I was paying 500 birr for house rent and but the owner evicted me without warning. Many house owners were refusing to rent their house to people who have children. Others were refusing to let me use the kitchen. So then I and my children went to live with my mother's house and started to live there. Then her friend told her to buy a house which was not a legal registered house (Yecherka bet). They started to search for a house with a lower price. The price of the house was 85000birr .the money I took from the SHG was 21,000birr in total, which was my own 11,000birr and 10,000birr from my mother. I also took other loan from other sisters .This happened three years ago. Now I have completed paying my own and my mother's debt and I am free now. I paid the loan without suffering.

I was living in rented house with my children and my most urgent need was housing. At the same time an opportunity was brought by Kale Heywet Church for 7 people who are homeless that by saving 20% we can buy a home from them with 25,000 deposit for 20 years mortgage. I had nothing at hand. I was worried so much because I am going to lose the chance due to lack of money. But a member of our SHG encouraged me to take a loan from our savings. The other group members also decided to lend me the 7000 birr. Hence I took the loan and paid the advance payment and got the house. Now, thanks to God, I am owner of a house. It has become 5 years since then and I repaid the 7000 birr.

I took 20,000 birr and bought 500 chickens for poultry farming. I repaid this loan selling eggs and young roosters. I was leading a miserable life. But thanks to the SHG, I am now living a decent life. I have two cows for milking, one of my sons is managing the poultry farming and the other one is working on his own horse cart. I am also planning to buy a Bajaj for my youngest son and so I am going to take loan.

What is money spent on? Meeting basic needs including education

Respondents reported spent their money firstly on more diverse diets. (Increased dietary diversity was encouraged by training across all sites on nutrition, particularly for pregnant women, babies and children) but extended to the household in general. Education was close behind as an expenditure with most women reporting that they were now able to meet the educational needs of their children (books, pens and uniforms) without asking their husbands for money. Husbands and male group members commented that their wives could now do their jobs (as wives and mothers) better than before: houses were cleaner, children better cared for and going to school and wives had been able to undertake enterprises that brought money into the households. (Although why the husbands were not aware of and planning for education needs themselves is a question that could not be addressed within the scope of this research).

Now I can cover the expenses for school. I feed the children better.

CARE/ASE

All of my children attend school now. They only do household chores during Saturdays and Sundays. On the other days they are free to go to school, study and do their homework.

Oxfam/FC

As I told you I am a widow. But using the loan I am able to send my children to school and thanks to God, they are now self-reliant in that they are doing their own business and helping me in using the loan productively like, for example, my youngest son is helping me in poultry farming.

Nazareth

We buy education materials and uniform for our children. our living standard has changed. We now buy rice, pasta, oil. We have furniture such as table, shelves, eating utensils.

CoSAP

Our children used to be herder for rich households due to lack of money for school materials. But now they are attending school as we are fulfilling their school materials by taking loan from our savings.

Hundee SHG

Respondents also mentioned buying household necessities (e.g. pots, dishes, bedding), clothing, house repairs or building, health expenditures and payment to rotational savings groups (*Equbs*) and to funeral insurance societies, *Iddir*.

NGOs and economic inputs

The NGOs mostly did not give SHG/SG members external economic support through subsidised inputs. Hundee is the only NGO that makes the transfer of an asset (pregnant heifers whose first

female offspring are redistributed within the group by its Dabaree Council⁷, prizes (10000ETB) for well performing groups and rotating loans to its groups central to its methodology. The other NGOs seek to give or facilitate capacity building for improved productivity to their SHG/SG/SHG members. CARE/ASE has placed funds with the local MFI to link up the SGs and has taken SNG as a technical partner to provide inputs and training on livestock marketing. In the case of Oxfam, in Mecha Woreda, the focus is very much on developing an improved value chain for honey production and export with subsidised inputs. Tearfund and CoSAP, focusing on the SHG methodology, believe that group cohesion arises, in part, from the effort to save and become viable as a lending entity (although the NGOs also recognise that struggle can turn to despair if endeavours fail). Tearfund and CoSAP also believe that intrinsic motivation is eroded through the use of extrinsic motivators and that this undermines, if not erodes, the developmental potential of the approach. In providing fuel efficient stove making equipment, for example, CoSAP/FC, CLA facilitate capacity building to SHG members; the CLA selects candidates through the regular weekly meetings of the SHGs in view of the available market in that area who then take a loan from their own SHG to buy the materials for the stoves from the market. Tearfund and CoSAP offer technical support for income generating activities but prefer to explore support through micro-insurance initiatives rather than grants. Tearfund management were also keen to stress that they constantly review their practices.

Avoiding traditional moneylenders

Another important area in which income from businesses was important was in escaping from exploitative relationships. In all sites, respondents mentioned that the critical benefit of being able to borrow from the SHG/SG at relatively low interest rates was that this allowed members to avoid traditional money lenders; these are mostly rich local households which charge high interest rates and who required a surety either from another person or collateral in the form of land. Tearfund, with their long experience, view this avoidance of money lenders as a typical early outcome of the SHG process, usually achieved in the first 12-18 months but the outcome applies across the methodologies.

We use the money lenders less than before and the money lenders are very much against the savings groups.

CARE/ASE

Previously we used to take loan from illegal money lenders. We couldn't get the money when we want or the money lenders may not be available when we go to their houses for loan. But after the establishment of our self help group, we are taking loan from our own saving for different purpose like purchasing seed and fertilizer during June/sowing season.

Humdee SHG

Training

All groups in this study received a range of training on the core subjects of business planning, savings, loans and also on a wide set of locally adapted and developmentally useful topics such as

⁷ The Dabaree council is a local entity that has been adapted by Hundee and SG members to function similarly to a cluster but with a particular focus on managing the asset transfers in the shape of female calves and/or sheep from one member to another.

gender relations, horticulture, animal husbandry, nutrition (particularly for pregnant women, infants and under-5s), climate adaptive agriculture, harmful traditional practices (child labour, child marriage), gender based violence, sanitation, health, pre-natal care, the importance of education, beekeeping. The package differed to some extent from site to site and according to whether the NGO was trying to introduce new technologies or knowledge around value chains (e.g. livestock and honey) or was focused on the group's self-reliance as a critical part of the process. Tearfund, for example, provided training on fuel efficient stoves through SHGs In Nazareth and distributed over 400 stoves to members. Oxfam, through FC, placed much value on implementing additional and intensive functional literacy training for women from the groups⁸. However a basic health package focused on pre-natal care, nutrition for babies and children and vaccinations seems to have been delivered at every site. Support and action for women about to deliver seems to have been integrated with the social insurance element for all the groups.

Table 8 Main areas of training to SGs/SHGs delivered by the NGOs

Training	Agri-Service	Nazareth	FC/Cosap ⁹	Oxfam/FC	Hundee
Savings	•	•	•	•	•
Business planning	•	•	•	•	•
Record keeping	•	•	•	•	•
Gender relations	•	•	•	•	•
Leadership (in posts)	•	•	•	•	•
Environmental and Household Sanitation	•	•	•	•	•
Health, reproductive health, vaccinations, nutrition	•	•	•	•	•
CLA leadership training		•	•	•	
FLA leadership training		•	•	•	
Integrated functional literacy				•	
Basic literacy		•	•	•	
Growing vegetables	•	•	•	•	•
Making compost	•	•	•	•	•
Climate Adaption in agriculture (e.g. vegetables, compost, irrigation, short duration cereals)	•	•	•	•	•
Animal husbandry	•	•	•	•	•
Raising poultry	•	•	•	•	•
Beekeeping				•	
Fuel efficient stoves	•		•		

⁸ Tearfund also commented that budgetary constraints limit its engagement with literacy programming and that the FLA in Nazareth has created a link with the government to their staff as TOT in functional adult literacy; an initiative now being cascaded through the CLAs.

⁹ (FC/CoSAP) delivers 16 health packages: using and making showers and toilets, sewerage, fuel efficient stove, arranging a space for washing clothes, making layer/shelf for households utilities, burning solid waste, mosquito nets, breast feeding, child-delivery in health centres.

Training appears to have been well received and to have been relevant to the communities. In site after site respondents told the research team about their new 'savings culture', business planning, gender equality and about the technical skills they were now putting to use in animal husbandry, poultry, household management, sanitation and child care. As one would expect, to some extent, how well the training worked depended on the beneficiary: Humdee, for example, said that younger women were better educated and more receptive so learnt faster than older women.

They trained us about vaccination, construction and usage of toilet, child labor protection (especially about those children who are herders in rich households) they told us to return such children back to home and send them to school. They also trained us how to keep the cattle they bought us and transfer the first born female calves to other members. They trained us about the type of diseases which affect sheep and cattle and how to treat such diseases. Those trainings are very useful as we are able to keep our cattle safely by protecting them from different kinds of diseases and building shed for them.

Humdee

At the beginning the cashier and secretary went to Bure and trained on bookkeeping and saving. After that we take turn to train on family planning, sanitation, adult literacy, social networking, and income generating activities like producing fuel efficient stove. Due to those training we have changed a lot. For instance, previously we had no shower. But now we have made shower using local materials. Due to the adult literacy we are able to write our name. Some of us also went to Debre Markos for experience sharing with members of SHG in other areas. To be honest, we are benefited a lot from the trainings. We have gained knowledge on many things. Government mostly provided us with lip-service but FC showed us everything practically.

CoSAP/FC

We were trained how to prepare a business plan. We thought that we should not borrow money without having a plan.

Nazareth

Some of us have had training about beekeeping, health, adult education, savings, vegetables. The FC teach about health, savings. The secretary, vice secretary, treasurer, chairperson and vice chairperson all have special training. Leadership rotates every 6 months We took the training on savings as a group – to save, support each other, use savings for group..

Oxfam/FC

Generally we have been taught about saving, gender equality, poultry, fattening, how to plant vegetables, climate change and adaptation strategies; i.e. what we can do during drought/ like adapting short duration seeds. The knowledge we have gained is more than anything. (yagegnenew ewiket bewaga yemitemen ayidelem). It is nothing to be rich without knowledge. Knowledge is everything. This knowledge is worth more than money.

CARE/ASE

The benefit we got from Agri-service is the training. We were taught how to save; equality between men and women; child health; breastfeeding, climate change.

CARE/ASE

There was not unmitigated enthusiasm, the PSNP graduates in Meskan complained that they 'only got knowledge' from the NGO and had clearly hoped for more inputs or grants from ASE (in fact, Agri-service has injected cash for the SHGs through the MFI- Meklit - to provide collateral so that SG members might take loans from Meklit; this was not to be made known to the beneficiaries lest this undermine the objective of creating market based linkages with MFIs).

Group Discussions

Training was not the only way in which groups learned. Much of the benefit of the training was realised in the group meetings where, after savings and loans were made, discussions were held according to an agreed agenda and revisiting the topics provided as training.

We have an agenda for discussion provided by HUNDEE. We select a topic from this and discuss upon it. The panellist rotates every week among members. We talk about many things like sending our children to school and health issues (for example, how pregnant woman should go health centers for child delivery, the benefit of vaccination for children). In addition, we discuss on the use of fertilizers.

Hundee

Previously were not meeting, now meeting weekly and this is important, we can discuss and get advice from each other.

Oxfam/FC

We make our saving every week. We discuss issues arising in our group/

NAZRETH

We meet every Saturday and save 5-15 birr. We have discussed issues on the topics we mentioned: gender equality, child health and nutrition, climate change and adaptation strategies like planting tree, using short duration crops

Care/Agriservice

We meet every week. We also discuss issues like engaging in income generating activities, feeding our children balanced diet, saving, women's right, conflict resolution, sending children to school, and HTPs. We devise a bylaw for early marriage in that we penalize members who marry off their daughters early.

FC/CoSAP

When we meet every Sunday morning for an hour or so, we will be asked of what we did in the week. We save and take loans. There is an agenda for every Sunday. We select a topic and one woman leads the discussion. The first topic on our agenda is to discuss on recent phenomenon. For instance, we discuss about work, [for example], harvesting or cutting grass. The second on the list of items is about saving, interest and loans. There is also a convenor who is responsible to make members discuss on different issues

Oxfam/FC

Small scale safety net - the social fund facility as micro insurance

Another highly important function of the groups is that all had some form of emergency lending built into their byelaws. This could either be in the form of a regular contribution to a social fund from which other members could borrow in times of crisis, usually health related and pay back without interest, or a rule that all had to contribute a certain amount at such moments. Being able to meet health needs at times of crisis through access to the social fund or its equivalent was considered critical and appears to constitute a form of micro-insurance via the group.; This social capital was also true for men. CoSAP/FC members also described some flexibility with crisis loans, these may not attract interest. Closer study is required to understand the limits to the scale of the crisis that the social fund can address.

Before the establishment of the SHG, we didn't know each other. Thanks to the SHG, we are brought together. We are putting money aside into a social fund in case one of us gets sick or has an accident or give birth.

Nazreth

When we get sick, we can take money from the social fund and return after 15 days and not pay interest. When you compare with the previous situation when we had to borrow from a rich household, this is much better. You could lose your land before because you had to use it as collateral.

CARE/ASE

We take and give loan in accordance with the magnitude of our problem. There are special cases when there is sickness in the house.

Hundee

In addition to our regular saving , we have savings for emergency, which includes death or sickness. In addition VESA members can borrow money without interest for treatment.

CARE/ASE male group members

Savings are like insurance – the social fund is helpful for delivery of babies, clothes, soap, sugar; visits of close relatives, prepare coffee; farewell parties.

Nazareth

For those who faced extreme problem we give loan without interest. Others take loan with interest. For instance, one of our members took 3000 Birr and paid it back after three months without interest. For the other member, whom whose child was sick, we provided 1000 birr and she repaid it after three months without interest. For one member also we gave loan without interest for house rent. But other members, who are in a better position, took loan with interest.

FC CoSAP SHG

Social benefits - enhanced social capital over time

The social relations that developed within well functioning groups over time were reported by all to be functionally and intrinsically important. Social capital, in terms of trust, familiarity, reciprocity, networks within a community and even affection, is clearly being created whatever the philosophy

of the NGO concerned. This relational impact was reported from sites under all NGOs although not from all SHGs and IDIs. Nearly all groups reported stronger relationships between members and mutual visiting and vital support at 'times of happiness and sadness' (births, deaths and illness) as well as other forms of mutual assistance such as, for example, mutual agricultural assistance (*debo*) in some of the rural areas. Nazareth members in one group described how they came from different ethnic backgrounds but that this did not matter because now they knew each other as people. The social capital within groups means that on some occasions, the support given to members often went beyond that required in the bylaws and was extended to traditional life cycle event support, economic support and giving physical labour to others.

There is a culture of supporting each other [in the group] during different occasions. Our women can now go "on hands and feet" .This means they do not just go empty handed to ask a sick person or a woman when she gives birth. They carry something.

HUNDEE SHG husbands

Our relationships are good, we are developing a brotherhood. We all greet and ask after each other, this is a result of the group. The different members have different life experiences and knowledge and they share this with the group.

CARE/ASE Male SHG

Beyond the money I am able to meet such a caring and loving group. For instance, when I face a problem, I discuss it with the group members and they bring different ideas in resolving the problem. We are like a family.

Nazareth

If a woman is in labour they rent a car and take her to the health centre or hospital.

CST Husbands SHG

Our relations are like family, very strong. We buy from each other if one is selling. We are all from different parts of Ethiopia but live in the same locality.

Nazareth

We contribute 5 Birr in times of happiness and sadness; for instance, wedding, maternity, death and illness. We have strong and close relation with each other. We share ideas, we discuss our problems. We can't wait until we meet on Saturdays. Previously, we had no relation except greetings with each other. For example, one of the members broke her arm and we all were by her side at all times. We have helped her in fetching water, baking Injera, cleaning the house.

FC CoSAP

We pay a visit when a member gives birth to a child, we console each other at times of death of family members, and we congratulate members when they construct a new house.

Nazareth

There were multiple examples of this, for instance, a woman from Nazareth who had the chance to buy a flat but did not have the 20% deposit was able not only to borrow formally from the savings group but also from other members who knew and trusted her and had seen her track record for repayment. An ASE VESA group reported that it still included former elderly members ('too old to

save') in the sharing out of cereals it bought in bulk post harvest. Similarly, in Nazareth, women visit each other monthly turn by turn, bearing gifts to inspect the host's home to make sure that things were improving and that this was visible within the household (also a check on male 'luxury or vice' expenditure if the husband knows that 19 women are to descend on the family home and ask where the money has gone).

Social benefits - preventing child labour

Interviewees of CoSAP/FC in the Bure Womberma Woreda , talked about how they could avoid and also prevent bonded child labour.

Our social action has focused on preventing child labour. If a child is to be sent away, we intervene and contribute funds to buy books and pens for school. Child labour is normally for boys who are able to work and they often get sent far away for 1-3 yrs. [Now] there has only been one case that they can think of in the last 2-3 years [in their community].

CoSAP/FC

We wanted to stop selling the labour of our children as bonded labour.

Hundee Husbands FGD

The other thing is that, it is parents who look after cattle are sending their children to school [do not make boys herd cattle]. But children help their parents after school. This is because we have been taught that children have the right to go to school.

CARE/ASE

Groups that were not working well

For the most part, FGD participants were enthusiastic about the savings and self help methodology. But some groups were clearly struggling to establish coherence.

Even if we want to meet regularly to discuss on different issues, many of us are not willing to come because of our housework. But each member sends her saving to the cashier through her daughter. Until now we don't have rule to take action on absentees, But now we plan to make discussions how to penalize absentees.

Oxfam/FC

In two groups, this support and adherence to the by laws had not taken root.

For the time being we are not helping each other and our relationship is not strong.

Hundee (In depth interview with individual from 4 year group)

The social cooperation are included in our initial agreement. But so far we haven't practiced such social cooperation. For example, one of our members was seriously sick. When we planned to visit

her by contributing something for her, she told us not to contribute anything for her. As a result we didn't do anything for others when there is birth or sickness. The amount that you decided to contribute when some good or bad thing happens to a member is in the by laws, we have agreed to contribute 5 Birr each

Oxfam/FC (1 year old group)

Both examples come from agencies where there is a stress on economic productivity, one comment is from an individual and another is from a group that is relatively new and it is not appropriate to generalise from these instances because the sample set is simply too small. Both agencies had examples from other groups that they had organised where social relations were strong and much valued. The value of the examples is that they illustrate that groups do not coalesce without effort and time on the part of the participants and also the facilitating agencies.

4.2 Intra-household level

Gender relations - positive outcomes

Gender relations are a focus of this report since all the NGOs regard the groups as a way in which women may become socially as well as economically empowered. Respondents reported distinct and positive shifts in gender relations in term of sharing of work, greater influence and consultation within the household, the development of women's skills and knowledge and greater confidence and mobility. The significance and scale of this shift in gender relations is hard to assess (and these were mostly groups that were success stories). A rough count of the outreach of the NGOs suggests that together they reach over half a million households, which is perhaps 0.5 million out of 22 million households (assuming a population of 99.4 million divided by 5) which is just over 2.% of households. Secondly, it is hard within this research framework to separate the impact of NGO training from broader and more structural shifts as a result of government policies (e.g the promotion of contraception, a focus on women's reproductive health) and the government's own training programmes. The quote from a Hundee SG below illustrates the number of directions from which the message on gender relations is coming.

Husbands changed a lot thanks to our government. Especially after the coming of HUNDEE they have changed a lot as they have been trained on equality of men and women.

Hundee

Most of the government staff interviewed indicated that there were still endemic and serious inequalities between men and women; they, while noting change, attributed this to government interventions. These positive changes appear to accumulate from several directions:

- The extension of gender training and economic opportunities to men.
- More sharing of tasks between men and women in the households;
- The increased recognition of women's economic role and contribution to the household
- Increased productivity and profitability for women
- Sense of enhanced worth within the household

- Greater confidence, mobility and skills
- Group solidarity

Involving men in gender training and economic opportunities

In recognition that gender relations are, indeed, relational, the NGOs tried to consult and involve men either as husbands, group members or in training programmes or economic programmes (e.g. cooperatives) in recognition of their traditional influence and authority as gatekeepers. In all sites, prior to initiating activities, the NGOs met with the Kebele leader and the husbands of women in SHGs or men in SHGs. Oxfam/FC talked to husbands before forming groups SHG groups for women and the husbands are organized into 'women supportive husband groups'. Nazareth asks husbands to co-sign for loans because, as heads of the household, they are considered jointly responsible. For CoSAP/FC, agricultural cooperatives for men and the establishment of SHGs for women were carried out in parallel but the NGO noted that social taboos at the beginning made it hard to mobilise women outside their households. Women were given independent training in activities that would enhance their capacities and empower as well as gender training. Men in cooperatives were offered training in gender relations. This training and possibly also the authority of the NGO do appear to have had an positive impact in undermining traditional beliefs about women's lack of competence and the immutability of the gender division of labour.

Previously there used to be arguments, now there is change. Because husbands used to go to meetings but wives did not. Yes, men also got the training, FC gave training at the Kabele. The men were meeting and their ideas improved [but] now they are all thinking on the same lines.

CoSAP/FC Husband

As I told you both of us (husband and wife) are members of self help groups. So we have been trained about gender equality and gender division of labor. Formerly, after staying together on the farm the whole day, we (husbands) used to take rest or sleep and but she/the wife continue doing household chores. This is not the case now. We are living supporting each other.

Husband/Member SHG Oxfam/FC

Sharing tasks

There were consistent reports from respondents that women from the SHG/SGs and their husbands are sharing tasks and that there was less differentiation between "men's" and "women's" tasks. These reports included husbands helping women with domestic tasks such as water and wood collection or food preparation and sons being required to do domestic chores alongside their sisters (CoSAP/FC). Similarly, women said that they had begun to assist their husbands with farm related tasks that they had not previously undertaken. Significantly, men and women both appeared to have a better understanding of the nutrition needs of pregnant and lactating women and of small children which contributed to this willingness to help. It was not clear if there is any overall reduction in time allocated to work for women as a result of this but there may be.

We also have a better relationship with our husbands because we work together more. If raising cattle at home, whoever is at home, will look after the animal more and if the animals need

grass cut, the man will bring. Or, if breastfeeding a newborn, we can ask husband to stir the stew and add ingredients for shiros. Previously, if we were working in a group outside together, the husband would just nap until the wife got back and prepared the food. Now they will work together; she will make injera and he will make stew.

CoSAP/FC

We have been trained about gender equality. Women and men are equal. We know that very well. We are living helping each other. Previously husbands used to take cattle or grain to market for sell without the knowledge of their wives. But now a man cannot take away animals or grain without the knowledge of his wife

CARE/ASE

We share more work. How did husbands agree to take on more work? When husbands go out, the wife feeds his cattle, so when he comes back, he fetches water. This is new.

Oxfam/FC

What do men do? In general, he can make a fire if she is out, keep an eye on the fire. This generation below 30 have learnt to make injera. Previously was a taboo. Thanks to FC training. Now when there is a wedding or church ceremony, we cook the stew, this is a big stew. They chop onions, mix the stew. Brewing and injera, is the women and the men do.

Husband of CoSAP/FC

The increased recognition of women's economic role and contribution to the household

A strong sense came through the conversations with the group members that the benefits of group membership had relieved significant burdens of survival and self respect for extremely poor families. Although women were not formally identified as breadwinners in these communities, anything that they were able to do to generate income was welcome and appears to have relieved the pressure on men to be the sole providers of cash income.

We have been trained about gender equality. Women and men are equal. We know that very well. We are living helping each other. Previously husbands used to take cattle or grain away to market to sell without the knowledge of the wives but now a man cannot take away animals or grain without the knowledge of his wife.

CARE/ASE

Our husbands and other family members are supportive as we have benefited a lot from the memberships. We are contributing a lot in the making a living within our households and in sending our children to school.

CoSAP/FC

Our husbands are happy because we are saving and buying more.

Nazareth

Money we get is for all the household. The men are the ones who cut up the heavy honey combs and sell honey but the wife may go with him. Women are contributing money but what is hers is also his and the expenditure is made together. During time of collecting honey, we shop using

that money only and at harvest time, we sell grain and then do our shopping.

Oxfam/FC

With regard to children, formerly we used to send our children to other households for herding. But now they are attending school. We are also buying clothes for them.

Hundee

We used to buy what we consume. Now we are growing vegetables. Our children are happy because we buy for them what they want. Our husbands are also happy, if not we would not have been here for this.

Hundee

Sense of enhanced worth within the household

Many reported increased self confidence and improved participation in household decisions around investment and expenditure and benefits to children. The benefits appear to multiply over time so duration is a key factor in assessing impact.

I was employed by a military organization. Due to heavy workload, I became paralyzed and stayed at home. I didn't even have money for medical treatment. It was those women who are members of SHGs who made me to join the group. I started to save 50 cents per week. My husband used to say "what changes are you going to bring by saving 50 cents." First I took 80 birr and started to make embroidery. I become successful and started to save more and more. Due to my active participation and commitment in the SHGs, I am elected to represent the group in the CLA and from the CLA to the coalition. Regardless of the initial resistance of my husband, he begins to assist me now.

Nazareth federation members

Yes, those of us who are participants of the self help groups have been changed a lot. We are sharing household burden of our wives; we consult each others' opinion in household decision making

Oxfam/FC husband

Our husbands are supportive as they know the benefit. Our children are happy because they are attending school properly. We are fulfilling school materials like pen, exercise book, uniform, and other things. Earlier they used to hate their school because they were very different from the other students from rich families.

Hundee

At the beginning our husbands were against us when we attend meetings and meet weekly. But after bearing in mind the advantage, they even urge us to save and attend meetings, and also support us in income generating activities. Previously our daughters were the only one who engaged in household chores and didn't have time to study and do homework. Boys were free to play, to study and do homework after school. But after we joined the SHG, we have started to treat boys and girls equally and we divide household chores equally among all the family members in spite of gender.

CoSAP/FC

We have a good relation with our husbands and children. This is because members' husbands take

the training about gender equality. Even our relationship has improved a lot from the previous. Previously there were not letting us to attend meetings. But now that is not the case. We also give the manual to our children so that they read it for the family.

CARE/ASE

The first attitude of people towards our wives and us was not so good. Were considered weak because we let women go where ever they want. That our women were out of control. That is changing now for both of us.(Dereje) my wife has changed our life. She is hard working. Now my children and I have joined her. We help her with her market activities.

Hundee husband

Our husbands used to have bad behaviour and were not happy about the savings. But when they saw the impact, the husbands became keen. Our relationship with our children is better because they now know how to keep them clean and to send them to school. We also have a better relationship with our husbands because we work together more.

CoSAP/FC

We have good relations with our husbands, they are supportive. They do nothing without the knowledge of their wives. We are living supporting each other.

CARE/ASE

Previously husbands used to treat their wives in bad ways saying “you know nothing so keep silent”. But that is changing now

ASE/ CARE

A changed self, including improved mobility, confidence

Members returned again and again to 'soft' benefits from group membership, leadership and training such as their greater social confidence (being able to speak in public¹⁰); becoming leaders; improved functional numeracy and literacy; to greater mobility; friendships and close relationships and support at key life events

Much of the empowerment benefit to women arises from going out and meeting regularly and in a structured manner with a large group of other women from their locality who are in a similar economic position; within the group, the women are able pool their financial, intellectual and relational resources. Attending group meetings gave women a legitimate reason to leave their homes and a way to meet others in a similar position in the neighbourhood. It is not clear whether this has impacted more broadly on women's mobility or not.

This is a new trend for a woman to go to meetings and form a group in public. But, our husbands were aware of this program so we did not face any problem in letting us go to meetings. And there are discussions at Iddir and other gatherings on the right of a woman. So, it was not a problem. We in fact discussed it with our husbands about this. We told them that they used to go before but it is our time and turn to go to such meetings. We told them we need this to better our lives and that it is useful.

¹⁰ CST commentators also reported that the social status of women was changing to the extent that some women had been elected to local community councils.

Humdee

Previously we were just in the house, it was hard to meet other people or find ways of solving our problems.

Oxfam/FC

There is change from the past. Women never went to meetings before. Now women go first to the meeting. Even if a guest was just one person, women were jumping in the kitchen [hiding away].

CoSAP/FC Husband

We have seen changes. Sitting outside and being able to discuss is one change

Hundee

Women have to attend training. The training is usually about livelihoods, about business and petty trade. We do not prevent our wives from attending these trainings. We encourage them. The time has changed a lot. It was not like that in the past. Leave alone sending our wives to a meeting we were not allowing them to visit a neighbour

Hundee husbands SHG

Before, we were unable to speak with our husbands let alone in public. But now we are able to speak in public. For instance, in the past, when I tried to speak in front of someone who is a stranger like you, my heart starts beating fast.

FC Cosap

Group membership also brought active solidarity as the comment below illustrates.

When we start establishing the SHG men used to show their authority and superiority. There was a case of a woman whose husband created a problem for her, but we went to her house and convinced the husband to not treat her so badly.

Nazareth

The practice of group meetings and the trainings received was frequently reported to build confidence and leadership skills while group scrutiny of loans and economic activities generated advice, a sense of ownership, improved monitoring and enforcement. All groups reported discussing how to undertake activities and various forms of problem solving. A neutral commentator in Bure, an MFI manager, told the research team (without prompting) that his agency worked with women's groups from government and CoSAP/FC and that he and his staff could see that there was a noticeable difference between the two: CoSAP/FC trained women were much more confident and outgoing.

Wives borrowing on behalf of husbands

Beyond sharing tasks, there were frequent examples given of husbands and wives borrowing to support each other's enterprises which suggests that many enterprises are joint household endeavours. Studies elsewhere of women and microcredit have suggested that where women

borrow on behalf of their husbands, the women themselves are not becoming empowered either economically or within the relationship. This conclusion seems hasty as in many households, greater income earned by either spouse may result in some improvement in outcomes for the household (relational or economic) and is rejected here. However, should a systematic pattern of women taking loans on behalf of their husbands rather than themselves develop, any agency would be well advised to investigate in more depth in case this means that objectives around women's empowerment are not being reached.

My wife took 500 birr and gave me as I needed money for weaving. I repaid the loan within 3 months with 5% interest rate. Now I earn 200 birr per month selling the clothes I made.

Oxfam/FC

My wife took loan of 2000 last year, I bought her 2 pregnant sheep with money. One of them delivered 2 and the other 1 lamb. Without repaying this loan she asked for 1000 birr more, she bought one more sheep pregnant sheep. After 5 months, all three sheep delivered twins so there were 9 altogether. Whose idea was this? We had a plan to breed sheep. She brought the idea and we discussed.

CoSAP/FC

Husbands also sign for the loan. We discuss together, husband and wife, what to take loans for. Either one of us can have the idea about a credit, what to do with it. Might be her idea or his. Husband is head of household so must be responsible for her loan.

CARE/ASE

Our wives involvement in the self help group is benefiting us a lot. When we need money for something, they borrow from the group saving and we repay the loan together.

FC/ Oxfam

Similarly, there was at least one example in a mixed group of the husband joining rather than the wife because they felt that they could not afford both to save. This does not seem to be a positive outcome if the objective of the programme is women's empowerment.

I have been in the VESA [SG] for the last 3 years. My wife is not a member of the VESA, we thought one of us being in the group is enough. We thought we might not be able to manage two savings.

CARE/ASE

Men forming groups

The success of the SHG/SG methodology has meant that husbands we interviewed had also taken the initiative to form their own groups.

It has been 3 years since our wives joined the groups. We have also joined the group before a year. Facilitators came to village to village and initiated the women to form self help groups. Seeing the women, we/husbands also established self help groups.

Oxfam / FC

I was so pleased with the effect that I started to organise a group for men with my wife's friend's

husband; decided to save together to have our own organisation. Older man's group has 8000 in a year.
Nazareth

Practical but also strategic change for women

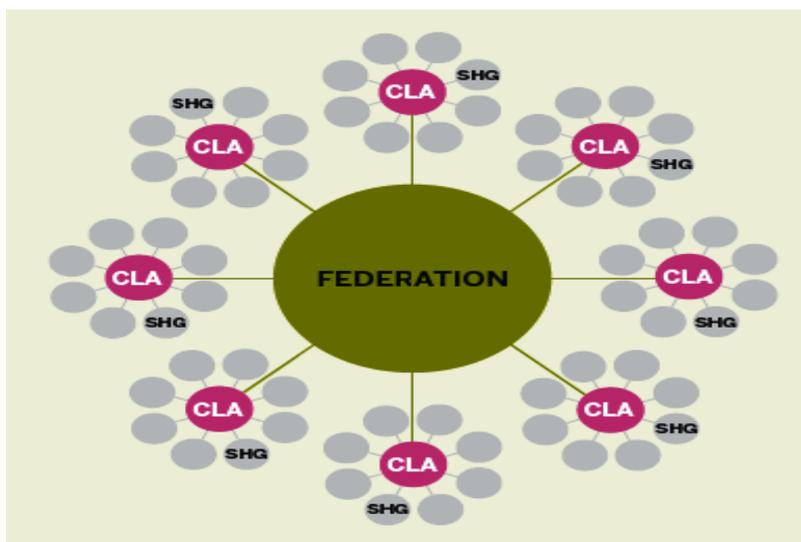
What does this evidence suggest? However qualified this evidence is by the nature of the research, there are strong suggestions of change. At this stage, changes in gender relations may be more practical than strategic in that they help women to carry out their duties and responsibilities better. However, where well executed, the groups also begin to instigate strategic change where men and women start to ignore traditional lines between household work, where women undertake non-traditional activities and where women take up leadership positions, develop greater solidarity and understanding of women's rights within other women in their neighbourhood and are supported in this by their husbands, with whom they have better relationships.

4.3 Community or higher level

Cluster Level Associations: activism and advocacy for women and children

The focus on Cluster Level Associations (CLAs) and federations of the SHGs is a significant difference between the five NGOs surveyed here. For Tearfund/Nazareth, CoSAP/FC and CoSAP Oxfam, and perhaps to a lesser extent, CST, the clusters and coalitions are integral to their approach. These agencies view the structures as providing an invaluable 'higher' set of functions and able, over time and with support, to become independent of the original organising agency (so becoming an exit strategy). Clusters are formed from 6-8 SHGs with 2 members from each (members again taking turn at leadership) representing their group at the (usually monthly) cluster meetings; coalitions are similarly formed with 2 or more members from 6-8 clusters coming together to represent their clusters (and thus their groups too). The diagram below (Figure), courtesy of CoSAP, illustrates their view of the structures and function of group, cluster and federation.

Figure 3: Self Help Group, Cluster and Federation structure



Functions of the clusters and federation

Nazret described its clusters having eight defined areas of responsibility in which rotational leadership, for which training is provided, is taken by different members or sub-committees:

1. Formation of new SHGs
2. Strengthening the existing SHGs (group problem solving, advocacy and training)
3. Meeting the material needs and infrastructure of the community
4. Meeting the service needs of the community
5. Bringing about social transformation
6. Advocacy and lobbying with government
7. Taking on administrative roles from the promoting organization
8. Fund raising for administrative expenses

The federations mirror this with a committee system with a wide range of technical responsibilities such as conflict resolution, functional literacy, group formation, government or microenterprise and MFI linkages. Training is given to the officers for the portfolio they hold from either the promoting organisation or her predecessor.

Table 9 The structures and functions of group, cluster and federation

Self Help Groups	Primary membership - General body <ul style="list-style-type: none"> - Savings/Credit and all economic activities/Income generating activities - Social bond and affinity among members - Basic social issues in family and community
Cluster Level Associations	Representative level <ul style="list-style-type: none"> - Strengthening SHGs and forming new ones - Mobilising resources and services through linkages with other service providers - Initiate and overview need-based project for the community - To establish value system in the community - Making presence felt in local governance

Federation	<p>Apex body of the institution</p> <ul style="list-style-type: none"> – Maintain the characteristics of the institution – Act as a link between the people and the governance system to maintain peace and security – Lobbying and Advocacy for pro-people's policies – Legal body to interact with external bodies
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CST - Kindernothilfe SHG Approach - A Manual, Germany, 2008

Cluster members assess the progress and capacity of the groups from which the cluster is formed according to the criteria listed in the diagram below (Tearfund and CoSAP). The activities of the group which are considered essential for group coherence and growth are carefully monitored and where groups are assessed as weak, cluster members and facilitators work with the groups to strengthen them.

Table 10 Core Criteria for SHG assessment by Cluster

<p>Core Criteria for SHG self-assessment</p> <ol style="list-style-type: none"> 1. Regular Meeting 2. Weekly saving 3. Percentage of Attendance in the weekly meeting 4. Has a Work Plan (more challenging purposes or new ideas) 5. Close accounts monthly 6. Report to members on the financial status 7. Essential financial records (cash book, payment & receipt voucher) maintained 8. Documented and shared vision 9. Articulated by-laws 10. Decisions recorded on minute book 11. Rotational leadership 12. Loan disbursement among members 13. Default rate on loan repayment 14. SHG members' satisfaction with the SHGs 15. Are groups able to solve their own problems?
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Problems that cannot be solved by groups or their facilitators are referred upwards to the cluster. The cluster will support the groups in problem solving and will reach out to the federation level if necessary (and possible - not all clusters are yet formed into federations) but ultimately, if a solution satisfactory to all members cannot be reached, the federation has access to a range of sanctions. At all stages, the bylaws of the particular group guide negotiations.

There is social action at the cluster level especially for misbehaviour around loans e.g. if a woman takes a loan but then wants to leave the group. If she won't negotiate with the group then we take her to the CLA. , CoSAP/FC

The clusters provide leadership to the groups and, crucially, train women in leadership skills in an environment in which few, if any, other opportunities for becoming leaders is offered to women in general, let alone poor women. The rotation of posts and the training offered ensures that such skills are shared widely within the group. In the long run, if the principle of rotation is followed, all members could end up holding leadership positions not only within their group but also at a higher level in the clusters and federations.

Leadership rotation must be enforced

The leadership system needs to be insisted upon as a guiding principle or benefits will be captured by minority.

We are following rotational leadership in that every member takes a turn to lead in every 3 years.
Nazareth cluster

Advocacy for women and children

The cluster and the federation, if the cluster needs support or cannot manage the problem or issue, can also follow up on any initiative that is considered relevant brought to them by the group; in particular, they are often informed about instances of harmful traditional practices since the clusters and federation have the influence and ability to access local government law enforcement authorities.

Once SHG members brought us a woman who was thrown out of her house without any property by her husband. Then we took her to women and children affairs office. The women and children affairs office linked her with the justice office. Afterward the police was sent to her husband and then the husband become willing to reconcile with her. Now they are living together peacefully.
CoSAP/FC Cluster

The cluster level organisations are also able to develop close relationships with government agencies that give them greater leverage in their advocacy.

We are working closely with women and children affairs office and justice office. We are also requesting a room for the federation in the new woreda administration building and they promised to give us a room next to Women and Children Affairs office. Generally we have a good relation with the local authorities.
CoSAP/FC Cluster

The Nazareth Coalition stated that the main tasks of the federation beyond support to the clusters and are advocacy and lobbying around social problems, especially violence against women.

As I told you, we are working closely with women and children affairs office and we link victims of violence with concerned bodies and even we hire a lawyer for such victims and follow up the cases.
Nazareth Federation

The SG/SHGs also police their members and conduct some activism within their communities; for example, they impose penalties on members who participate in harmful traditional practices eg CoSAP/FC fines women who attend an underage marriage ETB100 and those who give their children in such marriage ETB303-500. Similarly, there were several examples shared in Womberma of action at the cluster level to retrieve boys between 12-16 whose parents had sent them as child labourers (in return for payment in cash or even grain) for a year. There is also a risk in these communities for girls to be sent away as domestic labourers.

This is a high production area, not PSNP, but they are sending children for child labour. And poverty is the main cause of child migration. There is a physical market for child labour on Saturdays – the poor come with children and negotiate with rich farmers on per annum basis for quintiles of grain. All are boys not girls. Starting age is quite young – just when they are capable, from 8 onwards. They live with the rich farmer, do not go to school, are exploited, not fed well, not cared for. Just considered a servant. The income that the child generates for his family is why he is there.

CoSAP/FC NGO Worker

These clusters can therefore become influential local advocates, providing training and forming groups; defending women's rights (violence and land) and preventing HTP. The clusters and federations have strong linkages with government agencies, particularly the Women and Children's Affairs Office.

Social action has focused on preventing child labour. If a child is to be sent away, we intervene and contribute funds to buy books and pens for school. Child labour is boys who are able to work and they often get sent far away for 1-3 yrs.

CoSAP/FC

SHG/SG Federation level work

The Federations of CoSAP and SHG Federation in Nazareth described their work with government in advocacy and lobbying against injustice against women as well as some direct interventions with particular cases.

The Federation keeps raising the issues of rural poor women to government. For example, they are bringing the agenda of disability to the Education, Women's Affairs and the [General?] Administration to ask for a special needs school.

CoSAP

There was a case of a woman whose husband created a problem for her, but we went to her house and convinced the husband to not treat her so badly.

Nazareth

We also take up cases of women who have been denied their rights. There was a woman whose land was grabbed by her husband in Bure district. Her husband received land in the

last land redistribution and he owned it all when they divorced. She got nothing. The Federation took this case to the Women's Affairs Office (they took photos of how much land he owned) and the government called him in and got details and the husband negotiated and the woman got land.

CoSAP

We had a member who made her child work in a rural area at less than 7 years old, his employer took him as a herder in return for 1 quintile of teff. We threatened to sue her. We brought him to the [Nazareth] school. He grew up worked pushing a cart. From this cart, has graduated to riding cart to transport. His mother is also working.

Nazareth

There was another case, a woman from Debre Markos (Eastern region), who came here to beg with baby twins. The Federation was told about her and went to ask why. She explained all the details of how this came about, her husband took land, threw her out. So they took her case to court. Now she owns her land. The court here discussed with court there.

CoSAP

These examples show that federations are able to act as a well resourced advocate for women's rights to which the groups and the clusters turn with cases of injustice. The relationships that the NGOs and the Federations themselves have developed with government offices mean that they are trusted and have ready access to the officers; through the clusters and the federations, poor women are gaining voice, advocacy and greater access to justice.

Resilience - coping with climate change and other crises

The NGOs expressed the hope that the SHG/SG system can contribute to household, group and community resilience and there was, indeed, evidence that the structures have the potential to do this and to also be a vehicle to absorb external assistance in times of crisis, whether grant based or loan. The social insurance function of the social fund has been described in detail above, but there were some further indications of how the group structures might link with resilience initiatives and these are discussed below. Ethiopia was facing a serious drought at the time of the research and in Meskan, several groups complained of severe current problems due to drought in the previous rainy season. In Nazareth, the successful business women interviewed said that they were likely to be able to pass on price increases. In the CoSAP/FC area, crop damage had been caused by heavy hail storms (perhaps part of the same climate phenomenon that caused the drought?) Using an FAO and WFP definition of resilience as 'the capacity that ensures adverse stressors and shocks do not have long-lasting adverse development consequences'¹¹, the existence, linkages and functioning of groups suggest strong potential to support increased programming to enhance resilience.

Potential for supporting resilience and mitigating the impact of climate change arose from three main sources. Firstly, most groups had received training in climate change adaption focused on fast maturing varieties, the use of groundwater and new vegetables for home consumption and for the market; women mentioned being able to feed their children on potatoes. Secondly, members in the

¹¹ http://www.fsincop.net/fileadmin/user_upload/fsin/docs/resources/FSIN_29jan_WEB_medium%20res.pdf

drought affected and hail affected areas all said that they would be able to borrow from the groups for productive inputs.

Here there is no drought. But there was heavy unseasonal rainfall that is accompanied with hailstones. That affected our pepper and crop production. For the next sowing season, we are going to face a shortage of seed and money to buy fertilizer. So every member is planning to take loan from the SHG.

CoSAP/FC

We sold crops before harvest time because the rains were late, we can't sell grains as usual. We will work to get cash, the money from our savings will help with an IGA or business -we will have to find IGA's to make up the difference.

Oxfam/FC

I sewed beans but frozen rain destroyed it. So there is no produce this year. There is no crop for seed let alone to feed a family. So I am planning to take loan from our savings.

Hundee

Finally, the groups can be a vehicle either for infusions of loans (Tearfund is considering this) or for grants in cash or kind to help manage the current stress without running down assets or turning to other harmful coping strategies. Less promisingly, in several sites there were hints of members taking loans for consumption rather than production to cope with the drought but at least this meant that members were able to stay away from local moneylenders with higher interest rates so this access to cheaper credit may well contribute to their long run resilience.

The drought has affected us severely. Most of us took loan from our savings and bought cereals and fulfilled other necessities for our households.

ASE

4.4 In terms of linkages

The context of Ethiopia means that linkages with government services and offices are obligatory and a wide range of joint activities and coordination structures were reported in each site with the offices for Agriculture, Livestock, Women and Children's Affairs, Police (in relation to GBV and women's rights), Cooperatives and other agencies as appropriate. Most SG/SHGs were also in the process of being linked either with cooperatives and/or with formal financial services providers such as micro finance organisations, with assistance from the NGOs¹². Others were transforming gradually into two different forms of apex level institutions including cluster level associations and federation which allowed them to access service and other support beyond the capacity of individual SHGs to deliver. The NGOs themselves may not act as finance organisations, they are not permitted to give loans by the government. Hundee, which works through a local indigenous council, the *Debere* which concerns itself with sharing out the assets of pregnant heifers, calves and sheep between group members is considered the equivalent of the CLA by the NGO.

¹² Oxfam reported that at organizational level with some of their partners some SGs have evolved into legally registered cooperatives (which counts as transformative change at the organizational level).

Linkages to Micro Finance Institutions

In most cases, once groups have significant capital, they may begin to take external loans from microfinance agencies and to deposit their capital either with banks or cooperatives. Linking SHG/SG groups to MFIs was an ambition of the five NGOs and seems to be more a characteristic of the SGs than the SHGs. For example, Care/ASE is linked with Meklit MFI to give loans; the SGs were expected to save with the MFI for six months or so to develop collateral before borrowing borrow money. In this case Care/ASE has deposited cash with the MFIs (first with Omo and later with Meklit) to encourage the relationship to develop between the SGs and the MFI. In the case of OXFAM, the MFI is in fact the government supported Cooperative in Mecha woreda. CoSAP was working with the MFI Habru. However, to buck the trend, Nazareth decided recently to approach an MFI (Metemamen) in order to give larger loans to its members via the Federation and Cluster system.

The experiences reported suggest that this worked well for individuals and households who had developed an asset base and could afford to take the risk involved.

Some of us took money from ACSI [MFI]. I, for instance, took 21,000 birr together with 2 other people who have an asset like land. That is, ACSI used group collateral in order to provide us with the loan and it also registered our asset as a guarantee. So we took 7000 Birr each and paid back our loan in time.

Oxfam/FC

Last time, for instance, they [the cluster members] informed us that, if we need big money, the CLA can link us with a Bank and we can apply for 200,000 Birr in the name of all members of our saving group; i.e. each of us can borrow 10,000 birr and the CLA will be collateral for us.

Nazareth

Linkages to government

All the NGOs described strong linkages with government and clearly worked hard to strengthen mutual understanding and capacity building. There was strong oversight from government with regular reporting required by the NGOs on a monthly basis. (Most NGOs in Ethiopia are not allowed to engage in human rights or political activities; a few may work in this area if they meet certain conditions). Hundee and Oxfam/FC both anticipate that the government will ultimately take over the work of their projects. When the NGO staff were asked the views of regional or local government officials about the formation of these groups formation, these were their responses:

Our focus is also the focus of government so we have to align with government. So first, we have to explain to government what the outcomes will be. We find the main actors in government and launch the programme with them. We have a strong relationship: we communicate daily, we report regularly, we explain challenges, we discuss together and solve problems - from Regional level to Kabele level. [Our work] is part of government now because we have signed a written MOU at regional and district level for specific activities with Administration, Cooperatives, WCA, Agriculture and Livestock. Education did not sign agreement but we work together in the IFAL pilot. Government officials and consultants from Bahir Dar university and external consultants came to evaluate it and government now promotes and is expanding the IFAL programme.

Oxfam/FC

[Relations are] very good. They like us a lot. When we teach on Gender Equality, we invite government officers e.g. justice office.

CoSAP

[The relationship] is positive because most of our work is linked with government partners. It is very important to have these linkages, we engage government stakeholders with project activities. We invite all sectors of government for information sharing, they are part of monitoring and follow up from office to site level. We have WOREDA technical meetings every week.

CARE/ASE

Government offices at the kebele level are aware of the project. We launched the project, for social accountability, to all government offices involved in the project at woreda level. We have an excellent relationship with government offices.

Humdee

At the beginning, there was a challenge from Women and Children's Affairs because it has its own grouping system. They did not want to see another structure created. They tried to make us use their structure. But we gradually convinced them, took them to see what we were doing and now they use our structure.

Oxfam/FC

Much of the training given to SG/ SHGs was given by government technical specialists facilitated by the NGOs. CoSAP/FC gave its own training to members, facilitators and government officers with the intention of building mutual understanding and knowledge. Most of the coalitions (of clusters) or clusters had, with the help of SHG staff or the local facilitators, developed relationships with the local Women and Children's Office staff and could readily meet them to discuss problems (often concerning GBV, child marriage, child labour or the alienation of land).

Women affairs, health extension workers, and livestock experts report what has been done through the project as their own [work] so, yes, they have good relationship with us.

Humdee

5. Weaknesses in the SHG/SG approach

5.1 Individual level

First year trajectory

For nearly all groups, there is a trajectory of challenges in the early months of establishment and this is when groups are most likely to fail. The challenges are focused on the difficulties of saving for poor households, the lack of immediate benefits, a lack of familiarity with the group method and disapproval from household members, usually husband.

Hostility from neighbours and churches

Many respondents reported high levels of hostility towards their group's formation from neighbours and also from the Orthodox church, in part due to lack of information about and familiarity with the group's core aims. This tension usually subsides once the group is seen not to challenge too much local religious or cultural practices and to benefit the members.

Initially we were criticised because it was thought that FC would convert us to Protestantism or Islam. Or that we were joining because we didn't have enough work to do. Our church forbade us from entering the savings group. We were 'cursed' by the church and people were told to shun us. However, when it was seen that no one converted, everyone still fasted, did not work on Saints Days and Holidays, the pressure died off.

CoSAP/FC

The community undermines our groups. They considered the members as hopeless but it is changing now as they see some of doing well.

CARE/ASE

At the beginning they [others in the community] were considering us "idle"; but now they are requesting to join us.

Hundee

Formerly some members of the community considered us idle and they thought we are wasting our time. But now they are forming their own group after seeing what we have been benefited by being a group member.

Oxfam/FC

Differential experiences

As we should expect, even in successful groups, examples were given to show that not everyone benefits equally and some fail to benefit at all. Different activities have quite different returns on investment from place to place and some members do better than others for reasons that include luck, resources at their command and judgement. A woman from a Nazareth reported that her 13 year old group now had women in very different economic situations; she herself had done remarkably well over the years but others were a little better off; they were still, in her view, appreciative of their membership of the group, the relationships and solidarity between them and the improvements in their lives. There were also examples from rural areas of enterprises failing, for example, ox that did not fatten, markets that fell so that fattened sheep were sold at a loss,

having to sell animals prematurely to raise funds for health emergencies, and of (a small number) members leaving groups for a range of reasons although this was most common in the first year.

Unintended negative consequences?

On the whole, it seems likely that children within SG/SHG households benefit. The groups often receive strong messages about avoiding harmful traditional practices such as early marriage or sending children away as labourers. Many groups penalise members who take part in such practices. However, the intra-household, including child, labour implications of increased workloads as a result of greater access to credit and loans (and even if workloads always increase) is unclear. Sheep and goats need herding and CoSAP/FC men were very clear about how while sheep can be fattened in the backyard, goats need to be herded. One man mentioned how, unusually, his wife herds and that this is possible only because they do not have too many children. More work for children is not problematic as long as it is appropriate to their age and does not prevent them attending school or doing homework and the respondents frequently mentioned how they now could invest in their children's nutrition, education, and material wellbeing thanks to their increased income so it seems likely that children benefit from the SG/SHG. However, this research does not have firm evidence concerning the implications for child labour.

Issues with training

Respondents from CARE/ASE, CoSAP/FC and OXFAM/FC all complained that when training was given in the local town, only a few are called because it is too costly to take all the group members. These trainees are supposed to come back and train others and usually the trainees receive a *per diem* for their stay in the training centre. However, some group members reported that not only do those who go for training return with 'money in their pocket' but also often fail to pass on the training. There is a danger that NGOs will believe that their beneficiaries have received training when they have not and monitoring in this area should be improved. One individual reported how she had not passed on her training (though it was not clear if she had been sent as a trainer of trainers).

For training, it is FC that selects representatives of the SHG to go to trainings. We have had trainings on bee farming, on life styles, and on how to raise children. They also taught us that we should not sign without reading. If the trainings had been continuous, it would have been useful. I have gone to trainings twice in Merawi and Nazreth. I do not remember what it was about. I did not share it with the others in the group. If I had education then I would have taken a note and shared it with the others.

Oxfam/FC

However, this critique of the training of trainer model was not systematically investigated but an issue that came up in discussions. At least one group reported that the members who were trained did train their fellow members although it is not clear whether the linkage of training and the obligation to pass on the training with an asset made a difference in this case.

Those members, who took the cows, are the one who took the two days training given at Muke Turi. They have been trained about household and environmental sanitation, cattle keeping, household management and toilet usage. The training is very useful because we gain knowledge

about environmental and household sanitation. Previously we didn't have toilets; but now every member has a toilet.

Hundee

Reasons for joining a group

Most group members joined because they hoped to improve their lives. The beneficiaries under CARE/ASE were in a different situation. The GRAD programme had been put in place for those on the PSNP or recently graduated from the PSNP. All the SHG members who spoke to the researchers regretted their loss of access to the security of the PSNP whilst, at the same time, expressing their appreciation of the benefits of VESA (SG) membership

People from CARE/ASE came and told us to establish a saving group so that we can save and engage in a business. We established the saving groups and started to save working as a daily laborer

CARE/ASE

The PSNP told us we had graduated, that we were better off; we had received cash and food via the PSNP, we were told we should open their own savings group. We were not happy about this but we do benefit from the VESA.

We are all ex-PSNP and 4 years ago were under the Safety Net. We were told that had to leave, we wanted to stay in the PSNP but could not.

CARE/ASE

The benefit we get by being a member of these saving groups cannot be equivalent to what we used to get from PSNP. We benefited a lot from PSNP.¹³

CARE/ASE

In other sites, Kabele leaders told the researchers that they were also involved in the selection process, recommending which poor households might suit participation in the savings groups.

Challenges in mixed groups

The evidence from this research was, of course, insufficient to form any confident conclusion. The researchers met in the site where groups were mixed, respondents appeared to divide 'naturally' into a women's side and a men's side, reflecting the gender dynamics still pervading Ethiopian society and religion. CARE/ASE women from two groups interviewed complained that the men in the group received more training when pressed said that there had not been that much training yet. The male SG members told the interviewers that the men have their own leaders and the women have their own leaders. Both men and women said that the leaders of the men and the leaders of the women wanted to see better relations between the group of women and group of men so they lead discussions every 50 days. There was one case where man accessed group membership but his wife did not that was reported.

¹³ Reviewing the report, CARE/ASE commented that there are two ways in which PSNP graduation takes place: the first is self graduation where the household voluntarily leaves the programme, recognising that it can support itself without government assistance; or, secondly, through a process of bench marking which allows the Kebele Food Security Task Force (KFSTF) to assess households, this may well be perceived by the household as a non-voluntary severance although a normal part of the PSNP cycle.

I have been in the VESA for the last 3 years. My wife is not a member of the VESA, we thought one of us being in the group is enough. We thought we might not be able to manage two savings.
CARE/ASE

Resistance to change

There was, of course, given the embedded and complex nature of gender relations, opposition to these changes (and it is certain that there is still opposition to changing gender relations given the strength of tradition in Ethiopia); such opposition is to be expected and is often supported by religious belief and practice.

There are some men who still think in the older ways. They are disrespectful of their wives and they tease us saying “you are [the] slave of your wife”. They think that our power and authority are taken by women.
Oxfam/FC

Female headed households face particular challenges

For the most part, respondents agreed that female headed households faced a tougher time because they had one adult less for planning, agricultural tasks, business and household and in social terms were vulnerable, lacking the protection and representation of a man where local level political life is dominated by men and also respect.

It is very difficult for female heads of households to save regularly. Because they are expected to fulfill everything for their family; they have to engage in farming, they have to do business as the land is not productive; there is no one who can share ideas with them. Moreover, they have to save regularly. So it is very difficult for them to save and attend meetings regularly.
Hundee

I think a household with husband and wife living together is better in earning more money and saving more. There is a saying that “two hands are better than one hand”. For female headed households it is challenging to save often. I am, for instance, a single mother and faced many challenges at the beginning. With dependent children, it was very challenging for me to engage in income generating activities because there was no one who can take care of my toddler. But currently thanks to God I am doing well.
Nazareth

Female headed households often rent out their land or give it for sharecropping [because they cannot farm it themselves].
CARE/ASE

I think male headed households are better in saving regularly. Everything cannot be fulfilled for those females who are heads of households. So it can be difficult for them to save and attend meetings regularly. Of course, in our group there are no such women.
Oxfam/FC

Male headed households are better than female headed households in saving and attending meetings regularly as spouses support each other. But when we compare households with inflexible husband and female headed households, female headed households are better in everything; women from female headed households are free to attend the biweekly meetings.

CARE/ASE

Female household heads experience difficulty in saving regularly than females in male headed households. This is because, in households where both are available, they can support each other and save on a regular basis.

CARE/ASE

Women from male headed households are better in saving than women from female headed households. Most of us in male headed households save 20 birr and those from female headed households save 5 Birr.

CoSAP/FC

5.2 Community level

Context influences

Not surprisingly, the context also influences how easy or difficult it is for SHG/SG members to use their access to credit more productively and profitably. These variations make it difficult to unpack which factors have contributed most to the changes seen, whether these are environmental, the local economy or the methodology and approach of the different NGOs. This confounding of formative influences limits what can be said with certainty, in particular it makes it hard to comment on the more externally influenced forces contributing to economic change. For example, the dense urban environment of Adama offers many more economic, employment, educational and employment opportunities to the SHG members than the rural situation of the CoSAP/FC sites visited. Rural locations could be further differentiated by whether they were peri-urban, thus providing daily labour opportunities, or were more remote; or whether they were high productivity zones (an official Ethiopian government category) or drought prone. However, the range of income generating, market, employment or educational options available to poor women in rural areas was certainly smaller and a starting hypothesis for future research would be that the SHG/SG methodology will have easier economic results where markets and services are easily accessible. These environmental and economic differences mean that it is hard to assess without careful longitudinal studies across similar environments which methodological approach works best.

5.3 Organisational level - NGO and apex organisations

Duration

The projects also anticipate varying durations of engagement. For the agencies working with cluster and federation level structures, these take time to emerge and need support to stabilise and become proficient. Linkages with MFIs and cooperatives also need several years to establish.

Due to the support received from partner evangelical churches, Tearfund projects initially did not have to work within a strict project timeframe and the exit strategy was not built into the design. Project design has now been changed to reflect funding constraints better and to allow the NGO to see growth and move funds onwards as fast as possible. In Womberma, the project had its own life span. FC KNH have been working for around 9 years on this project and have reached the beginning of the consolidation phase where SHGs have achieved the federation level, schools are managed by the government, and seed multiplication and marketing cooperatives were supported by the cooperative and agricultural office. These structures were not dependent on funding tranches; most of the project activities were done starting from the beginning based on a sustainable plan but are dependent on funding tranches from their donors to continue the work. This is also true for Oxfam, and CST but CARE sees the VSLA model (not studied here but the model that underlies the VESA model with regards to savings and loans) as self sufficient after 1 year. CST's programme cycle is from 3-5 years, but after a programme cycle is finished, there is a consolidation phase before the intervention is phased out of an area.

Box 2: An exceptional example of the cluster and coalitions working well is the self governing Adama structures

The Adama/Nazareth structures have taken approximately 13 years to evolve and much reflection and reinvention on the part of Tearfund. Adama has now been registered as association but acts like an NGO in providing continuous support to its members while founding new groups and seeking new areas of activity to support the groups. The researchers heard some remarkable success stories about how SHG members have grown in confidence in decision making in both their families and the local community. Many are now advocating on behalf of the poor and marginalised in their communities and there is little doubt that the organisation has had significant achievements in being recognised by government and in the linkages it has developed with government offices and microfinance agencies. The number of women it groups means that the NGO can bring influence and even have political ambitions based on promoting the interests of their members and of poor women more generally.

FC KNH also promotes the development of cluster and federation organisations and these have been able to respond to

Linkages to microfinance institutes

Most accounts of linkages with MFIs were positive but there were some cases from CARE/ASE of households being pressured to take MFI loans or who did not qualify for MFI loans somehow managing to either borrow from two at a time or to borrow more than they could afford to repay without a serious degradation in assets. The hints of compulsion below are a cause of anxiety and

mean that NGOs need to ensure that they have strong systems of identification and regulation in place. The cluster system may provide a good screening process for MFIs.

I borrowed 4000 Birr and bought an ox. But it had become so difficult to fatten it. When I tried to sell it, it was estimated 2800 Birr. Finally I brought back to home and slaughtered it. Thanks to my children they repaid the loan. But I promised to myself not to take a loan again.

Care/ASE

Agri-service linked us with Omo [MFI] and we all borrowed money from Omo because they said we cannot be a member unless and otherwise we take loan. But the problem is that we can't pay it back. I, for example, took 4000 i.e. 3400 Birr and bought goats but all died. I paid back the loan selling my pair of oxen that I used to plough my land. Some other of us took the loan because they promised to buy the goats after we fattened them. But no one came to buy the goats. Moreover, there is an interest. We are expected to pay back 6000 Birr. So due to lack of market we can't pay back the loan. Even some of us sell our land to repay the loan. The drought has its own effect for not repaying the loan. This is because feed is getting expensive due to the drought. So we promised for ourselves not to take loan [from MFI] never and ever again.

Care/ASE

Sustainability

The exit strategy for these groups and their apex organisation varied but all NGOs visited were clear that they had developed such a strategy. The groups and cluster/federations where these existed are either already self sustaining or have the potential to be so. The discussion of when NGOs should remove support will depend on the objectives of the NGO and the needs of group members. In the case of FC KNH, they intended that the institutions left behind would be managed by their members while Oxfam/FC envisaged handing their project over to government; government officers were already closely involved in these projects and were keen to take over the technical support. For Adama, the organisation's federation level organisation was already functioning as an independent NGO and their vision included the creation of a resource centre for all groups to use and the further evolution of the kindergarten they had established. Hundee had built on the local *debere* institution to manage the movement of assets between the SG members so this oversight body was likely to remain in place in the long term.

As mentioned above, the clusters often rank the SHGs by their performance to encourage the members. Rankings are by attendance, contributions, savings and repayments. Experience sharing for the cluster can be very important and they also have their own enterprises to earn funds for cluster per se. The federation and clusters also organise large scale celebrations of the women's groups with annual festivities all of which contribute to the identity and cohesion of the group in the long term.

Erratic relations with government

Relationships and interaction with government at local level seemed to follow an erratic and uncertain trajectory. Adama's federation set up a kindergarten to create a safe and educational

environment for members' children while women worked and to generate income. After a few years of lobbying for land, the school was accommodated in a government school. But later on and quite suddenly, this space was then taken back. Similarly, a fee paying pre-school set up by CoSAP/FC was undermined by the setting up of a government pre-school which did not charge fees.

As in any major organisations or bureaucracies, individuals can be exceptions to the rule. A government livestock officer in Dangila was unmitigatedly enthusiastic about the work being done by Oxfam/FC and had only praise for the NGO; his view was that all this was being done for government as his department would soon take over this good work. Although we do not have direct evidence of this, it seems reasonable to suggest that the various clusters and coalitions of women's SHGs also strengthen the women's affairs office by providing another strong lobby for women's rights.

6.Promising practices and their underlying change pathways

6.1 The more you sow...the more you reap

How well the groups coalesce struck the researchers as very much a function of how well the organisation promoted the groups. Where the groups are fiercely coherent, this is a result of unparalleled long term support and insistence on group self reliance as with Nazareth. The researchers were extremely impressed by the results seen there, but note that it would have been more helpful to have also visited a rural version of the same agency's approach as it has been difficult to know how to attribute this success (to disentangle the impact of the urban context, the long term support and the intense focus on self reliant groups). However, taking the groups seriously and investing in them as an entity that can in itself multiply benefits for rural women does seem to be a result that pays off. The work carried out by CoSAP/FC in rural areas which has scaled up from 12 to 21 kebeles supports the finding that SHGs have considerable potential to empower women socially and economically although the economic opportunities were more limited and economies of scale were reduced in rural areas.

6.2 The advantages of the social funds

The social funds embedded in the by-laws of most SGs are a very useful innovation. They now constitute a place to turn to in times of crises, particularly health crises and must allow for greater peace of mind in group members. Social funds are a key means by which SHG/SG members have been able to avoid traditional money lenders and their higher interest rates at vulnerable times. Avoidance of these rich households also protects the assets of the poor, most particularly and importantly, their land. Land shortages in Ethiopia and intermittent redistribution by government mean that there is pressure from the better off on land ownership. The obligation in other groups not to build up a regular social fund by a weekly or biweekly contribution but to have members contribute in times of need seems a much weaker version of the social fund and to have a much reduced protective dimension.

6.3 The benefits of insurance

One of the most impressive results of the SGs is that they provide a form of micro-insurance via the social fund and the social capital developed within the group which leads to support in times of 'happiness and sadness'. Where self-help groups can evolve into cooperative societies based on their interest, this also offers an opportunity for sustainability and for linkages with the formal sectors. The disturbing accounts of poor women from SGs who had somehow played the system to obtain loans from more than one MFI suggest that NGOs could support MFIs in developing better oversight or data management practices.

6.4 Rotation in leadership positions

There will always be the risk that whilst providing a unique vehicle for women (and men) who are, for the most part uneducated and poor, that amongst those women and men, some will come to dominate. The principles of transparency and rotation of training and leadership remain crucial tools to allow all to realise their personal potential and to prevent, where necessary, a new elite emerging to capture the knowledge based, economic and political capital opportunities.

6.5 Training as a catalyst

The range of training on offer to most of the groups has been a sterling success and building on the efficiencies embodied in group formation should continue. Groups all reported on what they had learnt and many appeared to have genuinely new skills and knowledge in critical areas of agriculture, nutrition, climate change adaptation, livestock care and marketing, beekeeping, integrated functional literacy and gender relations; all of which suggested that the providers of training had taken careful note of the needs of their group members. Tearfund views itself as not so much supporting training but creating the opportunity for learning; the effect appears similar and positive. Most often reported on as successful was the 'savings culture' that had spread within the groups whereby improved financial management concepts had become embedded in rural households. The success of the savings culture was illustrated by the fact that, in many cases, it was being adopted by other community members through joining SGs or forming their own groups. Where training was by a training of trainers system, the results appear to have been diluted; NGOs should seek improved training methods or ways to guarantee the quality of TOT systems.

6.6 Transformations in gender relations

This research did not interview enough men within the communities to assess conclusively the impact of the training on gender relations but there were encouraging signs of positive change reported by men and women of changes in what was considered appropriate for women in terms of mobility, enterprise, consultation and decision making. There were many reports that this brought positive results for children in terms of parents (especially mothers) being able to provide the materials for education in a timely fashion. Working with men on gender relations training therefore seems to be a solid move in the right direction and likely to have repercussions on the whole of life and well being for women. Where sufficient men have been convinced that traditional gender norms can be questioned, there are also social benefits as norms in turn shift and adapt. .

6.7 NGO economic inputs need to be carefully managed

The evidence from this research suggests that strongly cohesive and independent groups can form even where NGOs provide economic inputs to provide an economic impetus, the quotes below are from Hundee which does give assets and economic incentives and does not promote the cluster and federation structure very strongly. .

At the beginning members used to fight saying “you are the one you made me to be penalized”. But now we miss each other and cannot wait to meet in our weekly gatherings. We also visit each other at times of maternity, death and illness. We contribute ETB and take injera with sauce to those members’ house who are sick, give birth to new baby, or who are on mourning due to death of family members.

Hundee SHG

We have become like a family and we do not want to disrupt that.

Hundee SHG

6.8 Multiplying the impact - clusters and federations

The formation of clusters and coalitions based on the SGs has the potential for several developmental benefits. Firstly, having organisations of and for poor women provides a powerful advocacy tool for women and children's rights (currently focused on gender based violence and harmful traditional practices such as child marriage and child labour). Coalitions and clusters backed by a large number of women can constitute a counterweight to unequal gender relations and entitlements at a structural level. The clusters and the coalitions have been able to make strong linkages with the local Women and Children's office, the police and judiciary and may even provide a constituency for the Women and Children's office. Training women in the range of skills required to facilitate at the cluster and federation level further develops the leadership and management skills that are already emerging at group level in many cases. Clustering organisations also offers a path to sustainability as well trained cluster officers and coalitions can maintain themselves through group contributions and income generating activities. Clusters and coalitions of empowered women also create more diverse role models for women in rural areas, this is reinforced by their activism on issues that harm women and children. It is also easier to bring sympathetic men on board when there are massed groupings rather than individual voices and to protect individual women from criticism

6.9 Stick to single sex groups

The evidence produced here, while very limited, hints that single sex groups work better *if* an objective of the programming is to empower women socially and economically. If economic empowerment is the main objective, that is a different matter. However, to fully exploit the potential embedded in group formation and dynamics, it is important to be able to move away from the traditional organisation of society. Taking a 2014 definition of economic empowerment from Perezniето and Taylor, it can be seen that power inhabits several and related dimensions and is likely to 'leak' into the social sphere because increased control of resources, greater say in decision making and greater autonomy all feed into each other:

'Power within: the knowledge, individual capabilities, sense of entitlement, self-esteem, and self-belief to make changes in their lives, including learning skills for jobs or start an enterprise.

Power to: economic decision-making power within their household, community, and local economy (including markets) not just in areas that are traditionally regarded as women's realm but extending to areas that are traditionally regarded as men's realm.

Power over: access to and control over financial, physical and knowledge-based assets, including access to employment and income-generation activities.

Power with: the ability to organise with others to enhance economic activity and rights'.¹⁴

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Across all these dimensions it can be seen that women are likely to learn more about how to do what they want to do and to learn to have more say in what they do from working within single sex groups.

Carefully facilitated and trained women only groups are more likely to create safe spaces for women and generate more diverse role models for women (and also for girls in the area) as women explore and take on problem solving, decision making and roles as leaders. Women also, thereby, enhance self-esteem and self-confidence that they can then take back to their enterprises, households and communities. Women only groups are also more likely to develop strong inter-personal relationships and mutual support, particularly around key life cycle events; this is not yet acceptable between poor rural unrelated men and women in Ethiopia. To involve women in decision making and to promote leadership qualities among them is to therefore to provide opportunities still unavailable in traditional Ethiopian society.

This being said, however, there is also a risk that participants could be 'encouraged' to graduate prematurely from the PSNP if their new found economic empowerment is precarious. Careful and medium-term monitoring is therefore critical.

7. Conclusions

The overall objective of this study was to document and develop a common understanding across key Government and Non-Government stakeholders of the developmental process, impact and potential of SG/SHG approaches in Ethiopia. More specifically it aimed to:

1. Review the SG/SHG approaches of different NGOs to determine the similarities and differences of the approaches over time
2. Assess the outcomes of these varied SG/SHG approaches in terms of contributions to individual empowerment, intra-household relationships, group relations and support, and community dynamics
3. Determine promising practices and their underlying change pathways.
4. Review the experience of the MFIs that are providing financial support to SG/SHG and determine challenges and good practices and the impact this has on the groups.
5. Create a tool for dialogue for those working in this space which can serve as an entry point to find more common ground and possible entry points for coordination and collaboration.

In this concluding section, we review these issues in what seems the most appropriate order, with point 4 subsumed under point 2 and with the assumption that point 5 is, in fact, the report.

7.1 Similarities and Differences

Overall, while the approaches of the five NGOs and their representative partners vary, this research suggest that they have also much in common.

Similarities

The funding agencies have, despite different philosophical underpinnings, used very similar methodologies, these include:

- i. **Group formation** of approximately the same size and similar economic status in order to see homogeneity
- ii. **Working with the poorest and most vulnerable.** All have a focus on targeting the poorest and many aim to work with women
- iii. **Group by laws** agreed by the groups themselves
- iv. **A group committee** of approximately 5 to be chairman, treasurer and secretary with a vice chair and a vice secretary
- v. **External support for the group.** All groups had support from facilitators or animators on a regular basis
- vi. **Regular meetings** for savings and the encouragement of loans for productive purposes with loans scrutinised and a guarantor within the group
- vii. **Social Fund.** The establishment of a Social Fund or by law prescribing contribution to social fund to help members manage crises more smoothly
- viii. **Training on savings and loans** principles, practices and record keeping and training for office holders on their tasks.

- ix. **Training on key development issues.** A further set of training packages which overlap in content as the agencies tend to subscribe to a shared set of development priorities (nutrition, sanitation, basic primary health care, gender equality, more resilient and climate adaptive livelihoods, new income generating activities and so on).
- x. **Structured discussions.** Meetings centre on structured discussions in meetings around problems faced by members, key development issues (savings and loans, agriculture, IGAs, harmful traditional practices and so on)
- xi. **Social capital.** High value given to the social capital generated by the group membership.
- xii. **Relationships with government.** Close working relationship with local government agencies is compulsory and common
- xiii. **Linkages with microfinance institutions and cooperatives** is built into the programming or organically emerges from the programme.
- xiv. **Involvement of men.** All the agencies attempt to engage husbands or men from the households in either training, savings groups, cooperatives or support groups and offer men training in at least gender relations
- xv. **Geographical targeting.** The agencies work in similar areas, often targeting poverty geographically, and may work through the same local partners

Differences

The differences between the NGO objectives derive in large part from their philosophical differences.

- i. **The function of the SHG/SG - means to an end or end in itself?** Tearfund and CoSAP stress that the relationships within the SHG/Cluster/Federation structure are able, in themselves, to bring about social empowerment and even political and institutional change. The other NGOs tend to see the SGs as a means to an end or as an efficient delivery mechanism, and aim to link the group members with formal economic groupings, such as microfinance institutions and cooperatives, to support economic change.
- ii. **Longer-term vision - transformed society, individuals or economically transformed household, what comes first?** CARE and Oxfam focus on change at the household level although Oxfam specifies a focus on women's empowerment. Tearfund and CoSAP desire to effect social and political change through the group formation and relationships to move communities (Tearfund) and women (CoSAP) out of poverty. CST envisages economic empowerment as an entry point for the social transformation of women (along with the decision making influence this brings into the household for women) and as the process which will shift communities out of poverty.
- iii. **Stress on economic versus social empowerment** All agencies wish to see economic empowerment but are at different places on the social empowerment spectrum. Tearfund and CoSAP prioritise social empowerment with poor rural communities taking responsibility for their own development. The other agencies, CARE and CST are more strongly focused on economic empowerment, yet the nature of the group formation and the range of training

offered means that social empowerment is also an important concern and outcome. Oxfam sits somewhere between the two camps as it also promotes the cluster structure.

- iv. **Economic inputs to stimulate productivity and profitability or group self reliance** Among the NGOs, only CST/Hundee gives productive inputs, including a grant (4 heifers per group, calves for onward redistribution within the group; a prize for good performance and revolving loans to groups). Tearfund will consider economic linkages or support in times of crisis that do not undermine group sustainability.
- v. **The integrated role of the group and apex structures** Tearfund and CoSAP have a strong vision of the community, advocacy and political role of the clusters and the federation system and hope that this system will be ultimately self sustaining as well as self governed. Their vision is of an integrated system that enables local leaders to meet at regional and national levels to discuss and seek solutions for shared national problems through its own action and through linkages with government agencies and other developmental entities. Oxfam is also promoting these structures.
- vi. **Group Replication** SHG practitioners argue that organic replication through either or both local churches and Cluster Led Associations creates stronger groups, better able to graduate into clusters and coalitions which support members and work towards greater social justice. SG practitioners have either sought to replicate groups through their own staff or created a cadre of independent fee charging service providers to form and train groups.
- vii. **Single sex versus mixed groups.** Only CARE/ASE has mixed sex groups, the others agencies work with single sex groups as they consider them more empowering for women.
- viii. **Partnerships and funding cycles:** Tearfund works through the development wing of different evangelical denominations/churches and was historically able to take an unusually long term approach in terms of the project cycle compared to agencies like CARE or OXFAM which are often on 3-5 year funding terms. Hence Nazareth had more than a decade of thoughtful support before becoming independent. CST similarly works in partnership with the Ethiopian Catholic Secretariat- Social and Development Coordination Office (ECC-SADCO) and other secular partners on a 3-5 year Programme cycle.
- ix. **Working with the non poor:** Oxfam, CoSAP, CARE, Tearfund/Nazareth will work with better off groups where resources permit, note that these are not rich groups, but not the poorest.

7.2 The outcomes

It is hard to generalise from the small sample of mainly successful groups interviewed. However, the depth of the interviews and the repetition of similar themes and experiences by group after group mean that the researchers are able to say with some confidence that many of the individual and household level outcomes are similar whichever the agency and whether the group is considered a self help group or a savings group. Longer established groups tended to have better outcomes because they had saved longer, invested more and had time to enjoy the benefits of social capital where that emerged.

What reached the poorest?

The question of which approach works best for the poor also remains unanswered, partly because all the NGOs appeared to have some success in reaching and working with the very poor. Would the extreme poor prefer programmes which offer some level of economic support or are they, in the longer term, more empowered by the intrinsic motivational approach of the agencies which rely on transformation of relations with oneself and within the group and the larger group structures of cluster and federation? This research cannot say, however, where well implemented, the approaches reviewed all brought benefits to their members that could not be readily accessed elsewhere: improved money management, savings, access to credit, training important to wellbeing and to livelihoods and relationships with a cohort of peers living locally who could provide support and friendship.

Individual Empowerment

In nearly all groups, respondents reported the development of a savings culture that they had not had before in terms of a greater ability to save and to plan for investment they could make from their savings. Investments tended to follow a trajectory as savings increased and loans became larger but could also fail as the risks became higher. Respondents reported being able to diversify their income streams, particularly in the dense urban environment of Adama. As the NGOs did not give grants (except for CST), this was very much the work of the individuals in their groups. Expenditure increased and generated an income stream under the control of the woman (or man) concerned albeit one that was normally spent on household needs and children's education. The social fund seemed to be a solid success albeit limited in scale whilst it and the loan system enabled members to avoid traditional moneylenders with high interest rates and protect their assets better. Group members also valued the social benefits of SG/SHG membership in terms of increased social capital which strengthened over time. The various financial, economic, agricultural, gender, social and health trainings offered were appreciated and respondents asked for more training. The discussions held in meetings were also valued as a useful way of learning with a structured agenda to follow and issues such as child labour raised.

Where the main route out of poverty is enhancing engagement with markets, this means that individuals have to take increased risks. Inevitably, some will fail, the group based model does rest on majority success and more information is needed as to how the groups deal with members who default because, for example, the animal bought to fatten dies unexpectedly. Hundee's oversight committee for animal sharing has the authority to decide if an animal died through no fault of a woman's and to forgive the debt; in future, the aim may be to ensure animals with reliable insurance company to mitigate this problem (the researchers were told that some insurance companies have expressed interest in working with farmers). The groups, clusters and federations might well be suitable entities for engagement with micro-insurance where the law permits.

Intra - Household relationships

Gender relations are a focus of this report since all the NGOs regard the groups as a way in which women may become socially as well as economically empowered. Respondents reported distinct and positive shifts in gender relations in term of sharing of work, greater influence and consultation within the household, the development of women's skills and knowledge and greater confidence

and mobility. The significance and scale of this shift in gender relations is hard to assess, not only because these were mostly successful groups but because it was hard to separate the impact of NGO training from broader and more structural shifts as a result of government policies around gender (e.g the promotion of contraception, a focus on women's reproductive health) and the government's own training programmes. Yet, there seemed to be changes underway that not only allowed women to contribute to their households but also promised to deliver lasting changes in terms of women's status and influence. Group solidarity reinforced these changes and gave women a structural base as well as .

Community level

Group structures had considerable potential for enhancing resilience against shocks and stresses. The role of the social fund was the first level of support but this was complemented by training on climate resistant agriculture, accessing loans for inputs or even consumption and the possible use of the group structure for NGO responses in the forms of a rotating loan or similar distributions. Only three of the agencies regarded the formation of the clusters and the federations as integral to their work and yet, where considerable dedication was given to supporting these systems, they appeared to offer benefits beyond those transformations accessible at group, household or individual levels. Successful

Linkages to government, exit strategies

All the agencies had a strong working relationship with their relevant local government offices though in the Ethiopian context, these linkages and oversight are compulsory. The experiences reported by the NGOs varied, unsurprisingly, from site to site and were often influenced by the individual officers. Linkages to microfinance institutions appeared riskier. It will be important for these NGOs to ensure that households are not pushed too fast towards large and overlapping loans. The examples that emerged during the research of this happening were from areas where CARE's partner, Agri-Service was working but it must be kept in mind that in this site, the researchers were able to visit groups in drought affected areas that were not selected for high performance and where the individuals who reported difficulties had also tried to play the system. A review of the checks and qualifications for loans might be sensible in this context.

8. Recommendations

8.1 Reaching the poorest

The data collected for this research suggests that the very poorest do need to be targeted in a deliberate manner to be able to be part of these groups and that more remote rural areas are still the hardest to reach. All agencies should continue to seek modalities that work for the poorest and may well be able to learn from each other in this regards.

8.2 Time and resource investment in groups

Taking the groups seriously and investing in them as an entity that can in itself multiply benefits for rural women seemed to be a result that pays off. SHGs have considerable potential to empower women, but for this to take place, the SG/SHG need strong organisational support.

8.3 Support social funds

Given the importance of social funds to reduce vulnerability and mitigate risks, ways to strengthen the social fund or to link with health interventions would be a promising way forward.

8.4 Develop an insurance function

Identifying the most appropriate microcredit functions for poor households also seems a practical and potential profitable way forward. Ethiopians have a firm attachment to *iddir*, the indigenous and locally based funeral insurance; this suggests that other forms of basic insurance such as health insurance might also be acceptable. However, there may well be legal barriers in Ethiopia to NGOs developing insurance packages that mean quicker results would come from working with MFIs to develop alternative packages.

8.5 Avoiding elites forming

NGOs should ensure that rotation in leadership positions takes place as, otherwise, empowerment gains will only be made by the already assertive members of a group.

8.6 More and better quality training

Training should be delivered by well-trained facilitators and NGO and government technical experts and not be short circuited. Alternatively, structures for oversight or reporting of the formal sharing of learning could be explored such as ensuring these shared trainings are on group agendas.

8.7 Group maintenance

What seems important is a steady focus on group maintenance and cohesion through regular meetings, the rotation of officers, ensuring loans circulate, and are repaid along with building the capacity of the members in terms of leadership skills and training in key development areas

8.8 Support the formation of clusters and federations

Given the benefits of having clusters and federations, it seems important that the current programmes that promote this model continue to support it. It may be that this type of investment in social change by an NGO partner requires a long term investment and considerable levels of support in technical and facilitative if not financial terms, but the investment seems to be worthwhile. Church based agencies may be better placed to make this type of investment.

8.9 Expand savings and loans groups to all PSNP recipients

The value of the 'savings culture' means that it is applicable to any wealth group (in the developed or developing world) but that it can have the most positive impact for extremely poor households such as those receiving the PSNP and other cash transfer programmes. At the core of this training is a simple focus on better management of money, on planning, goal setting and business planning from which all households can benefit. A savings culture can also begin to contribute towards the graduation objectives of a programme such as the PSNP. The advantages from group formation arise from the pooling of funds, the efficiency in terms of training delivery and the social capital and micro insurance benefits described in this report.

8.10 More meaningful M&E is essential

This report has learned about the monitoring and evaluation activities from the documentation provided by the head offices in Ethiopia and from talking to NGO officers on the ground. Ideally, this would have been complemented by meetings senior NGO M&E staff as it is likely that some key activities have been overlooked but time was limited during the fieldwork period. The impression garnered at local level was that much monitoring is reduced to counting outputs in the form of trainings delivered, loans made, animals bought or shared and so on. This enumeration is not revealing of processes and is unlikely to deliver much in the way of feedback loops when things go wrong. There may also be too great a focus on success which conceals challenges faced by other members. We recommend asking for stories of challenges, drop out and loss in addition to success stories. The NGOs should also investigate the impact of the training packages they deliver. For example, a before and after time use study with men and women who have received gender training might produce interesting results which validate the programming.

A grey area, for example, is what more productive and profitable work for women means for children. More work for the household can have a mixed impact on children according to their gender and age. There were mixed messages from the accounts in this review: some parents were clearly aware that children should not compromise their school work to help at home but children's labour was part of the household labour portfolio. The NGOs should follow up here.

If the NGOs are serious about learning from each other, there are opportunities here to develop common frameworks of M&E that would allow them to compare better between the different programmes for impact over time. RCTs have been reported to be problematic due to the swift adoption of savings groups by other community members but it should be possible to design a reasonably robust comparative mixed methods longitudinal study across the various NGOs to track the impact and resonance of particular interventions in a meaningful way. Some agencies dislike the non-treatment component of the RCT for ethical reasons but these can often be overcome where there is a sequencing of programming so that those currently 'non-treatment' know that they will eventually receive the intervention. Certainly, more joint visits are recommended by the different NGOs to each other's sites with specific learning agendas. These could be accompanied by mutual support of Savings and Self Help Group review and study events at a national and regional level.

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