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A ROADMAP FOR SUPPORTING SELF HELP GROUPS

GUIDANCE NOTE

Acknowledgements

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1. Introduction

1.1 Purpose

The purpose of this note is to provide step-by-step guidance for key actors interested in integrating the Self Help Group (SHG) approach across their programming. It serves as a roadmap for practitioners seeking to leverage the SHG model for holistic community-led development, and outlines core concepts, methodologies, and best practices.

The guidance offers flexibility and can be tailored to different contexts and needs, ensuring it remains relevant across varied settings. It is accompanied by a standalone *“Compendium of tools,”* which offer further depth on key activities contained in this *Guidance Note* and a standalone *“Annex of Templates.”*

SHG members themselves are the ultimate driver of this approach. In keeping with the principles of autonomy and self-leadership championed by the SHG approach, this guidance focuses on the creation of a supportive environment where SHG members lead the formation of their group; ensuring that key processes are driven by their collective insights, experiences, and priorities.

1.2 Audience

This *Guidance Note* was designed by The Share Trust primarily for project partners and local facilitators interested in adopting and implementing the SHG model. The guidance is also relevant to other actors, for example funding partners, interested in understanding the SHG model and the steps needed to ensure their success. The comprehensive compendium of tools with crucial background information for facilitators and project managers.

The guidance is crafted to be universally applicable across various organisational roles but is targeted at implementing staff including project managers, SHG champions and SHG facilitators. In addition, the accompanying documents provide a comprehensive suite of tools and templates for these practitioners. Moreover, the inherently cross-sectoral nature of the SHG approach makes this guidance relevant across different sectors, including health, education, livelihoods, and other elements of community development.

2 Overview of the Self Help Approach

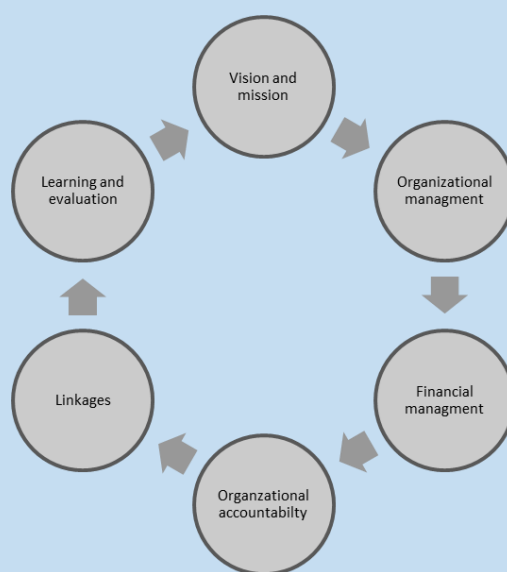
2.1 Mutual Aid Groups as Catalysts for Change

Mutual aid groups - such as **Self Help Groups (SHGs)**, **Cluster Level Associations (CLAs)**, and **Federations** - are grassroots platforms formed to foster development and empower individuals and communities. Through collective action, these groups contribute to transforming social, economic, and environmental conditions in a sustainable and inclusive manner.

Box 1: Definition of a Mutual Aid Group¹

A mutual aid group refers to a community-based organisation like a Self Help Group (SHG), which is collectively owned and managed by its members to achieve shared social and economic goals. Key features include:

- **Shared vision and goals:** common objectives and a joint action plan.
- **Organisational management:** regular meetings, rules, and procedures to guide functioning.
- **Financial management:** may include a bank account, fundraising, bookkeeping, audits, and financial reporting.
- **Accountability:** transparent operations, rotating leadership roles, and open sharing of information.
- **External linkages:** collaborations with NGOs and government agencies as needed.
- **Learning and evaluation:** ongoing self-assessment, training, knowledge-building, and performance reviews in collective forums like Cluster Level Associations.



The Self-Help approach is centred on the development and empowerment of economically marginalised individuals, especially women, their families, and their communities. It views development and empowerment as interconnected, multidimensional processes. Through capacity-strengthening activities such as farmer training and business development for women, individuals gain skills, increase their income, and begin to make informed decisions about their livelihoods. Empowerment is not just about economic gains but also about gaining control - over income, choices, and wellbeing. It involves challenging traditional power dynamics by enabling access to assets (e.g., land and capital), knowledge (information and skills), and attitudes (beliefs and values) that strengthen individuals' sense of agency and dignity.

Mutual aid groups function as vehicles for this transformation. At the SHG level, individuals experience tangible improvements in household wellbeing, including increased income, nutrition, and involvement in household decision-making. Cluster Level Associations (CLAs) – groups of SHGs - facilitate community-level development by addressing shared needs, enhancing infrastructure, and

¹ A Manual for Capacity Building of Self-Help Affinity Groups – The MYRADA Experience.

promoting peace and inclusion. Federations (groupings of CLAs), as apex bodies, work to influence policies, uphold rights, and build resilient, just environments. These institutions provide identity, ownership, and long-term sustainability, shifting control from external actors to the community itself. Through collective strength and local governance, people begin to shape their futures and their societies.



In this SHG guidance document, the emphasis is placed on the formation and strengthening of Self Help Groups, highlighting their role as foundational units for community development and empowerment.

2.2. Explaining SHGs

A Self Help Group (SHG) is a mutual aid group, comprising on average, 20 individuals, sharing similar socio-economic backgrounds. Self Help Group members come from the same community and are connected by a sense of affinity and mutual trust. These groups are self-governed and aim to promote development and empower their members through collective decision-making and resource pooling. Marginalised communities often lack access to capital, influence, information, and social networking; barriers that SHGs aim to overcome by fostering environments where members can leverage shared resources and experiences to realise their potential and carve pathways out of poverty.

The importance of SHGs extends beyond financial assistance; they are pivotal in enhancing the social capacities of their members. By participating in an SHG, members develop a sense of agency and empowerment through democratic self-governance and shared decision-making processes. This engagement promotes leadership skills, increases confidence, communication skills, and strengthens community ties. Moreover, SHGs provide a supportive environment where members can share personal and collective challenges and gain emotional and social support, enhancing their social capital. The structure of SHGs encourages problem-solving and collaboration, fostering resilience and a collective identity that can advocate for community interests and initiate local development projects. Similarly, when scaled to form cluster and/or federated structures they can amplify individual voices to create impactful change at scale.

Box 2: Self Help Groups (SHGs) compared to Village Savings and Loans Associations (VSLA)

SHGs primarily aim to build social capacities among their members, fostering a sense of community and mutual support that goes beyond financial transactions. They encourage saving and internal lending within a broad framework that includes enhancing social interactions, empowerment, and long-term community development. SHGs commit to continuously saving together, rather than adhering to a strict cycle of saving and payout. SHG members also meet indefinitely, are supported for longer, and the focus is on providing holistic support facilitated by layering additional curricula beyond savings and loans.

In contrast, VSLAs are more structured and predominantly financial in their approach. They operate on a cyclical basis, usually annually, where members' savings are pooled and loaned out within the group. Profits are distributed at the end of each cycle. This structure promotes financial discipline and immediate economic benefits but does not inherently encourage long-term collaboration.

2.3 Core Characteristics

The table below, highlights the core SHG characteristics.

Table 1: Core SHG Characteristics

Characteristic	Details
Holistic 	SHGs focus on holistic development - psychosocial and economic empowerment alongside empowerment to participate in household and community decision making.
Strong social capacities 	SHGs help to restore relationships with: i) oneself (individual aspirations, agency, and self-efficacy); ii) group members (solidarity); iii) the community (community action); and iv) the environment.
20 Members 	SHGs ideally include an average of 20 self-selected members.
Affinity 	SHG members have commonalities with others in their group, such as gender or socioeconomic situation, which provides fertile ground for trust.
Democratic 	The SHG belongs to the members, and they democratically decide how they want to organise and operate the group
Rotational Leadership 	All SHG members take turns serving as the moderator, and representatives are changed in a staggered manner. These practices are aimed at empowering each member by giving them opportunities to lead and actively participate in group decision-making
No financial incentives 	SHG formation and transformation is self-led and dependent on group members who find and use their own savings. No financial incentives (other than financial literacy empowerment) are provided at the start of the process, which can fundamentally undermine self-efficacy and social transformation.
Indefinite membership 	SHG members intend to meet indefinitely and do not see their group as having a distinct end point, whilst ensuring flexibility for growth and changing circumstances.
Defined structure 	SHG members have a clearly articulated purpose and vision for the group whilst remaining an informal mechanism. This is supported by a defined structure that involves comprehensive & transparent record keeping, by-laws, and regular and in-person meetings.

Characteristic	Details
No share out of group capital 	The groups do not have a predetermined plan for sharing out the capital from their savings fund but clear clauses for: i) when individual members leave; ii) for sharing some of the profit from the fund; or iii) for creating a separate savings fund (e.g., social fund) for annual share out, for example of members experiencing hardship or a crisis.
One Member per Family 	When there are multiple eligible members within a family, the family should initially be given the opportunity to select one member to join the group. Having more than one member from the same family in the group can impact the decision-making process and, at times, family conflicts may spill into the group, disrupting its smooth functioning
Individual and Group Goals 	Members are guided to set short-term goals focused on their social and economic development, while the SHG is supported in setting goals related to institutional growth and member development. Action plans are developed accordingly, and progress is regularly monitored

2.4 Integrating SHGs into Programming

Implementing partners can play a crucial role in scaling up the SHG model. This can be by replicating SHG structures in new locations, strengthening existing SHGs, transitioning other group savings models like Village Savings and Loans Associations (VSLAs) into SHGs, or supporting groups to self-replicate and cascade learning and training.

The primary role of partners is to provide ongoing guidance and support, enabling SHGs to address their challenges effectively and to foster a culture of self-sufficiency and collective action. This role demands a departure from traditional, prescriptive programming to a more facilitative, adaptive approach that is led by the members' needs and insights and generally supported by local/community facilitators. See *the Toolkit Introduction: SHG Planning*, for additional information on supporting the SHG approach.

To effectively engage with the SHG approach, partners should focus on facilitating environments where SHGs can thrive autonomously. They should also ensure that they are consistently listening to, and learning from, SHG members, and adapting support strategies to align with evolving member-driven goals.

2.5 Transitioning from VSLAs to SHGs

In some cases, it may be necessary to transition savings models, to the more sustainable and holistic Self Help Group approach.

2.5.1 Complementary approaches

VSLAs and SHGs have distinct yet complementary approaches:

- **Village Savings and Loan Associations (VSLAs) operate primarily as financial cooperatives** where members save money and extend loans to one another from these accumulated funds.
- **Typically, VSLAs are structured around regular savings and loan cycles**, which can last from a few months to a year, with clear rules regarding contributions and withdrawals.
- **Generally, VSLAs have a fixed saving window** after which all the funds are distributed to members. This means that financial resources are not able to grow beyond the defined saving period, and VSLAs need to start saving together again after the pay-out.
- **Moreover, VSLAs focus primarily on economic outcomes**, but do not instil the confidence-building and collective action component of the SHG approach.
- **Expanding the scope of VSLAs will require skilled facilitation** and engagement with the core SHG concepts of mutual support and collective action, but there are many commonalities in the formation process in the first year for both models.

2.5.2 Transitioning

- **Revisit group fund share-out procedures.** VSLAs share-out their funds at the end of the saving round. This means that the VSLA does not accumulate significant funds over time which limits the expansion of the group. VSLAs who are looking to transition to SHGs will need to consider how they could maintain the revolving fund within the SHG, without the regular pay-outs to members. The advantage of this approach is that larger sums will be available to members as loans.
- **Provide social capacity/SHG training to facilitators.** The role of the facilitator is key to the SHG approach, as they provide the guidance to support SHG members to explore their confidence and problem-solving abilities. The facilitator will need to work closely with the VSLAs to expand the group beyond purely financial services.
- **Broaden the group's focus beyond savings and credit.** A priority will be to include aspects of social and economic empowerment. This can be facilitated by incorporating training sessions on topics such as building social capital, individual and SHG goal setting, rights awareness, entrepreneurship, and health.
- **Develop partnerships with local organisations or government bodies.** These can provide technical support and guidance in areas beyond financial management, thus enriching the model's capacity to serve its members more holistically.

Box 3: Considerations when Transitioning VSLA's to SHGs

Care should be taken when transitioning VSLAs into SHGs. SHGs tend to function more effectively when there is homogeneity among members in terms of gender and socio-economic background, and a strong sense of affinity plays a key role in their success. Such conditions may not naturally exist within VSLAs. While affinity can be developed over time, having members from similar socio-economic backgrounds is particularly important.

Organisations and facilitators should consider gradually converting VSLAs into SHGs by adopting SHG structures, practices, or principles when there is homogeneity among members. Alternatively, select features of SHGs can be introduced into existing VSLAs without fully transforming them into SHGs.

2.6 A long term commitment

Implementing the SHG approach requires a commitment to a three-year timeline, as a minimum. This ensures thorough engagement and the successful establishment of independent and sustainable SHGs.

Table 2: The SHG Phases and Timeline

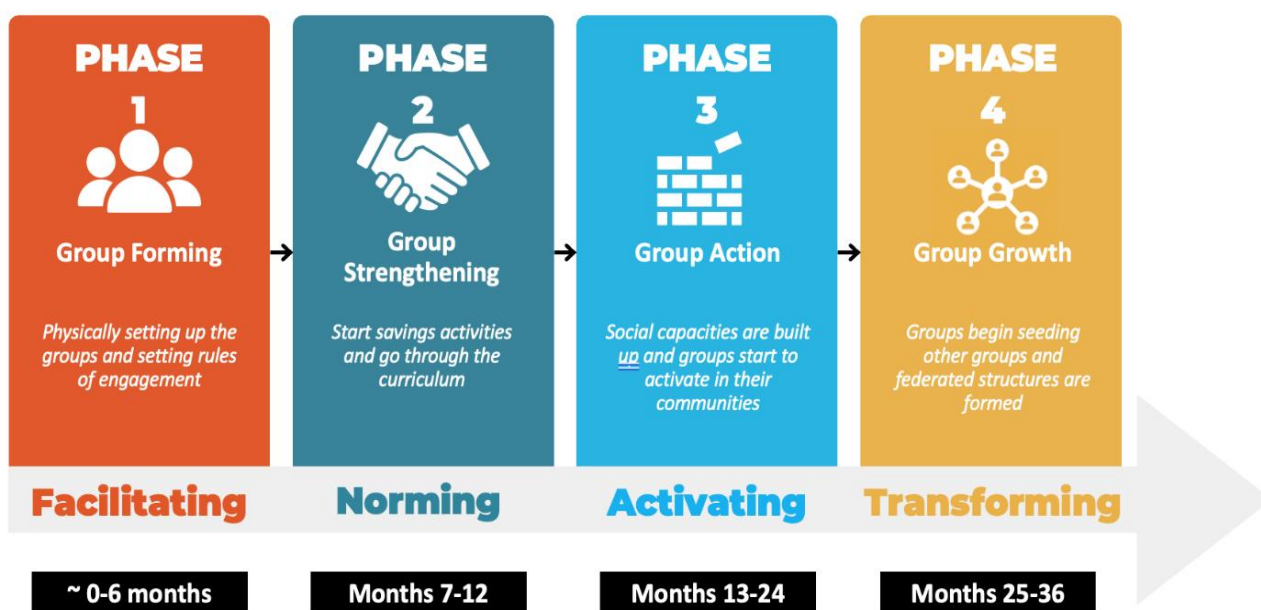
Phase	Timeline
Phase 1: FORMATION 	This first phase includes identifying potential members, conducting initial meetings, and setting the foundations for group norms and operations. The process typically spans approximately six months .
Phase 2: STRENGTHENING 	Following formation, the second phase focuses on consolidating the group's operations and stabilising its activities. This phase includes regular meetings, beginning saving and credit activities, and establishing internal leadership roles within the SHG. This phase generally takes approximately six months .
Phase 3: ACTION 	The third phase is dedicated to strengthening the capacity of SHG members and enhancing the reach of the SHGs. This involves more focused business development and introducing layered curricula. This phase aims to empower members to manage their activities independently and can take up to one year .
Phase 4: GROWTH 	The final phase focuses on ensuring the sustainability and potential scaling of the SHG. This includes reinforcing the SHG's financial management practices, assessing opportunities for scaling the SHG model to other communities, clustering, federating, linking with microfinance institutions, and sharing microgrants to support community initiatives. This phase should be expected to take at least one year .

3 The Self-Help Group Roadmap

3.1 The Four Phases

There are four key phases for facilitating SHGs. Each phase is described in subsequent sections, with tools shared in a standalone *“Compendium of tools,”* and templates shared in the standalone *“Annex of Templates.”*

Figure 1: Phases of SHG Facilitation



Phase 1: Group Forming



Location

- **Identify locations for potential SHGs** by considering issues such as community interest and government support
- Map and assess existing SHGs and community structures



Facilitators

- Identify facilitators using guidance from the local community and leaders
- Provide initial training to facilitators on SHG concepts and core activities
- Provide interactive training on facilitation skills



Sensitisation

- Identify and engage key local government stakeholders & community leaders
- Conduct home visits to raise awareness of the SHG model



Member Self-Selection

- Facilitate the identification of criteria for SHG membership including gender, cultural, & livelihood considerations
- Support envisioning workshop & wealth ranking exercise
- Support group member self-selection & avoidance of bias



Group Governance

- Support group to establish rules of engagement e.g., name, leadership, roles & responsibilities following review of power dynamics and social structures
- Mutually agree on group member roles and responsibilities



Financial Management

- Support group to instill good book-keeping practices for all saving and lending activities



Benchmarking Progress

- Support weekly self-monitoring by SHG members
- Collect baseline data across supported SHGs

PHASE 1: GROUP FORMING

Facilitating 	PHASE 1: GROUP FORMING <i>Help set up the groups & establish the rules of engagement</i>
Objectives	→ Galvanise stakeholder buy-in to the SHG model → Build capacity of facilitators to support groups on their journey → Support group self-selection and establish the rules of engagement
TASKS	ACTIVITIES
1a: Location	● Identify locations for potential SHGs by considering issues such as community interest and government support ● Map and assess existing SHGs and community structures
1b: Facilitators	● Identify facilitators using guidance from the local community and leaders ● Provide initial training to facilitators on SHG concepts and core activities ● Provide interactive training on facilitation skills
1c: Sensitise	● Identify and engage key local government stakeholders ● Identify and engage key community leaders ● Conduct home visits to raise awareness of the SHG model
1d: Member self-selection	● Facilitate the identification of criteria for SHG membership including gender, cultural, and livelihoods considerations ● Support an envisioning workshop and wealth ranking exercise ● Support group member self-selection and the avoidance of bias
1e: Group governance	● Initiate key functions of SHG e.g., facilitating meetings and promoting savings ● Support group to establish rules of engagement e.g., name, leadership, roles & responsibilities following review of power dynamics and social structures ● Facilitate mutual agreement on group member roles and responsibilities
1f: Financial management	● Support group to instil good book-keeping practices for all saving and lending activities
1g: Benchmarking progress	● Support weekly monitoring by SHG members ● Collect baseline data across supported SHGs in alignment with the overarching SHG Monitoring and Evaluation (MEL) Plan to benchmark progress

ADDITIONAL RESOURCES	
TOOLS 	• Tool 1a: Mapping Existing Community Structures (P) • Tool 1b: Selecting and Training Facilitators (P) • Tool 1d: Envisioning Workshop and Wealth Ranking Exercise (P & F) • Tool 1e: Establishing Group Governance (F) • Tool 1f: Instilling good Book-keeping (F) • Tool 1g: Initiating Monitoring and Learning (P, F, S)
TEMPLATES 	• Template 1A: Community Structure Mapping Questionnaire (P) • Template 1D: Wealth Ranking Template (P & F) • Template 1F: Book-keeping Templates (F) • Template 1G: Weekly SHG Monitoring Forms (P, F & S)

*Key: P = for use by Partner organisations; F= for use by Facilitators; S= for use by SHG leaders/members

Phase 1: Tasks & Activities

Task 1a: Location

- **Identify SHG locations by considering issues such as community interest and government buy-in.** When selecting a new location for the new SHGs, it is important to engage local experts, often community leaders/elders/women leaders, who can provide guidance on the local context, politics, and gender dynamics. Local government representatives are also key allies and should be consulted. The information gathered at this stage will inform the composition of the SHGs, the location of the SHGs, and any additional elements to consider when introducing the concept more broadly to the community. It will also be important to assess the need for forming Self Help Groups (SHGs), ensuring that there is sufficient interest in the model.
- **Map and assess existing community structures.** Acknowledging and valuing existing networks and the array of community-led initiatives can determine the most effective ways to introduce and integrate SHG programming. A priority will be to therefore identify and map all the existing community structures (e.g. village resilience committees, VSLAs) in the area, and assess their characteristics, strengths and weaknesses. This information will also form part of the baseline for understanding the impact of the SHG approach. It is essential for SHGs to collaborate with or complement these pre-existing structures to avoid redundancy and enhance collective community efforts. These structures can also be able to provide key insights into the local society and economy.



Tool 1a: Mapping Existing Community Structures



Template 1A: Community Structure Mapping Questionnaire

Task 1b: Facilitators

- **Identify facilitators using guidance from the local community and leaders.** Facilitators are the core component of a successful SHG approach. They are responsible for guiding, training and supporting every new group, and accompanying them to maturity. In the first few months they will need to attend every meeting of the SHG. It is helpful for facilitators to be literate and number-literate, so that they can support the SHG members in key operational components of SHG management. However, their attitude and commitment are the most important aspects and should take priority over educational qualifications when considering who should act as facilitators. Wherever possible, women facilitators should be selected, as SHG meetings often include discussions on personal health issues, gender-based violence (GBV), and other sensitive topics. Women feel more comfortable discussing these matters with women facilitators. Moreover, this approach also contributes to women's empowerment within the community more widely.

Box 1: Key Qualities for Facilitators

Key qualities that should be considered when identifying facilitators:

- Integrally connected to the community, with a deep understanding of local dynamics and strong rapport with group members
- Proficient in communication
- Able to read, write and calculate
- Skilled in facilitation, or eager and capable of acquiring these skills
- Open to learning and adaptable to new ideas
- Attentive and committed to encouraging active participation
- Flexible with travel requirements and unconventional work hours
- Experienced in managing small-scale business ventures
- Upholds high ethical standards
- Dedicated to identifying with the marginalised
- Embraces religious tolerance
- Believes in the potential of individuals
- Open to phasing out when appropriate

Source: Tearfund 2013

- **Provide initial training to facilitators on SHG concepts and core activities.** This should be given by a trainer, or experienced facilitators from other SHGs. The training normally takes five days (ideally in a workshop situation combined with field demonstrations) and focuses on the core components of the SHG model and approach. The training should cover core modules such as SHG concept, group formation, savings and credit, common fund management, building social capital, basic business skills, individual goal setting and self-assessment, along with record keeping (see *Tool 1b*). Sufficient focus

should be given to contextualisation during facilitator training. Local proverbs, stories, and culturally relevant examples should be identified and documented to effectively explain key concepts. Emphasis should be placed not only on what and how to do things, but also on why they are important, to deepen understanding and encourage ownership.

Box 2: What Does “Contextualisation” Mean in the Context of SHG Facilitation

By the term “contextualisation”, we mean using local stories, proverbs, songs, analogies, cartoons, and real-life examples that reflect the culture and everyday experiences of the participants. This responsibility lies with facilitators, with the support of the promoting organisation, who should adapt tools and training materials to suit their specific country and community context.

- **Provide interactive training on facilitation skills.** An effective facilitator will help SHG members to think critically about their own needs and interests and then make decisions for themselves. This interactive training can be provided alongside the training on core SHG concepts, or as a distinct module. This training generally takes about two full days of interactive sessions with an experienced facilitator. It will focus on the skills needed for high quality facilitation, using interactive approaches such as role-plays. Where possible, this training should engage experienced local facilitators, to share their experience and refresh their own skills (see *Tool 1b*).



Tool 1b: Selection and Training Facilitators

Task 1c: Sensitise

- **Identify and engage key local government stakeholders.** Before the SHG process can be established within an area, it is essential to gain buy-in and support from local government. Government officials usually have good knowledge of local organisations and key individuals and can advise on the legal regimes and frameworks that inform SHG formation and registration although often, SHGs can often operate independently and do not require legal registration. Identify which individuals and departments (for example, agricultural extension officers, gender officers, local planning departments) would be relevant to engage and hold an introductory meeting. Stakeholders with both influence and interest should be prioritised during the sensitisation process. To ensure this, stakeholder mapping should be conducted prior to starting the exercise.
- **Identify and engage key community leaders.** Community leaders (such as religious leaders, women leaders, or community elders) have many years of experience in leading the community either in a formal or an informal role. Their interest and involvement reassure people in the community. Their knowledge of the community, alongside representatives from other community structures (e.g., village resilience committees) will be key to the success of the SHGs. Engaging with these leaders could take the form of group meetings or individual introductions, depending on the context. They should also be invited to the envisioning workshop (see *Task 1d*).

- **Conduct home visits to raise awareness of the SHG model.** The visits are led by facilitators, and if possible, include community members/leaders. They should be informal in nature, focus on explaining the nature of the SHG approach, learning about the household, and inviting them to the envisioning workshop (see *Task 1d*). During home visits, it is important to explain the concept of SHGs to the family members, especially to the potential group members and the elders in the household. Clearly communicate the role of the member within the SHG, their responsibilities, and the expected outcomes, such as improved savings, access to credit, and opportunities for skills development and empowerment. Once the visits are completed, a debrief should be held with facilitators, community leaders, and the implementing organisation. This enables everyone to come together and share their overall impressions. The information gathered is collated and will be used when designing the envisioning workshop.

Task 1d: Member Self-Selection

- **Facilitate the identification of criteria for SHG membership including gender, culture and livelihoods considerations.** Before the envisioning workshop, it is important to identify SHG membership considerations that are locally appropriate. Facilitate conversations about gender dynamics, cultural norms, and family dynamics with community leaders and local government. It is important to have a clear understanding of the connection between gender and economic marginalisation. Women's economic marginalisation is reinforced and exacerbated by structural exclusion, and this should be considered when planning for group membership. Community leaders (including women leaders) should be able to advise on whether groups should be gender-segregated or mixed, as well as socio-cultural, livelihood, or other contextual factors that may impact group dynamics.

Box 3: Women-only SHG Groups

	A systematic review by <i>Brody et al.</i>, (2017) found that women's SHGs have positive effects on economic and political empowerment, women's mobility, and women's control over family planning. Qualitative evidence from rural Nepal found that increased access to funds through community women's groups increased women's independence and decision making at household level. Finally, an assessment of women's groups in four countries – Bangladesh, India, Nepal and Malawi – found an increase in women's confidence to negotiate with family members around adoption of positive behaviours.
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Source: World Development Report (2021)

- **Deliver the envisioning workshop and wealth ranking exercise (see *Tool 1d*).** The envisioning workshop is a participatory approach to identifying the most marginalised households within a community, who will be targeted first for the SHG approach. The workshop should clearly outline the SHG approach, and its transformative potential. It should also be clear about the commitments required to participate in an SHG, and expectations of members. Where possible, local leaders should lead these sessions. At the end of the workshop, participants should be invited to stay if they would

like to immediately become part of an SHG. Attendants should be informed that they can also form an SHG later. Some people will not be convinced by the process and will leave at this point. With the remaining attendants, carry out a participatory wealth ranking exercise, where participants will jointly identify who are the “wealthiest,” “middle-income” and “most marginalised” (*see Tool 1d*). This can be a sensitive process and should be approached with patience and consideration for the participants. The ranking exercise ensures that group members share a socio-economic background, which is important for affinity among group members.

- **Support group member self-selection and the avoidance of bias.** Based on the criteria and ranking jointly established, members will be asked to self-select into groups of around 20 people. It is recommended to start forming SHGs for the most marginalised. All members should share a similar economic and social background, otherwise members with higher income or better literacy skills are likely to dominate. However, most groups will benefit from a mix of ages and experiences.



Tool 1d: Envisioning Workshop and Wealth Ranking Exercise



Template 1D: Wealth Ranking Template

Task 1e: Group Governance

- **Guiding SHGs to conduct meetings systematically.** Regular meetings are essential for the smooth functioning and transparency of Self Help Groups. SHGs should fix a regular day, time, and place for their weekly meetings to ensure consistency. All members must be encouraged to attend on time and sit in a circular arrangement to promote participation and equality. A member should preside over the meeting in rotation, with the book-writer sitting next to that person. The meeting could begin with a prayer or group song, followed by recording attendance, reviewing the agenda, and discussing important matters such as savings, loan repayments, fines, and new loan sanctions. Every decision should be noted by the book-writer during the meeting itself, and the minutes should be read aloud at the end for transparency and confirmation. Before closing, the cash balance and any bank-related updates should be shared. This structured approach not only improves record-keeping and decision-making but also strengthens group trust and accountability.
- **Support group to establish rules of engagement.** The SHG process is underpinned by some simple and clearly defined guidelines including how often groups will meet, when, and where (*see Tool 1e*). Each SHG needs to go through the process of establishing by-laws (rules of engagement and membership) for themselves. The by-laws are generally simple and concern attendance, punctuality, confidentiality, safe spaces, and respecting each other. To make it easier to understand, the rules should be divided into two broad categories: General Management and Financial Management. All decisions should be made from within the group by members following a democratic process. When groups mature, they often include ethical standards in their rules. *For example*, groups in Ethiopia developed a commitment to not allowing their daughters to be married before they attain the legal

marriageable age. Group rules should be reviewed at regular intervals, at least once every six months. Additions, modifications, or deletions should be made as necessary.

- **Mutually agree on group member roles and responsibilities.** SHG members should elect representatives who have the necessary skills to support core functions of the group. SHGs are expected to have two book-writers (a main and an assistant), two representatives, and all members take turns serving as moderators on a rotational basis. The representatives will be responsible for coordinating SHG meetings and making sure that there is effective decision making in the group. They encourage good working relationships between all members and serve as spokespersons for the group. The SHG should also identify one member to take the role of book writer, and one member to take the role of assistant or deputy book writer. Positions such as President and Vice President are not necessary, as SHGs are informal groups, and leadership should be shared to promote inclusiveness and empowerment. These positions will rotate regularly. See *Template 2A2* for guidance on the selection of SHG representatives using “Matrix Scoring and Ranking.”



Tool 1e: Establishing Group Governance



Template 1E: Selection of SHG Representative Roles

Task 1f: Financial Management

- **Support the group to instil good book-keeping practices for all saving and lending activities.** The book-writer should record the key points that the group discusses each meeting and all the cash transactions of members each week. The main book writer and assistant book writer should participate in the meeting. Only the key points discussed, and decisions made during the meeting should be recorded. The book-writer will participate in training on how to record all financial proceedings and should be provided with all the equipment needed for their role (see *Box 7*). All members should agree on weekly savings and the group fund (see *Task 2c*). For more details on the bookkeeping practices see *Tool 1f*.

Box 4: SHG Equipment

Below is the basic equipment that each SHG will need:

- **Meeting ledger:** for recording minutes, attendance, and financial transactions
- **Savings passbooks:** individual booklets for members to track their savings and loan repayments
- **Pens and pencils:** essential for taking notes and maintaining records during meetings
- **Calculator:** to accurately calculate interests on loans and savings
- **Lockable cash box and padlocks:** for safely storing collected money during meetings
- **Stamp or seal:** for official validation of the group's documents and transactions
- **Flip chart paper/pens:** for sharing ideas within the group and presenting plans to other community members or local actors
- **A lightweight metal box** to keep the books and equipment safe



Tool 1f: Instilling Book-keeping Guidance



Template 1F: Good Book-keeping Templates

Task 1g: Benchmarking Progress

- **Support weekly monitoring by SHG members.** Facilitators should support SHGs to initiate weekly self-monitoring to collect progress on group progress, participation and activities carried out during weekly meetings (see *Template 1G*).
- **Collect baseline data across supported SHGs.** As highlighted in *Tool 1g*, baseline data will need to be collected by partners across a sample of SHGs to benchmark progress including current capacity levels (economic, psychosocial, environmental), capacity gaps, linkages and connections, and resilience levels.



Tool 1G: Initiating Monitoring and Learning



Template 1G: Weekly SHG Self-Monitoring Form

Phase 2: Group Strengthening



Capacity Assessment & Core Training

- Carry out capacity assessment on core SHG skills (e.g., numeracy, leadership)
- Provide core training on the SHG model (e.g., management, leadership, governance, numeracy, saving, borrowing)



Group & Member Vision

- Hold group discussions to set expectations, align objectives and agree on the vision and mission statement
- Support groups in identifying potential risks
- Assist groups in developing internal dispute resolution mechanisms



Savings & Loans

- Support groups to develop a savings and loan policy
- Provide guidance on minimum contributions
- Provide guidance on monthly savings target



Economic Planning

- Support business/livelihood identification for members
- Support groups in developing a business/livelihood strategy



Social Planning

- Recommend social initiatives that groups can undertake to enhance group cohesion, visibility
- Provide guidance on how members can use the group to address social vulnerabilities, shocks, stresses



Map & Mobilise Resources

- Assist groups in developing a list of available/existing resources they can leverage, resource gaps that can hinder group growth
- Guide groups in developing a resource mobilisation strategy



Measuring Progress

- Guide SHG members to identify ways to regularly reflect on their progress
- Carry out monthly monitoring and six-monthly performance reviews

PHASE 2: GROUP STRENGTHENING

Norming 	PHASE 2: GROUP STRENGTHENING <i>Help initiate saving activities & share core curriculum</i>
Objectives	→ Roll out resource mobilisation strategy → Provide core training → Initiate savings activities → Plan economic and social initiatives
TASKS	ACTIVITIES
2a: Capacity assessment and core training	● Carry out capacity assessment on core SHG skills to ensure demand-led training fills key gaps (e.g., numeracy, leadership) ● Provide core training on the SHG model (e.g., common fund management, building social capital, basic business skills, individual and group goal setting and self-assessment, along with record keeping, management, leadership, governance, numeracy, saving, borrowing)
2b: Group and member vision	● Hold group discussions to set expectations, align objectives, and agree on the group goal ● Support groups in identifying potential risks that could negatively affect group operations and growth ● Assist groups in developing internal dispute resolution mechanisms
2c: Savings and loans	● Support groups to develop a savings and loan policy ● Provide guidance on minimum contributions by each member ● Provide guidance on monthly savings target for each member to help calculate potential member loans
2d: Livelihood planning	● Support livelihood activity identification for individual members ● Support groups in developing business or livelihood strategies
2e: Social planning	● Recommend social initiatives that groups can undertake to enhance group cohesion and visibility ● Provide guidance on how members can use the group to address social vulnerabilities, shocks and stresses
2f: Map and mobilise resources for	● Assist groups in developing a list of available/existing resources they can leverage - to support economic and social goals ● Assist groups in identifying resource gaps that can hinder group growth

community initiatives	● Guide groups in developing a resource mobilisation strategy
2g: Measure Progress	● Guide SHG members to identify ways to regularly reflect on their progress (e.g., identifying progress indicators) ● Carry out monthly monitoring and six-monthly performance reviews
ADDITIONAL RESOURCES	
TOOLS 	● Tool 2a: Understanding Core Leadership Skills (F) ● Tool 2b: Group Goals, Risk Mitigation & Conflict Resolution (F) ● Tool 2c: Loans and Savings Rule Book (F) ● Tool 2f: Supporting SHG Resource/Asset Identification (F) ● Tool 2g: Measuring SHG Progress (monthly & six monthly) (F)
TEMPLATES 	● Template 2A-1: Capacity Assessment Questionnaire (F) ● Template 2A-2: Selection of SHG Representatives (F&S) ● Template 2B1: Risk Matrix Template (F & S) ● Template 2B2: Conflict Mitigation Template (F & S) ● Template 2C: Ten Seed Technique (F & S) ● Template 2F: Resource Assessment Questionnaire (F and S) ● Template 2G: SHG Self-Monitoring Form and Assessment Documents (F)

*Key: P = for use by Partner organisations; F= for use by Facilitators; S= for use by SHG leaders

Phase 2: Tasks & Activities

Task 2a: Capacity Assessment, SHG Leadership and Core Training

- **Carry out capacity assessment on core SHG skills.** A capacity assessment should be carried out with each group to identify gaps in core SHG skills and identify capacity sharing/strengthening priorities for group members to ensure demand-led training is provided (see *Tool 2a*).
- **Provide core training.** Tailored core training should be provided on SHG management and governance, basic literacy conflict resolution, and social cohesion. This training should be provided by the facilitator, using the skills learned during their initial training sessions. In addition, facilitating peer-to-peer mentorship within a group or by another group can facilitate and fast-track delivery and adoption of concepts among members and groups.



Tool 2a: Understanding Core Leadership Skills



Template 2A-1: Capacity Assessment Questionnaire
Template 2A-2: Selection of SHG Representatives

Task 2b: Group and Individual Goals

- **Hold group discussions to set goals and expectations.** Facilitating group discussions to identify individual and group goals is important in strengthening group integration and enhancing buy-in for the SHG. This can be done by facilitating a group discussion or supporting members to identify their motivation for joining the group. Each SHG member should set individual goals, and the SHG will identify some over-arching goals for the SHG, based on the specific needs and resources of its members (See *Tool 2b*).
- **Support groups to identify potential risks that could negatively affect group operations and growth.** There are several factors that could negatively impact the running and sustainability of SHGs, for example: migration of members, changes in member economic and financial position, personal issues such as domestic violence, deteriorating entrepreneurial ecosystem, and legislative changes. Support groups to identify and discuss risks, the probability of them materialising, and mitigating measures to reduce their severity (see *Template 2B1* for guidance on using the risk matrix).
- **Assist groups in developing internal dispute resolution mechanisms.** Internal conflict among members in a group is a common phenomenon and should be expected as groups strive to grow and promote inclusivity. Groups should be assisted to map potential trigger points and use these points to develop a suitable dispute resolution mechanism to enable groups to navigate internal challenges quickly and efficiently (see *Template 2B2*).



Tool 2b: Group Goals, Risk Mitigation & Conflict Resolution



Template 2B1: Risk Matrix Template
Template 2B2: Conflict Mitigation Template

Task 2c: Savings and Loans

- **Support group to develop savings and loan rules.** In the early stages of SHG formation, member savings are primarily used to provide loans for meeting urgent needs. Over time, these savings can also be utilised to offer loans for income-generating activities and businesses and to improve members' quality of life, for example, for purchasing a bicycle or renovating a house. The savings and loan rules will enable SHGs to have a unified approach in handling how members save and the modalities of loaning to members. These rules should be tailored to local

cultural practices, such as the prohibition of loan interest charges. The rules should include penalties to be charged to members who skip their monthly contributions without informing the leadership or default in repaying loans.

- **Provide guidance on minimum contributions.** Agreeing minimum amounts to be contributed by members will enable groups to have sufficient, steady, and predictable cash flows to implement plans and address any uncertainty. However, to set the minimum thresholds, an assessment must be conducted to determine members financial contribution abilities. One to two focal points within a group can collect primary data on the financial position of all members, then support the group to analyse the data and determine the desired contribution thresholds. In addition, allowing SHG members to contribute to the group fund in-kind (i.e. items that can easily be converted into cash) rather than simply cash can reduce the overall default rate and strengthen member participation.
- **Provide guidance on monthly savings targets.** Setting regular savings targets for SHGs can motivate members and facilitate group planning, coordination, and monitoring. Targets should be informed by the assessment of individual finances, the minimum contributions, and be sufficiently flexible to consider crises such as drought, flooding, or personal circumstances such as the loss of a family member. *See Tool 2c* for more guidance on SHG loans, and *Template 2C* for guidance on making group decisions using the ten-seed technique.

Box 1: Benefits of SHG Savings and Loans in Uganda



According to a study of rural finance Self Help Groups in Uganda, SHG members reported that through borrowing and saving, they were able to improve their living situations and were able to start profitable small businesses. These included opening small shops and rearing animals including chickens, goats and cows. As a result, members were able to raise weekly savings from USD 0.05 to USD 0.13; a testament to the improvement of SHG member income.

Source: Flynn (2013)



Tool 2c: Loans and Savings Rule Book



Template 2C: Ten Seed Technique

Task 2d: Economic Planning

- **Support individual business planning.** To promote economic inclusivity and prosperity, SHG members normally undertake small scale business initiatives such as bee keeping, chicken rearing, carpentry, tailoring, and retails. The SHG itself also serves as a market where members can sell various commodities. While individual businesses tend to do well in the early stages of new groups, it is important to guide members in tracking their daily profits and assessing the

success of their businesses. Supporting group members in business ideation will enable them to assess potential quick wins and long-term ventures that can be initiated at various maturity stages of the groups. This process will also help to identify group member priorities for tailored business and skills training (see *Phase 3*).

- **Support groups in developing a business/livelihood strategy.** Once the identification process has been undertaken, the next phase will involve supporting group members in developing a simplified business plan. This strategy will entail a road map that will guide both groups and individuals in rolling out their initiatives. The strategy should contain the following items: the description of the activity, intended location, focal persons, resources needed to start operations (includes factors of production such as land and capital, registration process etc.), financial bookkeeping, risk management, and marketing plan.

Task 2e: Social Planning

- **Recommend social initiatives that groups can undertake to enhance group cohesion and visibility.** SHGs are platforms that can enhance cohesion and promote social development. Assisting groups in identifying social initiatives can strengthen group bonding and promote the SHG model within the wider community. Notable social initiatives that can be undertaken by groups include celebrating events such as a member's anniversary or birthday, group community engagement initiative such as an environmental conservation exercise (e.g., removing rubbish from drainage ditches), youth engagement activities or community mentorship drives.
- **Provide guidance on how members can use the group to address individual problems and support each other.** The social nature of SHGs make them attractive avenues for addressing individual concerns and problems. By relying on peer-to-peer member engagement, group members can share their personal challenges confidentially and seek advice on how best to address them. Supporting groups in organising regular social gatherings (popularly known in Kenya, Uganda and Tanzania as 'baraza') will promote openness and togetherness, thereby further instilling a sense of sisterhood/brotherhood among members.

Box 2: Benefits of Social Bonding Capital in Groups



Analysis by Mercy Corps and The Share Trust for USAID and REAL in Uganda, Somalia, Nepal, and the Philippines provides evidence that **bonding social capital**, the networks and resources available to households within their social groups or communities, **is strongly linked to improved resilience**. Following shocks in these settings, households with social bonding capital were more food secure, were more able to recover through investment in productive assets, had better quality shelter, and believed they were better able to cope with risks.

Source: USAID and REAL, 2021

Task 2f: Mapping and Mobilising Resources for Community Initiatives

- **Assist groups in developing a list of available resources.** Support the group to identify the existing resources available to them, such as land, capital, networks, and equipment (*see Tool 2f*). Next, understand what each SHG can contribute to a community initiative, which will enable the group to capitalise on opportunities quickly and convert them into practical initiatives. This assessment will help the group to determine the feasibility of initiating low-cost community actions swiftly. These initiatives should be designed to contribute to group self-sustainability and longevity.
- **Assist groups in identifying resource gaps.** As groups set out to develop their economic and social initiatives, guiding them to identify missing critical resources that can hinder their implementation plans will go a long way in fast tracking discussions on contingency plans and alternative options. This ultimately prevents groups from stalling and instils a survival instinct of ‘doing more with less.’
- **Guide groups in developing a resource mobilisation strategy.** Developing a resource mobilisation strategy will enable groups to have a targeted and objective approach to seeking further support from different stakeholders. Although demand for financial resources such as cash is a predominant need among groups, a resource mobilisation strategy can unlock other avenues of accessing resources such as leasing or joint ownership of assets. This strategy will also help to identify how best to undertake market linkages with other partners such as banks (*see also Phase 4*).



Tool 2f: SHG Resource Mapping



Template 2F: Resource Assessment Documentation

Task 2g: Measure Progress

- **Guide SHG members to identify ways to regularly measure their progress.** Facilitators should encourage SHGs to identify a handful of “indicators” (ways of measuring) that can be internally monitored to understand the progress of the group. Facilitators should meet with each SHG group to facilitate a discussion on possible “indicators” ensuring they are representative of the overall objectives of the SHGs themselves. *For example*, if a group objective is for all members to have kitchen gardens, then indicators could be on whether seeds and tools have been obtained, whether capacity sharing has taken place etc. Alternatively, the indicators could relate to functioning of the SHG itself or could be linked to a social issue in the community (e.g., access to school materials). Members can then regularly assess (normally every three to six months) their individual and collective progress towards the indicator, using the “indicators” as a basis for further discussion.

- **Carry out monthly monitoring of SHGs.** To complement the weekly self-assessment carried out by each SHG group, facilitators should carry out monthly self-assessments for each SHG. This will cover issues such as group funds, savings, and loans (see associated *Tool 2g*). Over time the facilitator should hand over this function to SHG members to continue monthly self-monitoring.
- **Carry out six-monthly performance reviews of SHGs.** Facilitators should carry out a six-month performance review of each SHG in terms of group functioning (e.g., governance, leadership, management, conflict). Ideally between baseline and endline data collection, this review should be repeated at six-monthly intervals (see *Template 2G*). In new groups, the performance of SHGs should be assessed based on institutional indicators. For matured SHGs, outcome indicators should be used to measure the benefits of being a member of the group. Participatory Rural Appraisal (PRA) exercises can be effectively used for self-monitoring by SHGs, enabling members to reflect on their progress, identify challenges, and plan collectively for improvement.

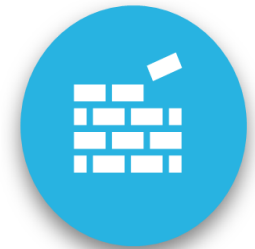


Tool 2g: Measuring SHG Progress



Template 2G: SHG Self-Monitoring Form

Phase 3: Group Action



PHASE 3: GROUP ACTION

	PHASE 3: GROUP ACTION <i>Help strengthen SHG social capacities and actively support community initiatives</i>
Objectives	→ Support business/livelihood implementation → Provide layered curriculum of training (credit+) → Facilitate linkages with community structures
TASKS	ACTIVITIES
3a: Training preferences	● Support group to map existing capacities and training preferences - beyond core training - to ensure tailored curricula to strengthen social and economic empowerment
3b: Credit+ training	● Provide additional demand-led training e.g., household budgeting, literacy, social and health issues such as gender based violence, HIV/AIDS, maternal newborn and child health, disaster and climate resilience, conflict resolution.
3c: Social capacities	● Help facilitate networking opportunities among SHGs to build relationships, share resources, and leverage collective strengths ● Support groups to carry out a self-assessment to strengthen group success and deepen relationships ● Encourage groups to celebrate successes to build recognition, and reinforce the importance of group work
3d: Business scoping	● Help develop business skills to enable SHG members to launch and sustain on-demand business for individual development and transformation
3e: Business planning	● Help implement businesses to enable SHG members to start a journey of financial independence
3f: Community linkages	● Support community engagement e.g., building relations with community residents including the most marginalised ● Facilitate links to community structures e.g. community resilience committees (CRCs), community development committees ● Facilitate links to local community leaders e.g. local council leaders, religious, cultural,

	and opinion leaders, and women leaders
3g: Community action programmes	● Support SHGs to identify issues and work together on joint projects that address local concerns and challenges
3h. Cascading learning	● Support cascading learning to community members ● Identify “star” SHG leaders to help SHG self-replication
3i: Clustering and Replication	● Link groups into Cluster Level Associations (CLA’s) ● Help CLAs with cascading training & organic replication, identify SHG champions, and support the Training of Trainer model/intra-group mentorship ● Support CLAs to carry out financial audits to guide SHGs on areas for improvement or to share successes ● Support CLAs in implementing programmes that address community needs and promote social transformation
3j: Phase out	● Work with SHGs to phase out external support
ADDITIONAL RESOURCES	
TOOLS 	● Tool 3b: Credit Plus Training (F) ● Tool 3c: Working as a Group (F) ● Tool 3d: Scoping Business Opportunities (F) ● Tool 3e: Business Planning (F and S) ● Tool 3h: Cascading Training (F) ● Tool 3i: Forming CLAs (F and S) ● Tool 3j: Phase Out Tools (F & P)
TEMPLATES 	● Template 3B – Gender Assessment (F) ● Template 3D – Business Scoping templates (F) ● Template 3E - Business Planning templates (F and S) ● Template 3I - Developing CLA Action Plans (F and S) ● Template 3J – Phase Out

*Key: P = for use by Partner organisations; F= for use by Facilitators; S= for use by SHG leaders

Phase 3: Tasks & Activities

Task 3a: Map Training Preferences

- **Support the group to map existing non-core capacities and training preferences.** The mapping should initially consider the medium and long-term goals and objectives of the SHG (beyond savings and loans) and how they align with the existing capacities of its members, to ensure demand-led non-core training (see *Box 1*).

Box 1: Mapping Non-Core Training Preferences

- **Explain mapping purpose.** Provide a brief explanation of the purpose of the mapping and its importance in creating effective, demand-led curricula for the SHG.
- **Explain mapping approach.** Share an overview of the process that will be used to map existing capacities and training preferences, including data on current skills, knowledge, and experiences of Self Help Group members with key training preferences.
- **Analyse findings.** Analyse the findings to identify common themes and trends in training preferences and discuss findings with the SHG.
- **Tailor curricula.** Use the information gathered in the previous phases to develop tailored curricula for SHG members and consider how the curricula can be delivered in a way that is accessible and engaging for group members.
- **Collect feedback after each training session.** Evaluate the effectiveness of the curricula in achieving the goals and objectives of the SHG.

Source: Tearfund 2013, and Kindernothilfe 2014

Task 3b: Credit+ Training

- **Provide additional Credit+ training.** Credit+ activities refer to initiatives that go beyond the provision of savings and loans to include additional support services. These activities often encompass topics that are relevant to members' daily lives and aspirations, such as well as social, environmental or gender issues. The choice of issues - beyond core SHG learning - should be demand driven, context specific, and defined by the interests of the individual SHG members (see *Box 3.4*).

Box 2: Examples of Layered Curricula

- **Financial literacy** and household budget.
- **Disaster and climate resilience** e.g., preparedness/anticipatory actions.
- **Human health** e.g., maternal health, neonatal health, hygiene and sanitation, nutrition, psychosocial support
- **Gender and human rights** e.g., gender-based violence, child marriage, child labour
- **Ecosystem restoration, management and protection** e.g., mangrove planting, waterway clearance



Tool 3b: Credit Plus Training



Template 3B: Gender Assessment

Task 3c: Strengthening Social Capacities

- **Help facilitate networking opportunities among SHGs.** The facilitator should lead exercises that encourage members to exchange contact information and discuss potential ways to support each other. For example, a “speed networking” activity can be organised where members have short, timed conversations with each other, followed by a debriefing session to discuss potential collaborations. The facilitator can send a follow-up email or message to the participants, summarising the key takeaways from the networking session and encouraging them to stay in touch and continue exploring potential collaborations. This can help build relationships, share resources, and leverage collective strengths.
- **Support groups to carry out a self-assessment.** A self-assessment allows group members to reflect on the group’s progress and offers a valuable chance for broader reflection. It motivates all SHG members to actively evaluate the group’s strengths and areas for improvement. This process supports the group’s continuous growth and success while also strengthening interpersonal relationships within the group. Self-assessments are important, because they support the groups to recognise individual strengths and weaknesses to enhance positive traits and address areas that need improvement. It also allows groups to identify opportunities available to members and leverage these.
- **Encourage groups to celebrate successes.** Facilitators should encourage the groups to celebrate their successes and achievements. This can help build morale, motivation, and recognition, and reinforce the importance of their work.



Tool 3c: Working as a Group

Task 3d: Business Scoping

- **Help develop business skills.** As members gain confidence in taking loans, they begin to plan how to use these funds to develop their livelihoods. The need for training in specific business skills and learning how to manage and promote a business can be supported through demand-led training building on the economic planning initiated in *Task 2d*.

Box 3: Business Skills Training

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

- **Identify gaps in business skills.** These might include communication with customers and market vendors, strategic thinking, marketing, financial management, adaptability, customer service, collaboration, and time management.

Source: Tearfund 2013



Tool 3d: Scoping Business Opportunities



Template 3D: Business Scoping Templates

Task 3e: Business Implementation

- **Help implement/launch businesses.** Building a consistent savings culture among SHG members lays a strong foundation for financial independence and entrepreneurial growth. Once this culture is established, starting individual businesses becomes a powerful pathway for members to improve their livelihoods and contribute to the well-being of their families and communities. Promoting a business mindset is key in this journey. SHG members often find more success in managing individual enterprises—especially during the initial stages—compared to group-based ventures. Businesses may fall under three broad categories: Production, Services, and Trade. To nurture a business-oriented attitude among women in SHGs, a variety of strategies can be employed. These include exposure visits, success story sharing, skill-building workshops, mentoring by local entrepreneurs, and regular financial literacy sessions. Encouraging a shift in mindset from savings to enterprise is essential for unlocking long-term sustainability and empowerment (see additional guidance in *Tool 3d* and *Template 3D*).

Box 4: Improving Children's Nutrition in Rwanda



Before joining a Self Help Group, most of the women members would struggle to be able to afford one meal per day – a meal that was rarely nutritionally balanced. Unsurprisingly, their children often suffered from diet-related diseases. Not all children could attend school regularly because their parents could not afford school materials, uniforms, and school fees and it was difficult for children to concentrate in class when they were hungry. Children did not attend kindergartens but would go straight to primary school, if they were able. Some women could not read or write. Following the establishment of SHGs, the situation today has dramatically changed. Children have at least two meals per day, women are engaged in different activities and established businesses that generate incomes to meet family needs. Children access health facilities because women enrol the entire family in a health insurance scheme using the profit from their income-generating activities or from individual savings. Adult literacy classes have been started to assist SHG women and community members who cannot read and write.

Source: Kindernoithilfe, 2024



Tool 3e: Planning Your Business



Template 3E - Business Planning Templates

Task 3f: Community Linkages

- **Community Engagement.** SHGs should be encouraged to actively build relationships with local residents, community-based organisations, and local business owners as a vital step toward community development planning. These connections can play a key role in designing and implementing joint interventions (see *Task 3g*), as well as in generating support, raising awareness, and mobilising local resources.
- **SHG celebration days:** One effective way to strengthen these linkages is by organising SHG Day celebrations, where non-members, community leaders, men, and children from neighbouring areas are invited. During the event, SHG members can share their success stories, showcase their progress, and seek support and collaboration from the broader community.
- **Facilitate links to community structures.** SHGs members should be provided with guidance and technical assistance to help them engage with community structures (e.g. Community Resilience Committees, Disaster Risk Reduction/Climate Change Committees, Women's Committees etc) and understand the mechanisms used to design and implement Community Action Plans or similar initiatives. Knowledge in collaborative planning, networking, and awareness can be vital for sustaining SHG members' capacities in community linkages. The involvement of SHG members in community projects significantly increases when they are part of a Cluster-Level Association (CLA) (see *Task 4d*), where addressing community needs is a central focus of the collective agenda.

Box 5: Examples of Community Structures for Linkage

- **Community Resilience Committees (CRCs) or similar structures.** CRCs are groups of individuals who come together to enhance the capacity of their community to withstand and recover from disasters, emergencies, and other challenges. These committees are often formed at the local level, bringing together representatives from various sectors, such as government, businesses, non-profit organisations, and community groups.
- **Neighbourhood associations:** Neighbourhood associations are organisations that represent the interests of residents in a specific neighbourhood. They may work to improve the quality of life in the area by addressing issues such as safety, infrastructure, and community engagement.

- **Facilitate links to local community leaders.** SHGs members should also be helped to strengthen their links with community leaders such as political, religious, cultural, and opinion leaders - including women leaders - for collaboration, visibility, access to resources, networking opportunities, and direct community engagement.

Task 3g: Community Action Programmes

- **Support SHGs to work together on joint projects** that address local issues. This can help build trust, strengthen relationships, and demonstrate the power of collective action. This also strengthens the overall SHG ecosystem, thereby laying the groundwork for cluster and federated structures (*see Phase 4*).

Box 6: CLAs and FLA's Role in Community Action Programmes

SHGs, CLAs and FLA's play a vital role in identifying and responding to the diverse needs of communities. Involvement generally falls into supporting the following:

- **Material needs** – items that support daily life and livelihoods
E.g. school supplies for low-income families, seeds or tools for farmers
- **Infrastructure needs** – physical improvements that boost well-being and productivity
E.g. borewells or water tanks for safe water, village road repairs for market access
- **Knowledge and information needs** – awareness that enables better decisions
E.g. trainings on government entitlements, organic farming techniques
- **Service needs** – access to health, education, and other essential services
E.g. village health camps, mobile libraries for school children
- **Social transformation** – tackling social norms and practices that hinder inclusion
E.g. raising awareness on harmful practices like female-genital mutilation (FGM), gender-based violence (GBV), or addressing alcoholism through community dialogue and support

Box 7: Examples of SHG Joint Projects

- **Create a community garden.** SHGs can come together to create a community garden in a vacant area in their neighbourhood. They can work together to clear the land, plant vegetables, and maintain the garden. The produce can be shared among the members of the groups or sold at a local market.
- **Establish an environmental conservation project.** SHGs can work together to identify areas of land that are at risk of erosion and then develop a plan to restore them. This could include working together to plant trees, stabilise soils, and create wildlife habitats. Similar examples include mangrove replanting or clearing draining ditches as sea-level rise/flood-preparedness measures.
- **Child education.** SHG members can identify a highly marginalised community near them and do a mapping of children who are struggling to access quality education. They can collaborate to start a child education project, where members pool resources to fund educational materials, uniforms, and school fees for excluded children. The project can help improve the educational outcomes of children in the community.
- **Women rights sensitisation.** SHG members can utilise the knowledge acquired from the credit+ sessions, and collectively organise awareness meetings to educate women, men and youth on issues around women's rights, gender-based violence, and how each community member could take responsibility to observe and report any rights abuse to the community council leadership.

Task 3h: Cascading Learning

- **Support cascading learning to community members.** To guide SHG members in cascading learning to the community, first, establish a clear objective. For example, the SHG can look at improving community members' access to knowledge and resources that would help them understand and appreciate the SHG model and its benefits. Sharing learning on credit+ curricula (e.g., health and sanitation, women's rights) supports this goal. Cascading learning to community members can foster a culture of collaboration and mutual support among community members; empowering community members to take ownership of their development.
- **Identify “star” SHG representatives to help SHG self-replication.** Identify influential members within the SHG who have a strong network and are respected by their peers. These individuals can help promote the idea of self-replication and encourage others in their community or nearby communities to establish a new group or participate in existing SHGs. Star SHG leaders/representatives can also mentor new SHG leaders by providing them with guidance, support, and training. They can share their experiences, knowledge, and skills including how they have collectively overcome challenges and achieved their goals.

Box 8: Supporting SHGs Cascade Learning

- **Provide an explanation of the SHG model** and how it can be used to support cascading learning.
- **Define clear objectives**, these may include:
 - Improving community members' access to knowledge and resources.
 - Building capacity for community-led development.
 - Fostering a culture of collaboration and mutual support among community members.
 - Empowering community members to take ownership of their own development; and
 - Replicating the SHG model.
- **Describe the steps that will be taken to establish and support SHGs** in the target community, including:
 - Identifying and selecting potential SHG members.
 - Providing training and resources to SHG members; and
 - Facilitating the formation of SHGs and providing ongoing support.
- **Discuss how SHGs can share knowledge and resources** with other community members, and how this will contribute to cascading learning.

Source: Tearfund 2013

Box 9: Self-Replicating SHGs and Cascading Training in Afghanistan



In Samangan province, Afghanistan, the Darakhshan Soap-Making Group has shown how Self Help Groups can organically replicate themselves and extend their impact to new communities. Led by Jan Bibi, the existing SHG group supported the establishment of a new SHG in the neighbouring village of Dilkhaki.

The Darakhshan group provided training in soap making, ice cream production, tailoring, and hair oil preparation, enabling the women of Dilkhaki to launch diverse income-generating activities. They carried out follow-up visits to offer mentorship and encouragement, ensuring that the new SHG had the confidence to sustain its efforts.

Meanwhile, the Darakhshan group invested in their own livelihoods by purchasing raw materials and diversifying into dishwashing soap, face cream, and other products. These investments improved their incomes and demonstrated to the new SHG what could be achieved through collective action.

Over time, both groups reported progress, with members noting improvements in their livelihoods and greater capacity to withstand shocks and stresses. As Jan Bibi reflected, these changes show the strength of women supporting one another to achieve self-reliance, and the importance of replicating SHGs.



Source: The Share Trust, 2025



Tool 3h: Cascading Training

Task 3i: Clustering and Replicating

- **Link groups into cluster level associations (CLAs).** A CLA is a supportive network formed by bringing together 8 to 12 Self-Help Groups (SHGs) from a specific geographical area- typically within a 5 to 10 km radius, depending on local population density. Each SHG elects two representatives, resulting in a CLA composed of approximately 16 to 24 members. This structure facilitates collective decision-making, coordination, and peer support among SHGs. CLAs enable SHGs to address broader issues that individual groups may not be able to tackle effectively on their own. They also serve as a platform for sharing information and experiences across multiple SHGs and taking collective action where needed. The CLA takes on some of the programmatic and administrative roles previously handled by the promoting NGO, enhancing local ownership and sustainability. For a CLA to be strong and effective, it is essential that the participating SHGs are well-functioning and self-reliant. SHGs must be at least six months old and capable of managing their activities independently at the time of joining. A CLA is not a controlling authority, but a supportive institution created by SHGs, for SHGs, focused on collaboration, empowerment, and mutual growth.

Box 10: Example Roles Played by CLAs

- **Strengthening existing SHGs:** CLAs support member SHGs by strengthening their capacity, promoting best practices, and encouraging regular meetings, savings, and internal lending. They provide guidance and function as a platform for peer learning and problem-solving.
- **Facilitating the formation of new SHGs:** CLAs play a proactive role in expanding the SHG network by identifying interested individuals in the community and guiding the creation and nurturing of new groups.
- **Responding to community needs:** CLAs help assess and address the material, infrastructure, knowledge, and service-related needs of the wider community, enabling collective action and resource mobilisation.
- **Tackling social issues:** By leveraging their collective strength, CLAs can address social problems such as alcoholism, gender-based violence, early marriage, and harmful traditional practices, promoting positive social change.
- **Participating in governance and advocacy:** CLAs represent the voice of SHGs in local governance structures and engage in advocacy efforts to influence policies, ensure service delivery, and secure community entitlements.
- **Mobilising resources for administrative needs:** CLAs take responsibility for raising funds to meet their operational and administrative expenses, ensuring sustainability and self-reliance.

- **Help CLAs to support cascading training.** CLAs play a critical role in strengthening the capabilities of member SHGs by facilitating a cascading training model. They can identify and nurture SHG champions - members who demonstrate keen insight and leadership potential - to lead training sessions, ensuring that valuable skills and knowledge are passed down through a structured Training of Trainers (ToT) model. CLAs can also organise regular demand-driven skill-strengthening workshops or create resource centres that serve as hubs for ongoing education and support.
- **Support CLAs to carry out regular monitoring and financial audits to guide SHGs on areas for improvement or to share successes.** CLAs are instrumental in ensuring the sustainability and efficacy of SHGs through regular monitoring and financial audits. By conducting these audits, CLAs can provide critical feedback to SHGs, pinpointing specific areas that require improvement and highlighting successful strategies that could be replicated across other groups. In addition, regular monitoring and feedback should be carried out, based on the indicators identified by each SHG under *Task 1g*.
- **Support CLAs in implementing projects that address community needs, promote social transformation.** CLAs can be actors in creating access to critical infrastructure. Many poor communities lack basic infrastructure such as roads, clean water, sanitation, electricity, and street lighting. These gaps, often neglected by the State, are brought to the CLA by SHGs or community members. The CLA facilitates access to these services by lobbying local government, NGOs, or other duty bearers - rather than using its own limited resources. Similarly, material needs like quality seeds, fertilisers, school supplies for children without families, or farming equipment are addressed by the CLA by mobilising support from appropriate institutions. The CLA can also ensure that essential services - like education, healthcare, transport, and immunisations - reach the community. While the CLA does not directly deliver these services, it advocates with the State or other providers when gaps exist. It also connects the community to useful information on health, hygiene, disease prevention, and government schemes by engaging relevant experts. The CLA can also address harmful social practices - such as child labour,

school dropouts, early marriage, alcoholism, female genital mutilation, and gender-based violence - by raising awareness through community events like debates and street plays. SHGs and CLAs pledge to reject these practices in their homes and influence others to do the same. They also engage with authorities to act - for example, urging police to arrest drug peddlers or teachers who abuse children - and ensure such cases are followed through to justice.



Tool 3i: Forming Cluster Level Associations



Template 3i: Developing CLA Action Plans

Task 3j: Phase out

- **Over time the role of the NGO or facilitating organisation should gradually reduce**, as SHG members take on greater responsibility for guiding and sustaining their group. Facilitators should begin sustainability planning early, making it clear that NGO support is temporary and that the goal is long-term community ownership. SHGs and cluster-level associations (CLAs) should be encouraged to see themselves as permanent institutions that can continue without external support. Strong internal systems are essential for independence. Groups should be supported to maintain basic records, rotate leadership, make decisions collectively, manage funds transparently, and resolve conflicts constructively. Simple self-monitoring tools can help groups assess their progress and make improvements. Capacity strengthening should focus on practical skills, such as running meetings, setting and tracking goals, and managing finances. Peer learning, including visits to other groups, can reinforce key practices and inspire confidence. Leadership should be inclusive and regularly rotated. Facilitators can support the emergence of local mentors or “star” members who can guide others and support group replication. Involving all members in planning and decision-making builds collective ownership and strengthens the group’s foundations for the future.

Box 11: Phase Out Case Study in Kommepalli



In Kommepalli in Southern India, women’s Self Help Groups came together to improve livelihoods, promote savings, and address local needs. Their collective efforts gradually led to the formation of a larger community-level platform to strengthen their impact and coordination. In 2017, these efforts culminated in the formation of the Mythri CLA – a name chosen to reflect friendship and collective strength.

Mythri CLA was formed to enhance SHG operations, address community needs, and ensure long-term sustainability. Its main functions include monitoring SHG performance, supporting newly formed groups, facilitating the formation of new SHGs, and offering shared services and timely information to its members. Importantly, it also manages a “Revolving Fund” to support SHG member business activities.

This Revolving Fund, introduced with NGO support, became a critical asset for the community. A total of ₹6,50,000 (\$8,000 USD) was provided, which Mythri CLA managed transparently. Loans were processed through the CLA and recovered through SHGs (with interest), with rotation reaching 16 cycles over seven years. As of June 2025, a total of 205 loans amounting to ₹1.02 crore (\$118,400 USD) had been disbursed. The fund supported

livelihoods such as milk businesses, tailoring units, grocery shops, eateries, flour mills, flower cultivation, and others.

A loan ceiling of ₹50,000 (\$580 USD) ensured responsible usage and wide coverage. The revolving fund contributed to tangible household improvements and asset creation. Even the most economically vulnerable households saw progress, proving that sustainable credit systems – when managed by the community – can generate meaningful impact.

Since its formation, Mythri has played a transformative role. It has formed 11 new SHGs and continuously strengthened existing ones through regular account audits and grading. It has served as a vital resource hub and training provider. This included tailoring and beautician training for women, driving lessons for youth, COVID-19 awareness raising, sanitation awareness raising, menstrual hygiene sessions and evening tuition for school children.

Mythri CLA has also addressed key social issues, promoting girls' higher education, reducing open defecation, and advocating for menstrual hygiene and safe disposal practices.

Material support and agricultural development have also been a focus. The CLA facilitated the distribution of home garden seeds and fuel-efficient stoves. In agriculture, it helped form five *Farmer Interest Groups* and mobilised substantial support from government schemes, including: power tillers, agricultural tools, tarpaulins and sprayers, improved seeds, moisture conservation kits, and training on modern agricultural practices.

Infrastructure development has been another pillar of Mythri's success, including:

- Construction of 220 individual home toilets and 4 school toilets;
- Renovation of 2 school rooftops;
- Installation of 24 solar streetlights;
- Provision of 1 borewell motor for drinking water;
- Renovation of 2 village ponds and construction of 3 check dams;
- Installation of 4 rooftop rainwater harvesting systems in schools; and the
- Creation of vertical gardens in 2 schools.

One of the most significant achievements is that since 2021, Mythri CLA has operated independently—without NGO support—demonstrating strong local leadership and community ownership. The CLA now pays its facilitator directly from its own income, reflecting both financial sustainability and internal accountability. The transition from external facilitation to self-sustained functioning marks an important phase-out milestone and a model of resilience.



Tool 3j: Phase Out



Template 3J: Phase Out

Phase 4: Group Growth



Linkages

- Link local government e.g., agriculture extension officers
- Link to health, education, business development, producer markets/vendors
- Link to formal financing institutions



Registration

- Support registration of groups including through information provision



Digital Access

- Support SHGs to identify and engage with digital services e.g., digital finance or digital platforms for tracking savings/status



Federating

- Consider linking CLAs into Federated Level Associations (FLAs) for increased advocacy and voice



Microgrants

- Provide microgrants including for crisis response, community interventions (only to mature groups)



Advocacy

- Support SHGs to identify priorities for advocacy and engage the SHG/CLA/FLA structure to lobby for change



Learning

- Hold learning workshops between SHGs
- Support monitoring by CLAs to encourage peer-to-peer learning
- Provide ongoing learning opportunities for facilitators
- Support endline data collection

PHASE 4: FACILITATING GROUP GROWTH

 <i>Transforming</i>	PHASE 4: GROUP GROWTH <i>Help SHGs to seed other groups and form clusters/federated structures</i>
Objectives	→ Encourage SHGs to create linkages with relevant local and national stakeholders → Support SHGs to cluster/federate, share experience and learning, and increase collective advocacy/action → Facilitate community action through micro-grants
TASKS	ACTIVITIES
4a: Linkages and Microfinance	● Scope and consult with key stakeholders to support linkages ● Link to government partners e.g., local government, agriculture extension officers ● Link to support services e.g., health, education, business development, producer markets/vendors ● Link to formal financing institutions e.g., microfinance institutions, banks
4b: Registration	● Support registration of groups / CLAs/ Federation including through information provision or helping SHGs to get a letter of recognition
4c: Digital Access	● Support SHGs to identify and engage with digital services e.g., digital finance or digital platforms for tracking savings/status
4d: Federating	● Consider linking CLAs into Federated Level Associations (FLAs) for increased advocacy and voice ● Establish key roles of the Federation
4e: Microgrants	● Assess how microgrants could be used to support SHG members e.g., for crisis response, business promotion, or community development activities ● Design grant size and distribution channels e.g., via CLAs or directly to SHGs. ● Carry out MEAL to understand the impact and reach of the microgrants ● Consider transitioning to a “Revolving Fund” structure, offering a more sustainable model for microgrant distribution ● Provide microgrants using the SCLR approach including for crisis response, and community interventions

4f: Advocacy	● Support SHGs to identify priorities for advocacy and engage the SHG/CLA/FLA structure to lobby for change
4g: Learning	● Hold learning workshops to share experience and lessons between SHGs ● Support monitoring by CLAs to encourage peer-to-peer learning among SHGs ● Facilitate ongoing learning opportunities for facilitators ● Facilitate forum meetings ● Support endline data collection across all participating SHGs
ADDITIONAL RESOURCES	
TOOLS 	● Tool 4a: Linking SHGs to Partners ● Tool 4d: Forming Federated Level Associations (FLAs) ● Tool 4e: Microgrants through SHGs ● Tool 4h: Self-Assessment and Learning Guidance
TEMPLATES 	● Template 4A: Templates for Linkages (F) ● Template 4D: FLA Self-assessment Template (F) ● Template 4E: Delivering & Monitoring Microgrants (P, F and S)

*Key: P = for use by Partner organisations; F= for use by Facilitators; CLA= for use by CLA members;
Federation = for use by Federation members

Phase 4: Tasks & Activities

Task 4a: Linkages

- **Scope and consult with key stakeholders to support linkages.** Based on the stakeholder mapping undertaken in *Phase 1*, updated with any recent information, support the SHG to engage key stakeholders from government, support services, and formal financial institutions to identify and gauge potential synergies and opportunities for partnership. The SHG should develop a plan for identifying the most relevant linkages, and for engaging with these partners effectively. *See tool 4A* for more details on using Participatory Rural Appraisal tools for linkages.
- **Identify and link to government partners.** Building relationships with government institutions opens the door for SHG member concerns to be raised with relevant government departments or representatives and can also create additional learning opportunities for members. Brokering effective links with government officials, for example agriculture extension officers, can be done

by extending invitations for officials to join preliminary panel discussions about establishing SHGs into an area, sensitisation workshops, and field visits.

- **Identify and link with support services.** As the SHGs develop and expand, they are likely to benefit from linkages with relevant private actors, such as health and education providers, or producers/input dealers. SHGs can also use their collective bargaining power to improve access to key goods and services. These linkages should be informed by the business or livelihood strategy developed under *Task 3c*.
- **Identify and link with formal financial institutions.** As members gain confidence both in making effective use of loans and in developing their livelihoods, their desire to obtain larger loans will increase. Access to affordable credit is key. SHGs can use their collective power to advocate for increased reach for banking services in rural areas. Microfinance institutions are another avenue for SHGs to increase their available credit, however, the terms of the loans and the ability of the SHG members to repay them should be deeply scrutinised and debated by the SHG members before making a decision.

Box 1: Linking with financial institutions

	In India, SHG members were facing a lack of rural financial institutions. To address these issues, a World Bank funded project created a partnership between SHGs and the Reserve Bank of India (RBI), which focused on encouraging banks to lend directly to SHGs. As part of the project, more than 7.5 million rural poor women were mobilised into 650,000 SHGs, 41,000 CLAs, and nearly 2500 FLAs. To support repayment of loans, banks were encouraged to open branches in rural areas to serve these groups. As of March 2020, an additional 28,000 rural banking branches were opened under the project. The SHGs successfully leveraged approximately USD 41 billion in loans from banks between 2014 and 2020, and an estimated 50 million formerly unbanked rural women now have access to bank accounts.
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Source: World Bank, 2020



Tool 4a: Linking SHGs to Partners



Template 4A: Templates for linkages

Task 4b: Registration

- **Support registration of groups including through information provision.** Formal registration can be a key step in increasing the legitimacy and reach of SHGs. It can also open avenues for SHGs to receive additional funding or training from external providers. SHGs are encouraged to register with local and/or national government if the necessary legal framework is in place to allow for this. If not, CLAs can play an important role in lobbying for SHGs to have their unique structure

legally recognised. There are clearly contexts, where registration is neither possible or aligned to the priorities of SHG members, and this should be assessed individually. An important consideration is that formally registering SHGs can bring added administrative and legal compliance requirements, which may be challenging for grassroots groups with limited resources. This process can also shift the focus away from the core principles of mutual support and solidarity, potentially weakening the group's original purpose and cohesion. In many areas, SHGs instead obtain a letter of recognition from local authorities, which they use for resource mobilisation and other official purposes.

Task 4c: Digital Access

- **Support SHGs to identify and engage with digital services** (e.g., digital finance or digital platforms for tracking savings/status). To enhance their financial operations and inclusivity, SHGs should consider adopting digital financial services. Key platforms include mobile money services, which have been instrumental in increasing financial inclusion by offering simple, user-friendly interfaces suitable for low-literacy users. SHGs can benefit from services like e-money and mobile banking to manage their transactions more effectively and securely. Digital literacy remains a significant barrier to using these services productively. SHGs should prioritise strengthening their capacity to use digital tools effectively. This might involve training sessions on using smartphones or tablets, understanding mobile money apps, and internet safety.

Task 4d: Federating

- **Consider linking CLAs into Federated Level Associations (FLAs).** As more and more SHGs are formed, there are more CLAs established. When there are around **8 strong CLAs**, they can come together to form a Federated Level Association (FLA). In many countries legally registered FLAs take on a critical role in the socio-economic and political development of their regions and lobby for policy development.
- **The FLA plays a vital role in building and sustaining a strong SHG ecosystem** by developing a shared vision, gradually taking over responsibilities from promoting agencies, strengthening capacities, promoting good governance, and securing legal identity. It ensures that essential, need-based services reach communities by connecting them to information, government schemes, insurance, environmental initiatives, and service providers. The FLA also fosters peace, security, and justice by upholding community values, engaging with authorities, raising rights awareness, and collaborating with rights organisations. Additionally, it shapes public thought and policy by lobbying for inclusive policies, advocating for rights-based laws, organising campaigns on social issues, supporting community leaders in elections, and forming alliances to amplify its impact.

Box 2: Ethiopia Federated Level Associations



In Ethiopia, where the SHG approach has been highly successful, FLAs are now providing services traditionally provided by formal financial institutions. In response to high interest rates offered by banks and microfinance institutions, an FLA in Adama has selected to start their own credit scheme for member SHGs. In their first year, they were able to make loans of a total of in excess of USD 150,000 (8.7 million Ethiopia birr, or \$62,700).

The Yenega Tesfa Self Help Collective (YT-SHC) comprises 273 SHGs, organised into 27 CLA's, and 3 FLAs.

The YT-SHC has prioritised building knowledge and awareness around key health issues, offering training on HIV, TB, reproductive health, family planning, and cervical cancer prevention.

Alongside this, children have been supported through hygiene education programmes and the distribution of hygiene kits. Adult literacy initiatives have provided opportunities for individuals across generations to strengthen their reading and writing skills, in collaboration with the Oromia Education Bureau.



Targeted support has been extended to persons with disabilities, including in training on SHG and CLA concepts, as well as financial literacy through savings and credit schemes. Vocational training has opened new pathways for self-reliance, with participants gaining skills in garment-making, hairdressing, furniture production, food preparation, and decoration, many of whom went on to achieve official certification.

Source: Tearfund, 2013 and the Share Trust (2025)



Tool 4d: Forming Federated Level Associations



Template 4D: FLA Self-assessment Template

Task 4f: Microgrants

- **Assess how microgrants could be used to support the SHG** including for crisis response, business promotion or community development activities. Microgrants strengthen Self-Help Groups (SHGs) by providing targeted financial support that responds to their priorities. Initially grants may be used to pay of loans or pay for critical needs (e.g., health service bills, food). Grants may later be used to launch or expand micro-enterprises, invest in shared infrastructure, or address

pressing challenges identified by the group. Each SHG defines its own priorities, develops a simple proposal, and receives tailored support to implement and track their activities.

- **Design grant size and distribution channels.** Grants should be tailored to the specific context and delivered either via CLAs or directly to SHGs. Microgrants are generally available as one-time disbursements or in recurring tranches depending on group needs. To be eligible, SHGs should be “mature” and active for at least one year, demonstrate sound financial practices, meet regularly, and ensure inclusive member participation. Grants are typically disbursed through Cluster-Level Associations (CLAs), which offer stronger transparency, oversight, and record-keeping. In this model, SHGs submit applications via the CLA and receive capacity-strengthening support before funds are released. CLAs are expected to meet minimum governance standards and maintain accurate records. Where CLAs are not yet established or functional, grants may be disbursed directly to SHGs.
- **Support the SHG/CLA to carry out MEAL activities** to understand the impact and reach of the microgrants. SHGs and CLAs are encouraged to maintain updated records, including registers, passbooks, and vouchers. Where possible, mobile banking should be used to simplify the tracking of fund flows. Monitoring should focus on several key indicators, as outlined in *Tool 4f*. These include the proportion of funds used across different purposes and any observed changes in household income, savings behaviour, or reliance on external loans. Progress may also be seen in improved SHG participation, stronger governance, and enhanced group cohesion. Qualitative insights should be gathered through focus group discussions and personal testimonials.
- **Consider transitioning to a “Revolving Fund” structure,** as this offers a more sustainable model for microgrant distribution. A revolving fund refers to a shared capital pool - initially generated through grants or member contributions - that can be reused within the group or cluster over time. Rather than being a one-off grant, the fund is managed independently by a SHG/CLA or federation, with members voluntarily returning funds after use so they can be reallocated for new purposes.
- **Provide microgrants including for crisis response and community interventions.** Once SHG members have had a chance to work together and build trust, they often seek to increase their impact on their wider community, especially during emergencies. Their intimate knowledge of local dynamics makes them exceptionally well-placed to respond. ‘*Survivor and community led response*’ (sclr), sometimes termed ‘*supported citizen-led action*’ (scla), is an approach that enables crisis-affected people to have greater control over interventions aimed at improving their survival, recovery and future protection, through microgrants delivered by SHGs. Beyond providing direct support for more efficient, community-led post-disaster response, microgrants can be used to scale up community action programmes (see *Task 3h*), and other community initiatives that have broader reach beyond the SHG members.

Box 3: Example of SCLR Impact



In Erbil and Duhok, in Northern Iraq, a local organisation worked with community groups (similar to SHGs) to identify priority projects based on local consensus. These initiatives involved community-driven projects like the restoration of schools, mosques, and residential units in refugee camps. All of the project activities were identified by community members, and local leadership was heavily involved in the monitoring of results. The resulting impacts were twofold. Firstly, members of the community were able to advocate for their most pressing needs. Secondly, the project increased the sense of social cohesion and community partnership and succeeded in engaging with marginalised members of society.

Source: Judy Organisation for Relief and Development, 2023

Box 4: Microgrants Channelled via SHGs in Afghanistan



Afghanaid, in partnership with The Share Trust, successfully disbursed micro-grants across 40 Self-Help Groups (SHGs). Each SHG developed spending plans, which were reviewed before funds were released in instalments. This approach ensured that grants could respond to both immediate priorities and longer-term needs, including the launch of small-scale businesses such as tailoring, embroidery, and dairy processing. The phased disbursement allowed groups to adapt their plans as priorities evolved, strengthening both accountability and impact.

One such story is that of Hamida, a widow who joined an SHG in her community. Before joining, she had limited opportunities to earn a living. When her group received a micro-grant, Hamida was able to access cash support to begin her own enterprise. With the funds, she purchased threads and other materials and began working in tailoring and embroidery. Over time, she diversified her activities into mat weaving, shawl making, and preparing table mats for the local market.

Reflecting on the transformation in her life, Hamida shared: *“Before this, I didn’t understand much about earning a living, but with the cash I was able to plan and buy materials like threads and start managing my own work. Now, I have the ability to face challenges because I have some cash and savings. I can solve problems on my own.”*

Hamida and other members also benefitted from the collective strength of their group. SHGs became a space not only for saving and investment but also for knowledge exchange. Members trained one another, shared ideas on managing small businesses, and opened pathways to new opportunities. As Hamida explained, *“Because of us coming together as a group, other members came, trained us, and made us aware of many things like managing personal business. This opened our minds to many new ideas.”*

Source: The Share Trust, 2025



Tool 4e: Channelling Microgrants via SHGs



Template 4E: Delivering & Monitoring Microgrants

Task 4g: Advocacy

- **Support SHGs to identify priorities for advocacy and engage the SHG/CLA/FLA structures to lobby for change.** SHGs, and the cluster and federation level associations, create a powerful force that can lobby for legislative, juridical, and social action to address key community concerns. Each level of the structure can influence discourse at different levels. The SHGs will identify the common issues in the neighbourhood and advocate to address these at the local level. SHG representatives can report their efforts to their CLA and request that the CLA become involved on a broader scale. CLAs normally represent **150 - 200 members** and can address topics that affect more than one neighbourhood or locality. FLAs typically represent over **2,000 members** and should aim to address and raise awareness of matters that affect whole communities or geographic areas.

Task 4h: Learning

- **Hold experience and lesson sharing workshops.** The workshops should include members of multiple SHGs from similar locations, and the facilitators. The workshop will allow SHG members to share their successes and learning, so that others can learn from their experience. Where possible, this workshop should include groups formed by different organisations or through a different methodology, in order to benefit from a breadth of shared experience.
- **Support monitoring by CLAs to encourage peer-to-peer learning among SHGs.** Monitoring activities should assess progress towards the targets set by each SHG under *Phase 1g*. The findings from the assessment should be openly shared with all members, and all findings and recommendations should be discussed. A regular self-assessment is also recommended, which looks at the social development of the group and provides a useful opportunity for wider reflection.
- **Facilitate ongoing learning from facilitators.** Facilitators are key to the success of each SHG. Once the initial training is completed, facilitators will still benefit from opportunities to meet and learn from one another. Regular meetings will also allow facilitators to bring requests for further learning from their SHGs. A facilitator learning workshop can also bring together facilitators and forge relationships.
- **Forum meetings.** These forum meetings/convenings bring together senior policy makers from SHG promoting organisations to foster collaboration, strategic alignment, and knowledge exchange. The aim is to collectively address challenges, share innovations, and strengthen the

SHG ecosystem at regional or national levels. This forum aims to review progress, share emerging trends and good practices, and reflect on the challenges faced in SHG promotion. It provides a space to exchange best practices, explore innovations, and discuss policy directions, harmonisation, and institutional support. Participants will coordinate efforts to scale impact, improve sustainability, and strengthen the collective voice of SHG-promoting organisations. Through peer learning and collaboration, the forum is expected to result in shared action plans on key issues such as financial inclusion, digital literacy, and market access. It should also generate concrete recommendations to enhance policy and institutional frameworks that support SHGs, CLAs, and Federations.

- **Support endline data collection across all participating SHGs.** Based on the cross-cutting indicators developed under *Task 1h*, the implementing organisation should work with SHGs (or CLAs/FLAs) to collect data and assess progress against the cross-cutting indicators identified by the SHG groups. The findings from this assessment should be shared with SHGs/CLAs/FLAs and cascaded to members and used as an opportunity for learning and identifying areas for additional growth.

Annex A: Additional Resources

Note: A “*Compendium of Tools*,” and “*Annex of Templates*,” to accompany this SHG Roadmap Guidance is also available.

In addition, the following key resources are available:

Concern, BRCiS et al., (2002) *Training Curriculum for Cluster Level Association (CLA): Building Resilience from the Base – A Facilitators Guide*

Concern Worldwide (2017) *Concern Self Help Group Guide Guidance Materials*

Kumar N, Raghunathan K, Arrieta A, Jilani A, Pandey S (2021), *The Power of the Collective Empowers Women: Evidence from Self-Help Groups in India*

Judy Organisation for Relief and Development (2023), *Survivor and Community-Led Crisis Response (SCLR) Initiatives*

The MYRADA Experience, *A Manual for Capacity Building of Self-Help Affinity Groups*, Aloysius P. Fernandez, April 4, 2018

The MYRADA Experience, *A Manual for Finance and Management Systems of Self-Help Affinity Groups with Criteria for a Social Audit*, Aloysius P. Fernandez, April 4, 2018

The Share Trust, *SHG Resource Library*

The Share Trust, *Self Help Groups*

The Share Trust and Tearfund Ethiopia, Code Innovation LLC, Imago Dei Fund, One Hen Inc. (2015), *SHG Digital Facilitators Application* (Google Play Store or App Store)

Tearfund (2022), *Legal Rights for Self-Help Groups*

USAID and REAL (2021), *Building Resilience Through Self Help Groups: Evidence Review*

World Bank (2020), *SHG-Bank Linkages: A Success Story*