

Manual for Community Institutions

(SHG, Village & District Federations)



DMI GLOBAL MISSION

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I. Community Institution Model & Role of NGO

1. Introduction

This manual has been developed based on series of reviews, reflections and analysis of DMI team' field experiences in formation and strengthening of Community Institutions. Based on the draft manual content, three Master trainers from DMI/ South Sudan conducted five-days training to 17 field staff members from May 2 to 7, 2023. Based on the feedback from this training, further refinement of the manual was completed.

This manual acts as reference for DMI Missions who are promoting Community Institutions. The Country Mission have to carefully review the model presented here and decide to accept or make adaptations right at the beginning of their program. The staffing

structure, time required and training plan will have to adapted if the Country Mission changes the model as per their requirements. This manual guides the Master trainers to design and deliver training modules to their staff members to form and strengthen Community Institutions at all three levels.

This manual guides and provide reference to the program team members to plan and implement activities. The monitoring frame-work guides the DMI team to develop their implementation plan and achieve results. The MIS guides to develop the data collection process that will be used by DMI to assess progress and make corrections as required.

This manual is written in model, steps and processes as simple language and easy to understand. Learning is a continuous process and we encourage DMI Country Mission to receive feedback on the usage of this Manual from Country Mission. We would be grateful to receive feedback on the usage of this Manual from Country Mission to make changes to the

2. DMI Global Mission

Daughters of Mary Immaculate (DMI), a society of women – catholic religious congregation was promoted by Rev. Fr. J.E. Arulraj in 1984 in Chennai, India. DMI has established its mission centres in Central African Republic, Malawi, South Sudan, Tanzania, Zambia, India & Papua New Guinea and supporting the education and development of marginalized women and girls.

With a strong sense of mission and purpose, DMI Global Mission aims to uplift individuals and families in the most vulnerable regions of the world, providing essential resources, education, and support. DMI Global Mission supports to foster resilience and create pathways to a brighter future.

All DMI Country Missions promote Community Institutions in their development programs that acts as platform for building and maintaining relationships with communities during and after the program cycle.

3. DMI's Community Institution Model

DMI Global team acknowledges the valuable contributions of its experienced members and staff who introduced Community Institution as a key strategy in its development programs. Since 1990, DMI in India, formed women' Self-help groups (SHGs) that are managed by its members, linked with banks, accessing credit for its members and supporting members to start and manage profit-making small businesses. DMI promoted Village and State Federations are actively contributing to the development of its women members while the District and District federations did not sustain. Several DMI congregation members had the opportunity to be involved with the India SHG program and were trained on this methodology in the last 35 years.

DMI mission countries promoted SHG methodology with variations for the development of women and farmers in Africa and Papua New Guinea for the past 20 years. For example South Sudan adopted the VSLA methodology and in countries such as Tanzania, Zambia, Malawi, India and central African Republic the SHG methodology was followed and Savings and Lending group (SLG) methodology was followed in Papua New Guinea. Based on the experiences of different country programs for the past 35 years, the Global team has evolved the "DMI Community Institution Model" that has the potential to independently function even after the withdrawal of DMI from that village.

The Community Institution model promotes regular savings and active participation of members. This model includes a process to ensure 'solidarity' among members is understood and applied for choosing its members. DMI promote these Community Institutions by bringing together the marginalized and vulnerable sections of the society who mostly rely on subsistence farming, income from unorganized sector and doing small businesses. DMI educate the potential members to exclude those who might influence the group for their own personal interest and profit. For example – a group of subsistence farmers may exclude those from the formal employment system, owner of established business, government employees and other leaders as part of their 'solidarity'. DMI model promotes Community Institutions in three levels - primary level (SHG), Village level (VF) and District level (DF).

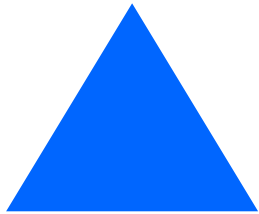
Definition of Community Institution:

Community Institutions are:

- 1. Mostly informal organization**
- 2. Formed by community members to serve one or more common needs and**
- 3. Managed by community members**

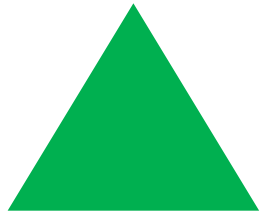
**"WE NEED TO RESHAPE OUR OWN PERCEPTION OF HOW WE VIEW OURSELVES.
WE HAVE TO STEP UP AS WOMEN AND TAKE THE LEAD."**

Community Institutions are promoted in three levels :



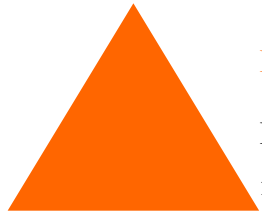
Primary Level

SHG is formed by minimum 15 members and not to exceed 30 members



Village Level

Village Level Federation is formed by all SHGs with minimum of 100 members



District Level

District Level Federation is formed by 3 or more Village federations with minimum 300 members



4. Role and functions of Community Institution

SHG (Primary level)

- a. Activities focus on group management, leadership, savings, loan and motivating members to acquire and upgrade their work skills leading to increased income
- b. SHGs are encouraged to assess the status of women and other common issues affecting them and respond appropriately

Village Federation (VF)

Activities focus on establishment and management of economic enhancement opportunities for members and addressing issues affecting women and other common issues

Block Federation (DF)

- a. Influence community members and duty-bearers to improve the status of women and address other common issues
- b. District Federation may also create special funds for promotion of small businesses for members and education opportunities for their children

**"I CAN PROMISE YOU THAT WOMEN WORKING TOGETHER ,
LINKED, INFORMED AND EDUCATED
CAN BRING PEACE AND PROSPERITY TO THIS FORSAKEN PLANET."**

5. Time-frame for Community Institution

DMI promoted:

1. SHG shall function independently within two-years (24 months)
 - Three months for conducting needs assessment and establishing contact with new villages
 - Twenty one months to train members to independently manage their SHG
2. Village federation shall function independently within three years (36 months) and
3. District federation shall function independently within four years (48 months)

Total duration of 48 months (3+21+12+12 months)



6. Principles guiding Community Institution

Primary level (SHG)

1. Formed by solidarity
2. Active participation of members
3. Democratic selection of leaders
4. Participation of all members in savings
5. Maximum utilization of group fund for loans
6. Transparent accounting system
7. Extension of share-out period
8. Engagement in social issues

Village & Block Federation

9. Create opportunities to increase income of members
10. Represent women' issues and other common issues with duty
-bearers



7. Role of DMI in forming Community Institution

DMI shall:

1. Ensure equity in managing all primary Community Institution (SHGs) in a Village
2. Continue to build staff capacity, accompany them in field and conduct monthly reflection and learning sessions
3. Based on availability of donor funds, provide revolving loan fund to Village federation and not to individual primary level Community Institution (SHGs)
4. Assign specific role for Village federation and primary community institution (SHG) in all ongoing and new project
5. Encourage Village federation to seek external fund/loan/ infrastructure support to establish services to its members
6. Ensure Village and District federation meeting expenses are paid by its members
7. DMI shall provide training support and can co-fund events that are led by the District/Village federation

8. Role of DMI team in supporting primary-level Community Institution (SHG)

1. Promote marginalized women & subsistence farmers to understand the 'self-help' concept and join the primary level (SHG) Community Institution

2. Promote membership by informing that DMI will not provide any financial or in-kind support to Community Institution
3. Support in bringing self-selected members of equal status to form primary level Community Institution (SHG)
4. Support women members to take up leadership position in the Community Institution
5. Empower community institution to plan and function independently at the earliest possible time
6. Educate group not to allow few members, outsiders or DMI team to dominate the group activities
7. Equip members with ‘knowledge and skills’ for improving their income
8. Sensitize members about women’ status in their family and community and other common issues and encourage group to plan their responses
9. Encourage Community Institution to organize monthly event in which all members participate and create strong bond among themselves
10. Empower Community Institution to silently challenge the oppressors and perpetrators of violence and force changes

**"SHE MADE BROKEN LOOK BEAUTIFUL AND STRONG LOOK INVINCIBLE.
SHE WALKED WITH THE UNIVERSE ON HER SHOULDERS
AND MADE IT LOOK LIKE A PAIR OF WINGS."**

9. Role of DMI team in supporting Village Federation (VF)

1. Motivate primary community institution (SHGs) to form Village federation and decide its core purpose – either to enhance income of members and/or address issues related to women and other common issues
2. Motivate primary community institution (SHGs) to contribute fund and time to manage the meetings and functions of the Village federation
3. Train Village Federation leaders to take up establishment and management of infrastructure facilities such as grinding mill, tractor, drying and storage facility of agriculture production and other activities
4. Train Village Federation leaders to collect members' production and sell it to traders for profit.

10. Role of DMI team in supporting Block Federation (BF)

1. Motivate SHGs and Village Federations to form District federation and decide its core purpose – influence community members and duty-bearers to improve the status of women and address other common issues
2. Motivate SHG and Village Federations to contribute fund and time to manage the meetings and functions of the District Federation
3. Train District Federation leaders to use radio, messages on mobile and where possible social media to influence community members and duty-bearers on issues affecting women and other common issues

4. Train and support Block Federation leaders to organize mass events such as rallies and campaigns to educate the community and bring issues to the notice of duty-bearers
5. Block Federation may create special fund to promote members to take up small businesses and education of children

11. Alerting DMI team – ‘not to do these actions’

1. Become member of the Community Institution
2. Influence group norms to suit personal requirements of DMI team
3. Create group to depend on DMI team to conduct normal group functions
4. Influence decision making process or show favoritism to some members
5. Collect money or in-kind gifts from Community Institution or members



II. Formation of Primary -Level Community Institution (SHG)

1. Choosing the program area (maximum one week if new area for DMI)



Having ‘critical mass’ or ‘being together’ is important for ‘resource-poor’ members of the community to gain confidence

and start taking small but determined steps to enhance their economic, social and political status.

Hence DMI shall promote as many primary level Community Institution (SHG) in one Village before expanding to the next village. Using the same approach, promote Community Institution in other villages within the same Block

The Village and Block federation has the responsibility to engage with the respective political and Government authorities. Hence alignment of Community Institutions to the Village and Block boundaries is beneficial to the members

2. Steps for Community mobilization (maximum 2 months)

DMI should develop brief 'talking points' using the annexure in this manual and train the field staff to introduce DMI and its past work to the Village and Block officials, Community leaders/elders and others

DMI should develop brief 'talking points' using the annexure in this manual and train the field staff to introduce the "Community Institution model and methodology" to Village and Block officials, Community leaders/elders and obtain their permission to promote Community Institutions

NGO should organize meetings with community members to introduce the NGO, its past work, Community Institution methodology and process and criteria used for selection of members

DMI should organize regular meetings with the village leader/ chief and obtain their support to get the community understand the Community Institution methodology and form the primary community institution (SHG)

DMI should conduct regular visits, meetings and discussions for one or two months till obtaining the list of interested members to form SHGs.

Please use the above mentioned steps when promoting Village or Block Federation

3. Formation of primary level Community Institution (SHG - maximum one month)

Steps for formation of SHG:

1. Receive list of interested persons from the community to join primary level Community Institution (SHG)
2. Meet with all interested persons and explain once again the criteria for membership:
 - all of them are living in the same area that helps them to participate in the weekly meetings
 - are from similar economic background – income range is similar
 - all of them know and trust each other
 - members should be above 18 years and below 60 years
 - members should have their own source of income
 - agree to physically participate in all weekly meetings and
 - willing to save during each meeting
3. Ensure that the primary level Community Institution members are from marginalized section only
4. Obtain the final list of members to form SHG

**"OUR DEEPEST FEAR IS NOT THAT WE ARE INADEQUATE,
IT IS THAT WE ARE POWERFUL BEYOND MEASURE."
– MARIANNE WILLIAMSON**

4. Development of primary level Community Institution (SHG) constitution (maximum of one month)

1. Organize minimum four sessions during their regular weekly meeting to understand about the constitution and develop their own rules
2. Explain the DMI community institution model – promotion of “savings and participation” and assist them to set their rules
3. Show the savings chart (Annexure -) and explain the minimum and maximum amount each member could save in one cycle of 52-weeks
4. Read-out the draft constitution and facilitate the members to develop their own constitution (Annexure -)
5. Type the constitution and print three copies
6. Read-out the printed constitution to all members and obtain signature of all members in three copies
7. Motivate members to present one signed copy of the constitution to the Village leader
8. The second signed copy should be kept in file with DMI and third copy kept in the SHG tool-kit

**"BEHIND EVERY GREAT WOMAN...
IS ANOTHER GREAT WOMAN." — KATE HODGES**

5. Election of SHG Management Committee (MC) members (maximum one month)

1. Explain the importance of conducting an election to choose the Management Committee members
2. Explain the democratic process in which all members are equally treated having one vote
3. Explain the roles and responsibilities of each of the Management Committee position
4. Explain the qualities required for each Management Committee position
5. Set the date and time for receipt of nominations, campaign, election, counting and declaration of results
6. Obtain nomination and names for each management committee position
7. Monitor the nominee' campaign for their position
8. Facilitate secret ballot election for each position
9. Facilitate counting of votes for each position
10. Facilitate announcement of the winner for each position

6. Provide tool-kit (maximum one week)

1. Explain the purpose of the tool-kit
2. Explain the safety features of the tool-kit
3. Open the tool-kit and show each item and explain the purpose of each item
4. Guide the members to retain the tool-kit at their normal meeting place to avoid carrying it in public

III. Training Primary -Level Community Institution (SHG)

A. Financial Management

1. Savings
2. Loan & interest
3. Social fund
4. Fines
5. Share-out

Savings

Definition of terms:

Savings – Money I have today; kept with primary Community Institution (SHG box) to be taken back by me after one or two years (52-weeks or 104 weeks)

Used to give loans, earn interest and at the end of the savings cycle given to members

Accounting – My savings and my primary Community Institution (SHG) group members' savings has to be recorded in note-book properly so that none of the members lose any money

Management – When we developed our primary Community Institution (SHG) constitution – we agreed on rules regarding savings. The Management Committee members and all members of the group should ensure those rules are followed strictly

"I NEVER DREAMED ABOUT SUCCESS. I WORKED FOR IT." — ESTÉE LAUDER

The rules governing Savings are:

1. Value of one share to be maintained throughout the savings cycle
2. Maximum five shares can be bought each week by one member
3. Savings is collected directly from each member only in the weekly meeting and not outside the meeting
4. Savings sent through other members should not be collected except when the member is sick and not able to join the meeting
5. At the start of meeting – the Record Keeper gives the small-book to each member present in that meeting
6. For those members who are absent the President opens the small-book and marks five 'X' after writing the meeting date
7. Members put their money inside the small-book and return to the Money counter
8. The money counter check and tell the amount loudly; after the member confirms the amount; seal is placed equal to number of shares paid by member in the small-book by the money counter
9. Record keeper writes the savings amount exactly as it is in small-book in the big-book
10. Total savings of the day is calculated and total savings up to week is added and announced by the Record keeper to all group members

Loan and Interest

Definition of terms:

Loan – The money taken by a member from the savings of all members; up to three times of member' saving; for the purpose of doing business or personal needs; with a promise to return the money and with agreed upon interest amount

Interest charge – The additional amount member agreed to return to the SHG group to increase the total group fund

Repayment period – The duration of time that is available to the member to repay the entire loan amount and the agreed interest amount to the SHG group

Accounting – The amount borrowed (loan) by member has to be recorded and signed by the record keeper in that members' small-book correctly by writing the date, amount and the interest to be paid.

The same amount has to be written in the big-book and the total loan given on that meeting has to be calculated. Also the total loan amount given till that day's meeting has to be calculated and informed to all members by the Record Keeper.

Management – All members agreed and signed their constitution – rules regarding loans, interest charges, repayment period and criteria for loans. The Management committee members and all members of the group should ensure those rules are followed strictly.

The rules governing loans are:

1. Based on need, member can borrow up to 3 times of their savings amount
2. Member agreed to return the borrowed money back to the SHG group within the agreed period
3. Member agreed to pay interest charge to the loan
4. Member requiring loan from the group, should inform one week in advance stating the required loan amount
5. Group will verify if the required loan amount is available in the Savings box
6. If less amount is available in the Savings box, then members will prioritize loan requests based on Constitution

Social fund

Definition of terms:

Social fund – Members agreed to pay fixed amount each week to create ‘Social fund’ as written in the SHG constitution

Rules governing Social fund are:

1. Rules guiding Social fund was written in the constitution
2. Management committee in consultation with members takes decisions to make payment
3. Individual members are not required to return any support they received from social fund
4. Social fund collection in each meeting and the total fund available will be informed to all members by the record Keeper

5. Social fund balance at the end of each cycle will be carried to the next cycle
6. Social fund balances should not be included to the share-out fund unless the group has decided to permanently close the SHG operations

Fines

Definition of terms:

Fines – are penalties in cash paid to SHG group when a member does not obey the rules stated in the constitution. For example – late for meeting and not fulfilling the role assigned as Management committee member

Rules governing Fines are:

1. Fine in cash should be paid in the current or next meeting
2. Fine will be collected by Money counter
3. Fine will be recorded in the big-book against the name of the member
4. Fine collected in that meeting and total fines till date will be informed to all members by the Record Keeper
5. Fine collected will be added to the share-out fund

**"IT'S NOT ABOUT HOW MANY TIMES YOU GET REJECTED OR FALL DOWN
OR ARE BEATEN UP, IT'S ABOUT HOW MANY TIMES YOU STAND UP AND ARE
BRAVE AND YOU KEEP ON GOING." — LADY GAGA**

Share-out

Definition of terms:

Share out – Process of giving back the savings made by individual member at the end of agreed upon savings cycle. Based on the number of shares, each member will be proportionately given their earning/profit from the amount generated by interest on loans and fines collected

Rules governing Share-out:

1. Each member will get back their total savings
2. Calculation of ‘earnings/profit’ per share is done by “adding total interest and fines collected in this savings cycle’ and divided by the total number of shares bought by all members
3. The earning/profit for one share is then multiplied by the number of shares and the total earning/profit of each member is calculated



B. Income Generation Activities

1. Introduction to Income generation activities
2. Market survey and analysis
3. Business plans
4. Management of business
5. Learning new income generation skill

1. Introduction to Income Generation Activities (IGA)

Definition: Activities conducted to earn profit is known as Income generation activity (IGA). Examples are growing Okra and selling it in the market, drying, grinding and selling cassava flour, preparing and selling snacks and tea and other such small businesses.

Income Generation Activity can be owned by one individual member or the SHG group can own the small business.

Profit from individual owned business goes to that member only

Profit from SHG-owned business will be used to grow the group fund or divided among members as agreed at the start of the business

Income Generation Activities can lead to Loss - which means the individual may not earn any profit and in some cases might lose their investment. Examples are – member bought 10 kgs tomato from the Gudele market at total cost of South Sudan Pound (SSP) 5000. She spent SSP 1000 to transport the tomato to her Village market. She planned to sell one kg at SSP 800 and she sold 4 kgs on the same day. The next day she sold 2 kgs at SSP 400 for each kg. The balance tomato become bad due to heat and she had to throw it in dust-bin.

Did she get profit and if yes, how much?

Did she get loss and if yes, how much?

Cost price of 10 Kgs Tomato = SSP 5000

Transport cost = SSP 1000

Total cost = SSP 6000

Sold 4 kgs @ SSP 800 = SSP 3200

Sold 2 kgs @ SSP 400 = SSP 800

Total income = SSP 4000

Cost price = SSP 6000

Selling price = SSP 4000

Difference = SSP 2000

What is this difference?

Loss made in this Income Generation Activity

Alternate situation:

If the member was able to sell the 10 kgs tomato @ SSP 1000 then,

Cost price = SSP 6000

Selling price = SSP 10000

Difference = SSP 4000

What is this difference?

Gain or profit earned from this Income Generation Activity

What is the main purpose for doing an Income Generation Activity or small business?

Profit, Profit and Profit

How many in this group are doing IGA?

How many members want to start Income Generation Activity?

Now let us list the possible Income Generation Activities that could be started in our village/Block/District

Close the session with bringing the focus of 'Income Generation Activity is to earn Profit' and state in the next session we learn about Market Survey.

2. Market survey and analysis

Recap from last session:

- Income Generation Activity need to make profit
- We can start Income Generation Activity
- We want to learn as how to start and run profitable Income Generation Activity
- We shall take loan from our SHG and invest in Income Generation Activity

How do you get profit?

If you sell a product – we can make profit or loss

Who is paying to us?

Person who buys a product from us is paying

What do we call this person who buys from us?

Customer

Why is the customer paying us?

Customer is receiving a product he wants and he is paying to us

What will happen is the customer believes we cannot give the product he wants?

He goes to another shop/seller and buys what he wants

What we learn from this:

Customer is the 'focus' to do an Income generation activity and make profit

Hence before we start an Income Generation Activity or expand the IGA – we need to understand the following:

1. Who is our customer?
2. What product he/she buys?
3. What quantity?
4. What quality?
5. What price?
6. Who are the others in the same place of our IGA who sells our same product?
7. How do we ensure customers come to us to buy even though others are nearby?
8. How to get answers for the above questions?

We have to go the market or place where we like to do our business and find out answers for the above questions. This method is called the '*Market survey*'

Based on the answers to the above questions a member can decide:

What Income generation activity to start?

What should be the weekly profit ?

Close the session by making each member to state the Income Generation Activity they want to start. State in the next session they learn about developing simple 'Business Plan' that will guide them to make profit from the business.

**I RAISE UP MY VOICE–NOT SO THAT I CAN SHOUT,
BUT SO THAT THOSE WITHOUT A VOICE CAN BE HEARD..
WE CANNOT ALL SUCCEED WHEN HALF OF US ARE HELD BACK.**

3. Business Plan

Recap of the survey result and repeat the same question you asked at the end of the previous session

Questions:

1. What Income generation activity to start?
2. What should be the weekly profit?

Now let us develop the Business Plan to achieve this profit:

Plan for week or month:

1. Name the product/s you will sell?
2. What is the rental cost for shop/place?
3. What is cost of machines?
4. What is cost of storage/packing materials?
5. What is the cost of buying raw material or products?
6. What is the cost of transportation?
7. What is quantity and cost of preparing products from raw materials?
8. What is quantity and selling price of all products?
9. What will be the total sale amount in one week ?
10. What will be the total cost price of all your produces– buying and processing for one week?
11. What is the difference between selling cost and buying cost; $(8 = 6-7)$ that is your profit per week?

Close the session by asking each member:

To state if the profit calculated was equal or more than the member wanted from this IGA?

Will the member start the Income Generation Activity?

Does the member have the capital fund or will he/she take loan from SHG?

4. Management of Income Generation Activity

Management of IGA includes:

1. Planning an IGA
2. Start & running an IGA
3. Making profit from IGA
4. Learning from mistakes and making changes

Planning- you decided to start an IGA; you did market survey, you developed the business plan expecting to achieve the profit you wanted and now ready to start the IGA

Starting the IGA - As you start to implement the plan, you have to do few important steps on weekly basis and they are:

- Start writing the amount spent on IGA
- Start writing the time you spent on IGA
- Start writing the income you earned
- Start calculating profit or loss you made each week

Making profit from IGA - As you start your weekly calculation you know if you are making a profit. If making profit, understand what is making profit and try to increase your profit

If you are making loss, find out why you are making loss?

Once you understand the reasons for loss, make changes that will give you profit. Try for some time – for one or two weeks and if you are not making profit then you need to plan to take an important decision such as:

- close this IGA and plan for new IGA or
- plan to expand this IGA with additional products

Close the session by asking each member to state how they will understand if their IGA is making profit or loss.

5. Skill Training for Income Generation

Some members will be interested to learn new income generation skill that can be used to start an Income Generation Activity and make profit

DMI facilitate members to identify skills that they are interested to learn

DMI identifies suitable resource person and organize short-term skill trainings to train interested members

The proposed skill trainings are – Embroidery, Using beads to make chain and bangles, Bakery, Liquid soap making, Sanitary pad, Sandal -making and others skills that can be trained in 2 to 3 days.



C. Social Themes

a. Women Empowerment

b. Peace and Harmony

Women Empowerment

Definition: Acquiring the ability to control over their lives - resources, assets and income

Steps to lead discussions with members on Women Empowerment:

i. Family decisions

List and state who in your family makes these decisions (Women member or any Male member)

1. Purchase of Food
2. Children Education
3. Medical Expenses
4. Purchase of Dress
5. Transportation expenses
6. Amount to be saved
7. Amount to Borrow/Take loan
8. Purchase of Assets (Cattle and others)
9. Invest in Business
10. Farm production to be sold
11. Income from sale of farm product

The idea is to help women see how many of the family decisions are made by them and how many by men. It is expected that women members will start taking more decisions for their empowerment

ii. Role of women in their community

Identify roles taken by women in their community

Number of women in Traditional leadership structure

Number of women in the political leadership structure

Number of women in Religious leadership structure

How do we increase women' presence in these structures?

What knowledge and skills women SHG members should acquire to attain these leadership roles?

What actions should women SHG members take to influence men to promote women leadership?

Peace and Harmony

Definition: Respect diversity and engage in dialogue leading to peaceful co-existence

Discussion:

1. Did your community face any conflict in the past 10 years?
2. What were the causes of these conflicts?
3. How to prevent the recurrence of such conflicts?



IV. Training Primary Level Community Institution (SHG) members to form Village Federation

Definition

All primary Community Institution (SHG) join together and form Village Federation having total 100 members or more.

Why do we form Village federation?

- To create Village -level income enhancement opportunities that benefit members
- Respond to issues affecting majority of its members

Examples of income enhancement activities – establishment of flour grinding mill, managing transportation services of goods to market or tractor services for its members and other activities

Rules governing the functions of Village federation:

1. Village federation shall not promote savings
2. Village federation creates its fund for administration by levying membership fee from all its members or use portion of its profit from income enhancement activities
3. Village federation may create its own loan fund and rules to manage the fund
4. Village federation may use part of its profit to fund social causes – paying school fee for orphan children and other such activities

V. Training Primary Level Community Institution (SHG) members and Village Federation leaders to form Block Federation

Definition

All primary Community Institution (SHG) join together and form Block Federation having 300 or more members

Why do we form District federation?

- To influence community members and duty-bearers to improve the status of women and address other common issues
- To create special fund for promotion of small businesses and education opportunities for members and their children

Rules governing the functions of District federation:

1. District federation will not promote savings
2. District federation will create its administrative fund by levying membership fee from all its members or other ways to cover costs
3. District federation may create its own loan fund and rules to manage the fund
4. District federation may use part of its interest generated on loans to fund for social causes – paying school fee for orphan children and other such activities

VI. Monitoring the Community Institution

A. Monitoring frame-work

Principles	Output Indicators	Outcome Indicators
Formed by Solidarity	<ol style="list-style-type: none"> All members are from similar economic status Members know each other Members trust each other 	<ol style="list-style-type: none"> Increased household income Ownership of new household items Ownership of productive assets Women members' participation in household decisions Number of break-through achieved while addressing women' issues and other common issues
Active participation of members	<ol style="list-style-type: none"> Attendance in meetings Number of common events organized Percentage of members attending common events 	
Democratic selection of leaders	<ol style="list-style-type: none"> Members attendance in the leadership trainings Selection of leaders using secret ballot Periodic rotation of leadership is practiced 	
Participation of all members in savings	<ol style="list-style-type: none"> Number of regular savers (at least three times in a month) Number of members not saved in last four weeks 	
Maximum Utilization of group fund for loans	<ol style="list-style-type: none"> Number of loans disbursed to-date Value of all loans disbursed to-date Average loan amount Number of loans used for business purposes to-date 	
Transparent accounting system	<ol style="list-style-type: none"> Members know their personal savings, loan amount and loan balance to be repaid Members know the total group savings, social fund, loans disbursed and outstanding loan amount Group leaders are familiar with the information recorded in the account books Group leaders understand basic accounting principles used in maintaining group accounts 	
Extension of share-out period	<ol style="list-style-type: none"> Number of SHGs who understand the total savings for 52- weeks and total savings for 104-weeks Number of groups extended their share-out period beyond 52 weeks 	
Engagement in social issues	<ol style="list-style-type: none"> Capacity of leaders to initiate discussion on social issues in group meetings Participation of members in discussing social issues in group meetings Collective actions taken – challenging GBV and other issues by group members 	

Principles	Output Indicators	Outcome Indicators
Establishment and management of income enhancement opportunities	1. Number of Village federation started income enhancement activities 2. Number of Village federation leaders trained to start and manage profit-making group business 3. Number of members benefitting from the income enhancement activity	
Influence community members and duty-bearers to improve status of women and address other common issues	1. Number of awareness generation activities for public implemented by the Block federation 2. Number of times Block federation represented women's issues and other common issues to duty-bearers	

B. Management Information System (MIS)

The project team is responsible for monitoring the progress of Community Institution based on above reference Monitoring framework. Following information needs to be collected and analysed each month:

1. Attendance of members
2. Weekly savings and confirm if savings has been done as per the constitution
3. Loans and its repayment as per the constitution
4. Collection and utilization of the Social fund as per the constitution
5. Levy of fines as per the constitution
6. Usage of loan for IGAs
7. Conduct of monthly group activities
8. Conduct of activities related to Peace promotion, Women empowerment and others
9. Discussion about social issues
10. Actions taken on social issues

Please use the MIS forms (Annexure) to collect information from each SHG. The collected information should be entered in the computer-based MIS at the office.

VII.Phase-Out by DMI

DMI shall develop their plan to exit from the community institution and enable the community institution to function independently within four years.

DMI aims to sustain the promoted community institutions by ensuring gradual phase-over of their role with the community institution. Community institutions are prepared to handle their regular activities, make creative solutions to overcome challenges, reflect and take actions on failures.

A sound transparent financial accountability system is a prerequisite for Community institutions to function without any challenges and in ensuring their sustainability. Therefore, DMI should facilitate Community Institution to adopt the best financial and accounting practices to become independent.

VIII. Conclusion

This Manual had been developed by team of field practioners based on their experiences. However, in some instances the field realities may be different and hence respective DMI country mission needs to review and finalize their adapted model of Community Institution at the beginning of their program

IX. Glossary

DMI	Daughters of Mary Immaculate Congregation
NGO	Non-governmental organization
CI	Community Institution
SHG	Self-help Group
Village	Geographical unit
Block	Geographical unit
VF	Village Federation
BF	Block Federation
MIS	Management Information System
IGA	Income Generation Activity (Small business)
Tool-kit	Metal box with three locks and key for security and contains set of small-book, big-book, cash bag and items for record-keeping
Small-book	SHG pass-book issued to each member
Big-book	SHG account ledger maintained by the Record-keeper and kept in Tool-kit

X. List of Annexures

1. Talking points to introduce DMI
2. Talking points to introduce Community Institution methodology
3. Saving chart - Individual and Group
4. Loan and interest chart
5. MIS Form One - Receipts and Payments
6. MIS form Two - Loan Register
7. MIS form Three - Loan Repayment Register

ANNEXURE-1

Talking Points to Introduce DMI

Thanks for giving your valuable time to me/us to introduce DMI– a registered NGO we are _____ representing. My name is..... and I am the in DMI. Allow me to _____ introduce the DMI which is a registered National NGO. We are working since ----- year and we have been _____ working in the following – State/District. We are supporting ----- number of women/children/household/farmer/IDPs/returnees each year through our programs. Our programs are: a. _____ b. _____ c. _____ and we are receiving support from donors such as CAFOD, Trocaire and others.

We are here today to express our intention to start one of our program in your Block/Village provided you and your community are interested to follow the unique methodology which we will explain very soon.

ANNEXURE – 2

Talking points to introduce the Community Institution Methodology

We have introduced the NGO.

Now we shall introduce a unique method that will ensure the ‘respect’ and dignity’ of all human beings are maintained. Generally, you are aware of the ‘relief programs’ which has been done by us and many NGOs. The NGO decides to donate certain materials – food materials, seeds, tools and others and they decide the date, time and how many will receive the materials. On the agreed date they come with the materials, distribute, take photos and go away. The relationship in this program is donor – recipient or giver – receiver and almost all decisions are taken by the donor. It is also known as “Charity model”. This type of program happens during emergencies in which material support has to reach affected community at the earliest possible time. These programs stop after emergencies.

We are now going to talk about the ‘Self-help” model of programs.

This model is built based on the following beliefs of DMI:

- All members of the society are equal – some may have access to less resources and some may access more resources
- Every person in our community has their own set of knowledge and experiences which is valuable; some may have acquired formal education and expanded knowledge and experiences
- Improvement of community happens when the women and resource poor members start to develop their socio-economic status

- People who struggle the most, knows the answers to get themselves out of the poverty and hence decisions should be made by them and not by outsiders such as an NGO

The method used by the “Self-help” model follows:

- 15 to 30 People living in same area, know and trust each other come together to form Community Institution known as SHG
- These 30 people are known as members of SHG and they own the SHG
- These members together decide the rules of the SHG
- All members have to save regularly an agreed amount for minimum of one year (52 weeks)
- Participation in weekly meeting is essential to build bond among all members, learn new knowledge and skills, take loan and start IGAs and increase their well-being

Role of DMI:

DMI shall introduce this “Self-help” method, train members to start the SHG, start savings and loan and account it, build the management and leadership skills of members, train them to understand the status of women in their village and to identify and respond to other common problems. DMI gives savings box to safely keep the money. DMI staff support the SHG for one year and sometimes additional six months to help them independently function without the help of DMI. In addition, DMI helps to bring all SHGs in one Village together to form Village federation and in some instances form Block federation.

Role of community:

Recognize the 'self-help' concept and state if they want to learn and participate in this program or not. If your community is interested then we discuss about the next steps. If your community is not interested to follow the 'self-help' method then we (DMI) will move to new Village and start our program. Please note DMI does not have any compulsion to work this Village but choose to work here because of your great Village leaders/elders, the enterprising members in your community and (other points you may add).

ANNEXURE – 3

Savings Chart

Community Institution (SHG) Savings Chart				
Saving chart for Individual member				
No. of Shares/ Value of shares in Soutd Sudan Pound (SSP)	500	1000	1500	2000
52	26000	52000	78000	104000
104	52000	104000	156000	208000
156	78000	156000	234000	312000
208	104000	208000	312000	416000
260	130000	260000	390000	520000
Saving chart for Group members				
No. of Shares/ value of shares in SSP	500	1000	1500	2000
780	390000	780000	1170000	1560000
2080	1040000	2080000	3120000	4160000
3900	1950000	3900000	5850000	7800000
6240	3120000	6240000	9360000	12480000

ANNEXURE – 4 Loan and Interest chart

Loan Amount Interest %	10000	15000	20000	25000	30000	35000	40000	45000	50000
	2%	200	300	400	500	600	700	800	900
4%	400	600	800	1000	1200	1400	1600	1800	2000
6%	600	900	1200	1500	1800	2100	2400	2700	3000
8%	800	1200	1600	2000	2400	2800	3200	3600	4000
10%	1000	1500	2000	2500	3000	3500	4000	4500	5000

Loan Amount Interest %	55000	60000	65000	70000	75000	80000	85000	90000	95000	100000
	2%	1100	1200	1300	1400	1500	1600	1700	1800	1900
4%	2200	2400	2600	2800	3000	3200	3400	3600	3800	4000
6%	3300	3600	3900	4200	4500	4800	5100	5400	5700	6000
8%	4400	4800	5200	5600	6000	6400	6800	7200	7600	8000
10%	5500	6000	6500	7000	7500	8000	8500	9000	9500	10000

ANNEXURE – 5

MIS Form -1 - Receipts and Payments

MIS FORM -1									
Group Name			Week Number			Name of MIS collector			
Village Name			Date of meeting			Reviewed			
SHG - Receipts and Payments									
Name/ Number of member	Value of Shared bought by member	Social fund paid by member	Loan and interest paid by member	Fines Paid by member	Total cash paid by member	Loan received by member	Support received from social fund by member	Total cash received by member	
1	1000	100	100	50	1250	10000	1000	11000	
2									
30									
Total	1000	100	100	50	1250	10000	1000	11000	

ANNEXURE – 6

MIS Form Two - Loan Register

MIS FORM -2									
Group Name					Week Number				
Village Name					Date of meeting				
SHG - Loan Register									
Name/ Number of member	Date loan received by member	Loan amount received by mem- ber	Interest to be paid by member	Total loan +interest to be paid by mem- ber	Repayment period	Last date for repay- ment of (Loan + Interest)	Purpose of loan	Was this first/ second or third loan	Second
1	06-01-2023	10000	800	10800	3 months	30/8/23	Business	Second	

ANNEXURE – 7

MIS Form Three - Loan Repayment Register

MIS FORM -3									
Group Name		Week Number		Name of MIS collector					
Village Name		Date of meeting		Reviewed by					
VSLA - Repayment of Loan and Interest									
Name/ Number of mem- ber	Total (loan + interest) to be paid by member	Repay- ment amount (1st install- ment)	Date of 1st installment	Repayment amount (2nd installment)	Date of 2nd installment	Repay- ment amount 3rd in- stallment	Date of 3rd installment	Balance due from member	
1	10800	5600	15/06/2023	0	0	0	0	5200	
2									
30									
Total	10800	5600		0	0	0	0	5200	

