

CASE STUDY PIA 3: Livelihood Support and Basic Social services



9. Women Income Generating Groups: to build safety nets and enhance income diversification

<p>INTRODUCTION</p>	<p>The approach was introduced into the arid and semi-arid lands of the Horn and East Africa around 10 years ago, and is currently being implemented by a number of international and national NGOs.</p>  <p>“In an area with very few financial institutions and no access to loans, we thought it prudent to include the Savings and Loans Concept without charging of interest on the loans not only to help those in need access extra money but also provide a safety net for those who have emergencies” says Bashir Osman Isaak, Field Officer, CARE Kenya.</p> <p>CARE Ethiopia also carries out activities focusing on women income generating activities in Harage, Borana and Afar Pastoral Communities with the support to Women Income Generating Groups (WIGGs).</p>
<p>LOCATION /GEOGRAPHIC COVERAGE</p>	<p>Afar, Harage and Borana zone - Ethiopia</p>
<p>STAKEHOLDERS AND PARTNERS</p>	<ul style="list-style-type: none"> - Donors community: ECHO ; USAID - International organization working in the area like FAO - NGOs: CARE Ethiopia & other NGO’s working in the location - Government partners: government line departments including (Administration, Pastoral development office, cooperative promotion, Disaster & preparedness & Food security , grass root level structure like Kebele administration etc) - Customary institution - CBO /community based organization/ - Community member including the beneficiary
<p>METHODOLOGICAL APPROACH</p>	<p>The approach is almost the same as the one implemented in basic Village Savings and Loans Associations. Standards for the approach have been developed and are outlined in a number of documents, including CARE’s Field</p>

	<p>Operations Manual (VSL Associates, 2007). The following approach is based on the REGLAP Briefing note:</p> <p><u>1. Expertise of trainers / facilitators:</u></p> <ul style="list-style-type: none"> - Establish minimum standards for training and a standardized method of paying facilitators - Training is built on the manual and previous Good Practices <p><u>2. Group membership</u></p> <ul style="list-style-type: none"> - Members must be allowed to select themselves, 10-30 participants per group <p><u>3. Constitution and self regulation</u></p> <ul style="list-style-type: none"> - The members create their rules and a group constitution. The whole group will attend the transactions to ensure transparency and accountability. - A management committee should be elected each year at the start of each cycle. - Groups should meet at regular intervals—weekly, fortnightly or every four weeks during the first cycle. When the group is independent it may take place only during times of hardship, or harvest/peak agricultural product sales periods. <p><u>4. Shares</u></p> <ul style="list-style-type: none"> - The value of a share should be set by the group at a level that cares about the opportunity of the poorest group members and concerns of elite dominance. - Share purchase should be recorded in pass-books using a stamp system, which allows illiterate people to understand the amount of money they have saved. <p><u>5. Eventual start-up capital</u></p> <ul style="list-style-type: none"> - In the example of the Bati WIGG, CARE has empowered the first rounds of savings with input, call ‘Seed-money’. Around 25000 ETB were given to the Bati WIGG under the RREAD I program.
VALIDATION	<p><u>According to the Participatory Impact Assessment (PIA) of the WIGGs backed by CARE:</u></p> <ul style="list-style-type: none"> - The majority of groups are involved in new income-generating activities (petty trade, grain trade and cattle fattening). - 70% of the group benefits from the loans offered by WIGGs - The impact is especially significant for vulnerable women-headed households. - The loans can also be used as safety nets to pay school fees or cover households expenses (particularly vital in times of drought and food-shortage)
IMPACT	<ul style="list-style-type: none"> - Increase in knowledge, self-esteem and financial independence of the participating women. - Involvement in alternative and complementary income-generating activities, - Impact on the entire community: the women can be encouraged to get involved
INNOVATION AND SUCCESS FACTORS	<p>Experience based on field assessments</p>
CONSTRAINTS	<ul style="list-style-type: none"> - The limited interest of microfinance institutions in Pastoral areas, the lack of tangible capital and the remoteness of the communities make the institutionalization of the system very difficult, and currently impossible.

	<ul style="list-style-type: none"> - High level of illiteracy and temporary migration - Difficult access to the market - Conflict on the perception of the aims of the intervention. In some cases the activities of the WIGGs are closely supervised by the Cooperative Promotion Office (CPO) and their objectives are not shared with CARE.
LESSONS LEARNED	<ul style="list-style-type: none"> - From the experience in Afar: Building skills is directly linked to Adult Education, training in literacy and basic calculus - Empowering women is also creating opportunities for the whole community such as hay making or water preservation activities. - The proportion of income obtained from trade activities by the female headed households was significantly higher than that of the male headed households.
SUSTAINABILITY	<p><u>Social sustainability:</u> Using the GP principles from the manual is particularly important given that high rates of losses within VS&L groups can occur in these areas e.g. a study by CARE (Nyanza province of Kenya) showed that 17% of VSLA members, and 23% of non members, knew someone who had lost money through the scheme.</p> <p><u>Economic sustainability:</u> Groups should be autonomous and self-managing, with implementing institutions only facilitating and not trying to manage the fund. The cash flow could be irregular because of the lack of micro-finance institutions and migration.</p> <p><u>Institutional sustainability:</u> The groups are not recognized as legal organizations and do not get the support of the government unless they become cooperative. There is a need to create a policy learning dialogue and create links with the cooperatives association when the WIGGs are strong enough.</p>
UP-SCALING	<ul style="list-style-type: none"> - Develop complementary programs to provide an enabling environment for business development; links with other adult education institutions are important. - Further explore implementation alongside complementary approaches such as PFS, CMDRR and conflict resolution. - Advocacy and raising awareness also needs to target donors and other institutions. CARE should develop a related framework and a set of indicators that assists the staff of various agencies to recognize the capacity and strength of a group - Harmonization of the project through peer-learning mechanisms, creation of a policy learning dialogue among the partners (especially the CPO). - Further the diversification of livelihoods, for example enhancing chain value with dairy products (no yet tried by the communities).
CONTACT DETAILS	<u>CARE Ethiopia:</u> Amanuel KASSIE AmanuelK@care.org.et
URL OF THE PRACTICE	http://www.disasterriskreduction.net/east-central-africa/library/detail/en/c/2314/
RELATED RESOURCES THAT HAVE BEEN DEVELOPED	<p><u>G. Bekele, M. Steglich 2009:</u> Participatory impact assessment of women's income generating groups under CARE interventions in Borena, Ethiopia - ELMT/PLI2 – CARE Ethiopia</p> <p><u>R. Roberts 2010:</u> Resilience Enhancement Against Drought (RREAD) Phases One and Two Best Practices & Lessons Learnt - CARE</p>

R. Allport and D. Kaberia 2011: Good Practice Principles Village Community Banking (Vicoba) And Village Savings And Loans Associations (Vslas) In The Drylands Of The Horn Of Africa - CARE Kenya FAO Kenya

VSL Associates 2007: VILLAGE SAVINGS AND LOANS ASSOCIATIONS (VSLA): Programme Guide - Field Operations Manual, Version 3.1

L. Ogwell 2010: BUILDING PASTORALIST RESILIENCE AGAINST DROUGHT The impact of the Regional Resilience Enhancement Against Drought (RREAD) II project in the drought prone Mandera District of Northern Kenya: Evidence of Change Testimonies-CARE Kenya

J. Burns & S. Bogale 2010: Linking Poor Rural Households to Microfinance and Markets in Ethiopia Baseline and Mid-term Assessment of the PSNP Plus Project in Raya Azebo – Tufts University / CARE / REST

Case Studies Adapted from : Flora Baudron, Good Practices Building Resilience Experience from Ethiopia and IGAD countries, FAO-SFE, 2013