
Self Help Groups and Resilience in Somalia: Supporting and Strengthening the SHG Ecosystem

Consultation Report

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Acronyms

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| BRCiS | Building Resilient Communities in Somalia |
| CLA | Cluster Level Association |
| FGM | Female Genital Mutilation |
| FLA | Federal Level Association |
| GBV | Gender Based Violence |
| MFI | Micro-Finance Institution |
| NGO | Non-Governmental Association |
| RCT | Randomized Control Trial |
| SHG | Self Help Group |
| SomReP | Somalia Resilience Program |
| TWG | Technical Working Group |
| VfM | Value for Money |
| VSLA | Village Savings and Loans |

Executive Summary

Introduction

The DFID funded programme Building Resilient Communities in Somalia (BRCiS II) aims to support and accompany vulnerable Somali communities and systems on their path to restoring and strengthening their resilience to shocks and stresses. Supporting Self Help Groups (SHGs) and Village Savings and Loans Associations (VSLAs) has become a component of work under BRCiS, and Concern Worldwide commissioned The Share Trust – an organization whose mission is to support and strengthen the SHG ecosystem globally – to develop a scalable plan for investing in the SHG ecosystem in Somalia, by:

- 1) Developing a systems level plan for scaling SHGs in Somalia; and
- 2) Adapting and scaling the SHG digital platform, developed by Code Innovation, to help scale demand driven SHG growth and facilitation, as well as track and support SHGs as they scale.

The first phase of this work aimed to gather information to develop a clear plan for a larger piece of work to strengthen and scale SHGs in Somalia, through a clear and grounded stakeholder consultation process with both SHG and VSLA organizations.

The Case for SHGs and Resilience

Globally, there is mounting evidence that SHGs are having a significant impact on a range of poverty outcomes. Importantly, SHGs play a key role in facilitating social outcomes for group members. In turn, the evidence base suggests that social outcomes - empowerment, social capital, self-efficacy and decision-making – are key characteristics of resilience.

In Somalia, while the literature is more nascent, there is a strong indication that participation in groups is having a strong impact on resilience outcomes. A 2018 study by the Somalia Resilience Program (SomReP) found that those people who had better food security and well-being outcomes were most likely to belong to a savings group scheme. Further, participants in these groups universally cited that their groups built social capital, self-esteem and empowerment.¹ In a recent evaluation of SHG programming, 89% of members reported that their resilience to shocks and stresses had increased. They could access emergency assistance, finances and collective support. Their livelihoods improved and they had strengthened and expanded their

¹ SomReP (2018). “Positive Deviance in Somalia: Why are some households more resilient than others?” World Vision Somalia. Nairobi.

social networks. They could self-organize and plan for the future in spaces designed to share knowledge and information.²

Key Findings from Consultation

Consultation identified over 30 organizations working in the SHG/VSLA space in Somalia, with two major networks. An SHG Working Group exists in Somaliland, acting as a coordinating body for SHG organizations, chaired by the Ministry of Labour.

Key themes that came up during the consultation included:

- **Breadth:** there is a need to invest in the growing number of SHGs, but thoughtfully. Rapid growth can undermine the social processes that take place, and it is critical that the overall system is sustainable. Mapping will be critical to address the uneven spread of SHGs and bring the approach to underserved areas.
- **Quality and Depth:** Investment in the characteristics that support high quality SHGs is critical, and the SHG digital platform was highlighted as a key priority as a tool to help build quality of implementation and track indicators of group health.
- **Building a sustainable ecosystem:** in order for SHGs to thrive, the systems that sit around them must be strong. In the Somalia context, specific areas that require further investment include access to government services (particularly basic services), and linkages with MFIs.
- **Developing a systematic evidence base on the impact of SHGs:** A key priority is to build rigorous evidence on the impact of SHGs/VSLAs, particularly on resilience, differentiated by types of implementation models to maximize effectiveness.

Implementation Plan

Based on this feedback, the following priority activities are recommended as part of a full scale implementation plan. **It is strongly recommended that the BRCiS consortium establish an SHG workstream to coordinate and oversee the activities recommended here. It is also strongly recommended that implementation of these activities is a joint effort across organizations, including the Technical Working Group (TWG) for BRCiS II, as well as relevant implementing organizations participating in SomReP and other related programmes.**

Breadth:

- **Activity 1: Invest in the growth of the number of SHGs.** There is a clear need to support ongoing growth in the number of SHGs/VSLAs. However, the activities that follow are all critical to ensuring that this growth maximizes efficiency and effectiveness, and therefore it is recommended that these activities take place as a matter of priority.

² Dattada, Lathamala (2014) "Final Report of Gargaar SHG Program Evaluation." Funded by: Tearfund and Tear New Zealand.

- **Activity 2: Mapping of who is doing what, and where.** A key concern raised during consultation is that implementation is disparate and uneven. Building on the initial mapping work done here, further and more detailed mapping of SHG/VSLAs is required, to identify clusters and geographic spread, ideally into a digitized, open source platform.

Quality and depth:

- **Activity 3: Translate and support use of the SHG digital platform, prioritising key activities that allow for building facilitator skills and tracking group health.** Consultation indicated that key priorities for quality and depth include building consistency across models, building facilitator skills and capacity, and supporting groups that are struggling or in high risk areas. The SHG digital platform can help to address, at least in part, many of these concerns and therefore is recommended as a key first step.
- **Activity 4: Prepare briefing note on federated structures for sustainability.** Federated structures allow SHGs to organize into a tiered system that can facilitate scale and sustainability, but are at the early stages of implementation in Somalia. A briefing note on options and best practice for federation can inform a sustainable structure for wider SHG advocacy and graduation, and will immediately and directly contribute to strengthening SHG implementation.

Invest in building a sustainable ecosystem:

- **Activity 5: Research paper that maps the financial institutions/landscape.** A key priority area highlighted during consultation is the need for more systematic thinking around linkages to MFIs and associated pro-poor financial products. A mapping and landscaping of the financial ecosystem in Somalia, including the availability and construct of financial products for the poor, can support more effective engagement.
- **Activity 6: Strengthen the SHG working group.** An SHG working group has already formed in Somaliland – with high levels of participation and leadership from the Ministry of Labour. But consultation indicated that this group requires strengthening, and creation of a sister group in Somalia. Regular meetings and workshops can be used to collectively identify core issues of concern and potential solutions.

Develop a robust evidence base

- **Activity 7: Baseline data collection and impact assessment on SHGs and resilience.** There is a need for rigorous evidence to understand the linkages between SHGs, social outcomes and resilience. This first assessment would seek to unpack this impact pathway, using a longitudinal study, and underpinned by robust baseline data collection that can provide important data on the SHG ecosystem as it currently exists

(complementing the mapping exercise). It will also allow for evidence generation on the relative impact of different implementation modalities.

1 Introduction

1.1 Overview and Objectives

1.1.1 Overview

The DFID funded programme Building Resilient Communities in Somalia (BRCiS II) aims to support and accompany vulnerable Somali communities and systems on their path to restoring and strengthening their resilience to shocks and stresses within the framework of the development goals stated in National Development Plan and UK Humanitarian Reform Policy. BRCiS II is designed in such a way that adaptive programming contributes to enhanced learning and coordination for all stakeholders, providing building blocks for long-term resilient development.

Supporting Self Help Groups (SHGs) and Village Savings and Loans Associations (VSLAs) has become a component of work under BRCiS. SHGs, and closely related VSLA groups, are groups of 10-20 women who meet each week to work together and create change for themselves and for their communities. SHGs are created with the underlying assumption that when individuals join together to take action toward overcoming obstacles and attaining social change, the result can be individual and/or collective empowerment. SHG members typically use strategies such as savings, loans, in-kind grants, or social involvement as instruments of empowerment.

The SHG model is low cost, grows organically, and scales exponentially. It offers a programmatic approach to fundamentally shift the way that we do aid, re-focusing our efforts on social capital, agency and aspiration and moving towards a community driven model for building resilience.

Concern Worldwide, as one of the consortium partners under BRCiS, has supported a total of 250 SHGs so far (70 specifically supported under BRCiS), providing training on a wide range of skills, including literacy and numeracy, entrepreneurship and business development. In December 2017, the first SHG Cluster Level Association (CLA) was formed in Mogadishu consisting of 20 representatives from 10 SHGs. This innovative cluster approach represents an opportunity to scale-up the coverage and impact of SHGs in Somalia.

1.1.2 Objectives of Consultancy

In the BRCiS phase II Resilience Programme, Concern aims to bring together multiple stakeholders in a co-design process to develop systems level planning to bring SHGs and related approaches to scale in Somalia. To this end, Concern commissioned The Share Trust – an

organization whose mission is to support and strengthen the SHG ecosystem globally by bringing together research and evidence through collaborative engagement with multiple partners – to develop a scalable plan for investing in the SHG ecosystem in Somalia, by:

- 1) Developing a systems level plan for scaling SHGs in Somalia; and
- 2) Adapting and scaling the SHG digital platform, developed by Code Innovation, to help scale demand driven SHG growth and facilitation, as well as track and support SHGs as they scale.

This scope of work specifically covers a Phase I scoping exercise that aimed to gather information to develop a clear plan for a larger piece of work to pilot and scale SHGs in Somalia, through a clear and grounded stakeholder consultation process.

1.1.3 Methodology

The approach was primarily comprised of a stakeholder workshop and in depth consultations, held in Hargeisa, Somaliland and Nairobi, Kenya from October 22-26, 2018. Representatives from Somalia attended the workshop to gain perspectives across a range of contexts. The consultation and workshop were structured to gain a better understanding of:

- 1) The existing ecosystem for SHGs – who is doing what and at what scale?
- 2) What are the challenges for supporting a thriving ecosystem?
- 3) What are priorities for development of the SHG ecosystem?

Importantly, this consultation included a range of organizations working not only with SHGs, but also with Village Savings and Loans (VSLAs). There are strong similarities and increasing convergence between these two models, and this work aims to draw from both bodies of work. There are also some important differences, broadly speaking (these may differentiate by organization):

- The primary stated objective of an SHG is typically to bring together people to create change both for themselves and their communities – thus the fundamental starting point is around building social capital, empowerment and collective action. Savings and lending are a core part of this process. The primary objective of VSLAs is typically to help a group of people to save and start small businesses – the fundamental starting point is around building financial capital, though social capital is often cited as a strong outcome of these groups as well.
- From a functional perspective, SHGs and VSLAs are almost identical in the first year of their work – they go through similar processes of setting by laws, starting small savings, designing business activities and micro-lending. However, a key difference is that most VSLA program models have a share out at the end of a year, where all group members

share out their capital and disband. Many groups go on to re-group, but they start their savings anew (cited in the literature as limiting their ability to reach levels of capital that allow them to graduate). SHGs do not share out their capital (though some do set aside separate special funds for share out purposes), and they never disband unless the entire group decides to do so. Rather, they begin to find ways to activate in their communities to create positive change.

- SHGs, as a result of being long-term in nature, are typically governed by a federated structure (building Cluster and Federal Level Associations) that allows SHGs to have impact at scale.

The work presented here is focused in particular on the role that social agency and capital can play in building resilience, drawing from both the SHG and VSLA communities. This report summarizes the findings from the consultation and proposes a systems level plan with costed activities for the next phase of work.

2 Landscaping

2.1 Who, What, Where

The SHG ecosystem in Somalia/Somaliland is large; through the course of consultation, the study team have identified over 30 organizations working in this space. The network encompasses dozens of implementing organizations and multiple large networks such as NAFIS and NAGAAD. Further, an SHG Working Group exists in Somaliland, acting as a coordinating body for SHG organizations, and it is chaired by the Ministry of Labour, indicating government buy-in to the approach.

Organizations were invited to enter information about their organization's activities, including number of SHGs/VSLAs, funding sources, partners and locations, into a Googledoc spread sheet following the workshop in Hargeisa. 20 local and international organizations, as well as networks, contributed data to this spread sheet, the majority implementing SHGs, but with some of the larger NGOs focused on VSLAs. It is not possible to tally the total number of groups as there is likely to be a significant amount of double counting across the self-reported data, given that international NGOs often work through local NGOs, and given that there are several networks of organizations represented. Further, there are numerous organizations that did not report into this table. Nonetheless, to give an indication of the size of the network, the two major networks (NAFIS and NAAGAD) report over 1,300 groups with close to 26k members, and the individual NGOs report over 1,700 groups with over 31k members. Further information and mapping is required to verify this data.

Annex A contains a full breakdown with information for each organization.

2.2 Evidence base

A literature review, as well as solicitation of relevant reports from workshop participants, was used to compile relevant information on SHG and VSLA programming in Somalia, particularly as it relates to resilience. A brief overview is provided here, and Annex B contains summaries of each of these reports.

A recent USAID report found that investing in resilience programming in Somalia could have saved upwards of US\$794 million over the last 15 years, or an average of US\$53 million per year, as compared with humanitarian assistance.³ Resilience programming is not only cost effective, but it can avert significant human suffering. The results from this study have generated strong interest in understanding how different types of resilience programming can cost-effectively reduce humanitarian need.

Globally, there is mounting evidence that SHGs are having a significant impact on a range of poverty outcomes. For example, a global meta-analysis of the impact of SHGs, using evidence from 23 rigorous quantitative impact evaluations, found positive effects of SHGs on economic, political and social empowerment of women⁴. Participation in women's groups in Asia is associated with a 37% reduction in maternal mortality and a 23% reduction in neonatal mortality⁵; SHG members are twice as likely⁶ to participate in local politics in India⁶; and SHG members in Ethiopia were more resilient to drought than non-members.⁷

³ Cabot Venton, C (2018). "Economics of Resilience to Drought, Somalia Analysis." USAID, Washington, DC.

⁴ Brody, Carinne, Thomas de Hoop, Martina Vojtkova, Ruby Warnock, Megan Dunbar, Padmini Murthy, and Shari L. Dworkin. "Economic Self-Help group Programs for Improving Women's Empowerment: A Systematic Review". Campbell Systematic Reviews 2015:19
https://www.campbellcollaboration.org/media/k2/attachments/Brody_Self_Help_Review.pdf

⁵ Prost, A et al, 2013. "Women's groups practising participatory learning and action to improve maternal and newborn health in low-resource settings: a systematic review and meta-analysis." *Lancet*, 2013; 381: 1736-46.

https://www.researchgate.net/publication/236918072_Women's_groups_practising_participatory_learning_and_action_to_improve_maternal_and_newborn_health_in_low-resource_settings_A_systematic_review_and_meta-analysis

⁶ Artiz Prillaman, Soledad. 2017. "Strength in Numbers: How Women's Groups Close India's Political Gender Gap." *Working paper*.

⁷ Tearfund, 2017. "Saving for a Very Dry Day: The contribution of Self Help Groups to building resilience in East Africa."

Importantly, SHGs seem to play a key role in facilitating social outcomes for group members – empowerment, social capital, self-efficacy and decision-making are often cited as key outcomes contributing to resilience. These findings echo global research – most recently summarized in the USAID 2018 evidence forum report on resilience⁸ - that indicates that these social outcomes are key characteristics of a resilient individual or household.

In Somalia, while the literature is more nascent, there is a strong indication that participation in groups is having a strong impact on resilience outcomes, and that social characteristics play a key role in facilitating these outcomes. A 2018 study by SomReP (the Somalia Resilience Program)⁹ applied a Positive Deviance framework for analyzing correlates of successful coping or resilience. The study analysed the full range of interventions being implemented across the consortium – including livelihood diversification, access to markets, financial services, disaster risk management, natural resource management, and governance. The study found that those people who had better food security and well-being outcomes were most likely to belong to a Savings Group scheme and to have participated in a Cash for Work scheme. Universally, participants felt that VSLAs built social capital, self-esteem and empowerment. VSLA groups provided a mechanism or self-help platform for exchanging ideas and expertise. Along similar lines, a more qualitative evaluation of CARE’s VSLA program in Puntland¹⁰ found that VSLAs not only helped to improve resilience, but that the most valued part of the program by the members was the strong bond between the women, and the increased respect in their communities and households.

Annual assessments of Tearfund’s Somaliland SHG Programme implemented through Gargaar have found similar results.¹¹ In the most recent evaluation, 89% of members reported that their resilience to shocks and stresses had increased. They could access emergency assistance, finances and collective support. Their livelihoods improved and they had strengthened and expanded their social networks. They could self-organize and plan for the future in spaces designed to share knowledge and information. SHGs supported an increase in financial capital and social capital, and filled important gaps in social support for the poorest.

⁸ USAID, 2018. “Resilience Evidence Forum Report”.

⁹ SomReP (2018). “Positive Deviance in Somalia: Why are some households more resilient than others?” World Vision Somalia. Nairobi.

¹⁰ Yusuf, Salwa (2016). “Case Study on Village Savings and Loan Associations (VSLAs) on Improving Resilience.” Forcier Consulting and CARE.

¹¹ Dattada, Lathamala (2014) “Final Report of Gargaar SHG Program Evaluation.” Funded by: Tearfund and Tear New Zealand.

Along similar lines, a 2010 evaluation of Concern’s Food, Income and Markets (FIM) project¹² found a positive impact on a number of indicators. The project was designed to improve livelihood options and strategies for poor households and vulnerable communities by increasing agricultural production, improving market interaction and disaster risk reduction, and strengthening community-based organizations, SHGs included. The evaluation found that the project increased food security through improved agricultural production, diversified income sources, and tripled access to credit. It highly recommended replicating the SHG model as it was successful at enhancing household and community livelihoods.

3 Consultation

The following sections summarize the feedback that was received throughout consultation, including the workshop as well as one-on-one consultation with BRCiS II consortium members. The various sessions of the workshop, including the following, are reported on below:

- Identification of the core components of an SHG;
- Challenges facing the SHG ecosystem;
- The SHG digital platform; and
- Priorities for future development.

This feedback is used as the basis for developing recommendations for an implementation plan in the section that follows.

3.1.1 Core Components of an SHG

Note that the following list is not intended to be comprehensive – rather these were key themes that came up with general consensus in the course of the workshop conversation.

Core components of an SHG:

- A **homogeneous** group, with **committed and willing members**, that are bound by a **shared vision/identity**.
- The group should be underpinned by **strong rules and regulations** (by laws), and a system that ensures **regular monitoring** on savings, loans and meeting attendance.
- **Skills development** on a range of topics, including literacy and numeracy, as well as small business skills, build the capacities of group members.
- Capacity building, regular meetings, savings and working together create **behaviour change and social transformation**.

¹² Concern Worldwide (2010). “Concern Somalia: Food, Income, and Markets Project, External End Line Value Analysis Report.”

- **Investment in a federated structure** is necessary to facilitate change at scale.

3.1.2 Challenges facing the SHG Ecosystem

Workshop participants were also asked to describe some of the challenges facing SHGs, and therefore what types of issues need to be addressed to support a thriving ecosystem.

- **Stability and security due to conflict and natural disasters.** Displacement due to conflict and drought can break up groups, and undermine efforts to build resilience.
- **Defaulting on loans.** Displacement disrupts the ability of group members to save/generate income, and seasonality can challenge members' ability to pay back. Therefore, loan defaults can be a significant problem.
- **Lack of learning.** There is a need for more/solid evidence on the impacts and dynamics of SHGs, and both the positive and the negative should be shared so that we can learn and develop this ecosystem.
- **Lack of financial institutions/linkages.** A lack of access to funds/capital can limit the ability of the groups to grow and strengthen their businesses activities.
- **Interest and Islamic finance.** Related to the previous point, where linkages and products with financial institutions do exist, financial tools are not designed to be pro-poor. Despite a shift to "profit" as a form of compliant "interest", the rates are often significantly higher.
- **Lack of vocational skills,** including basic literacy and numeracy, can limit the ability of group members to grow and strengthen their businesses.
- **Dependency culture.** A long history of receiving assistance has created a dependency culture, and therefore seeding the approach can be difficult, especially at the outset where potential SHG members want handouts and have high expectation of getting them. Groups that do receive external resources tend to lose their sense of group ownership and transforming behaviour and expectations can take some time.
- **Differences in SHG approach.** With such a large network of SHG organizations, inevitably different approaches both with SHGs, as well as between SHGs and VSLAs, are being used. In particular, there was a dichotomy between program models with groups that don't use cash injections, and groups that do (in particular Concern), as well as nuances between how and when cash injections are provided, and the differential outcomes related to this. This issue is discussed in greater detail below as a topic for further research.

3.1.3 The SHG Digital Platform

The Self Help Group platform is a partnership between multiple stakeholders invested in leveraging digital technology to rapidly scale the program model of SHGs. The platform is a combination of a free and open source mobile application, the [SHG app](#) and a web-based dashboard for program managers and coordinators. The digital platform is currently being used by over 13 organizations, implementing SHGs, VSLAs, and graduation approaches, and is translated into nine languages.

The app standardizes the process of training an SHG facilitator, recruiting group members, starting a group and then running the group for a year or more. The growing curriculum includes field-proven activities and lessons around business and financial literacy, group processes, conflict resolution, disaster resilience and more. The app includes financial templates, on-demand self-training materials for facilitators and a growing library of thematic content.

The web based dashboard gathers information from the mobile application and presents it to program managers or coordinators. When users first download the app, they select their language and the organization they are working with, this helps data to be organized appropriately. Coordinators can see statistics about group membership, meeting attendance, progress through the curriculum, frequency of logins and also the facilitator's sentiment. Group level financial variables are being added to the app and the dashboard within the next development cycles.

Since 2013, the SHG Platform team has lead the app and platform development process, guided by the [Digital Principles](#). The platform was initially funded by DfID, and The Bill & Melinda Gates Foundation is providing funding to develop the platform so that it becomes a global, digital platform for SHGs and similar groups.

Code Innovation's session at the workshop in Somaliland was designed to introduce both the app and the dashboard to the assembled organizations both to inform them of its existence and to get some thoughts and feedback about how the platform could help the SHG ecosystem in Somalia and Somaliland. Based on the enthusiastic reception, good questions and lively conversation, numerous organizations would be interested in testing the utility of the platform for their programming.

Code's presentation in Nairobi to the working group on SHGs had similar objectives, though with a greater focus on the ability of the platform to support comparative monitoring and evaluation of diverse organizations implementing similar programming. The initial

conversations following that presentation have informed some of the suggestions in the latter part of this document.

The implementation plan, presented below, includes suggestions about how to get started with the platform, and also how to think about future developments to the platform that support the larger goals of the working group on SHGs.

3.1.4 Priorities for Development

Workshop participants were asked about priorities for development of the SHG ecosystem. Conversations were centred around four themes – development of thematic content, tools to support SHG growth and quality, funding priorities, and investment in ongoing research.

Thematic Content: Once SHGs have been through the first year or so of core curriculum around economic development, they begin to engage in conversation and activities in their wider community. Thematic content to support this process is wide-ranging, depending on the primary concerns of the SHGs. Priorities for development of thematic content include:

- Social Activities: awareness raising across cross cutting issues
 - Human rights/advocacy
 - Child protection
 - Education
 - Gender Based Violence (GBV)
 - Breastfeeding awareness
 - Hygiene and sanitation promotion
 - Self-seeding SHGs
 - Female Genital Mutilation (FGM)
 - HIV/AIDS
 - Maternal, Neonatal, Child Health
- Economic Activities
 - Income generating activities
 - Entrepreneurship /business Innovation
 - Business planning and management
 - Marketing and sales strategies
- Political Participation
- Basic Services
 - Water, security, health, electricity, infrastructure

Tools: participants were asked to define and describe some of the tools that would help them to grow and strengthen their work with SHGs:

- Tools for tracking data and outcomes:

- *Group performance*- growth of groups over time, what else are they doing apart from savings and loans (coverage of curriculum), number of groups, regularity of meetings, number of meetings held, issues around groups dynamic (e.g. amount of conflict).
 - *Savings*: track amount saved by group, by region, track gender of the community, trace cash movements within mobile transfers, build on digital platform.
 - *Loan performance*: amount of loans disbursed, number of loans in cash, number of loans, who is taking the loan (gender), repayment history, how many loans are on time/overdue/seasonal/default, what are the loans for (ex: education, health), type of loan, what are the loans used for, impact of the loan on community and individual.
 - *Linkages*: create stronger linkages and tailored financial products with financial institutions and relevant government departments.
 - *Cross cutting themes*: priority themes include HIV/Aids, FGM, child protection, GBV, environment, and youth. How often do group members discuss these themes and how does it influence changes in society (outcomes and impact).
- Develop a mobile bookkeeping app to complement the digital platform. The participants expressed a keen interest for a mobile book-keeping app to complement the paper based book-keeping that is currently being undertaken.

Research: Participants were asked to describe priorities for research and evidence to support the SHG ecosystem.

Impact assessments on efficacy of different models:

- *Efficacy of SHG methodology, particularly with reference to cash injections.* One of the major concerns raised throughout the workshop was that Concern (and others) give cash grants and that this not only goes against best practice, but there was a strong cry that this is undermining the process of other SHG organizations who explicitly do not use cash injections. The wider evidence base on SHGs suggests that any form of external support to the group can fundamentally undermine the social transformation that takes place as group members find ways to save, building the self-efficacy and social agency that are a key impact of SHG participation. However, it was also pointed out that these cash injections, particularly for the poorest of the poor, can be critical to allow group members to do anything meaningful with their businesses. Further, there are different modalities, and opinions, about when and how to inject cash, with pros and cons cited for whether you give the cash as a grant or a loan, and whether you give it to the SHG, or to the CLA/Federal Level Association (FLA). There was strong consensus that further

research is urgently required to understand the different outcomes of different modalities, and which options are more sustainable.

- *Efficacy of SHGs as compared with VSLAs.* Closely related to this, there is also a need to understand the outcomes and differential impacts of SHGs as compared with VSLAs, with the fundamental difference being the focus on VLSA share-outs at the end of a year.
- *Differential impacts of SHGs on different groups.* There is a need to understand the differential outcomes of SHGs conducted with the poor versus the very poor, with women/men/mixed, with youth versus older groups, urban/rural. Are SHGs more suited to one or the other? Why do some groups thrive, and others do not, both between as well as within these demographic categories?

Research reports:

- *Federated structures/'graduation'.* How does a federated structure using CLAs/FLAs work, what is best practice, and what are the key indicators of maturity that indicate a group has graduated (for example, able to sustain themselves, organic replication of groups)? What would be an appropriate index of key indicators to suggest that a group is graduated?
- *SHG political influence and social transformation.* How do groups engage in political influence, what are the outcomes and impact, and how does this inter-connect with social transformation?
- *Enabling environment.* What are the most important factors in the enabling environment that allow SHGs to be sustainable and to thrive? How can linkages with markets/value chains best be supported, and how does this affect group outcomes? Related to this, conduct an assessment of existing banking services and different types of products, strengths and weaknesses for SHG access.

Funding Priorities: Participants were asked to think through how they would prioritize a funding grant to build their SHG work:

1. Breadth: Invest in growing the number of SHGs – but thoughtfully. Rapid growth in the number of SHGs can undermine the social processes that take place, and a lack of depth in SHG formation and maturity could mean that the overall system is unsustainable. Therefore, while there is a clear need for additional funding to support the growth in number of SHGs, this process should not be rushed. It was also highlighted several times that there are clusters of SHGs in some areas, and almost none in other areas. There is a need to map where SHGs exist, and specifically target resources to areas that are currently under-addressed. In particular, rural areas and areas affected by drought are important.

2. Quality and Depth: Invest in the characteristics that support high quality SHGs. This includes, for example:
 - Ensuring quality of SHGs across implementer and facilitators – build systems and resources that ensure that the SHG model is consistent and adheres to all of the core elements of an SHG.
 - Build facilitator skills and capacity development.
 - Target SHGs that show signs of poor “health” using the SHG digital platform to cost effectively identify and support these groups to thrive.
 - Work to support SHGs in conflict affected areas – migration can force groups to split up, and specific mechanisms may be required to help groups deal with this challenge. The SHG digital platform could also, potentially, provide indicators around lack of attendance and savings, in real time, that indicate that groups may be under particular stress.
3. Invest in the factors that build a sustainable ecosystem. In order for SHGs to thrive, further investment is required in:
 - Government services: There is a real gap between demand for basic services (high) and supply (low). Investing in building government capacity to increase supply is a high priority.
 - Work with the government to create a policy environment that is more conducive to SHGs, specifically around financial institutions/lending.
 - Linkages with Micro-Finance Institutions (MFIs). Help MFIs and banks to understand what SHGs are and how they can tailor products that are not predatory. Or, as in the case of Mogadishu SHGs, set up a revolving fund for lending that can bypass predatory lending products. There was a specific request for a loan fund that can target women and youth.
 - Invest in strengthening the SHG working group (primarily Somaliland) and form a similar group for Somalia based organizations.
4. Develop a more robust and systematic evidence base on the impact of SHGs. Invest in targeted pieces of research and learning that can provide robust evidence for SHG programming and its impacts (based on recommendations above).

3.2 Feedback from TWG consultation

The BRCiS II consortium includes Action Against Hunger (AAH), Cooperazione e Sviluppo (CESVI), Concern Worldwide, the Norwegian Refugee Council (NRC), the International Rescue Committee (IRC), and Save the Children International (SCI). Each of these organizations was consulted, both through presentations and discussion at a joint Technical Working Group (TWG) meeting held in Nairobi in October 2018, as well as through one-on-one remote consultation with members of each organization. Consultation was also undertaken with the BRCiS learning partner (Centre for Humanitarian Change), SomRep and MESH.

The feedback has been overwhelmingly positive, indicating that there is a strong interest and need for greater research and collaboration on SHGs and savings groups more generally:

- All of the consortium partners are working with either SHGs, VSLAs, or both. Therefore, the interest in collaborating across this space is strong. Consultation very clearly indicated that consortium members see this as a great opportunity to coordinate with other partners, invest in cross-learning, and move towards harmonizing programming.
- Several organizations mentioned that they have already started conversations to do some comparative work across different implementation modalities, and therefore the research ideas coming out of this consultation are highly relevant already.
- There was also a repeated request for more research to understand how federated structures and linkages to external resources (e.g. MFIs) might facilitate graduation of groups.

4 Implementation Plan

4.1 Overview

The recommendations and feedback received via the workshop as well as one-on-one consultation, as summarized above, have been used to develop a proposed three-year implementation plan for research to support and strengthen the SHG ecosystem in Somalia.

It is strongly recommended that the BRCiS consortium establish an SHG workstream to coordinate and oversee the activities recommended here.

Consultation clearly highlighted four priority areas for ongoing funding, and these are used to structure the implementation plan: 1) Breadth (growing the number of SHGs); 2) Quality and depth (strengthening existing SHGs and ongoing implementation); 3) Investment in building the wider ecosystem; and 4) Developing a robust evidence base.

Many of the activities outlined below can be realized in year one, and all activities are intended to directly contribute to improving and strengthening SHG implementation in Somalia. While the plan includes scope for growing the number of SHGs, there are some urgent priorities around understanding the models and factors that influence the success of SHGs that are critical to undertake to ensure that ongoing growth is sustainable and effective.

The research study (Activity 7) suggested for building the evidence base is a three-year study, and therefore will inform programming over the longer term. In the first year, the baseline analysis will provide a wealth of information about the SHG ecosystem. The impact of different approaches is something that can only be measured with time, and therefore it is critical that this activity is prioritized so that the learning process can begin.

Finally, it is strongly recommended that implementation of these activities is a joint effort across organizations, both across the Technical Working Group (TWG) for BRCiS II, but also with relevant implementing organizations participating in SomReP and other related programmes. Establishment of an SHG workstream under BRCiS, that can pull together best practice and support from across the consortium, is highly recommended. The consultation undertaken for this study revealed that there are numerous organizations implementing SHGs/VSLAs in Somalia, and therefore coordinated action has the potential to significantly leverage the effectiveness of what is already happening.

4.2 Implementation Plan

Based on this feedback, the following priority activities are recommended as part of a full scale implementation plan.

Breadth:

- **Activity 1: Invest in the growth of the number of SHGs.** There is a clear need to support ongoing growth in the number of SHGs/VSLAs. However, the activities that follow are all critical to ensuring that this growth maximizes efficiency and effectiveness, and therefore it is recommended that these activities take place as a matter of priority.
- **Activity 2: Mapping of who is doing what, and where.** A key concern raised during consultation is that implementation is disparate and uneven. Building on the initial mapping work done here, further and more detailed mapping of SHG/VSLAs is required, to identify clusters and geographic spread, ideally into a digitized, open source platform.

Quality and depth:

- **Activity 3: Translate and support use of the SHG digital platform, prioritising key activities that allow for building facilitator skills and tracking group health.** Consultation indicated that key priorities for quality and depth include building consistency across models, building facilitator skills and capacity, and supporting groups that are struggling or in high risk areas. The SHG digital platform can help to address, at least in part, many of these concerns, and therefore is recommended as a key first step.
- **Activity 4: Prepare briefing note on federated structures for sustainability.** Federated structures allow SHGs to organize into a tiered system that can facilitate scale and sustainability, but are at the early stages of implementation in Somalia. A briefing note on options and best practice for federation can inform a sustainable structure for wider SHG advocacy and graduation, and will immediately and directly contribute to strengthening SHG implementation.

Invest in building a sustainable ecosystem:

- **Activity 5: Research paper that maps the financial institutions/landscape.** A key priority area highlighted during consultation is the need for more systematic thinking around linkages to MFIs and associated pro-poor financial products. A mapping and landscaping of the financial ecosystem in Somalia, including the availability and construct of financial products for the poor, can support more effective engagement.

- **Activity 6: Strengthen the SHG working group.** An SHG working group has already formed in Somaliland – with high levels of participation and leadership from the Ministry of Labour. But consultation indicated that this group requires strengthening, and creation of a sister group in Somalia. Regular meetings and workshops can be used to collectively identify core issues of concern and potential solutions.

Develop a robust evidence base

- **Activity 7: Baseline data collection and impact assessment on SHGs and resilience.** There is a need for rigorous evidence to understand the linkages between SHGs, VSLAs social outcomes and resilience. This first assessment would seek to unpack this impact pathway, using a longitudinal study, and underpinned by robust baseline data collection that can provide important data on the SHG ecosystem as it currently exists (complementing the mapping exercise). It will also allow for evidence generation on the relative impact of different implementation modalities.

5 Conclusion

Self Help Groups can play a key role in building resilience by strengthening both social and financial capacities of group members. Federated structures can offer sustainability as well as a model for graduation over time. With over 30 organizations implementing SHGs in Somalia, there is a solid platform on which to grow this ecosystem.

Importantly, while there is a need to continue to invest in the growth of the number of SHGs, improving the distribution of SHGs across Somalia, consultation also highlighted a range of investments that could help existing and new SHGs to thrive, including building resources for federated structures, mapping financial institutions and products, and capacity building through the SHG working group.

Consultation also highlighted that the organizations working in this space are at an important juncture. It is clear that SHGs have become a viable model in Somalia given the number of groups and uptake by so many organizations. As the SHG approach has grown, organizations have begun to test different implementation modalities, with different levels and types of outcomes. Though social and financial factors are central to SHG outcomes, they fundamentally depend on the way in which groups are facilitated. In the context of protracted conflict and drought, there is a critical need for strong evaluation work to understand how different approaches can contribute to wider resilience building in Somalia.