After the SHG participants were selected, they were provided with a training that equipped them with the skills to participate in and manage the group effectively. Training topics included the SHG concept and principles, how to conduct meetings, conflict resolution, loan management, and business plan development. A focus was also placed on vision building: SDSC partners supported each SHG to develop goals and objectives, and they were given the skills to undertake regular self-assessments that gauge their performance and progress, and identify areas for improvement. Each SHG also developed a written plan which includes the agreed saving amounts per member, frequency of meetings, and rules and by-laws.

Once the training was completed, the SDSC partners facilitated the opening of a bank account for each SHG. After a period of around 8 months, a performance assessment was conducted, which examined participation in meetings, accumulated savings, and loans provided and recovered among other factors. The SHGs that were assessed to be performing effectively were then asked to submit a business plan, based on a market assessment they conducted in their communities. If a SHG’s business plan was reliable and feasible a grant was provided; otherwise they were asked to revise and resubmit their plan. The SDSC partners regularly visit each SHG in order to review the progress made by each of the groups, discuss the progress of each income generating activity, and to provide advice and support on any other issues that may have arisen. 36 months after the establishment of the SHGs, geographical clusters of 10-15 groups will be formed to increase levels of financial discipline and accountability among the groups.

The establishment of the SHGs has led to the following positive changes for group members as well as more broadly for displacement-affected communities:

- Increased access to saving and loans;
- New income generating activities: access to loans and the grants provided have enabled group members to start new businesses, including grocery shops, butcher shops, and restaurants among others;
- Improved standard of living: group members have reported positive changes in their lives, including being able to send children to school, and being able to afford clothes and medicines; and
- Improved relations and collaboration among IDPs, returnees and host community members.

Access to a loan makes a big difference in a mother's life
Fadumo is mother of four children who lives at an IDP site in Burao. She is member of a SHG supported by World Vision. Fadumo borrowed some cash from the group savings and established a small business. She said:

"I borrowed 500,000 shillings (about $50) from our group saving box and $200 from the bank account in which the cash grant provided by World Vison is saved. I used this money to establish a small business producing mat brooms. I fabricate about 60-70 pieces of mat brooms each week and sell each piece for $0.5 at the IDP site and Burao central market. I make a profit of about $15-$17 per week and I use this money to cover my family expenses including paying for school fees, food, medicine, clothes and shoes. Besides, I also save $20 per month that is returned to the group account to clear the loan. I have good customers and I’m planning in the near future to increase the production to supply more customers in Burao city."

LESSONS LEARNED FOR FUTURE DURABLE SOLUTIONS PROGRAMMING

- Access to savings and loans is a critical aspect of durable solutions: Participation in SHGs has improved the ability of IDPs and returnees to integrate in displacement-affected communities, through improving their standard of living and increasing access to services.
- The establishment of SHGs can build social cohesion: In adopting an area-based approach, the SDSC formed SHGs comprised of IDPs, returnees, and host community members. Through working together collaboratively, group members were able to build relations across different population groups in DACs.
- Support provided during the establishment of SHGs is critical to their future success: Significant amounts of time need to be set aside for the processes of group formation, training, and the development of rules and regulations for each group.
- The SHG model needs to be scaled up in programme locations: Many individuals in programme locations would benefit from the SHG approach, and there is a clear need for investment in additional groups. Future programming should also focus on grouping SHGs together in a federated structure, as well as building linkages between SHGs and banks and micro-finance institutions.

Case Photo: Women selling her products in Hargeisa market. Credit: DRC/DDG

3 SDSC Mid-Term Evaluation, 2019.