HOUSEHOLD INCOME SECURITY ASSOCIATIONS (HISA) IN PASTORAL COMMUNITIES

Training guide

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Introduction

For some years many organizations have tried to connect with the international community of microfinance "best practice" and engage with professional microfinance partners, There are two challenges which they face One has been how to bring the widest possible range of financial services to poor families living in "difficult environments" – chiefly sparsely populated pastoral areas where there is a low level of economic activity and where traditional microfinance institutions choose not to work. As a response, FARM Africa through Northern Tanzania Pastoralists program (NTPP) by using experienced staff worked with other organizations in the sector initiated Household Income Security Associations (HISA) in pastoral communities. This work has gained the program experience and some promising results of improving income security in marginalized communities.

A second challenge has been to integrate microfinance with the wide variety of FARM's other activities – largely socially oriented – and to make use of an integrated program package to promote pastoral development. This has been especially difficult because microfinance not much integrated in the program's core objectives." Consequently, some staff often gives microfinance a lower priority, and microfinance activities. Usually little attention is given to how this income security can help families meet household security objectives or how it can contribute to community development.

NTPP most frequent response to this challenge has been its adoption of the training in HISA methodology, which integrates financial services with standardized training sessions in Community based animal health workers, community capacity building in community structures.
After implementation of the scheme for one year the program conducted a study to find the progress of the groups with considerations of income generating activities (IGAs) trainings.

BACKGROUND

In 2006, FARM Africa Tanzania with support from EU and DFID launched Northern Tanzania Pastoralists Program in Mbulu, Hanang and Babati. Program goal was to enhance the ability of pastoralists in Northern Tanzania to determine their own future development and adapt successfully to changing external pressures. The program has four components namely

Capacity Building Component: The capacity building component is considered the core of the programme. The component seeks to improve the capacity of local leadership structures and develop participatory land use plans to address the issues of conflict in resource use and the overall management of natural resources from water to grazing land. This is expected to reduce conflict in the sharing of these resources, develop local conflict resolution structures and achieve sustainable natural resource use by different groups of stakeholders. The erosion of traditional mechanisms to share and manage these resources will be countered through comprehensive land and resource management plans (PLUPs) that can contribute significantly to reduce conflict, over-utilisation and land degradation. It also provides a clear document that can be used to demonstrate entitlement to natural resources based on sustainable and responsible management in the past and for the future. This can be the basis of interaction and advocacy with Government, so that the relevant parts of the public sector can consider and reconsider resource allocation decisions that do not respect local use patterns.

ii) Animal Health Component: Animal health constitutes the entry point for the programme. For the Barabaig, their livestock are their main livelihood concern and therefore the key to establishing a relationship of programme–community trust and mutual understanding. A community as marginalised as the Barabaig have urgent livelihood priorities that need to be addressed in order to create the space for involvement in other capacity building and advocacy activities. Animal health also provides a vehicle for involving as many herders as possible in the programme, which can then constitute a representative and grassroots group to promote accountability of capacity building and advocacy. Land and resource use management plans are geared towards achieving a balanced use of the land and water resources in the most prevalent activity, which is livestock production. Increasing livestock productivity however requires a combination of the resource management and animal health measures. The component's overall output is an improvement in livestock productivity through the establishment of a sustainable animal health delivery system. A CBAHW member organisation – CHAWABA – already exists in Babati and newly trained CBAHWs will join as they graduate and become operational. This will give Barabaig CBAHWs an institutional mechanism through which to advocate their concerns to Government and a valuable link with CBAHWs from other sectors of the rural economy. One anticipated impact of this is to bring livestock herders from smallholder, agro-pastoralist and pastoralist communities closer together and facilitate the conflict resolution activities to be addressed by outputs 1 and 3. All CBAHW training aims to recruit equal numbers of men and women trainees from each community.

iii) Research and Advocacy: Research and advocacy is key to both providing the background information that informs capacity building and taking the outputs of the capacity building and empowering process and facilitating the information dissemination, civil society networking and advocacy activities at local, regional and national levels. A lasting impact on policy and local and national awareness can be achieved through the capacity building of local leadership structures to increase the Barabaig community's ability to advocate and lobby for their causes. In the intervention period, the programme will link the local community leadership structures and local non-governmental organisations to the national lobbying groups (PINGO and TAPHGO) to achieve a greater awareness of their needs and to document these needs for wider dissemination. These will reinforce the gains made by interventions at the village level in land use planning and animal health and work to change the disposition of the local district councils and the central government towards adopting these methods as a framework to appropriately address pastoralist issues. Issues that require greater understanding of their nature and character in order to develop long-term solutions will be identified and research themes developed around them. These issues will mainly revolve around the more intractable problems of access to education - that is a cornerstone in increasing community leadership representation, awareness on HIV/AIDS, gender, issues of conflict with wildlife parks that require greater stakeholder mapping and consultation and perennial pastoralist and agro-pastoralist conflicts.

iv) Participatory Monitoring and Evaluation Component: A monitoring and evaluation system that can be implemented by community-based organisations to promote effective management of their objectives and demonstrate accountability to their members and/or communities that they represent is essential. The importance of this justifies PM&E as a component separate from capacity building, although it clearly it has to be integrated into other capacity building activities, especially the PLUPs that will be subject to periodic review under the PM&E system.

Households Income Security associations (HISA) enhance pastortalists and other groups involving in livelihoods to mobilize savings and credit groups that build a base for social coherent as well as improvement of financial services. The scheme has important function in enabling marginalized pastoralists to save enough money to buy useful items for the household as well as increasing participation in different social aspects. HISA provide a simple means of savings, however, it should be accompanied by capacity building in selection, planning and management of income generating activities. Without building the capacity in entrepreneurship under pastoral communities it became so difficult to realize importance of the scheme.

HISA approach in pastoral environment support community members to create savings and provide loans for income raising purposes. This approach is more attractive to participants, because it enables the group members to have health,

education and social securities as well. The loans enhance the members to meet their small, short-term financial needs for income generating activities, social needs and emergencies without having to seek funds from other sources like money providers who charge high interests accompanied by hidden costs such as time consuming. After a certain time ranging from nine to twelve Months the group members distribute all or part of savings to individual members so that they can fulfil their individual needs, hence end of the cycle.

HISA SCHEME PROCEDURES

The guideline helps to train groups in applying HISA methodology, it is important to the facilitator to have practical experience of the model operations prior to use of the guide.

HISA interventions in Hanang, Mbulu and Babati can give good example on how the model operates in pastoral communities.

I. HISA implementation Stages
There are four Stages to implement HISA methodology to pastoral communities:

- Initiation stage phase
- Adoption stage
- Growing stage
- Independent stage

A. Initiation stage – 1 week

At this stage existing groups are identified and new groups are formed through early adopters. After identification the group Leaders, the training is done on basic operations of the model to Leaders

Approach to initial stage

1. Public Meeting
A public meeting is held in the target community, if it is in the village the village general assembly is appropriate, here a support from Local Leaders is important. The reason behind is due to community members bad past experience regarding to money lenders. In the meeting the approach is introduced and a very brief explanation of the model and invitation to the formation and participation of suitable groups is done. Community members should form through their own efforts and, when this is done, they present themselves to the responsible person who can be project officer or appointed contact person and request training

2. Initiation Meeting with Individual Groups
Once groups have been formed and applied for training, an initial meeting is held with each group, in which the process of training and the methodology employed

are explained in much greater detail. If the group agree with the approach Leaders are selected.

3. Capacity building to group Leaders
Selected Leaders attend training to increase their capability, hence support to sustain the group faster. This approach helps to empower the community members from the beginning. Most of pastoralists adopt easily if they hear from their entrusted selected fellow than “outsiders”.

B. Adoption stage – 7 weeks

At adoption stage the whole group is organized and trained

The stage is the most important and comprises the big part of the training guide. The project staff in collaboration with already trained group Leaders present the six training topics contained in the guide, delivered in three sessions over a period of about 1 week. The group members continue attending meetings of the groups weekly thereafter for a total period (since the start) of not less than 7 weeks. After the trained Leaders are back from training the group sets up its management committee, elaborates the internal regulations, defines the objective of the group and begins its savings activities (immediately) and its credit activities 6 weeks later. This is very important because most of the work is done by the group members themselves. The Project staff provides intensive help in record-keeping. The groups are evaluated by the selected Community resources persons to determine their readiness to move on to the next phase.

C. Growing stage – 8 weeks

At growing stage the groups are assisted to be self sustainable

The Project staff helps the groups to be self sustainable. The project staff visits groups once in a Month, just 2 visits at this stage.

The staff supports only when the group needs a support, and otherwise just look what is proceeding on. It is advisable that the visits take place during periods of loan disbursement and reimbursement, as those are most of times when the groups encounter some difficulties and at that time project can collect data. Project Staff provide help in record keeping when serious difficulties are encountered. The groups are evaluated by the community resources persons to determine their readiness to move on to the independent stage

D. Independent stage – 10 weeks

At independent stage the group become sustainable and can operate without depending the project

The Project Staff will visit the groups twice during these ten weeks. At the time of the first visit, after 5 weeks, they will conduct a final assessment of the group. Based on this assessment, they will decide if the group is ready to be mature, or if it still needs support. It is declared that the group is independent when no longer requires technical assistance for the program.

Explanation of how the HISA group operates in the pastoral context

HISA Membership

1. *HISA group constitutes members ranging from 15 to maximum of 30, aged 18 years and above*

The members are self-selected. Membership is open both to women and to men, Leaders such as village chairpersons and those hold public office are not eligible for committee positions, but can be HISA group members and their advice may be sought. This is good because if public office holders can influence decisions and also they are supposed to implement Government regulations whenever something goes wrong. However, if they are selected as group Leaders accountability can go down

HISA Group management committee

2. HISA group management committee consists of a Chairperson, Secretary and Treasurer and two Money Counters and two Keyholders. Committee members are subject to annual re-election, and may be removed at extraordinary meetings with the consent of more than 2/3 of the members.

Roles and responsibilities of committee members

Chairperson

To assume leadership of the group, calling of the meetings, leading discussions, maintain order, open meetings and announce the agenda, represent the group to outsiders and non-members. As needed to provide a brief history of the group and its performance, to ensure that the Internal Regulations are respected, to facilitate discussion of issues raised by the General Assembly, to facilitate solutions to conflicts between the participants. Announce the passing from one operation (for example, collecting deposits) to the next (distributing loans), Receive requests regarding the social fund and ask for the group's response, announce the loans from the social fund.

Characteristics and qualities

-A participant of strong character
-Good leadership skills
-Honest/Honourable/Intelligent
-Reputation for wisdom
-Patient/Available/Dynamic

Responsibilities

To share responsibility with the other committee members for the conduct of meetings and to replace any funds missing from the cash box in case of loss due to a fault of the committee.

Secretary

Roles

-To record all the operations performed by the group during each meeting, to ensure that all the operations (deposits, loans and reimbursements) occur in front of the group.
-To call the members for the deposit operations
-To maintain the accounts of the cash box and manage the transactions of the cash box.
-To maintain loan records
-To calculate share values at pay out time
-To report the group's operations to the Field Agent during the monitoring visits and to be the group's spokesperson to the Field Agent

Characteristics and qualities

-Literate and numerate
-Capable of providing a reliable report on the cash box and credit transactions
-Available for book-keeping training by the community resources person /project officer
-Reliable/Intelligent/Honest
-From a stable, honest home

Responsibilities

To share responsibility with the other committee members for the conduct of meetings and to replace any funds missing from the cash box in case of loss due to a fault of the committee.

Treasurer

Roles

-Confirming amounts deposited to the cash box and withdrawn from the cash box
-Ensure the security of the group's funds
- to keep third key of the HISA box and open the third lock during the meeting

Characteristics and qualities

-Reliable
-Know how to count money
-Have a home where security is assured
-Honest and conscientious with a reputation for integrity and strength of character

Responsibilities

To share responsibility with the other committee members in the case of loss due to a fault of the committee and to determine the responsibility of each of the committee members

Two money counters
Roles

-To verify/count all movements of funds in and out of the cash box
-Count the money before and after each cash box operation
-Announce the totals to the Chairperson
-Control all the amounts deposited, reimbursed, interest paid, and loans given
-Calculate the total at the end of each meeting with the Secretary
-To be responsible for the key entrusted to him/her. (S)he will not give the key to anyone. If (S)he must be absent, (s)he lets the group know in advance, and gives his/her key to an temporary keyholder in front of the whole group, so that all the members know this participant and accept his/her temporary stewardship of the key
-To present the key at each meeting and to open the cash box upon the Chairperson's demand.

-To replace the key at his/her own expense if it is lost or broken
-To reimburse the cash box in case of loss due to a fault of the committee
-To lock the cash box at the end of each meeting

Characteristics and qualities

-Reliable and honest
-Know how to count efficiently

Responsibilities

To share responsibility with the other committee members and to reimburse the cash box in case of loss due to a fault of the committee.

Two key holders
The key holders keep keys and open the box during the meeting third key is with treasurer so that He/she can also have to ensure security to access cash

How HISA group meeting is conducted

The committee sits at its own table facing the other participants. In front of them are four bowls of different sizes.
-A big bowl is for collecting reimbursed loans,
-A medium bowl is for collecting interest payable on loans
-Another medium bowl is for collecting share deposits
-A small bowl is for collecting fines

To begin a meeting

The Chairperson declares the meeting open. (S)he presents the group (sharing certain historical information of the group). (S)he also presents the other members of the management committee.

Matters to be discussed

The Chairperson presents the meeting's agenda and asks the participants if there are specific points to discuss after the cash box operations. (S)he announces, if necessary, the loans/grants from the social fund which have been made during the week.

Shares buying

The Chairperson announces the commencement of deposits. The Secretary calls on the Members, one by one, to give their deposits. (S)he counts each deposit, puts it in a medium bowl, and records it in each member's pass book (which (s)he signs) and in the Share ledger (which the depositor signs).

Shares control

After the deposits, the Secretary counts the money and submits it to the Money Counters/Keyholders for their verification.

The Money Counters/Keyholders count the total deposits and announce the amount to the Chairperson, who in turn announces the total to the other participants.

Reimbursements of loans

If the meeting is a credit meeting, the Chairperson announces the loan reimbursements. The Secretary calls on the participants who need to reimburse one by one. The Secretary puts the reimbursed amounts in the big bowl and the interest paid in the small bowl, counting as (s)he does so. (S)he counts the total and submits it to the Money Counters/Keyholders for verification.

The Secretary makes note of each reimbursement against the name of individual borrowers in his/her loan ledger. Like the deposits, the total is verified by the Money Counters/Keyholders, who announce it to the Chairperson, who in turn, announces it to the participants.

Loan disbursement

Again, if the meeting is a credit meeting the Chairperson announces the commencement of loan disbursements.

Sub-groups from the General Assembly put forward their loan requests to the Secretary. If the group has only 5 members these can be put forward individually, but if the group is bigger it must be divided into sub-groups and the leaders of the sub-groups put forward their members' requests.

(S)he compares the total of loans requested with the total amount in the cash box. If the total loans requested are greater than the amount available in the cash box, (s)he encourages discussion amongst members. If, for example, a member needs money for a seasonal business opportunity, while others only need it for an activity that is not affected by seasonal considerations, (s)he may suggest deferring one member's loan to a later date in order that the seasonal loan can be provided, or, simply, that priority be given to one member over another for reasons that the group finds generally acceptable.

The Secretary gives the money to the borrower, announces the name of the borrower and the amount borrowed. Before (s)he gives the money to the borrower, the Money Counters verify the sum and the Secretary enters the value of the loan in the Loan ledger. The borrower signs his/her name in the loan ledger, indicating receipt of loan funds and agreement to the repayment conditions set by the group. The Secretary informs the borrower of the date on which repayment of the full amount borrowed is due and the amount that will additionally have to be paid in interest at the next credit meeting.

At the end, the Secretary calculates the total amount of loans disbursed, and the Chairperson announces the sum to the group.

HISA box keeping

The Money Counters count the amount of money left and put it in the cash box, provided that the amount corresponds to the starting amount before loan disbursement, less loans issued.

The Chairperson announces the amount left in the cash box to the Assembly.

The Keyholders lock the cash box and give it back to the Treasurer who also add third lock and keep the box.

N.B. The Treasurer never touches the money. (s)he is responsible for keeping the money at his/her house and bringing it to the meetings. (S)he follows the operations performed during the meeting so as to be sure that the amount announced at the end of the meeting is what is actually in the cash box.

Group general assembly

The General Assembly is the supreme organ of the group. It can:

-Approve decisions of the Management Committee
-Approve and amend the by-laws and internal regulations
-Elect and dismiss the members of the management committee

-Approve the group's plan of work and budget
-Decide on the distribution and percentage of the distribution of group assets at the periodic share-out
-Discuss any issues submitted by the management committee and the individual members

HISA regulations

- HISA group prepare internal regulations to guide their activities, the regulations are written in group constitution and provide authority to the committee members: a framework for regulation and dispute resolution. Each member of the general assembly is assigned one or more rules to remember, and at every meeting all members are asked to repeat to the group the rules that they have been required to memorise. If they fail to remember these rules they must pay a fine. This has the effect of reinforcing the rules so that after some months every member is aware of the regulations. After a year this procedure can be reduced in frequency to once a month. It is also possible for the Chairperson to switch the rule that each member must remember every few months.

HISA group meetings

- The HISA group decide on the frequencies to meet, however it is recommended to weekly during time when they are under trainings. Upon

continuation it can be after two weeks or appropriate as the group find to be right. After first cycle the group can decide every to meet on Monthly basis.

Length of HISA operation cycle

- The HISA group agree on the length of cycle prior to start no savings or lending, for how long it will operate before terminating its savings and lending activities and sharing out all or part of the accumulated funds. This is the time the group feel that there is a need for a majority of members to have access to large amounts of money (for example at the start of the school year). At this time a member can withdraw without a penalty, and can take with him/her his share of group assets at the end of the cycle. During that time new members can join a group.

Linkage between voting rights and shares purchased

- All members have equal rights in voting, each member has a single vote regardless of his/her share contributions.

Cash box

- When the meeting commence the cash box is opened by key holders and money in the box counted by secretary then verified by money counters. Every group should have a cash box with three locks. The Key Holders have duties of bring their keys to each meeting and each unlock his/her particular lock. The third key is kept by treasurer, usually the box is kept by the treasurer, however the box can rotate and that is the secret of the group. In the following meeting members are asked if the amount of money in the box is the same as at the last meeting when the box was closed.

Share contributions and recording

- Once the cash in the box is verified as being the same as at the end of last meeting, members start making their share contributions. Share contribution start by calling number of a member, the member hand over money and passbook to the Secretary, who records the amount in a group ledger (the member sign in a ledger) and record share value in member's passbook (the secretary sign in the member's pass book), then secretary deposit money to the cash box. The value of a member's contribution is a basis for loan his/her loan ceiling, also used for calculation during payout. The contributions are all placed in a bowl, meant only for contributions, once all members have made their deposits, the money is counted first by the Secretary and then by the two Money Counters. The total should agree or it must be counted again. It is then added to the money in the cash box, and the total amount is calculated and announced to the group. Every meeting of the group is a share purchase (savings) meeting.

Second activity after savings (loan repayment)

- After collection of share contributions is the repayment of loans. This means that loans outstanding that have fallen due must be repaid in their entirety.

Members whose loans are due for repayment physically deposit the loan repayment into a bowl specially set aside for the purpose.

Third activity (Interest payment)

- Interest payments are made at one Month intervals. A Month after the first issuing of credit the interest due is paid by each borrower. The interest is paid into a separate bowl to the contributions, counted by the Secretary and verified by the Money Counters. If a member is not due to repay the principal sum of the loan, the interest due must be paid. The rate of interest is agreed by the members at the beginning of the cycle and is not changed until the cycle end if there is a need to change, unless necessitated by extraordinary circumstances.

Fourth activity (Loan provision)

- Anyone wanting a loan from group funds puts forward their proposal to the group, and is eligible to borrow a maximum of 3 times the value of his/her accumulated shares. Loan approval rests in the general assembly of the group. In the case of large groups (more than 10 members) it will be necessary to save time by allowing the members to prepare their loan requests outside the main meeting. So, in the meeting prior to the credit meeting, the Secretary estimates the amount of money that will be available for lending at the credit meeting, which will take place the following fortnight. This will be the sum of share contributions, cash on hand and projected principal and interest payments.
- The HISA group is sub-divided into sub-groups of five and each group told that they will be allocated a given amount of the money, roughly proportionate to their number. The sub-groups can then meet outside the general assembly meeting and decide who will get what loan at the credit meeting. This gives them the opportunity to discuss each proposal in detail without occupying the time of the entire assembly. At the credit meeting each sub-group then announces who will receive what loan. The group must agree on whose needs have the highest priority and what amounts can be given (some reduction in the requested amount may be offered). Once members agree on the amounts to be taken as loans, the sums are immediately disbursed and signed for in a credit ledger. No written documentation is needed to approve the loan, because members' knowledge of the applicant and of the business proposed is adequate to screen the proposal. Restricting the loan amount to three times the total share value ensures that loan amounts are proportionate to a member's demonstrated ability to come up with regular contributions.

- Once the loan has been issued the amount of the loan is recorded in a Loan Ledger, indicating:
  - Borrower (name and signature)
  - Witness (Secretary)
  - Loan amount disbursed
  - Date of final loan reimbursement
  - interest payment required every 4 weeks

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Retiring the principal and interest

- Members are free to repay their loans over any period that the group agrees, making payment of interest on a monthly basis and retiring the principal sum at the end of the loan. All members are entitled to repay their loans early. No loans should extend beyond 3 months or beyond the cycle.

Types of bowls used in HISA group

Four types of bowls are used in HISA group as follows;

1st for share contributions, 2nd for interest payments, 3rd for principal payments and 4th for fines, they should be separate from each other to make the process transparent, and allows for re-counting in the case of mistake.

Interest rate setting

- Interest rate setting is upon the group members. Low interest rate will hinder growing of funds and higher interest rates will scare many to borrow. Generally many groups have opted for 10% to 15 % (simple interest).

Calculations for payout for members leaving scheme

Members leaving the scheme at the end of a cycle will receive the following:

- Total value of their shares; the value will not be the same as what they contributed because their money invested has earned interest. This is calculated by taking the total shares of the individual member and calculating this as a percentage of the total shares bought by all the members. When this percentage is known it can be multiplied by the total net worth of the group to arrive at what the leaving member is due. Normally the member not reimbursed their contribution to the Social Fund.

  The means of calculation is as follows:

  (Total cash in cashbox + Total value of loans outstanding + total value of assets purchased) / total number of shares)

Thus a case might be as follows:

A group has a member who is leaving to join higher learning institution. The following are the calculations.

- Number of Members 15
- Number of shares..... **400**
- Cash in the cashbox at the beginning of the meeting..... **Tsh 2,700,000**
- Total value of loans outstanding..... Tsh *10,000,000*
- Cost of rice bought and stored by group ..... Tsh **1,000,000**
- Total shares owned by the member who is leaving..... 20

Share value = Tsh (2,700,000 + *10,000,000* + 1,000,000)/**400**)
Total payout for leaving member = Tsh. (Share value (34,250) x Shares owned by leaving member (20))

= Tsh 685,000

- The share values in the members' passbooks will then be cancelled by the Secretary and reduced to zero. The Secretary signs the passbook to indicate cancellation. A similar cancellation against the member's name is entered in the share ledger and signed by the member.

Calculations of payout for members at the end of cycle

At the end of a cycle the group will decide how to split up the funds amongst themselves, and amount to leave in order to begin a new cycle.

Condition for payout
-Ensure loans, credit and fines have been paid
- compare between passbooks shares and ledger books shares: if both are equal then ok
- Add all money in cash box except social security fund, then divide with the total shares of the members (this is the new HISA value accumulated for the operating cycle).
- Take total shares of each member multiply by the new HISA value (The right of the member)

An example of payout at the end of cycle;
After working together for 12 months a group decides to make a payout to the members, and wants to leave some funds to continue lending. The group start by calling in the loans outstanding, so that all of the group's assets are in cash at the share-out meeting. Any assets held in physical form, such as stored grain not counted in this calculation. The value of stored grain is assumed to be owned by each member in proportion to the number of shares held at the time of purchase. This must be separately noted. The following data are needed: E.g

- Number of members 25
- Total number of shares 560
- Value of cash in the cashbox ..... Tsh 8,360,000
- One share value ----------1000
- Social security fund----------250,000

Share value to for payout = Tsh (8,360,000 – 250,000) / 560
= **Tsh 14,482(New share value)**

E.g Amount to be paid to member with 23 shares = **Tsh 14,482** x 23

= **Tsh 333,086**

At The beginning of a new cycle

- At the beginning of new cycle the members can decide to change share value, let say from previous Tsh 1000 per share to 2,500 per share.

The members can also decide to leave some new shares as a start of the new cycle
e.g each member can leave in the box 3 shares which will be 2,500 x3 x 25 = 187,500

Hence in the beginning of new cycle the cash box will have 250,000(social security fund) + (187,500 new shares) = 437,500

Time to start a new cycle after payout

The members are free to make decision on when to start another cycle after payout e.g after harvest period or even immediately after payout. This is because sometimes in pastoralists areas there is mobility to search for water and grass for livestock.
At that time new Leaders can be elected or the previous be approved to continue

When the shares outsmart loans

- As time goes Sometimes cash in hand can be higher than loan requirements. Where it seems that the balances are large and steadily growing, group may have an interim payout of the surplus to members, again on the basis of their shareholding.

Rules to support HISA scheme

The Project Staff are just facilitators, need only to assist the participants to organise themselves. They help the participants to mobilise their resources through a savings and credit scheme. The aim is to create awareness and confidence so that group members adopt the system, and control the scheme.

Principals to be observed by field staff when working in HISA scheme in pastoral environment

1. Ice breaking

- Encourage members to speak because under pastoral environment there are specific persons to speak try to encourage all members to have equal chances to speak
- Some of members don't have experience in working with groups slowly increase their confidence
- Under pastoral condition in a public hardly the women can speak, hence encourage women to speak
- Those don't have livestock are not confident hence improve their confidence in HISA scheme

2. Gain the confidence of the participants, and encourage their active involvement because many community members have bad past experience regarding to institutions dealing with financial matter

3. Encourage union of the group members because when they are united they are stronger and more capability to resolve their problems than separately

4. Facilitate the group members to increase their knowledge on:

- Activities Planning
- Make decisions
- Take responsibility and be accountable
- To make good Organization
- To Coordinate their activities
- To Manage the group

5. Be Creative when helping the community members in a group to resolve conflicts because as groups grow there are always conflicts of interests as well as interpersonal conflicts.

How to resolve conflicts in the group
Mapping the Conflict

To start

- Organise the meeting (time, place, etc.).
- Explain your role of the mediator (to help everyone to win).
- Be sure that all parties are willing to find a solution.
- Put clear that:
  - Each party has the same amount of time to give their point of view without interruption.
  - Each part should listen properly.

- Attack should be to the problem, not the person.
- Conflict resolution is to try to satisfy everyone's needs.

Identification of problem

- Each party describes the problem, the facts and their feelings.
- Map the conflict, including the needs and concerns of each party.
- **Define the subject**

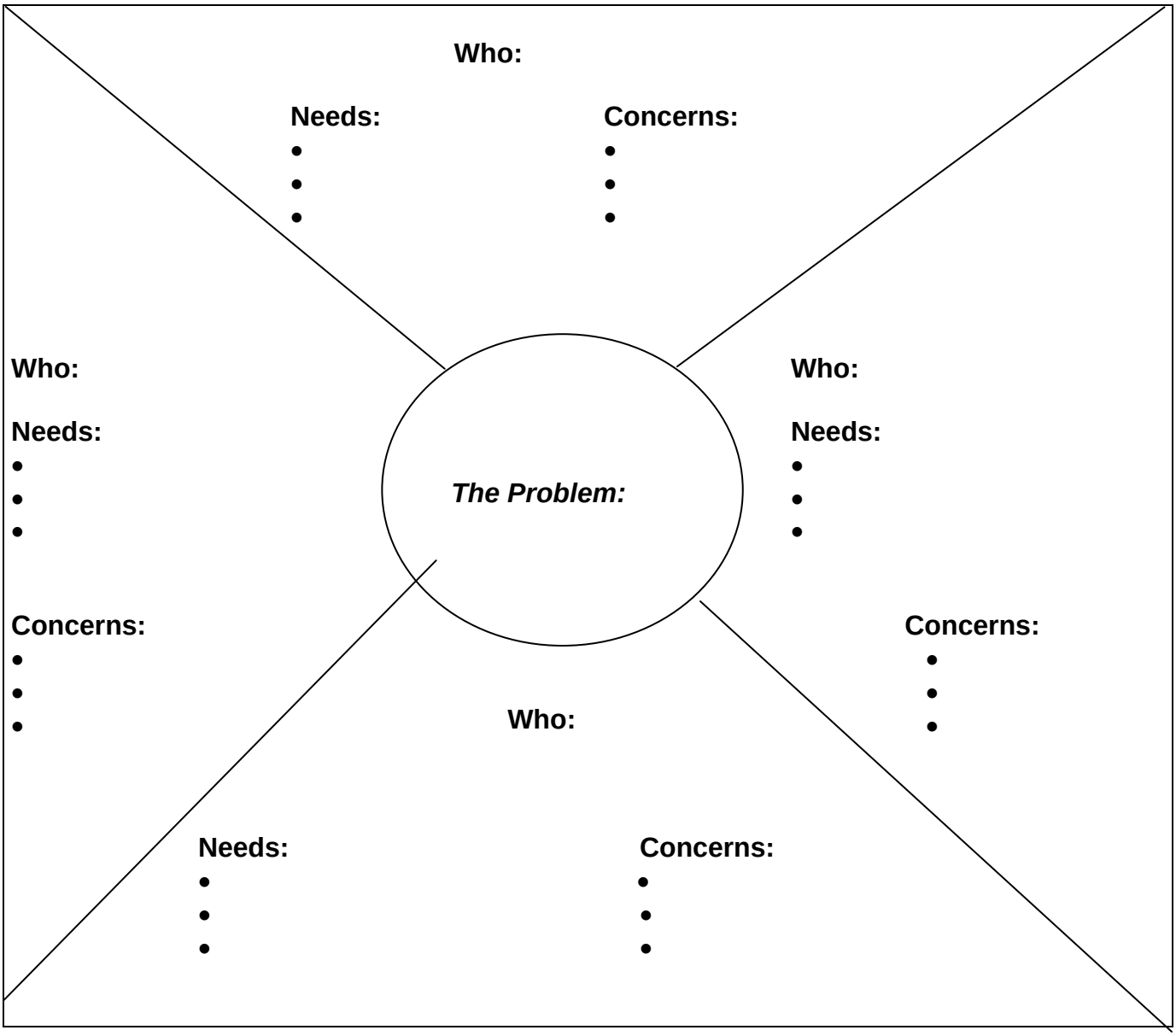
At the centre of the page define problem. Be neutral not don't invite feelings. Be ready to change definition as you understand the situation.

- **Identify the parties involved**

In the sections of the table, write the name of each person or group involved.

- **List the needs and concerns**
  Write down the needs of each person or group. What is the motive?
  Write down the concerns, fears and anxieties of each person or group.

The map for who, needs and concerns



- Encourage members to actively listen use of “I” rather than “We” should be used
- Don’t allow empathy blockers and personal attacks.
- Reinforce the positive (for example, willingness to find a solution, common ground, etc.)
- Encourage the search for options.
- Encourage a joint cooperative approach – concentrate on the future.
- Define reasonable standards.
- Meet separately with each party if necessary.

CONCLUSION – PLANS AND AGREEMENTS

- Establish plans of action (with methods of evaluation, future meetings, etc.).
- Conclude the agreements – verify that both parties are really in agreement.
- Illustrate the agreement with a contract, handshake, etc.

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Things to remember when resolving a conflict

- Be Hard on the problem and soft on the person.
- Control the emotions early in the negotiation.
- Concentrate on needs not positions.
- Include objections – "and" instead of "but."
- Emphasise the areas of agreement.
- Be inventive with options.
- Who is behind the scenes? Are they getting what they need?
- Is it fair? Can you find an objective standard?
- Help each other to save face.
- Choose solutions that recognise the continuity of the relationship.
- Make it easy for the other person to say "Yes."
- Establish clear agreements.

What is active listening?

I. Attentiveness

(Affirm the other person – show your interest – concentrate totally on the speaker, even with your body).

- Appropriate movements, like nodding your head
- Appropriate eye contact
- A non-distracting environment

II. Minimal encouragers

(Encourage the other person to speak).

- Friendly and interested openers.
- Minimal encouragement ("ah ha," "yes," etc.)
- Infrequent questions.
- Attentive silences.

III. Deepen the discussion

(Probe feelings and content.)

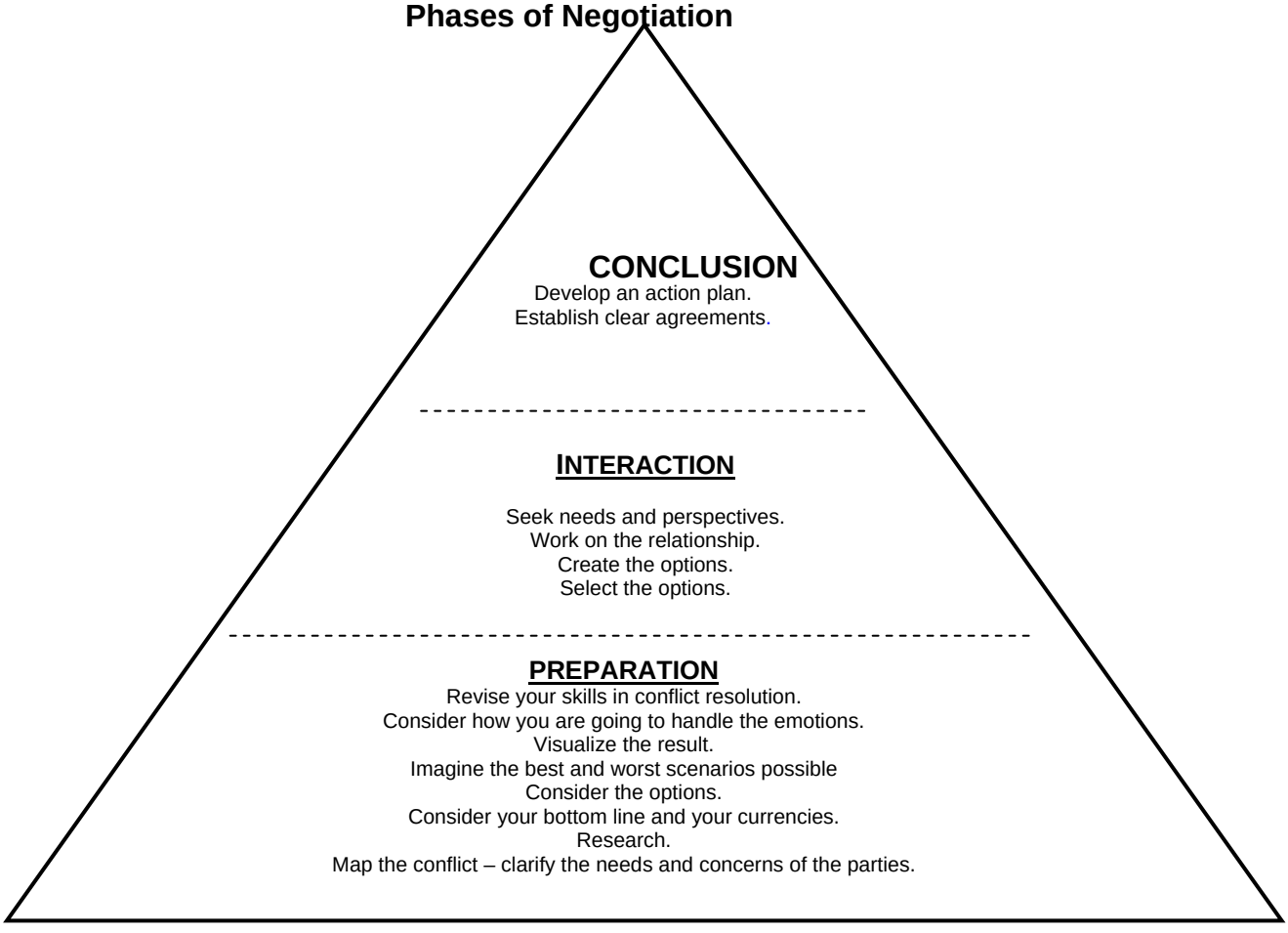
- **Clarify** – look for information for both of you. *"When was that?"*
- **Restate** – verify that you have understood the facts. *"So you want more support, is that right?"*
- **Reflect** the feelings and content. *"You seem to be angry."*
- **Summarise** the major concerns. *"So, your main concerns are …."*
- **Counter** negativity. *"It's desperate!"* → *"It seems desperate at the moment."*

Avoid!!

- Empathy blockers like criticising, diagnosing, advising, moralising, threatening, reassuring.
- Talking about yourself.
- Thinking of what you're going to say next.
- Pretending you've understood when you haven't.
- Letting the other person ramble.
- Changing the subject.
- Speaking too much.

Adapted from "People Skills" by Robert

Phases of Negotiation



The Third Person Mediator

When resolving conflicts the following attitudes need to be observed

Be objective – affirm both parties, even if personally you prefer one point of view, or if only one party is present.

Be supportive – Be attentive. Create a non-threatening learning environment where everyone will feel free to express himself or herself.

Don't judge – actively discourage judgements about "Who was right and who was wrong." Don't ask "Why did you do that?" but "What happened" and "How do you feel?"

Use astute questions– encourage the participants' questions. Resist the desire to advice. If necessary, offer options, never directives.

Use a win/win approach – seed to satisfy both parties. Transform opponents into partners.

HISA Trainings

The HISA training:
After establishment of the group, it is the members who actually organise the meetings. Project staff needs to abide to the group schedule. The project officer start by being facilitator then observer as the group grows. The project staff prepares a training plan for each training meeting during the phases. At the end of each meeting make a summary the topic. At the beginning of the next training ask the participants to remind the group about the most important points from the previous training. If you feel the group members are still challenged you can recap earlier topic.

Story telling: Try to tell stories in order to capture certain concepts regarding to the training based on the experience you have.

Beginning of the actual business
Initiation stage phase
At this stage there are two steps one is the general meeting with community members and second is the meeting with the groups after community members response.

Meeting with communities

Meeting with communities is very important because at this meeting is where you can get commitment of the community members whether they will form groups or not. At this stage also you introduce your project if the HISA scheme is a part of the program or project. Normally in pastoral environment this is done in village general assembly or during meetings for traditional structures. Sometimes the meeting is preceded by meeting with elders for those communities which have difficulties in community entry. At this stage the community members expect to receive credit or physical support materials. Project staff should be clear that the project is not going to give the groups money but help the groups to learn how to put their money together and make it grow.

Things to consider during public meeting to introduce HISA scheme and the organization for the first time;

The name of the organisation and the HISA scheme

The explanation will bring differences between other organizations and other credit schemes

The nature of the organisation

Such as a non profit, non political affiliated e.t.c.

The aim of HISA methodology

HISA assists in the creation and training of savings and credit groups using the participants' own resources, with the objective of supporting income generating activities. The project officer also explains on the other profits which are obtained through HISA schemes such as social security funds, affording costs such as school fees and health bills upon running HISA scheme. The Project Officer support will come to an end when the participants take charge of the group themselves. The goal is independence and viability of the group. The project officer should insist that it is more desirable for existing groups to undertake savings and credit activities than for new groups to be formed for HISA scheme. If no existing groups, then new groups must be formed. The community members should be advised that great care must be taken in the selection of members, who know and trust each other and whose reputation in the community for honest and reliability is good.

The operating principles of the group

The group deals with savings and credit, also can decide to include as social functions such as helping each. The savings consist of deposits made by members in the form of shares, which are bought at each meeting. Through shares the group can lender loans to group members, normally the loan is of a short time. The size of HISA group is not less than 15 members and not more than 30. The group should know that the most important aspect of the scheme relates to the savings activities which can give a better return without dependence from other financial institutions. Also the group should be able to know that the credit starts with small amounts but grow as the group continue saving and provide loans. It is advised that the loans to be provided after 6 weeks of savings.

Where the meetings are held

The members decide on the venue for meetings, this can be under the tree, school building, member's house provided that there is enough space and no noises.

Participation in meetings

A member participation is the most important even if the member has no money to buy a share she/He must attend the meeting unless is sick or has another excuse. Members' attendance is most important for group operations. Through attending meetings the group members will receive trainings, it is not allowed to interrupt meetings by outsiders unless under special circumstances.

Data collection:

Data collection is important aspect of the tracking of the scheme as well as a part of capturing lessons learnt.

In order to collect information in groups the forms should be used, normally the data collected involve portfolios, group reports, group performance analysis.

A. Portfolio Analysis & Data Collection Form: This form is used to compute the theoretical balance that is in the cash box by tracking the amount saved, loans made, loans reimbursed and interest earned on the loans. It is also used as input to the Consolidated Groups Performance Analysis by village (see D) spreadsheet. It is used monthly

A. Portfolio Analysis Data Collection Form

Name of community resources person or project staff :_____

Name of the village: _____

Name of the sub village: _____

Name of the group: _

Date of Creation of the group: _____

Number of Members at Creation: _____

Date of Visit: _____

Item	**Quantity**
1. Number of Months Since Start of Cycle	
2. Number of Members at Time of Visit	
3. Current value of group shares (from share ledger)	
4. Number of active loans	
5. Face value of active loans (From Client Loan Transaction Records)	
6. Current value of Active Loans (from Client Loan Transaction Records, at end of meeting)	
7. Cash on hand in cash box at end of meeting	
8. Cash in Social Fund at end of meeting	
9. Cash cost of goods in storage	
10.Group net worth (6+7+8+9)	

B. Monthly Report by Group: Summary of the community resources persons or project staff activities with each group.
Monthly Report by Group (To be filled out for each group under training)

Name of community resource person/project staff: _____

Name of the community: _____

Name of the group: _____

Number of the group: _____

Date of visit: _____

Community resources person/project officer summary

1 –Number of meetings held in the month (if meetings were not held, explain why)

2 –Topics discussed----------

3 –challenges found ---------

(i) challenges resolved----------

(ii) Challenges still need to be resolved----------

4 –Visit by technical service or others (explain)----------

5 –Is there a demand for the creation of new groups? ----------

C. Group strength analysis: An evaluation of the strength of the group, with respect to the members' attendance, and the functioning of the cash box. This form is filled out at each meeting involving loan disbursements or reimbursements during the intensive phase and during each community resource/project staff visit during the development and maturity phases. This form is also very important for changing phases, by determining if the group has fully absorbed the training in each phase.

Name of Project staff/community resources person:_____

Name of the village: _____
Name of the group:

Number of the group: _____
Date of visit: _____

	Month:	
	Date:	**Points**
1.	Did at least 80% of the members attend the meeting?	
2.	Were the deposits paid in full?	
3.	Did the management committee play its role well?	
4.	Did the members of the group participate in the discussions?	
5.	Did 3/4 of the members arrive on time?	
6.	Were the internal regulations respected?	
7.	Were the internal regulations appropriate and practical?	
8.	Was the percentage of non-repaid loans less than 2% of the total value of the group?	
9.	Were the members holding late (overdue) loans less than 5% of the total membership?	
10.	Were Group Records up to date and accurate?	
Total points:		
Points Key (1=Yes, 0=No) 9 to 10 points = Good health 7 to 8 points = Uncertain health 5 to 6 points = Sick 0 to 4 points = Critical situation	**Condition:** Good health 85-100 Uncertain health 70-84 Sick 50-69 Critical 00-49	
Signature of the Chairperson:		
Signature of the Field Agent:		

Observations

_____

_____

Form for loan disbursement

	Loan repayment plan					
Name	**Loan amount**	**Interest 1**	**Interest 2**	**Interest 3**	**Total principal and interest**	**Applicant signature**
Ginyudu yunge	20,000	2000	2000	2000	26,000	
Ali Qawoga	10,000	1,000	1,000	1,000	13,000	
Jumla	30,000					

Form for loan reimbursement

Name	**Loan amount**	**Interest 1**	**Interest 2**	**Interest 3**	**Fine**	**Fine**	**Principal**	**Total principal and interest**	**Secretary signature**
Ginyudu yunge	20,000	2000		4,000	2,000		20,000	28,000	
Ali Qawoga	10,000			3,000	1,000	1,000	10,000	15,000	
Jumla	30,000	2,000		7,000	3,000	1,000	30,000	43,000	

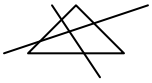
Weekly funds report form

Description	Amount	Source of information
Previous total amount of loans	70,000	Last page
Current loans	30,000	Today's loans
Toatal amount of loans	100,000	Above totals

PASSBOOK

Cycle---e.g 1---- Share value e.g 1000

Meeting	**Shares**		
1			
2			
3			
4			
Share at the beginning			
Total Shares purchased			5
Total shares returned			2
Remained shares			3

Share purchased shares not purchased  Share purchased but replayed as a loan

D. Consolidated groups performance analysis

HISA groups: Consolidated Group Performance Analysis by village

Project Officer				As of	January11,2008

Name of Group	No.	Village	Date of Creation as HISA group	Date of Visit	Number of Months since start of Cycle	Number of Members at creation	Number of members at Time of visit	Current Value of Group Savings	Number of Active Loans	Face value of Active Loans	Current value of Active Loans	Cash on Hand	Cash in Social Funds	Cash cost of Goods in Storage	Group Net Worth to Date	Average Loan Size	Increase in value of Group savings	Revenue /savings	Net Profit per Member to Date	Annualized Return on Savings (%)	Annualized Net profit per Member
	1																				
	2																				
	3																				
	4																				
	5																				
	6																				
	7																				
	8																				
	9																				
	10																				
	11																				
	12																				
	13																				
	14																				
	15																				
	16																				
	17																				
	18																				
	19																				
	20																				
Total																					
Average																					

Share value 500		**Ledger**											Date to begin cycle Date to end cycle			12.12.03 12.12.04
S/N	Member's name	Share at the beginning	Date 12.12.08	Datee 19.12.03	Date 26.12.03	Date 3.1.04	Date 10.01.04	Date 17.01.04	Date 24.01.04	Date 31.01.04	Date 7.2.04	Date 14.2.04	Date 21.2.04	Date 28.02.04	Shares purchased	Shares returned
01	Mariam Abubakari	3	3	3	~~3~~	2	3	~~3~~	2	-	3	2	2	3	31	6
02	Sarah Mhela	3	3	2	3	2	3	3	3	3	3	3	3	3	36	0
03	Sara Zephania	3	1	3	3	3	1	3	3	2	1	3	3	1	30	0
04	Adam Madushi	3	3	1	3	2	3	3	3	3	3	3	3	3	36	0
05	Ruth Simon	3	2	2	3	3	2	3	3	2	3	3	3	3	35	0
30																
	Total No. of shares	15	12	11	15	12	12	15	14	11	13	13	14	13	169	6
	Total share values	7,500	6000	5,500	7,500	6,000	6,000	7,500	7,000	5,500	6,500	6,500	7,000	6,500		