GENDER LINKS
FOR EQUALITY AND JUSTICE

Personal Financial Management & Access to Finance

PHASE TWO PARTICIPANT'S MANUAL



Enhance and sustain LED initiatives through the (COE) "hub" and "spoke" programme for gender mainstreaming

SUPPORTED BY
Sweden
Sverige

Gender Links (GL) is committed to an inclusive, equal, and just society in which women and girls in all their diversities exercise their **voice and choice** by the Southern African Development Community (SADC) Protocol on Gender and Development and related regional, continental, and global instruments.

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INTRODUCTION

Gender Links (GL) is a Southern African NGO founded in March 2001 with offices in Johannesburg, Mauritius (Francophone base), and Botswana (headquarters of the Southern African Development Community) as well as three other countries (Lesotho, Madagascar, and Zimbabwe). GL is committed to an inclusive, equal and just society in which women and girls in all their diversities exercise their voice and choice in accordance with the Southern African Development Community (SADC) Protocol on Gender and Development and related regional, continental and global instruments. GL has worked with over 400 councils in ten SADC countries to mainstream gender in local government based on the targets of the SADC Gender Protocol. Local economic development is an integral component of the gender action plan that each council or Centre of Excellence (COE) adopts as part of the gender mainstreaming initiative. Over the past 12 years Gender Links Zimbabwe (GLZ) in partnership with the Ministry of Local Government and Public Works (MLGPW) has been implementing the COE in all the 92 local authorities in Zimbabwe. Declared the "*programme of choice*" for gender mainstreaming by the Ministry of Local Government and Public Works, the COE programme has grown organically with high-level buy-in across government departments.

Drawing from the successes and lessons learnt from the programme, GLZ in partnership with the Embassy of Sweden has embarked on the **"Promoting gender-inclusive Local Economic Development" (LED)** programme. The programme seeks to enhance and sustain LED initiatives through the Centres of Excellence for Gender in Local Government (COE) "hub" and "spoke" programme.

The overall objective of the programme

The overall objective of the programme The programme's overall objective is to reduce poverty and enhance livelihoods through gender-responsive and inclusive local economic development in 12 Centres of Excellence for gender in local government.

Specific objectives

- To develop and cost 12 gender-responsive local economic development plans.
- To ensure that women-owned enterprises have access to council procurement including tenders.
- To "walk the talk" by establishing viable LED flagship enterprises in 12 local authorities that create jobs in non-traditional areas for women and buttress entrepreneurship training.
- To create a sustainable model for training and supporting women entrepreneurs in 12 local authorities.
- To enhance women and youth's[1] access to finance, markets, and joint ventures through women LED networks; learning and sharing platforms.

The training contributes to Zimbabwe Vision 2030, National Development Strategy 1 (2021 to 2025, Micro, Small and Medium Enterprises (MSME) Policy 2020-2024, National Financial Inclusion Strategy (NFIS) is set to run from 2022 to 2026 and the targets of the SADC Protocol on Gender and Development.

[1] Youth refers to young women and men below the age of 35.

Participant selection criteria

To participate in the course, women, youths and men need to be:

- 18 years or older.
- A resident in a participating local authority.
- Interested in running or growing own business.
- Functionally literate, be able to write and count.

The programme

GL will train women (50%), youths (30%) and men (20%) on life skills and entrepreneurship (personal financial management and enterprise development) in 12 councils in Zimbabwe. Through the entrepreneurship training GL will promote Gender Responsive Local Economic Development.

The training will focus on a combination of:

- Life skills including confidence building; writing; public speaking; decision making.
- Entrepreneurship skills such as the development of business plans, business management, marketing, personal financial management and enterprise development.
- Women-led networks for learning and sharing; facilitating partnerships, joint ventures and access to markets.

The training is divided into three phases. The inception phase introduces participants to life skills and entrepreneurship. Phase two then provides more in-depth knowledge and information on personal financial management and options for raising business financing. Phase three focuses on enterprise development.

The table below provides a detailed outline of the Phase Two training:

Day One: Personal Financial Management

- To know how to manage personal finances.
- To be able to set financial goals.
- To be able to prepare a budget.
- To know the best method of saving.
- To know the different types of saving.
- To learn how to form and start a saving group.

Day Two: Savings Group Formation

- To develop a savings group constitution.
- To know the roles and responsibilities of each leadership position.
- To learn how to record savings, loans, loan repayments and shareout.
- To be able to carry out a self-performance review and planning.
- To be able to assess group maturity.
- To know the possible savings risks and plan for mitigation.
- To evaluate the training workshop.

How GL will be measuring change?

GL has developed several tools to measure changes in women, youths and men. At the level of community GL will:

- Administer 1 800 (900 women, 540 Youths and 360 men) Gender Empowerment Index surveys at the beginning and the end of the process. The Gender Empowerment Index (GEI) measures five key areas: experiences of enterprising; agency and economic status. Each participant will complete the GEI at the beginning of the programme to establish baselines. These will be re-administered at the end of the process to measure change. The GEI is online and is set up to generate automated reports. Each participant will have a profile with baseline and progress data.
- Compile 1 800 (900 women, 540 Youths and 360 men) "I" stories at the beginning and the end of the process. "I" stories or personal accounts of experiences of enterprising. Prior to the training, GL will work with the participants to document their stories. This process will be repeated after phase three of the programme to assess changes in the participants' lives.
- In phase one each participant completes a personal action plan where the participants identify three things they want to achieve. This is reviewed during phase three and progress is recorded.
- The women produce business plans which are monitored over time as they develop their business ideas throughout the duration of the programme.

All this information will be collated and analysed to provide qualitative and quantitative evidence of progress and change in these entrepreneurs' lives at a personal and business level.

Materials required

- Name tags.
- Flip charts.
- Pens.
- Permanent markers.
- Blank cards.
- Notebooks.
- Stick stuff

Monitoring and Evaluation tools

- Registration form.
- Personal financial goals form.
- Family budget form.
- Savings group constitution template.
- Savings group register template.
- Miscellaneous record book template.
- Savings record book template.
- Loan and loan repayment record book.
- Self-assessment performance review form.
- Workshop Evaluation form.

Tools you will find in each module

Each module has various tools and resources that will help participants apply their experience and to learn by doing. These are:

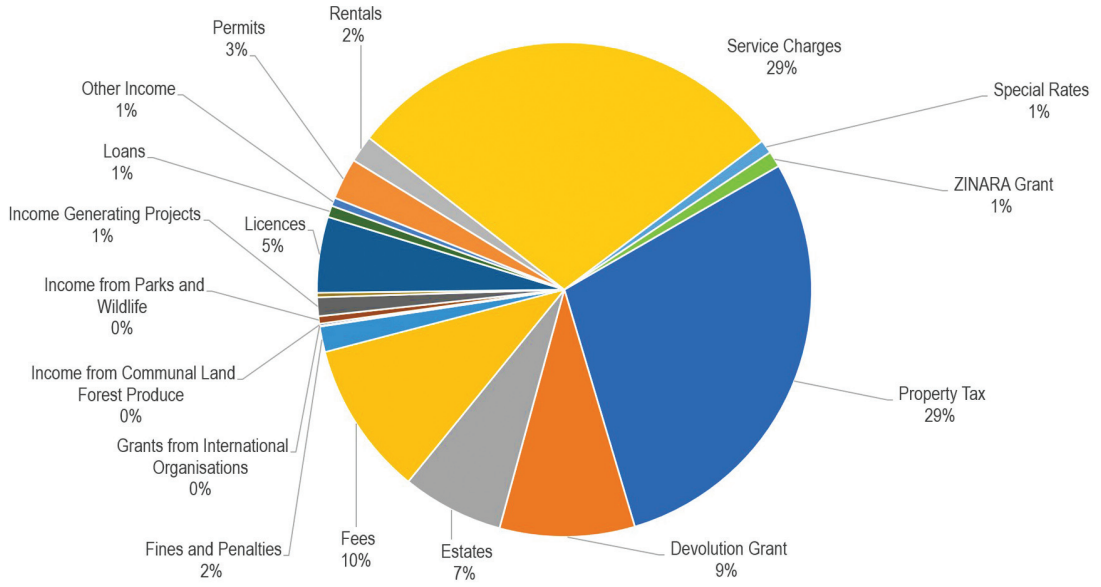


Exercises - Gets you doing things yourself and in groups.



Definitions - define new words and terms that you will be learning as you work through the manual.

PERSONAL FINANCIAL MANAGEMENT 1



Excerpt of a council budget breakdown.

Photo: Tapiwa Zvaraya

Objectives

- To know how to manage personal finances.
- To know how to save for financial goals.
- To know the different forms of savings.

The session focuses on personal financial management habits by getting an understanding of financial pressures and planning the use of available financial resources.

Definition of terms

Personal financial management: Refers to the process of balancing one's individual wealth and income with financial needs, desires, and goals. It is a way of managing the different financial pressures people face in life.

Financial pressures: These are the financial demands that need to be funded by limited financial resources.

Financial Planning: The process of looking at the current state of your finances and making a step-by-step plan of their use to achieve short and long-term financial goals.

Need: A need is something you cannot do without.

Want: Something that can be postponed for future consumption. Wants are unlimited and hence people are advised to reduce expenditure on them and prioritise needs.

Budgeting: The process of creating a plan to spend your money. This spending plan is called a budget. Creating this spending plan allows you to determine in advance whether you will have enough money to do what you need or would like to do. Budgeting is simply balancing your expenses with your income.

Budget: A summary of estimated income and expenditures for a certain period.



Exercise

Read the story below and answer the questions.

Selma and Trevor's Financial Situation

Trevor and Selma have to pay regularly for food, clothing, buy seeds for planting and clear the maize farm. They also have loan repayments to their savings group and owe a shopkeeper who has sold them goods on credit. Their roof is rusting and they want to change it before the rainy season. They also need new farm equipment as well as fertilizers and pesticides. Their eldest son will get married in the near future and have to contribute to the function. They have to pay high school fees for their other two children. They must travel to take care of family or business matters. Trevor and Selma also know that unexpected things happen. Family members get sick, the rains may come late hence there can be drought or crop failure.

1. What are the financial pressures that Selma and Trevor feel?

2. Why do they have such financial pressures?

3. What can they do to reduce the financial pressures?

1.1 Financial pressures

People work to have enough money to meet their day-to-day financial needs, pay debts, keep the business running, build houses, pay for school and plan for their old age. In most cases the money is not enough to meet all the different needs and wants, therefore there is a need to prioritize what is most important or should be done first. Personal financial planning and management help to reduce financial pressure on the individual concerned.

1.2 The importance of financial planning

- Helps you decide spending priorities for the future.
- Makes one disciplined in spending and saving.
- Reduces financial stress.
- It helps to harmonize the family and work together towards the same goals.
- Helps avoid unexpected money shortages.



Exercise

Read the story below and answer the questions.

John and Maria: Reaching their Goals

John and Maria think together about their goals for the future. They want their children to go to school. They want to repair the house. They want to expand their farm and keep debt low. They want to travel to visit their extended family every year. They also want to put more money into rearing chickens to earn more.

They decide together to do something to reach their goals. First, they count the money coming into and going out of the household every day for several weeks or months to know the actual amount they earn and spend. They find out the costs of school, travel and home repairs. They decide to save something, no matter how small, every week. They decide the amount of income they will set aside every week or month for paying debts. They plan how much and when they will invest more in the business. After all these decisions, John and Maria feel relieved. They are happy about their decisions. They are confident now that, if they stick with these decisions, they can achieve their goals.

1. What are John and Maria's goals for the future?

2. What do John and Maria do to reach their goals for the future?

1.3 Setting financial goals

To reach a financial goal, follow the following three steps:
1. Decide goals or objectives for the future.
2. Know how much money one expects to earn and spend.
3. Decide how much, when, and for how long one can save to reach the goals.

Below is an example of setting financial goals:

My goal is to buy and drill a borehole at my farm. After looking at all my income and expenditures, I decided to save 100 dollars every month from my income for 12 months to raise 1200 dollars for drilling the borehole.

1.4 Budgeting

In order to budget, we must know how much money we have coming in and how we want to spend that money during a set period of time that we choose. Budgeting should be done if planned financial goals are to be achieved. It is important that we take time to make our budget to make sure that it is realistic and that we can adhere to it. Budgeting is a process that helps a person achieve financial goals.

1.5 The importance of budgeting in personal financial management

- It allows you to assign your income to different types of expenses.
- It helps you make decisions about spending and saving.
- It encourages cautious and disciplined spending.
- It allows you to take control of your financial situation.
- It helps you organize and able to manage money more effectively.
- It helps you plan for your future expenses and meet your financial goals.
- It is a tool that is used for managing the financial plan.
- It helps us decide how to spend money to achieve our financial goal.



Exercise

Below is a family budget.

Income	US Dollars
On-farm business Income from all on-farm businesses	200
Off-farm business Income from off-farm businesses	100
Wages	0
Gifts / Remittances	50
Total Income	350
Savings	50
Expenses	
Necessary household spending	
Food	50
Health / Medical	20
House Repair	40
School Fees	40
Business spending	
Transportation	30
Farm expenses	100
Optional spending	
Alcohol	10
Weddings/Funerals	20
Church Offering	10
Total Expenses	**320**
Total Income = 350, Savings = 50, Total Expenses = 320	

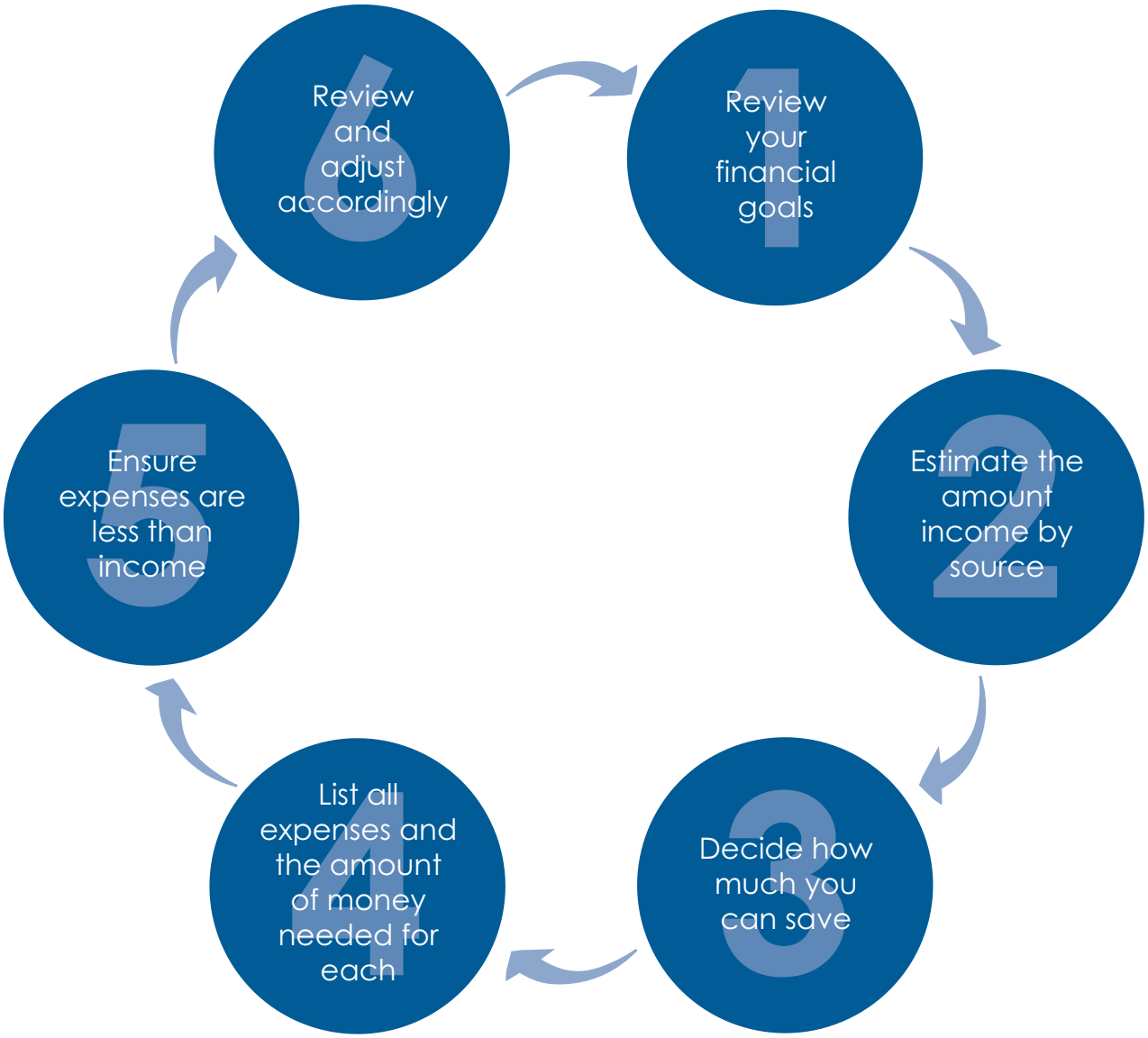
1. Calculate and find out if the family budget is a surplus/deficit or balanced.

2. What are your comments on the budget?

Surplus / Deficit = Total Income - Total Savings - Total Expenditures

- The surplus/deficit tells us, whether we have enough income to save and spend according to our plan.
- A surplus means that at the end of the month, we have money left over. We could use it to increase our savings.
- Deficit means our income is not enough to meet the expenses and if that is the case, the budget needs to be reviewed and come up with alternative ideas for generating more income or cutting costs.

1.6 Budgeting process



1.7 How to stay within the budget

- ✓ Remind yourself often what you planned to spend.
- ✓ Spend on needs and not wants.
- ✓ Make sure to include all possible expenses
- ✓ Put in the budget something for unexpected spending needs.
- ✓ Keep savings out of reach so you do not spend them.
- ✓ Keep track of what you spend.
- ✓ Make sure you do not spend more than is budgeted.
- ✓ If you spend more on one item, spend less on something else.
- ✓ Make a list of ways to cut planned expenses.
- ✓ Get the family to participate in developing and sticking to the budget.

NOTES

SAVINGS 2



Norton Town Council entrepreneurs sharing proceeds from their savings scheme. Photo: Furthermore Gutsa

Objectives

- To know how to save for financial goals.
- To know the different forms of savings.

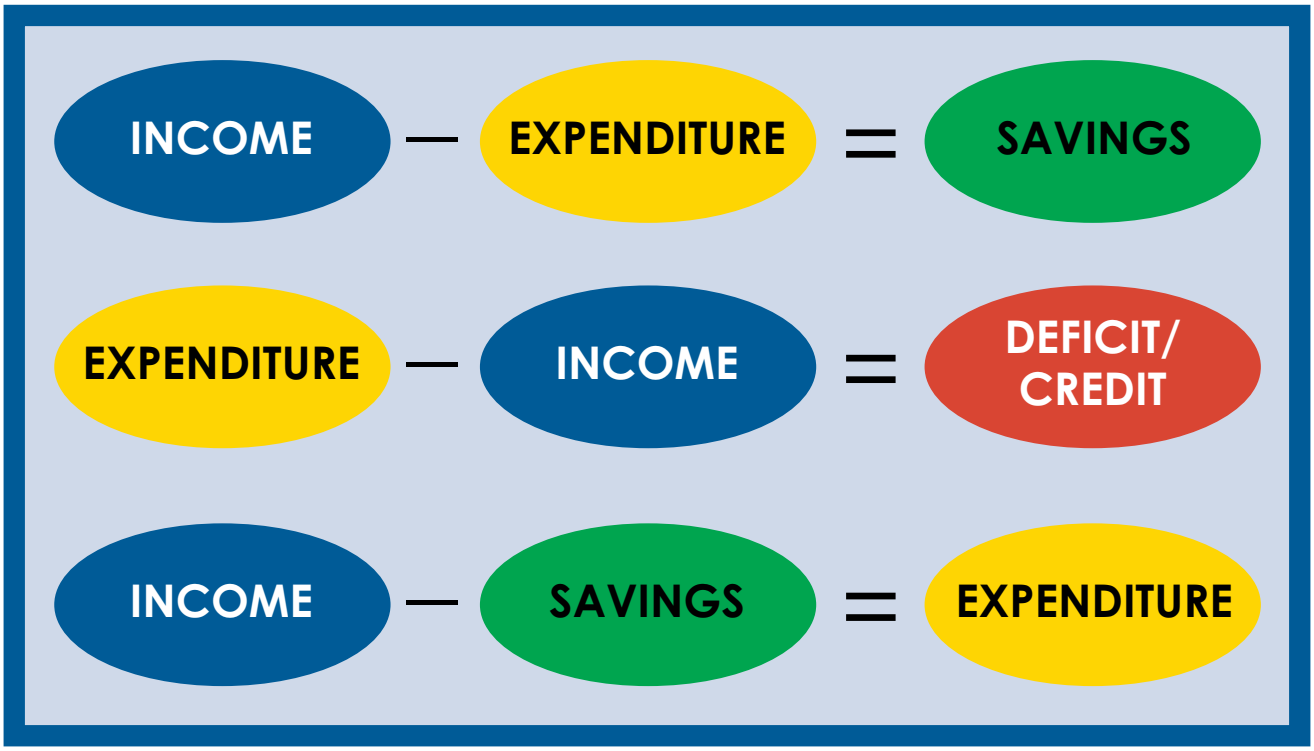
Definition of terms

Savings: Money/ resources that are put aside, and invested for future use.

2.1 Characteristics of saving

- Saving should be planned for to achieve goals.
- Saving should be done regularly over a period of time.
- You may have to miss current luxuries to save for a better future.
- Saving reduces financial stress.
- It is a way of building assets.
- Saving is an important part of money management.
- Try to save at least 10% of your income even if you don't have a specific purchase or investment for which you are saving.
- Saving only works if it is planned for and given priority. Pay yourself first - put 10% of your earnings aside for savings before you spend on anything else. If you can't afford 10%, start with less and increase constantly.

2.2 Saving methods



1. What are the advantages and disadvantages of each way of saving?

2. Which option do you consider to be the best way for saving and why?

2.3 Factors that influence savings

- A safe place to keep savings.
- A good savings plan.
- Discipline to save.
- Family support for the decision to save.
- Motivation to meet personal goals: house, marriage, education, etc.
- A convenient place to save (close to home, easy to get to, etc).
- Interest generated on savings.
- Desire to resist the temptation to spend money on luxury items.
- Size of allowable deposits fits ability to save.
- Willingness to reduce expenses.
- Ability or opportunity to earn more income.

2.4 Financial goals and saving plans

Savings should be linked with a financial goal and a savings plan should be made for each of the financial goals. You should know the cost of your financial goal. To achieve your savings goals, you will need:

- A plan that states each goal;
- The amount of money you will need to achieve that goal; and
- the amount you will save each week or month over a defined period.
- To make this plan, you must look at your income, determine how much you have available to set aside as savings; and
- rank the goals according to importance.

When you save regularly, your money will "grow", as in the table below.

	JANUARY	FEBRUARY	MARCH	TOTAL SAVINGS
Joan	20	20	20	60
Mary	100	100	100	300
John	50	50	50	150

NOTES

TYPES OF SAVING 3



Concept of saving money. Photo: Kathy Manson *https://businessingambia.com/habits-good-money-savers/*

Objectives

- To know factors to consider when choosing the type of saving.
- Types of saving.
- Advantages, and disadvantages of each type of saving.

3.1 Factors to consider when selecting a saving method

Savings are valuable and it is important to have a saving method that secures your savings. Savings can get stolen or lost, lose value, be used to pay debts or debts of others, be used by family members, or not be available due to problems with the financial institution. There are many ways to save, each with its advantages and disadvantages.

The following should be considered when selecting a saving method:

- How easily can you access your savings?
- How convenient and easy it is to save?
- Are there opening deposit requirements for saving?
- How safe it is to save that way?
- Whether they earn interest on their savings.

3.2 Types of savings

- Giving it to someone else to keep or use.
- Buying jewellery.
- Livestock
- Land/ houses
- Depositing money in a bank.
- Buying goods and storing.
- Keeping cash in the house.
- Grain.
- Saving in a Rotating savings and credit association (ROSCAs).
- Saving in an ISAL group.



Exercise

Participants will be put in small groups to discuss the following.

1. What are the advantages and disadvantages of the saving methods that are listed?

2. Which savings methods are safer than others? Why?

3.3 Savings and loans groups formation

Objectives

- To understand the saving and loans groups concept.
- Relevance of savings groups
- To learn how to form and start a saving group.



Definition of savings group

- What is a savings and loan group?
  - A group of individuals (5-12) with similar economic and social backgrounds who come together for self-improvement, empowerment and to achieve their economic goals.
  - Members of savings group should have SMART objectives for forming their group so that they have the right people in the group.

3.4 Membership

Membership to savings groups is self/ voluntarily selected. Every group has a constitution that guided group activities. The groups are member-managed. The activities of the savings groups run in 'cycles' of one year, after which the accumulated savings and profits are shared out among the members according to the amount they have saved. Some cycles can be shorter than one year. Each member should have a passbook in which they record their saving and loans transactions.

3.5 Relevance of savings and loans groups

Savings groups are relevant to members and the community

- Savings help the group to mobilize capital faster.
- It is a convenient and easy way to save in communities.
- Members can access loans on interest rates and other conditions affordable to them.
- To improve access to capital for investment.
- To meet social needs.
- Savings groups help members build self-respect, self-reliance and self-confidence.
- To achieve set financial goals for individuals.
- There is sharing of knowledge, ideas and skills among members.
- Increases economic development in the local area.

3.6 Values of savings groups

Savings group members should come up with values that bring them together. Among values, the following should be valued by group members.

- Unity - common purpose.
- Knowledge sharing - continuous learning and knowledge sharing.
- Confidence Building.
- Trust.



Exercise

In groups:

1. Discuss and list the characteristics of savings group members you would like to work with.

2. Why do you want members to have those characteristics?

Good members have the following characteristic:
- Know each other and be from a similar economic background.
- Not live too far from where the meetings will be held.
- Have a reputation for honesty and reliability.
- Be able to attend all meetings.
- Attend all meetings on time.
- Follow all rules.
- Have a cooperative personality. Someone who is known to create conflict should probably not join.
- Be able to buy at least one share each week.
- Be able to repay loans on time.
- There is only one member from the same household. It is better if members from the same household join different SLAs.

GROUP CONSITUTION 4



Councillor Ngonidzashe Chemhuru reviewing the Women in Local Government Strategy document. Photo: Tapiwa Zvaraya

Objectives

- To appreciate the relevance of a constitution.
- To list key components of the constitution.
- To be able to develop a group constitution.



Definition of constitution

- A set of rules, guidelines or conditions that a group or organization put in place to set out the way it wants to carry out its business or govern relationships
- It is written down.

4.1 Relevance of the Constitution

Savings group members should all participate in the formulation of the group constitution. The Constitution is relevant.

- Allows for smooth functioning of the group.
- Gives group direction towards their objectives and desires.

- Helps members to maintain expected standards.
- Builds unity and bonding of group members.
- Provides guidelines for disciplining and resolving conflict.
- Gives members a formal identity and group status.

4.2 Participation in constitution-making

- All group members should participate in the development of the group constitution as they will be guided by the rules.
- The development of the constitution should be given more time as members need to come up with a constitution that will guide them in decision-making as they do their activities.
- Each member has to sign the constitution to show that they agree to adhere to the rules and regulations.



Exercise

Participants will be put in groups to look at a draft constitution and give feedback in plenary. ***(See Annex A for the draft constitution).***

4.3 Members' adherence to the constitution

The following factors contribute to members' adherence to their constitution:

- Members did not participate in making it (imposed, not consulted).
- The Constitution is too old and no longer relevant to the context.
- Members are not being reminded of the constitution (the group can agree to share sections of the constitution at the monthly meeting to remind each other).
- Each member should have a copy of their group constitution.

LEADERSHIP 5



Councillor Mary Shelton discussing entrepreneurship at the Umguza life skills training. Photo: Loverage Nhamoyebonde

Objectives

- To identify leadership positions.
- To know the roles and responsibilities of each position.

Definitions

Leadership: The ability to guide or direct others

- The Management Committee is elected by the members, who can also dismiss it for poor performance.
- The Management Committee serves for one year, after which a new committee is elected
- (S)he then reviews the qualities needed for each position and the work that each person chosen needs to do, using the tables below:

5.1 Leadership positions for savings groups

Qualities	Responsibilities
Group Chairperson	
• Respected in the community • Confident and calm when speaking in front of others • Treats everyone equally • Listens to others and asks for opinions. • Organised • Always on time	• To call the meetings to order, announce the agenda and lead discussions • To ensure that the meetings follow proper procedure and that the Constitution is followed and respected • To maintain discipline and charge fines as needed • To facilitate discussions and to ensure that everyone's views are listened to • To resolve conflicts • To represent the group to other stakeholders.
Secretary/ Record Keeper	
• Appreciation for adding skills • Writes neatly • Has a reputation for trustworthiness • Always on time	• Ensures that all minutes, transactions for member Share-purchase, loans and loan repayments and Social Fund, everything was done according to the procedure, and that all rules are followed • Records transactions for member share purchases, loan and loan repayments • Reads out the shares, loans and Loan Fund at every meeting
Treasurer	
• Trustworthy • From a household that has a good reputation (no one in that household should be considered unreliable) • Lives in a house with good security • Always on time	• Records transactions for member share purchases, loan and loan repayments • Stands in for the Record-keeper when the Record-keeper is absent
Money counters	
• Able to count quickly and accurately • Trustworthy • Calm and organised • Always on time	• Counts all amounts paid to, or taken from the savings group • Records and informs the Record-keeper/ secretary of the correct amount to be recorded

5.2 Elections for leadership of savings group

- All members have the same rights.
- Nominated candidates must express willingness to be elected.
- The constitution should have a term of office for the management committee e.g. serves for one year after which a new committee is elected.
- An independent facilitator is needed to facilitate elections.
- All members must be present during elections.
- The Management Committee is elected by the members, who can also dismiss it for poor performance.
- Find the most democratic way of holding elections.



SHARE VALUE, CREDIT POLICIES, SOCIAL FUND AND SAFETY OF GROUP FUNDS 6



Zimbabwe Financial Institutes.

Photos courtesy of Zimbabwe Mail and Zimbabwe Women's Bank

Objectives

- To come up with policies on social funds, savings, and loans.

Definition of terms

Shares/savings: What members are willing to pay regularly as members of the group fund.
Share value: The price for a single share.
Loan: This is money you borrow and you will need to pay it back.
Interest: This is an extra amount that you pay for the money that you borrow.

6.1 Share Value, loan Policies and Social Fund

The group members should develop a set of rules concerning how the members of the Group will save by buying shares, how they will take out loans and pay them back, and how they will offer insurance to their members through a Social Fund.

Group Share purchase/savings rules

The group members have to agree on:

- The share value. The amount is too big if one member will have trouble regularly saving at least one share and the amount is too small if members feel that 5 shares will still be too little.
- The maximum shares that each member can purchase per meeting. Generally, at each meeting.
- Each member has the opportunity to purchase between 1 to 5 shares.
- Share purchases/ savings will be done monthly or as agreed by group members to grow their group fund.

Group Loan policies

The group members have to agree on:

- The purposes for which the loans will be used.
- Borrowing will be done once a month:
  - this allows the Loan Fund to build so that members can borrow useful amounts
  - keeps record-keeping simple
- Determine the maximum size of loan that can be taken by a member at any one time e.g. 3 times their savings. This will increase the accessibility of loans to all members and reduce the risk of failure to repay.
- Determine the maximum loan duration. Generally, the maximum loan duration should not be more than 3 months.
- The interest/service change per loan. This is a fee paid to the Group for being able to borrow, but which ends up back in members' pockets at the annual share out. Generally, the interest is paid every month on the loan amount.
  - A service charge that is very low may tempt members to borrow more than they can easily repay. For this reason, it should not be less than 5%.
  - A service charge which is too high will discourage members from borrowing, and make the savings group less useful.
  - A service charge of 10% is easy to calculate (a loan of $200 attracts a monthly service charge of $20).

Safety of group funds

All the money collected during the meeting should be loaned out to members to reduce the risk of loss of group funds. No loan fund will be kept by The group can share out twice a year if the funds are too much to loan out to group members,

Social fund

The group members may wish to create a Social Fund to provide grants to members who encounter serious problems (this is an optional service). The Social Fund is used for grants, not loans and is kept separately from the Loan Fund. The group members should agree on:

- The purpose for which fund will be used and be specific. Grants from the social fund are often made to help with:
  - Funeral expenses
  - Natural disaster damages
  - Stationery
- The amount of regular contributions to the Social Fund should be.
- The grant amount that should be given to assist members when an incident happens should be specified.
- Safety and accessibility of social fund.

The social fund should be readily available for emergencies.



FIRST SAVINGS AND LOANS MEETING 7



Members are reminded of the amount they must all contribute. Photo: Google images.

Objectives

- To learn how to facilitate the first saving and loans meeting.
- To learn how to record savings.

The first savings and loans meeting has the following steps:

Meeting steps	Steps for Share-purchase/savings and first loan disbursement
1. Meeting opening	• The Chairperson calls the meeting to order. • The Chairperson tells the Record-keeper/Secretary to perform a roll call. • The fines bowl is placed in front of the Chairperson so that fines can be collected during the meeting. ***Use the Register template provided - Annex B***
2. Social fund	• The Chairperson tells the Record-keeper to conduct the Social Fund activities and reminds the members of the amount they must all contribute. • The treasurer can be asked to keep the social fund. The secretary and treasurer record the social fund transactions. • The secretary calls each member, to give their Social Fund contributions to the Money-counters. • Money counters confirm that each member has given the right contribution and placed it in the money-counting bowl. • When everyone has contributed, the money counters count the total amount in the money-counting bowl and announce this to the members.

	• The Treasure and Record keeper records this amount in the specific notebook. • A cashbox with at least two locks will be used and the keys will be kept by two members and the cashbox will be kept by a different member for security. ***Use the social fund template provided***
3. Share purchase/ savings	• The Chairperson tells the Secretary to conduct the Share purchase/savings activities. • The Record-keeper calls each member and they buy between 1 - 5 shares, members give the money to the Money-counters and their passbook to the treasurer. • The Money-counters count the money, place it in the money-counting bowl and announce the amount and the number of shares that have been purchased by the member. • The secretary and Treasurer record the correct number of shares in their notebooks. The treasurer confirms member shares by signing the member's passbook. • The member checks if the number of new shares in the passbook is correct and keeps the passbook for the next meeting. ***Use the savings/share template provided***
4. Calculating the loan fund	• The Chairperson then tells the Money-counters to combine the money in the fines bowl and the money-counting bowl and to count it. • The money counters announce the total after counting money and announce the amount. • The Record-keeper then tells the Group loan fund amount and records it in the notebook.
5. First loan	• The Chairperson then invites loan requests, reminding members of the maximum loan term (in weeks) and loan amount (three times the member's savings). • Each member who wants a loan then makes a request out loud to the Group, announcing the amount they want to borrow. • The Record-keeper checks to see that the member has saved at least 1/3 of the amount they want to borrow. If they have not saved enough they must reduce the amount of their request. • The Record-keeper then calculates the total value of the loans requested and announces it. • If the total requested is more than the money available in the Loan fund, the Group must discuss adjustments to the individual loan amounts until all members are satisfied. • Once it is decided how much each borrower will receive, the Record-keeper then enters the value of the Loan taken in the Loan box and interest and enters the total in the 'Total owing' box in the notebook. • The Record-keeper instructs the Money-counters to give the borrower the loan amount from the Money-counting bowl. • The borrower then counts the money, and signs in the treasurer's notebook and the treasurer signs the member's passbook. • This process is repeated until all loans have been issued and all the money has been loaned out. ***Use Loan taken and Loan repayment template provided - Annex E***
6. Closing the meeting	• The Chairperson invites members to discuss any other subject that may be of interest. • The Chairperson announces the date and time of the next meeting. • Once the discussion is complete, the Chairperson closes the meeting.



Exercise

Participants will role-play savings groups for all the meeting steps.

8 FIRST LOAN REPAYMENT MEETING



Beitbridge Municipality waste management entrepreneurs in a group discussion. Photo: Loverage Nhamoyebonde

Objectives

- To learn how to facilitate a loan repayment meeting.
- To learn how to record loan repayments.



The meeting for the first loan repayment has the following steps:

Meeting steps	Steps for Share-purchase/savings and first loan disbursement
1. Meeting opening	• The Chairperson calls the meeting to order. • The Chairperson tells the Record-keeper/Secretary to perform a roll call. • The fines bowl is placed in front of the Chairperson so that fines can be collected during the meeting. ***Use the miscellaneous record book provided - Annex D***
2. Social fund	• The Chairperson tells the Record-keeper to conduct the Social Fund activities and reminds the members of the amount they must all contribute. • The treasurer can be asked to keep social fund. The secretary and treasurer record the social fund transactions. • The secretary calls each member, to give their Social Fund contributions to the Money-counters. • Money counters confirm that each member has given the right contribution and placed it in the money-counting bowl. • When everyone has contributed, the money counters count the total amount in the money-counting bowl and announce this to the members. • The Treasure and Record keeper records this amount in the specific notebook. • A cashbox with at least two locks will be used and the keys will be kept by two members and the cashbox will be kept by a different member for security. ***Use the social fund template provided***
3. Share purchase/ savings	• The Chairperson tells the Secretary to conduct the Share purchase/savings activities. • The Record-keeper calls each member and they buy between 1 - 5 shares, members give the money to the Money-counters and their passbook to the treasurer. • The Money-counters count the money, place it in the money-counting bowl and announce the amount and the number of shares that have been purchased by the member. • The secretary and Treasurer record the correct number of shares in their notebooks. The treasurer confirms member shares by signing the member's passbook • The member checks if the number of new shares in the passbook is correct and keeps the passbook for the next meeting. ***Use the savings/share template provided***
4. First loan repayment meeting	• The Record-keeper confirms the identity of the borrowers and the amount due from each borrower. • Each borrower gives their repayment to the Money counters. • The money must not be less than the service charge due. • The Money-counters count the payment, announce the amount and place it in the Money-counting bowl. • The treasurer and secretary enter the repayment amount in their notebooks. • The Record-keeper and the treasurer calculate the remaining balance due and enter it in the 'Balance' box. The member passbook should be updated and signed accordingly. The Record-keeper then calculates the service charge due in the next meeting and fills in the 'Total owing' box. • The borrower confirms the total owing by signing in the space provided. • If the remaining balance due is zero, the treasurer signs the passbook and announces that the loan is repaid, cancelling the loan with a diagonal red line drawn through the loan record. ***Use Loan taken and Loan repayment template provided - Annex E***

5. Calculating the Loan Fund balance	• When loan repayment is complete, the Chairperson then tells the Money counters to combine the money in the fines bowl, savings and loan repayments and to count it. • The Money-counters count the money in the Money-counting bowl and the Record-keeper announces the amount to the Group. • The Record-keeper announces to the group the total amount available for lending in the meeting. • The secretary and Treasurer record the total amounts in their notebooks.
6. Loan	• The Chairperson then invites loan requests, reminding members of the maximum loan term (in weeks) and loan amount (three times the member's savings). • Each member who wants a loan then makes a request out loud to the Group, announcing the amount they want to borrow. • The Record-keeper checks to see that the member has saved at least 1/3 of the amount they want to borrow. If they have not saved enough they must reduce the amount of their request. • The Record-keeper then calculates the total value of the loans requested and announces it. • If the total requested is more than the money available in the Loan fund, the Group must discuss adjustments to the individual loan amounts until all members are satisfied. • Once it is decided how much each borrower will receive, the Record-keeper then enters the value of the Loan taken in the Loan box in the notebook) and Service charge and enters the total in the 'Total owing' box in the notebook. • The Record-keeper instructs the Money-counters to give the borrower the loan amount from the Money-counting bowl. • The borrower then counts the money, and signs in the treasurer's notebook and the treasurer signs the member's passbook. • This process is repeated until all loans have been issued and all the money has been loaned out. ***Use Loan taken and loan repayment template provided***
7. Closing the meeting	• The Chairperson invites members to discuss any other subject that may be of interest. • The Chairperson announces the date and time of the next meeting. • Once the discussion is complete, the Chairperson closes the meeting.



Exercise

Participants will role-play savings groups for all the meeting steps.

NOTES

SHARE OUT 9



Bulawayo City Council entrepreneurs calculating the profit margins. Photo: Loverage Nhamoyebonde

Objectives

- To learn how to conduct a share-out meeting.
- To learn how to calculate share-out.

Meeting steps	Steps for Share-purchase/savings and first loan disbursement
1. Share-out	• The Social Fund is counted, the amount announced and put away. It does not get shared out. • Loan repayment and fines money for the meeting is combined with the Loan Fund. • If any member still owes the Group money, that amount is recovered by cancelling the number of shares in his/her passbook that equals the value of the amount owing. • Money Counters count the Loan Fund • The Record-keeper counts the total number of shares for the group • The Record-keeper uses the Calculator to divide the total of the Loan Fund by the total number of shares. This determines the value of a single share. It should be written down to three decimal places (for example, USD 756.244). • The Record-keeper multiples the number of shares for each member by the value of one share. • (S)he then announces the number of shares and the amount, rounding down to the lowest unit of currency. (S)he then asks the Money Counters to put the amount into the passbook of each member until all members have their correct share-out. After that, each member receives their money. It is very important that every member's money is placed in their hand. • Once the process is complete, there will be a small amount of money remaining due to rounding, but there should not be a shortfall. If there is a shortfall, the process is repeated until the amounts are correct. Any small amount remaining is put in the Social Fund/ or for the purpose that the group agrees to.

2. Preparation for the next cycle	• After completion of each cycle, the group members should do the self-assessment exercise by completing the Performance Review template. ***See the Performance Review template provided.*** • At this point, any member who wishes to leave the group should be free to do so. • New members can now be allowed to join if all remaining members agree • The election of the new leadership is done during this meeting. • The continuing members now decide on the share price for the next cycle. • If the group wishes to establish seed capital to initiate the next cycle, they should do so. All members may contribute whatever amount they wish, and it can be more than 5 shares on this one occasion, using the new share value. • The number of shares is recorded in the notebooks of the treasurer and secretary and the passbook of each member. • The Money-counters count the seed capital and place it in the Loan Fund. • The Chairperson announces the amount and explains that this is the balance of the Loan Fund to start the next cycle. • The Chairperson then invites loan requests, reminding members of the maximum loan term and loan amount (three times the member's savings). • Each member who wants a loan then makes a request out loud to the Group, announcing the amount they want to borrow. • The Record-keeper then calculates the total value of the loans requested and announces it. • If the total requested is more than the money available in the Loan fund, the Group must discuss adjustments to the individual loan amounts until all members are satisfied. • Once it is decided how much each borrower will receive, the Record-keeper and Treasure then enter the value of the Loan taken Loan and interest and enters the total in the 'Total owing' box in the notebook.
3. Closing of meeting	• The chairperson will announce that in their next meeting, the group members will revise their constitution, which new members must sign. • The Chairperson announces the date and time of the next meeting. • Once everything is completed, the Chairperson closes the meeting.



Exercise

Participants will role-play share out for all the meeting steps.

SAVINGS GROUP PERFORMANCE REVIEW 10



Murewa RDC entrepreneurs in a group meeting. Photo: Loverage Nhamoyebonde

Objectives

- To be able to assess group maturity.
- Know the components used for measuring the maturity of Savings and Loans groups.
- Understand the 4 growth stages of the SG.
- For participants to be able to carry out a self-assessment performance review of the group.
- To identify strengths and areas that need improvement.

10.1 Group maturity components

The following components are used for measuring savings group maturity:
- Objectives,
- Governance,
- Resources,
- Systems
- Impact and sustainability.

Objectives

The component helps the group to have clear objectives. This helps the group to function as a single unit as they will be focusing on the same goals. The component focuses on:

- The reasons why the group was formed.
- Shared objectives amongst group members.
- This helps the group to function as a single unit as they will be focusing on the same goal.

Governance

The component focuses on:

- Group management and orderliness.
- The existence of a constitution and adherence by the whole group regardless of status.
- The groups' leadership structure and how it came to existence, and whether the leaders have received any form of training.
- Transparency and reference documents to enable a good flow of activities such as minutes of every meeting conducted and/or all financial records.
- Decision-making processes.
- Unity of group.
- Transparency and accountability.

Resources and resource mobilization

The component focuses on:

- Sustainable group activities in savings and loans.
- Regularity of saving and loans.
- Types of enterprises being run by members.

Systems

The groups need transparency and reference documents to enable a good flow of activities. The systems component focuses on ensuring a good flow of activities within the group. The groups should keep records that meet minimum standards which include completed records, easy-to-follow, and up-to-date records. E.g. minutes should be written in full, easy to follow and should be written at every meeting as agreed. Most of the groups can have group activity records (registers, minutes, savings, loan and loan repayment records etc.) but these are not to standard.

The component requires responses to these questions.

- The standard of the group's activity reports minutes, savings loans and loan repayment records.

- How does the group interact with key stakeholders?

- Does the group regularly monitor, evaluate, reflect, assess, and review the progress and impact of its activities and use the results/information to refine the way they do things?

- The following records should be kept by the groups:
  - Registers.
  - Minutes of meetings.
  - Savings.
  - Loans.
  - Loan repayments.

Impact and sustainability

The component focuses on the impact that the group has on the individuals in the groups and the community that they operate in.

- Improvements in standards of living.
- Growth of enterprises.

10.2 Growth stages of saving and loans groups and their characteristics

The savings group maturity passes through four stages of development and each stage has its own characteristics, namely:

- Infancy/ Formation Stage.
- Growth medium Stage.
- Managed Stage.
- Mature Stage.

Infancy/Formation Stage Characteristics

The characteristics of the Infancy stage are:

- The group, either has no objectives for forming a savings group or the objectives are not clear
- Plans to achieve those objectives are sometimes sketchy or not there.
- The group usually has no constitution or the constitution is there but it's rough or unwritten and it's not clear to all the group members.
- There is usually selective adherence or no adherence to the Constitution.
- The group might not have a leadership structure or it is there but not democratically selected and the group members are not clear on its roles.
- There is usually no consultation of members in decision-making and participation in planning.
- The group usually experiences interpersonal problems and in most cases, there is no known method of conflict resolution.
- There is usually no proper record keeping of minutes and financial records.
- There is no positive impact on members or the group has an impact on a selected few members.
- In most cases, such a group has high turn-over as most of the group members are always disgruntled.
- Typically, this group has no mechanisms to overcome shocks, as in most cases, the group members have no enterprises.

Growth Stage Characteristics

The characteristics of the Growth stage are:

- The group's objectives are usually not clear to all the members.
- The activity plan lacks clarity.
- The group usually has a draft or an unwritten constitution which in most cases is not adhered to or there is selective adherence and low enforcement.
- The selection of group leaders might not be democratic and their roles might also be unclear.
- Average levels of participation and consultation of group members.
- Group cohesion and conflict management is sometimes an issue.

Managed Stage

The characteristics of a Saving group in the managed stage are:

- The group has clear and shared objectives and defined plans which are sometimes not fully implemented.
- The group's activities will be aligned with its objectives and objectives are reviewed but on an ad hoc basis.
- The constitution of a group in this category is well-written and clear to all the group members. In most cases, the constitution is certified by authorities.
- The group will have democratically elected leaders who, in some instances, are in the process of undergoing capacity building through some technical support.
- Group leaders highly consult the members when making decisions and when planning.
- There are a few cases of interpersonal problems within the groups.
- Regular saving and loan activities are taking place.
- The groups have organised record keeping (financial records and minutes of proceedings).
- The group's impact on the individual members and the community is high.
- Group members are happy to be part of the group.
- Very low member turnover.

Maturity Stage

This is the optimal growth stage for the Saving group. The characteristics of the mature stage are:

- The group's objectives are well-defined, articulated and shared.
- The group also has well-crafted plans to meet its objectives.
- The objectives are regularly reviewed, at least annually.
- The group has a well-written constitution which is clear and certified by authorities. The group members adhere to the constitution and enforcement is not selective.
- The leaders would have been democratically elected and their roles are clear to everybody.
- Leaders consult group members before making decisions and when planning.
- There are regular saving and loaning activities.
- There are minimal incidences of interpersonal problems and measures are in place to resolve conflicts. A group within this category has excellent record-keeping skills and has standard financial records, asset registers, and minutes.
- The group interacts with stakeholders who provide it with technical backstopping.
- In most cases, the group reviews its activities, to align them with its changing needs.
- The group's positive impact on the individual members and the community is very noticeable. The group members are highly satisfied and there is very low turnover.
- The group has regular savings and lending activities and achieves what it planned and targeted or budgeted.
- The group members have diversified enterprises which complement and back up each other in case of shocks.

10.3 Group Self-Assessment Performance Review

After completion of each cycle, each savings group is encouraged to do the Self-Assessment Performance Review exercise before beginning a new cycle to review performance and improve in the next cycle. The group members will invite an independent facilitator for the review and the group members respond to questions and score themselves. The assessment helps the group members to:

- Identify where they are performing well for continuous improvement.
- Identify weak areas that need strengthening.
- Causes of the weakness.
- Plan to address areas of weakness to improve performance.

In plenary, the facilitator will go through the Performance Review template with participants focusing on the following sections that will be assessed by savings groups:

- Section A: Savings Group Identification and member demographic information
- Section B: Savings Group objectives
- Section C: Governance
- Section D: Resource and Resource mobilisation
- Section E: Savings Group systems
- Section F: Impact & Sustainability of Association's Activities

Refer to the Self-Assessment Performance Review Template

10.4 Group maturity levels

The results of the self-assessment will fall into the following categories:

Group Maturity level	Group Maturity Scale	Group Growth Stage
Low	0%-39%	Infancy/Formation Stage
Medium	40%-59%	Growth Stage
High	60%-89%	Managed Stage
Optimal	90%-100%	Mature Stage



Exercise

1. Using the formed Savings groups, the participants will carry out a self-assessment Performance review.
2. The participants will plan for improvement of identified areas that need strengthening using the work plan template below:

Work plan to address areas that need improvement

Identified area	Proposed action	By when

RISK MANAGEMENT IN SAVINGS GROUPS 11



Women in Zimbabwe use mobile banking as a safe way of banking.
Photo: Gender Links

Objectives

- To know the possible risks for savings groups.
- To plan for the mitigation of risks.



Definition of terms

Risk: It is the possibility of a loss due to unexpected events.
Risk Management: Risk Management is the process of identifying risks to which your business is exposed and developing strategies for reducing the impact of the risk on your business.

11.1 The importance of risk management

- Helps in informed decision-making.
- It helps to identify potential risks that can affect the savings group objectives.
- It helps savings group members to prepare for potential risks.
- It helps the savings group in dealing with potential risks.
- It increases the confidence of group members who are participating.
- It helps in planning for the future.
- Demonstrates leadership.
- It reduces losses to the group members.

11.2 Types of Risks

- Theft.
- Fire.
- Death
- Loss of records.
- Economic instability.
- Reputation Risk. Reputational risk refers to the damage that could be done to a group's reputation.
- Legal Risk relates to the legal consequences of operating a savings group. These include things such as lawsuits, fines, and penalties.
- Political Risk. the risk of political instability in your country or region. This could lead to changes in government regulations, which could impact your business.
- Social Risk. Social risk refers to any risks that arise from interacting with society. These risks may be caused by discrimination, harassment, or violence.

11.3 Risk response strategies

The following are risk responses that can be used to handle the enterprise risks that will be identified. Each risk response strategy has advantages and disadvantages:

- Avoid the risk - This happens when the risk is so severe that the best way to deal with it is to eliminate it. This is the most effective way of dealing with threats. It allows you to prevent losses by avoiding the activity that may cause them.
- Reduce the risk - If you do not want to avoid it altogether. This involves taking steps to minimize its impact. This is usually the most common strategy and can be used with several risks. You can continue with all the activities while putting measures in place to mitigate their impacts. However, you may still end up suffering the loss that you fear if your controls are ineffective.
- Transfer the risk - This is closely connected to the concept of insurance. An insurance contract transfers risks from one party to the other but with payment in return. You can share many of your risks with an insurance company while in business. This strategy applies to risks that have an enormous potential impact provided that you settle on a cost-effective policy.
- Accept the risk - This is a conscious decision of acknowledging the possibility of small or infrequent risks. The Entrepreneur will accept a certain level of risk without taking steps to hedge, insure, or avoid those risks.



Exercise

The participants will be put in groups to discuss the following:

1. What are the possible risks in savings groups?
2. What measures will you implement to mitigate/ reduce risks?
3. Use the work plan below:

Work plan to address areas of risk

Risk	How likely?	How often?	What effect?	Actions

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