



CLA chairlady providing training to self-organized SHGs. Mogadishu , 2019.



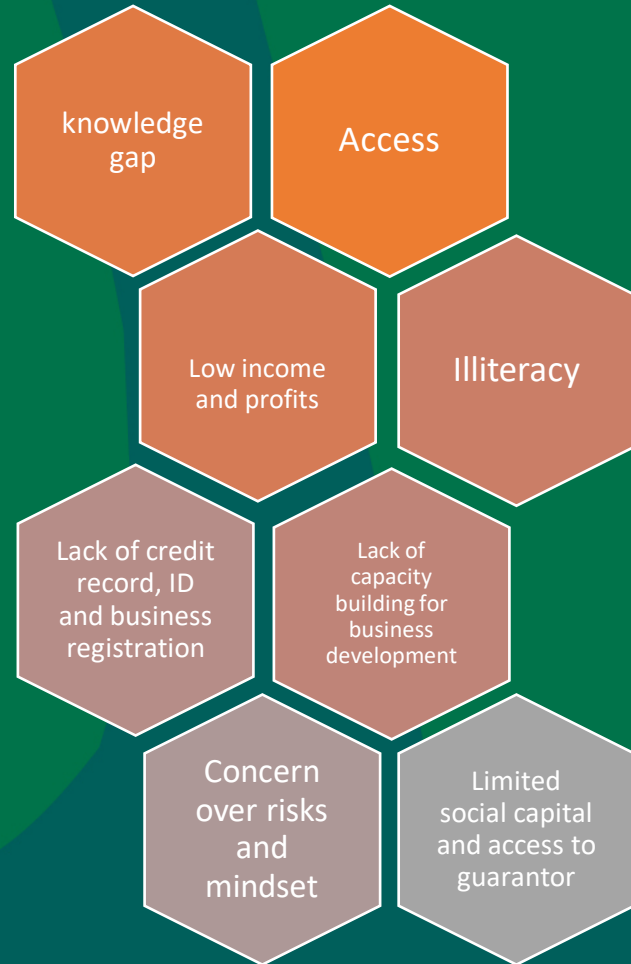
Cluster Level Associations (CLAs): A sustainable and innovative model for women socio-economic inclusion in Somalia

Monthly Meeting 'Economic Inclusion Exchange Working Group' – Financial Inclusion for Displaced Populations

1st to 2nd April 2021

“ Mapping of financial services for SHGs and barriers for women to access microfinance service in Somalia” (Concern, May 2020)

On the women's side :



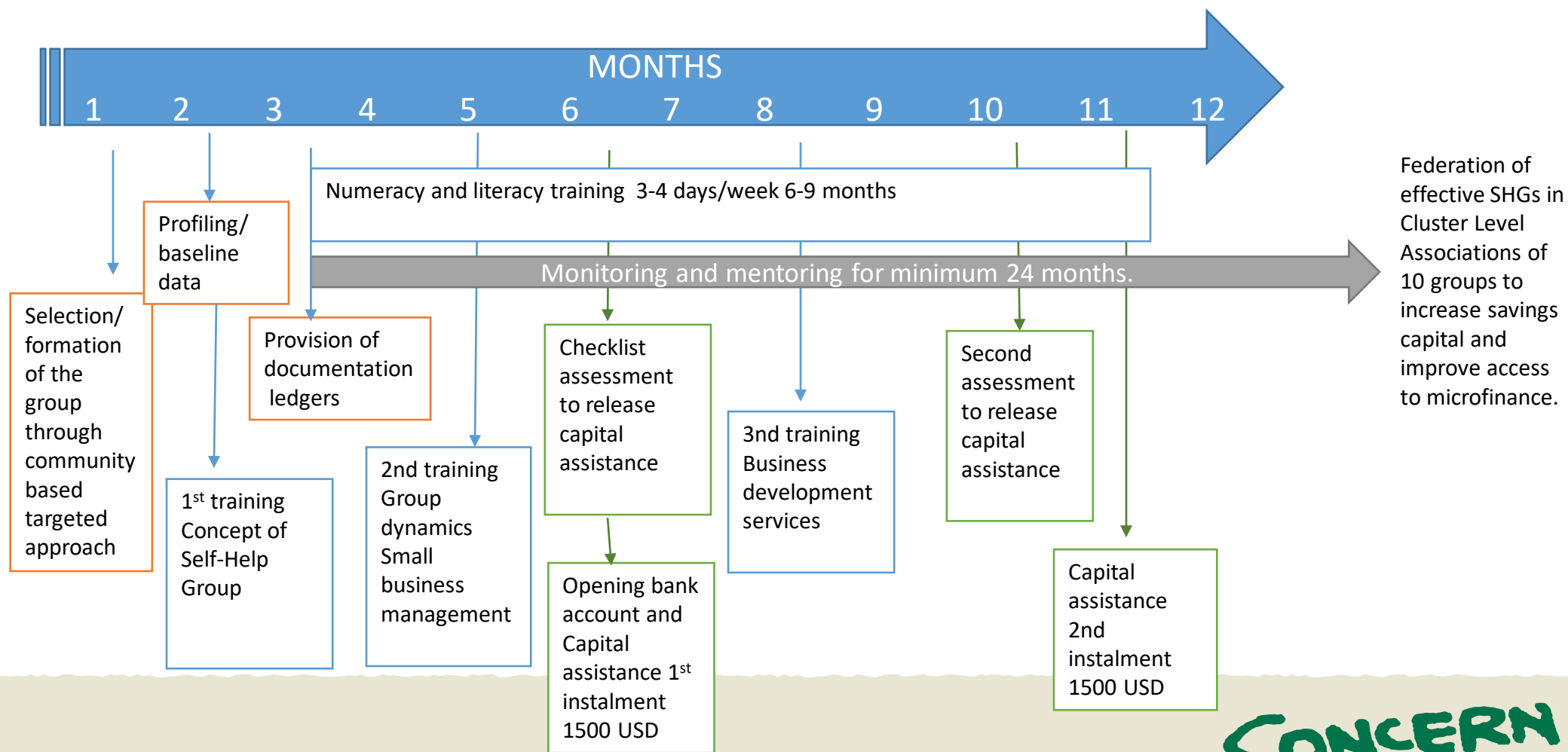
On the side of banks/MFIs:



Concern experience with SHGs in Somalia

- 2007: First 26 SHGs of 10 members per group supported in Lower Shabelle, based on the MYRIADA model from India.
- 2010: External End-line evaluation report highlights success of the SHGs in enhancing the livelihoods of their members and the SHG model is replicated in other areas.
- 2007-2020: Concern supports total of **313 SHGs** involving a total of **4,800 members** in urban areas of Mogadishu and rural areas of South West state, Jubbaland and Somaliland.
- Performance monitoring showed SHGs are sustainable, maintain regular meetings , adopted habit of savings, provide loans to members, increased income and improved their living conditions.
- 2017-2020: Three **SHG Cluster Level Associations** in Mogadishu emerged with strong potential for SHG growth, sustainability and scale-up of resilience outcomes.

Self Help Group training, coaching and cash grant cycle



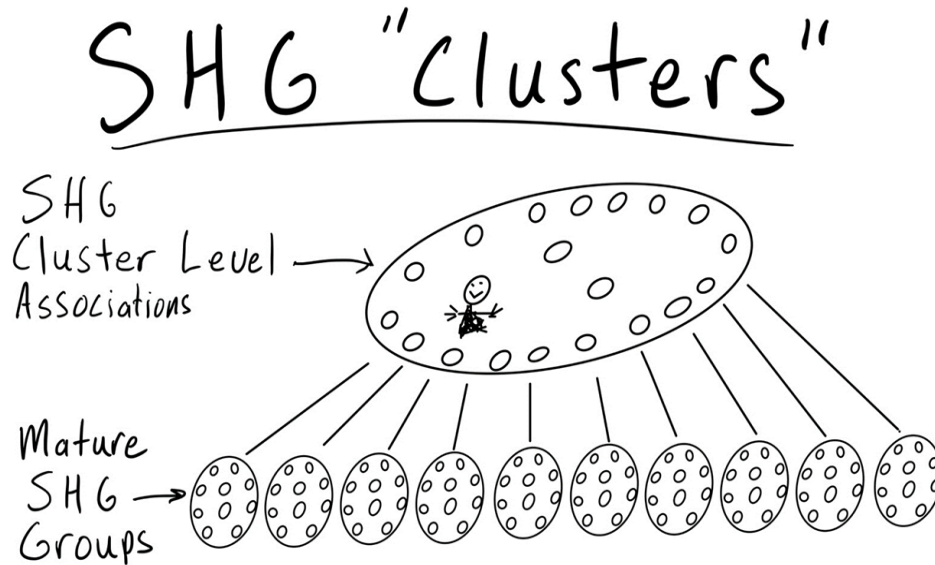
CLA Model Success. Proof of Concept.

INPUTS 2017-2018

Capacity building in group dynamics, savings management, business development

Cash injection to CLA
\$25,000

CLA pilot model: Dadihiso CLA



OUTCOMES 2020

1) CLA performs as a sustainable micro-finance service provider

By-laws (rules & regulations) to manage the fund in a transparent way and established different committees to manage a Sharia compliant loan revolving fund.
From February 2018- December 2020:

\$91,400 issued in 410 loans to women borrowers from SHGs and non-SHG members

96% of loans invested in business /IGA. Average loan amount \$ 223

\$8,760 increase in capital from 5% and 10% profit on loans repayment (free for returnees/ highly vulnerable women)

10.07% default rate (mostly during C-19)

\$33,050 current CLA capital

2) CLA contributed to scale up SHG model by mentoring and training 4 self-organized SHG including 20 women returnees

3) CLA gained influence and recognition in the community, advocating for improved access to basic services in the urban poor pockets of Mogadishu and for poor women access to formal micro-finance services.

REPLICATION :

Danwadaag CLA and Daruuro CLA , each received a seed cash injection of \$ 15,000 USD in April and November 2020.

During 2020, Danwadaag CLA issued 20 loans amounting to \$4,000 and Daruuro CLA issued 20 loans amounting to \$6,000.

TOTAL 3 CLAs :

Provided 450 loans amounting \$101,400. Profit of \$9,750.

Currently total capital of the 3 CLAs : \$64,750 vs \$ 55,000 original cash injection.

Inspired from personal stories



Started with \$150 loan grant from SHG to start a vegetable business. Household previously depended on daily food support from neighbors. Average monthly income of **\$100**.

Took a second loan of \$200 from SHG and invested in a tailoring machine. Along with her vegetable selling business she took advantage of increased demand for tailoring and utilized her previously acquired tailoring skills to earn extra money. HHs average monthly income increased to **\$150**

Built a permanent shop structure and took a loan of \$300 from CLA Dadihiso to buy a clothing stock. Average monthly income increased to **\$210**.

Exposed to a wider platform for sharing socio-economic issues. Increased access to greater loans and investment information available in the community.



July 2019

Today

Scale-up the SHG-CLA model through a Women's Saving Group Hub

The Hub aims to be the first saving group networking and learning platform in Somalia led by members of women SHG federations (CLAs).

OBJECTIVES :

GOAL

Empower women and reduce the barriers to women's social and economic inclusion in Somalia

1. Disseminate evidence and learning on SHG & CLA model to promote scalability and replication in Mogadishu and other regions of Somalia
2. Strengthen and diversify members' business activities through BDS.
3. Popularize and replicate the process of lending through CLAs as alternative source of micro-finance
4. Reduce barriers for women entrepreneurs to access formal micro-finance services
5. Advocate for formal micro-finance products accessible for women entrepreneurs, SHGs and CLAs.
6. Raise awareness on key issues affecting women and promote behaviour change
7. Enhance women's agency, group self-support and positive mind-set.



THANK YOU

MAHADSANID