# Shumsheha site-specific topic: Village savings groups

[Savings Group Chairperson 1](#_Toc440540538)

[Savings Group Secretary 1](#_Toc440540539)

## Savings Group Chairperson

The saving association was established in 2010 by AMELD. Members save 10 birr per month. They are 20 of which 11 are female and the other nine are male. AMELD has given training on the purpose of saving for 20 people and paid an allowance of 20 birr per day. AMELD has also given them exercise books, box, pencils, a registration book, and other things which helped them to commence the association.

They give 50 birr to people like those whose home is destroyed, who have cattle disappearance, who are patients, or who have a death in the family, as an insurance. PLAN International donated 8500 birr and 5 quintal flour prepared for schools and health centres and promised to pay 1700 birr per quintal. The association profited 4500 birr. The profit was divided among the members and they received 350 birr each; most of the members got 700 birr as they are spouses. The profit comes from the service the members given to PLAN International by preparing flour for school and health centre children’s feeding.

The membership consists of 20 individuals. People used to fear it as they thought it was meant to take all their money. Currently, the misunderstandings have been cleared up and most people have started to join and make their own association. Now there are around 11 groups in the kebele constituting 18-20 members.

The members can get loan service. It has 5 birr interest for 100 birr. In 2011 they agreed to make it 3 birr per 100 birr. The procedure is, first, the person should write an application and is then required to bring two sureties. The rule is that a person must return the loan in 3 months. There are different reasonable penalties such as a person who is late shall pay 0.25 cent, each day late. Currently, 1400 birr is given as loans. The association has five executive officers. It has great purposes such as enabling life to be budgeted in buying meals and clothes for the children, and buying cattle such as goats. The association did not report any debt.

The criteria are that, everyone who is willing to participate and has a financial capacity to contribute the given amount of money monthly could be a member of a village saving and credit association. The members of village saving and credit association groups are beneficiaries of the saving and credit service. When members take credit they will be charged an interest rate of 3%. Most of them get the lesson of saving and its advantages.

It needs group work. They are trying to look for an organ who can give loan service for a better purpose. Their future plan is to have business in cereal crops.

## Savings Group Secretary

Two NGOs known as PLAN International Ethiopia and AMELD together introduced village saving providing saving boxes for those who establish the association. The different associations in the kebele have their own working agreements. As the result of this, some groups saved for one year and shared the money among themselves and some others continued saving for an undetermined period. Most of the association provide credit service to members with interest.