



# Sharing Your Compassion

LAUNCHING COMPASSION'S PARTNERSHIP  
WITH HOPE INTERNATIONAL  
COMPASSION INDONESIA

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Compassion International and HOPE International have entered into a three-year partnership to equip local churches with a savings group ministry that can serve both registered children and their caregivers. The savings ministry provides training and skills in the areas of financial literacy, improved household economic stability, self-governance, leadership and biblically-based discipleship. The savings of the group come from the group members themselves and, while a Compassion member will oversee the initial group training, all savings groups are self-governing, abiding by the rules they agree upon at the beginning of their program. Inherently furthering the mission of Compassion through youth development, local resources, and ministering to the whole family, this program has been enthusiastically received by many Compassion National Offices.

This project will support Compassion Indonesia as they launch the first savings group ministry project among Compassion church partners and their families over the next three years.



## PROJECT CONTEXT AND MODEL DISTINCTIVES

Savings groups are strong ways of building social trust and local leadership. They encourage the idea that the people themselves are the key to solving their own problems, rather than handouts or looking to outsiders for aid. Savings groups encourage people to turn to one another for help and see themselves as capable of financial independence.

A leader in this type of ministry, HOPE International has been implementing a new partnership model called SG (Savings Group) Multiply. HOPE's partnership model was both realistically evaluated and enthusiastically received by Compassion staff and has stringent criteria for partnership that includes being Christ-centered and working exclusively to

equip churches for ministry. This calling to expand kingdom impact and scale economically within the context of the local church are a perfect fit with Compassion's mission and methods.

Unlike MFI's (microfinance institutions), church-centered savings groups like the one HOPE is proposing avoid third-party lending and other MFI features that have presented difficulty to Compassion's church-based model in the past. Moreover, church-centered savings groups align very strongly with current and emerging Compassion trends including but not limited to:

- Increased emphasis on the family as a key component in beneficiary outcomes

- Youth/adolescent development strategies, especially around discipleship, leadership opportunities, social interaction and financial literacy
- Using partnerships as a way to help Compassion do what it does best while leveraging others' experience and work to benefit the wider context of the child
- Fostering a "developmental mindset" by involving beneficiaries and their caregivers in their own development

While based on VSLAs (village savings and loan associations), HOPE uses a modified Chalmers curriculum<sup>1</sup> that is biblically-based and discipleship-infused. Their newest curriculum features more interactive Bible study time based on discipleship bible studies and also features significantly simplified facilitator manuals. There are also strong spiritual and social aspects of savings groups. One pastor summed

it up this way: "In church, the pastor preaches. In the groups, the people discuss." Many pastors and group members speak of how HOPE's approach to discipleship allowed them to learn and practice prayer as well as study their Bibles in a way that traditional church in their context did not foster as much. Finally, two key defining aspects of HOPE's model are that:

- Group loans during the savings cycle typically go to short-term business and investment opportunities while end-of-cycle payouts go to more lump-sum, quality-of-life improvements such as school fees and home upgrades.
- The self-governance of groups is emphasized and observed. Groups create their own charter and by-laws and pastors are strongly discouraged from being group facilitators to avoid conflicts of interest.

## ALIGNMENT BETWEEN HOPE INTERNATIONAL AND COMPASSION INDONESIA

In Indonesia, we have 369 Frontline Church Partners and more than 80,000 beneficiaries. Our role is to equip our church partners to do holistic child development aimed at physical, cognitive, social, emotional and spiritual growth. We also encourage church partners to develop children and their parents/caregivers in knowledge and skills in related areas in order to make a greater impact in the children's lives such as health care, child protection, and vocational training. This includes household financial management.

Because of the shared mission as followers of Christ, Compassion Indonesia will partner with HOPE in order to further equip local churches to serve their communities. HOPE International's mission is to invest in the dreams of families in the world's underserved communities as we proclaim and live the gospel. HOPE pursues its mission through discipleship, biblically-based training, savings, and

small loan programs, both through programs owned/ managed by HOPE as well as through relationships with like-minded organizations.

This mission and strategy of HOPE and their Savings Group ministry directly supports two strategic goals of Compassion Indonesia:

1. Capacity building and local resource mobilization
2. Enhancing youth development programs of our church partners

Because Compassion Indonesia doesn't have direct and strong experiences in Saving Group initiatives, we are partnering with HOPE International in order to receive training and practical counsel and assistance in order to help our church partners embrace and integrate Savings Groups into their ministry.

<sup>1</sup> <https://www.chalmers.org/our-work/intl-savings-group-training/>

## PROJECT NEED

This project responds to two distinct needs: the need of families living in extreme poverty to understand and manage money with Biblically-based knowledge and tools; and the need of these same families to be supported by the local church as they put their knowledge into practice.

Regarding the first need, in Compassion Indonesia's work with the most impoverished children and communities, they have seen that one of the most significant problems families face is financial planning, knowledge and responsibility. Many families fall into debt when they do not have sufficient income and do not have enough discipline to manage their finances. When families have more debt and have to work hard and long hours, this negatively affects their ability to care for their children. In the past, when we conducted income-generating activities in several

church partners, we saw a significant improvement in participating families' household incomes. At the same time, we found that saving money was one of the most difficult things to do – yet it is an essential piece of ending the cycle of poverty.

In terms of the second need, Compassion Indonesia needs to build capacity of church partners to help young people understand the basic principles of managing money, credit and saving. This is actually an essential component of Child Development Outcomes in Cognitive Development. Without the church environment to support the acquisition and use of such knowledge, family units are not able to fully engage in Biblical financial management and escape the cycle of poverty.

## PROJECT PLAN

Compassion Indonesia leadership team learned about SG and visited churches already operating SG with HOPE International's model. They saw how this model could certainly help a family in poverty to stabilize their income earning potential, help them overcome cost of living challenges, and manage their finances overall. Compassion believes that if the church fully integrates the SG ministry into their church ministry, they will also be able to strengthen the discipleship process in their own church and SG ministry could contribute to the sustainable economy of the local churches and even extend to their communities.

Given the cultural and contextual realities of Indonesia, we plan on promoting the new concept of this saving group with HOPE in a cluster level of Compassion Indonesia by training specialists who will be trained by HOPE International. Training

activities are projected to start in Spring 2019. This initial training will educate the church partners and provide an opportunity to ask questions of HOPE International and Compassion staff to help the church partners understand the idea of savings groups with HOPE before deciding to join this program.

After the training, Compassion Indonesia will select church partners to begin the savings group ministry on a small scale as a pilot initiative. This will allow us to learn and see the effectiveness of the work before expanding to the larger scale. We will translate the curriculum and manuals from English to local languages, training Compassion Indonesia staff as the Master Training Team as well as representatives of church partners who are interested in running a savings group in their ministry.

HOPE's involvement throughout the process will be the following:

- A 1-2-week design trip where HOPE facilitates a strategy for church-based saving groups;
- After the strategy is refined, HOPE will return to the office for a 1-2 week implementation planning session and more detailed work will include church partner involvement;
- During the strategy and design phases as well as 12 months after implementation, HOPE hosts monthly consulting calls (or more frequently if needed) for ongoing support, advice and capacity building of our staff
- The foundation of implementation is use of HOPE's RESTORE Savings curriculum (adapted from Chalmers

curriculum) which is biblically-based discipleship, applied for small group savings and economic empowerment

- The goal is for the national office to be equipped to then operate the ministry as part of their existing program. HOPE is not an outsourced provider who runs these groups on our behalf; it is a ministry that HOPE equips Compassion to do and then Compassion equips the local church.
- Depending on local needs, HOPE may engage more or less with Compassion staff.

We project having at least five church partners implement the savings group program with HOPE International in the first year in Indonesia and satellite programs in second year.

## PROJECT OBJECTIVES AND EVALUATION PLAN

The primary goal of this project is that beneficiaries, caregivers, a church partner's staff and other church members (including community members) will build a solid financial foundation and be able to support themselves as well as others in their groups. With this overarching goal in mind, the Savings Group (SG) Launch project has the following objectives:

- Compassion Indonesia Training Specialists will be certified as lead trainers for the SG ministry.
- Compassion Indonesia will become a catalyst of children and youth discipleship ministry through SG and focal point in the local churches.

Church partners will be fully equipped to implement the SG ministry in their own church.

Church partners own and use the SG ministry to sustain Holistic Child Discipleship in their context.

## EVALUATION (SUCCESS INDICATORS)



At least two persons from the Program Training Specialists team are certified by HOPE international to be SG ministry trainers.



Multiple church partners will be equipped in SG ministry within Indonesia.



Additional churches in year two will receive training and establish an SG ministry in their local church and become equipped to establish a SG ministry with children/youth and caregivers.



## PROJECT TIMELINE

Compassion Indonesia realizes that there is a need to educate the local church partners to understand principle and the whole process of savings group program with HOPE before deciding to run a savings group program in their own church. Therefore, preceding each launch, we will engage in education and training. The expected duration to fully launch a self-replicating savings group model with HOPE will be 2.5 years.

### PHASE 1

We plan to conduct savings group training for multiple church partners as a pilot group. Since the savings

group cycle lasts for 12 to 18 months, we anticipate that the pilot cohort in Phase 1 will take 12 months and an additional month after the 12-month cycle to do a final evaluation of the impact in those churches.

### PHASE 2

The second phase training will result in the launch savings groups in additional church partners in Indonesia. Because of the larger cohort in Phase 2, we plan to give them 12 to 18 months to implement the savings group in their church and 1 month for their final evaluation.



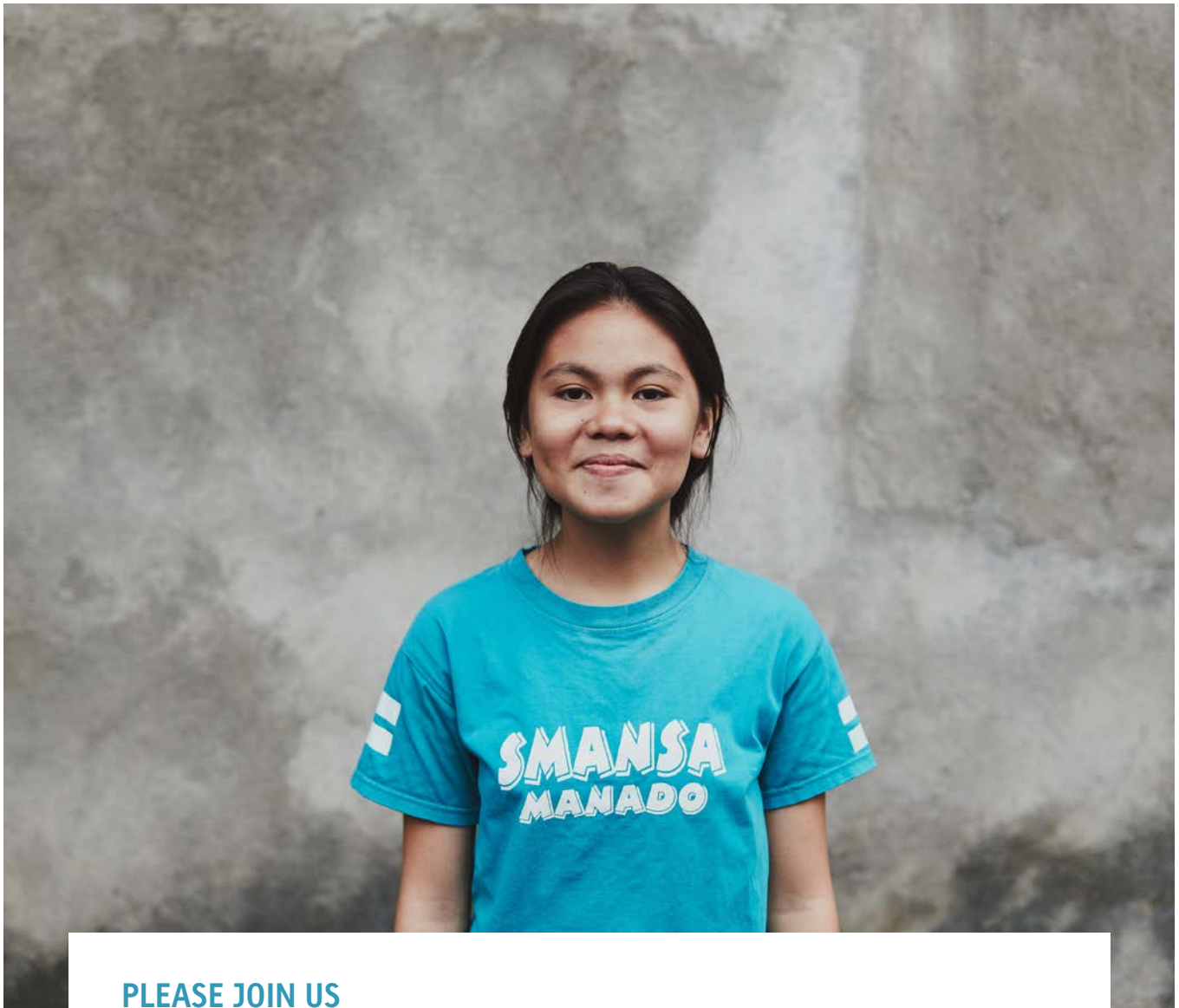
## PROJECT BUDGET

This project to launch savings group ministries with church partners in Indonesia over the next three years has a projected need of \$118,634\*. This will cover the costs of:

- Design, training and support
- Travel expenses for HOPE staff\*\*
- Administrative fees to HOPE'
- Translation of training materials

\* This budget is an estimate and subject to change as the details of the intervention develop. It covers all program, administrative and fundraising costs commensurate with Compassion's corporate guidelines.

\*\*Local churches will cover all costs related to logistics and coordination: venues and food for the meetings, communication and transportation costs during evaluation and monitoring and follow up process implementation and tracking after churches form their savings group.



## PLEASE JOIN US

We are asking that you prayerfully consider joining Compassion through a gift that supports the partnership with Hope International and equips Compassion Indonesia with training to implement a savings group ministry.

**THANK YOU** for considering this opportunity. If you have any questions or would like to talk about your personal giving goals, please contact me:

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