

## Report

*On*

### “Microfinance Training Programme of DCCB Jaiselmer”



**Organized by:**  
Centre for microFinance  
Jaipur, Rajasthan

**Supported by:**  
NABARD  
Jaipur, Rajasthan

# MicroFinance Training Programme for Cooperative Bank

**Date: 24-26 July 2009**

**Place: Jodhpur**

## **Background**

The successful experiences of microFinance through different institutional channels have given confidence to all the stakeholders including Government and bilateral agencies in expanding their exposure to microfinance as a major tool of development. Among all, the most dominant channel is SHG-Bank Linkage Model both in outreach and geographical spread. The Self-Help Group- Bank linkage programme started by the National Bank for Agriculture and Rural Development (NABARD) in the nineties has grown into a large programme with over 41 lakhs SHGs reported as on 2008-09. This programme has been recognized as an important tool for poverty alleviation and is being integrated in most upcoming development projects. Apart from commercial banks and regional rural banks, the cooperative banking structure in the rural areas is also emerging as a key player in the SHG bank linkage programme. Further, in light of the recommendations of Task Force on Revival of Rural Co-operative Credit Institutions (*Vaidyanathan Committee*), there is good potential for cooperative structures in the rural financial sector to emerge as successful business institutions. SHG bank linkage programme can prove to be a key business proposition for the cooperative banking institutions given their extensive outreach in rural areas.

## **The Training Programme**

As a first step there is need to build the perspective and capacities of district level cooperative banks and societies on microfinance and SHG bank linkage programme. In this backdrop, Centre for microFinance (CmF), Jaipur has designed a 3 day training programme for managers of Cooperative bank and conducted the same in four district of Rajasthan i.e Baran, Jalore, Nagaur & Jaisalmer with financial support from NABARD, Jaipur. In overall, the objective of the programme was to provide an opportunity to the bankers to have a look – from close quarters – at the rural household economy and undertake a first-hand assessment of the savings & credit needs of the people; to build perspective in microfinance as a major tool of poverty alleviation, and understand the relevance and strategic context of microfinance for poor households; to develop an in-depth understanding of microfinance-principles, delivery models, operations and systems, good practices with focus to SHG and other delivery models as well; learn from the successful experiences of microfinance programs from other States/ within State; to reiterate the need to harness the potential offered by SHGs as a business proposition, and gain better understanding of roles and responsibilities of different stakeholders in promotion of microfinance.

## **Schedule and Methodology**

The focus of this MTP was on self-learning through observation, reflection, discussions and

presentations. Fieldwork formed an important part of the programme. In this component, the bank/PACS managers were provided day long opportunity in order to understand and study a rural household and interact with members of an SHG to gain first-hand appreciation of different facets of people's microFinance needs, and management of SHGs. The insights gained through the field exercise helped the managers in developing a good understanding about nature of financial services needed by poor households, and opportunities that lie with SHGs as potential channel for delivering financial services to poor.

In order to translate their learning into action, the participants were assisted in grading and analyzing the status of groups so that in future they may use this learning for identifying good groups for credit linkages. Schedule attached as **Annexure 1**.

### **Resource Persons**

Three resource persons from CmF facilitated the training: Mr. Sourav Roy, Programme Officer, Mr. Anil Singh, Programme Officer and Ms. Malika Srivastava, Programme Officer. Training related logistics was coordinated by Mr. Govind Akar, Admin. Executive.

### **Participants**

18 participants from various branches, mini banks and cooperative societies of the Jaisalmer Central Cooperative Bank participated in the training programme. Detailed list is included as Annexure 2.

## **Day 1: July 24, 2009**

### **Session 1: Welcome and Introduction**

Mr. Sourav Roy welcomed the participants on behalf of CmF and NABARD. He appreciated that despite their busy schedules, the participants took out 3 days at a stretch to attend the programme. Mr. Roy mentioned that the Task Force on Revival of Rural Co-operative Credit Institutions i.e. Vaidyanathan Committee's report has recommended revival of cooperative credit institutions through a financial bailout package for cooperatives as per the selection criteria suggested in the report. As a pre-requisite, respective state governments have to agree for initiating governance reforms in these institutions as a first step of their revival process. The Government of Rajasthan has signed on the agreement. However, the progress has been extremely slow so far. Nevertheless, another key aspect of revival process is to ensure profitability of the cooperative institutions. SHG bank linkage can play a key role in this regard. Further, he mentioned that the major objectives of the 3-day training programme are:

1. To build perspective of cooperative bankers on Self Help Group based microfinance model
2. To enhance understanding of bankers on promotion and management of SHGs, default management, correct processes of bank linkages, financial literacy approach of community mobilization and livelihood promotion

This was followed by a round of introduction by participants. The participants were also asked to share their expectations from the workshop. The major expectation mentioned by participants was to increase their knowledge about microfinance and SHGs. Few participants also expressed interest to know details of the Vaidyanathan Committee report.

### **Session 2: About Centre for microFinance**

Ms. Malika Srivastava of CmF began with the defining the microfinance. Microfinance not only includes services of savings and credit but also insurance and remittances. This was followed by a presentation on the work of Centre for micro Finance. CmF is a state level resource agency set up in 2005 by relevant stakeholders in microfinance in Rajasthan. It was set up after a feasibility study for setting up such an agency was undertaken by noted economist Dr. Vijay Shankar Vyas on behalf of the Sir Ratan Tata Trust in 2004. CmF provides technical and capacity building support to government agencies, banks, non-government organizations and community based institutions to increase outreach of SHGs and improve their quality. It also undertakes studies to address the knowledge gaps in the sector. It supports development and piloting of new ideas to help increase outreach of microfinance to unreached areas and target populations. CmF has ongoing partnerships with Bank of Baroda for increasing credit disbursements through SHGs as part of the Centenary Year Project of the Bank in Dungarpur district. CmF has conducted bankers' trainings for BoB as part of this agreement. On behalf of NABARD, CmF has conducted such trainings for SBBJ and recently for cooperative bank. CmF runs a 6-month certificate course on microfinance development and management (mFDM) to train human resources for microfinance sector. It is also working with the Department of Women and Child Development (DWCD) to improve the quality of the SHGs promoted by department in 2 blocks in Rajasthan.

### **Session 3: Financial Literacy: Understanding financial needs of weaker sections**

The key objective of this session was to broaden the perspective of the bankers on the spectrum of financial needs of poor and role of SHGs and credit linkages in fulfilling the same. Most of the times when there is a particular scheme (such as SHG Bank Linkage or SGSY) in place and there is pressure of fulfilling targets, there is high probability that both the bankers and the SHPIs and community can lose vision of the philosophy behind the scheme/programme. Cooperative banks play both roles of an SHPI (directly forming groups) and also of a financier. An understanding of the financial needs of poor through the tools of financial literacy can help cooperative banks in community mobilization (SHPI role) and optimal financing. After sharing these objectives of the session, the session facilitator Mr. Anil Singh asked the participants their view on the difference in financial needs of the poor and their own. Few participants felt that there is lot of difference while others after reflection felt that the difference lies in the attitude towards financial planning. While poor undertake only short term planning, they (the participants) undertake long term planning. Mr. Singh agreed with this and also added that basic financial services are required by all people, the quantum might differ depending upon the socio-economic strata to which the respective person belongs.

The participants were then asked to undertake a small individual exercise. The participants needed to first prepare a list of their major expected family level expenditures and liabilities till the age of their retirement and calculate the total financial requirement. They were then asked to calculate their total earnings (including savings) till the same age. The participants were asked to share their views after completion of the exercise. Most participants felt that they had never done such a long term planning before. The facilitator shared that for the poor households, such an exercise can help them to understand the importance of financial planning including savings, credit and insurance.



**Film:** A 20 minute film on financial literacy was screened. The film has been prepared by Indian School of micro Finance (ISMW) for Women. The story is about two poor women – Ganga and Jamuna who struggle daily for meeting both ends meet. One day Ganga takes a conscious decision to give up tea consumption and starts saving the money in a ‘gullak’. Slowly, Ganga also buys a sewing machine on loan and works day and night to earn more income. Health insurance taken by her for her family helps to tide sudden expenditure on her child’s health. On the other hand, Jamuna continues to borrow for

day to day needs and heavy expenditure on social functions. Over a period of time, Ganga is able to come out of poverty and lead a quality life while Jamuna’s economic situations worsens and she remains entrapped in debt.

**Discussion:** The participants were asked to share their view on the key message of the film. Most participants said that the film tries to convey that with long term planning and consistent savings it is possible for poor to improve their economic situation. Participants appreciated the content of the film.

**Presentation:** This was followed by presentation on the topic by Mr. Singh. Key discussions points included:

- Correlating life cycle needs and availability and planning of finances
- Difference between ‘needs’ and ‘wants’ and further prioritizing financial needs including emergency and asset creation
- Different components of financial planning
  - *Smart savings:* Small but consistent savings do not require much effort but these can prove to be a major source for financing needs. Self-Help Group members need to be made well-aware that the group provides an avenue for regular and consistent savings. Members need to be encouraged to save more and more in groups

- *Wise spending*: A major proportion of expenditure of poor households is on social customs and functions. Prioritization of expenditure and reduction in unnecessary items can help to reduce income leakages
- *Matured borrowings*: SHG members need to be counseled to relook at their financial needs, prioritize these and make conscious decisions regarding the purpose and utility of credit.
- *Investment and asset creation*: Alike the participants, the poor also need to be made aware of the need to plan finances for creating assets through savings, other investments and borrowings. Risk mitigation through asset and life insurance are also key aspects of financial literacy for the poor.

Participants felt that SHG formation with the above perspective can lead to formation of quality SHGs. However, most of the SHPIs in their area and also the SHG members are forming groups with the sole purpose of availing subsidies (from SGSY). Participants felt that such types of trainings are very important for the SHPIs also. Mr. Anil Singh said that while it is difficult for bankers to improve quality of groups promoted by other agencies, they can use the tools of financial literacy to directly form SHGs in their area

#### **Session 4 & 5: Basic Concepts of SHGs & Formation and Management of SHGs**

The session was facilitated by Ms. Malika Srivastava and Mr. Anil Singh. The participants were asked to share the definition and characteristics of a Self Help Group as they understand. Few participants felt that SHG is a group of men/women who come together for a social purpose of mutual help and the activities of SHGs should lead to overall development of their village and communities.

Screening of film produced by NABARD: The initial discussion was followed by a documentary film prepared by NABARD on SHG bank linkage programme. The film highlighted basic concepts of SHGs and qualities of good SHGs. It also provided important details of SHG Bank linkage programme related to account opening, interest rates, quantum of credit which can be provided by banks etc. After the film screening, Mr. Anil Singh shared an update on some figures mentioned in the film (as the film has been prepared few years back). He shared that there are a total of 41 lakhs SHGs (NABARD data) and 34 lakhs of these groups have been provided loan by banks.

The film was followed by a presentation. The major points discussed include:

#### Basic concepts of SHGs

- *Principles of SHGs*: Mutuality, self-help, peer pressure.
- *Membership in SHGs*: Who can be a member, no. of members (average membership size), homogeneity in SHGs
- *Meetings*: Need and purpose of meetings, frequency of meetings, agenda of meetings.
- *Book-keeping*: Need for book-keeping was discussed, types of books of accounts to be kept by SHGs.

- *Governance*: Qualities of leaders, leadership selection process, need for leadership rotation and need for transparency and accountability in group functions and transactions.

#### Formation and management of SHGs

- Identification of poor- wealth ranking process and categorization of households
- Stages of group formation: pre-formation, formation and post-formation stages
- Milestones for each group formation stage
- Services of SHGs to members
- Management of SHGs: Leadership, book-keeping etc.

The participants sought more information on the process of conducting wealth ranking. This was provided by the resource persons.

#### Documentary film on SHG Bank Intervention of DCCB, Bidar

The district central cooperative bank (DCCB) Bidar in Karnataka is a successful case of how cooperative banks can use SHG bank linkage programme as a profitable business opportunity. This approach has been cited in many publications of NABARD and other institutions. The DCCB Bidar now also owns a training centre for its SHG members. A documentary film prepared by DCCB Bidar on its SHG programme was screened during the training programme. In the film, the bank officials and Cooperative Bank's President share their experience of developing a successful portfolio through lending to SHGs. The film also includes interviews with SHG members – how they have benefited from the long association with the DCCB.

Discussion on the film: Mr. Sourav Roy facilitated the discussion on the film. He emphasized that the key reason for the success of the DCCB was that it viewed SHG bank linkage *not as a scheme but as a business opportunity*.

#### **Screening of film on Best Practices in SHG formation**

The film is prepared by Centre for microFinance as part of the Sakh-Se-Vikas Initiative of the Sir Ratan Tata Trust. The film began with identification of poor households in a given area through wealth ranking. The households in a village are divided into 4 categories (relative ranking). Households falling in the third and fourth category are considered as potential SHG members. Various stages of formation and nurturing of SHGs were also discussed. The film also highlighted the roles of 'clusters' and 'federations' which have been promoted as part of the initiative.

Many participants liked the wealth ranking practice. They felt that under KCC, it is only category 1 & 2 households which are covered. Such categorization can help to identify the real poor in a village. They should be formed into SHGs. Other managers felt that SHG can be a good business proposition because banks do not have much of their own funds/deposits,

the SHG loans are refinanced by NABARD and there is good margin also as compared to KCC. However, concept of subsidies (under SGSY) has led to not so genuine members also join the SHGs with the purpose of availing subsidies.

## **DAY 2: July 25, 2009**

Recap of the first day: On being asked to share their experience of the discussions during the first day, the participants shared that they came to know a lot of detailed facts about the SHG bank linkage programme. The session on financial planning and literacy was quite useful. Few participants felt that this was the first time that SHG programme has been discussed with so much focus.

### **Session 1: Quality aspects of SHGs**

The session was facilitated by Ms. Malika Srivastava. The major points discussed during the presentation were:

- Regular assessment of quality of SHGs helps to understand progress against benchmark, understand gap areas for improvement and help in standardization of the SHG programme
- Quality standards can be classified into three types- financial, institutional and social & development standards
- Financial standards include: savings rate per member; % of non-savers; % of non-borrowers; % idle funds; repayment rate; portfolio at risk, savings to credit linkage ratio; amount of cash in hand
- Institutional standards at the programme level could include: no. of meetings held vs. proposed; % attendance in group meetings; % of groups with bylaws; % groups practicing leadership rotation; % groups completed grading; % groups having common group fund; % groups conducting annual general body meetings
- Social & development standards are also important as groups play a larger role of development promotion in their village and community. Some of the standards which could be used to assess the social relevance of the SHG programme include: no. of groups in a village vs. potential; ratio of poor to non-poor; % of SC,ST, landless, single-women covered in groups; no. of members withdrawn; no. of groups who have taken up social issues; no. of members taking up income generating activities

Within the discussion on ‘institutional standards’ one of the indicators discussed was that SHG members should be of the same socio-economic profile but different households. Few participants questioned the definition of ‘household’. They shared that merely defining household on the basis of separate kitchen/ration card is not enough. If closely related members join in one SHG – e.g. mother-in-law & daughter-in-law or 2-3 sisters-in-law, then there might be problems in the group in loan recovery. Ms. Srivastava appreciated the observation and said that bankers’ can advise such members during the group formation stage to form into different SHGs. This will also avoid the creation of smaller power groups within an SHG.

## Session 2: SHG Bank linkage programme

The session was facilitated by Mr. Anil. The session focused on various processes and instances which require interface between SHGs and banks. Participants shared that first interface is when SHGs come to open bank accounts. SHG members then regularly come to bank to deposit their savings. The second major process is credit linkage which also involves grading/rating of the groups. To begin with participants were asked to share the types of documents and formalities required to be completed by SHGs in the two major processes of SHG Bank linkage – opening of bank account in a bank branch and loan approval. Mr. Singh shared that CmF undertook a study across Rajasthan to understand the documentation procedure by different banks for account opening and credit linkage. It was found that there are variations from bank to bank and even across the branches of one bank which create unnecessary hassle for SHGs and also to banks.

Mr. Anil shared that based on the above study, CmF has prepared a set of documents for account opening and credit linkages. The set are enclosed as annexure 3. These have been shared with NABARD and other banks and are currently with the State Level Bankers' Committee (SLBC) for approval. These formats are simple and could be used by the NCCB also. The relevant document requirements are as follows:

1. Opening of savings bank account
  - a. Resolution form SHGs
  - b. Filled application form in the prescribed format
  - c. 2 photos each of the office bearer of SHGs (generally 2 of 3)
  - d. Photo identity proofs of office bearer: Voter card, NREGA Job card, passport copy, proof by *Sarpanch*
  - e. Bye laws of SHGs

Participants also shared that they normally ask for signatures of the promoter agency on the application form/cover letter

2. Loan application by group
  - a. Loan application in prescribed format
  - b. Copy of resolution of groups for taking loan
  - c. Financial detail of SHGs i.e. trial balance
  - d. Inter-se agreement
  - e. Loan agreement between SHGs and banks
  - f. SHG grading sheet

**Grading format:** Grading is also required as part of the loan sanction process at the level of the bank. Participants shared that they use the grading format developed by NABARD for general SHG Bank linkage programme and SGSY specified format for groups to be credit linked under SGSY. CmF shared a revised grading sheet which it has prepared and shared with NABARD which is approved by SLBC. This has certain additions to the existing NABARD format being used by banks. This format also has weight age for inter-loaning

status in groups which is a very important process in SHGs to introduce financial discipline particularly regular loan repayment practices.

The format was discussed in detail. Mr. Singh explained how to calculate the score for each of the indicators. The sheet is attached as annexure 3.

### **Field visit:**

The participants were divided into 3 batches. Each batch comprised of 6 members visited one SHG. All 3 of these SHGs have been promoted by a local NGO – Grameen Vikas Vigyan Samiti (GRAVIS). The purpose of the field visit was to undertake grading of the SHGs and understand their status in the light of the discussions held during the one and half days of training so far. The participants interacted with the SHG members for around 1 hour and noted their observations. Each of the groups prepared a presentation for sharing on day 3.



### **DAY 3: July 26, 2009**

#### **Session 1: Presentations by participants on Day 2 field visit to SHGs**

**Group 1:** The first group visited Bhomiaji Samuh in village Gagadi. The all women group comprised of 15 members belonging to same caste. There are few rules printed on the group's register, however only the group leaders are aware of all the rules. Other members are aware of only few rules. The group was formed in 2003. The members save Rs. 50 per month. There is no practice of inter-lending in the group. The members have an account in the nearest branch of SBI. The group first got a loan of Rs. 60,000 from the bank in 2007 which was distributed equally among all the members. After repayment of this loan the group has now got a loan of Rs. 150,000. However, the group has Rs. 75,000 savings idle in the bank savings account. The book-keeping is satisfactory. On questioning both the NGO field worker and the SHG leaders said that the bank does not allow them to withdraw the savings. As per the grading format, the group has been given the **grade B**. The participants felt that there is need for the group to start inter-lending of its own savings and only get the balance amount from the bank. There is need to educate the bank and the NGO in this regard.

**Group 2:** The second group visited Nayak Samuh in village Meeno ki Dhani. The group comprised of 10 members from the Bhil (tribal) community. It was formed in 2005. The members save Rs. 50 per month. Book-keeping is not up to date. The rules are incomplete. Few of these are written in the meeting minutes register on the front page. The participants

shared that they were impressed by the confidence of the tribal women but the SHG lacks the system. The visiting group calculated the marks on the basis of the parameters of grading sheet and it was given 67 marks.



**Group 3:** The third group visited Pabuji Samuh in village Malunga. The group was formed in 2006 and comprises of 10 members. Each of the members saves Rs. 50 per month. There has not been any inter-loaning in the group. The group has a total saving of Rs.32,000 deposited in the bank and have taken a loan of Rs. 65,000. The bank loan has been availed by 6 members. However all these 6 members are closely related (one family) and the SHGs has got a D grade which implies that it cannot be given a loan.

Discussion on field visits: Mr. Sourav Roy thanked the participants for the detailed presentations. He shared that one common problem across all these groups are the ‘impounding of savings by bank’. CmF has done a state level study of many bank branches in 2008. The study revealed that in western Rajasthan banks have common practices of impounding savings when issuing loans. This is not as per the SHG programme norms. The study was presented in the State Level Bankers’ Committee and a circular has been issued in this regard. He also appreciated the fact that the cooperative bankers are quite clear on this aspect. Few participants reflected that the situation of SHGs in Jaisalmer is worse as compared to other district of Rajasthan. There are many fake organizations and hence SHGs exist in paper only. They asked CmF to work along with SHPIs in this region for improvement in quality of groups. CmF shared that they are already working with the government in this regard

## **Session 2: Financing Livelihoods**

The session was facilitated by Ms. Malika Srivastava. The session focused on broadening the understanding about ‘livelihoods’ and ‘financial services for livelihood enhancement’ among participants and to help them to assess financial situation of poor households which should serve as the basis for credit financing. The participants were provided with 2 case studies – (a) Meena’s shop and (b) Gita and Hari’s household. They were asked to read the case studies and prepare an Income & Expenditure statement (I & E) and Balance Sheet for each. The participants undertook the exercise in three groups comprising of 6 members each.

### Discussion on case studies:

- *Meena’s shop:* The case study is about Meena who owns a shop set up with an investment of Rs. 20,000. The study tries to highlight that while I&E statement reflects profit of Rs. 2,500 p.m., the same is getting invested in the business as equity (now a total of  $20,000 + \text{Rs. } 2,500 \times 12 = \text{Rs. } 50,000$ ). However, Meena feels that she has invested only Rs. 20,000 in the business. Next, the case study highlights that she has only one saving option – being an account in a Chit fund. Constraints of safe

parking of profit (income) might also lead to her unconsciously investing all income in the business again. She need help to analyze the actual return on investment for different amounts of investment. A simple bank account could help solve this problem.

- *Geeta & Hari's household*: The case study is about a small household of Gita and her husband Hari. They have a diverse source of income from labour, poultry and goats. They also are indebted to the shopkeeper (where they buy ration) and to Hari's brother. They also have given a loan to Hari's sister. Participants were expected to recommend areas where financial services can help Gita and Hari. Many participants felt that they should keep more poultry and goats. The facilitators asked them to reflect on the fact that at present the major source of income is labour. If they invest more in poultry and goat-rearing to take it up on a commercial scale – one of them might probably have to forego daily wage labour. Moreover, mortality risk would increase on a commercial scale. For commercial scaling up, they might have to look for distant markets also. The net returns might not increase as expected. The immediate livelihood support could be to repay the high interest loan of the shopkeeper and take a health insurance policy (as expenditure on health is mentioned to be high). The savings from these and increased saving in the SHG (Gita is a member of SHG) could help to prepare the household for taking up goat-rearing or poultry (or any other livelihood option) on a gradually increasing scale.

Other major points discussed were as follows:

- While appraising loan application of the SHG the bankers should not only appraise the activity for which the loan is being taken but the entire livelihood portfolio.
- For the poor, business (or enterprise) and livelihoods are not separate. There is no way to ensure that income from business is used for bank loan repayment.
- Moreover, there might be instances (like the case of Geeta & Hari) where instead of investment in income generating activity, a simple process of repayment of high cost debt with the bank loan might help to arrest significant income leakage.

### **Session 3: Default management in SHGs**

The session was facilitated by Mr. Sourav Roy. He began the session by sharing that the best way to manage loan defaults is to avoid default. He asked the participants to share their opinion on why clients default? Participants felt that utilization of loan for wrong purpose is one major reason of defaults. However, after loan waiver scheme, there is an increase in willful default as farmers and even SHGs now have expectation that government will make such waivers a regular feature. Mr. Roy shared that while banks cannot have control over such event, they should ensure that the adequate homework is done before disbursement of loans so as to ensure 100% recovery. The major points discussed in the presentation include:

- Cost of default is very high for the bank. It not only involves loss of principal but also the interest. To compensate this loss, the bank has to disburse more loans (and ensure 100% repayment) so that the interest earned equals loss from default loans.

- Key is to avoid bad loans
- For cooperative banks, SHGs can prove a good business opportunity as they can form groups themselves and ensure their quality
- Cooperative banks may focus on developing good SHGs through IRV scheme of NABARD and lend progressively higher amounts to the same SHGs
- Appraisal of credit requirement and purpose should be done based on the understanding of the livelihoods of the group members

#### **Session 4: Exit interview test**

The last session was recollecting the facts & hypotheses about microFinance and SHGs bank linkage programme discussed during the training programme & and it was done through a set of 40 questions. The question has to be answered in one words “Yes” or “No”. After completion of the test, answers to each question were discussed with reasons and doubts of participants around all questions were clarified. The questionnaire is attached as Annexure 4. The scores of the participants are as follows:

<b>Marks</b>	<b>No. of Participants</b>
= > 90	8
= > 80 <90	6
< 80	4

The test cum quiz was highly appreciated by the participants.

#### **Valedictory**

Mr. Sourav Roy, CmF thanked all the participants for the valuable time from their precious schedule especially over the weekend to attend the training programme. He also shared that for any further support required by the JCCB and its branches, CmF could be approached.

**Participants speak/Feedback:**

“The session on SHG grading was very useful and there should visit to 2-3 SHGs for testing the tool”

*Hitesh Panchal, Manager- IT*

“Session on financial literacy was amazing and need of the community however the exercise should have been done with SHGs”

*Ramkaran Meena, AEO, JCCB*

“This type of training programme should be organized jointly for bankers and SHPIs so that they also learn the quality parameters of SHG”

*Madhusudan Chhagani, Manager, Pokhran branch*

“The training programme should be at branch/PACS level”

*Ashu Singh, Loan supervisor*

“A different dimension of loan default has been unfolded by Training programme which may help to manage it”

**MicroFinance Training Programme**  
**Jodhpur**  
 24 - 26 July 09

**Session Plan**

Time	Session	Methodology
<b>Day 1</b>		
09:30 - 10:00	<b>Registration</b>	
10:00 - 11:00	<b>Welcome &amp; introduction</b> <ul style="list-style-type: none"> <li>• Welcome to participants and guests, Introduction to Centre for microFinance, Jaipur, Sharing objective of MTP</li> <li>• Individual Participant introduction and Sharing of experience.</li> </ul>	Welcome Speech : Presentation
11:00 - 11:15	<b>Tea Break</b>	
11:15 - 01:00	<b>Understanding financial need of weaker sections</b> <ul style="list-style-type: none"> <li>• Understanding lifecycle needs of people</li> <li>• Banking services &amp; poor</li> <li>• Microfinance in meeting financial needs of poor</li> </ul>	Screening of documentary  Presentation
01:00 - 02:00	<b>Lunch</b>	
02: - 04:00	<b>Role of SHG in meeting financial need of poor</b> <ul style="list-style-type: none"> <li>• What is SHG?</li> <li>• Identification of poor</li> <li>• Stages of Formation</li> <li>• Principles of peer pressure</li> <li>• Services by SHG</li> </ul>	Documentary on SHGs by NABARD  Presentation
04: - 04:15	<b>Tea Break</b>	
04:15 - 05:30	<b>Management of SHGs</b> <ul style="list-style-type: none"> <li>• Facilitating group norms and policies</li> <li>• Management aspects of SHGs</li> <li>• Accounts and record keeping</li> <li>• Group composition, Management - record writing, savings regularity, repayment, cash management, leadership, external linkages</li> <li>• Savings and credit potential</li> <li>• Social roles of the SHG</li> <li>• Challenges faced by members</li> </ul>	Screening of documentary on best practices  Discussions
<b>Day 2</b>		
09: - 10:30	<b>Quality aspects of SHGs</b> <ul style="list-style-type: none"> <li>• SHG quality standards</li> <li>• Ensuring quality - importance of grading</li> </ul>	Presentation  Discussion

10:30 - 10:45	<b>SHG-Bank Linkage</b> <ul style="list-style-type: none"> <li>• Savings &amp; Credit linkage of SHG</li> <li>• Assessing credit demand</li> <li>• Documentation and Formalities</li> </ul>	Presentation Discussions
12:00 - 12:30	<b>Lunch</b>	
12:30 - 05:30	<b>Field Visit</b>	
<b>Day 3</b>		
09:00 - 11:00	<b>Presentation by participants</b>	
11:00 - 11:15	<b>Tea Break</b>	
11:15 - 12:00	<b>Managing Default</b> <ul style="list-style-type: none"> <li>• Understanding why clients default?</li> <li>• How to manage default</li> </ul>	Presentation Sharing of experiences
12:00 - 01:30	<b>Financing Livelihood</b> <ul style="list-style-type: none"> <li>• Understanding Family Livelihood sources</li> <li>• How has SHGs helped?</li> <li>• How has/ can banks help?</li> <li>• Financial Services for strengthening livelihood</li> </ul>	Presentation & Discussions by participants
01:30 - 02:30	<b>Lunch</b>	
02:30 - 3.00	<b>Exit test</b>	
03.00 - 03:30	<b>Feedback/ sharing of experiences</b>	
3.30 - 3.45	<b>Valedictory</b>	