ADVANCE MODULE-05

FPOs are growth engine of Indian Agriculture

BIRD

BANKERS INSTITUTE OF RURAL DEVELOPMENT, LUCKNOW

(Designated Nodal Training Institution at Central Level by GoI under CSS on Formation and Promotion of 10000 FPOs)

Training Program Design

Governance & Management

under

Central Sector Scheme on Formation & Promotion of 10000 FPOs

NABARD

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Implemented by

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Master Training Program Design

Advanced Module on Governance and Management of FPOs

UNDER

Central Sector Scheme on Formation & Promotion of 10000 FPOs

Objective

To enable the participants from FPOs and CBBOs to gain an overview of governance and management of FPOs as both member owned organisations and business entities. The module provides an opportunity to explore all aspects of governance of an FPO with the long-term aim of strengthening FPOs to become financially sustainable and responsive to their members.

Programme Duration
3 days

Program Mode
Classroom/Online

Broad Coverage of the Program

Creating member-driven FPOs as successful enterprises

Legal forms for FPO, compliances, MIS

Understanding various management functions in FPOs, Enterprise risks and their management

Business planning, financial planning in FPOs

Networking and convergence

Advanced training program on Agriculture Marketing (AM)	
Objective	To enable the participants from FPOs and CBBOs to gain an overview of governance and management of FPOs as both member owned organisations and business entities. The module provides an opportunity to explore all aspects of governance of an FPO with the long-term aim of strengthening FPOs to become financially sustainable and responsive to their members.
Duration	3 Days
Course Highlights	Roles and responsibilities of CEO and BoDs in 1. Creating member-driven FPOs as successful enterprises 2. Registering an FPO – legal options 3. Understanding various management functions in FPOs 4. Enterprise risks and their management 5. Understanding Compliances 6. Business planning and management in FPOs 7. Essentials of financial planning and management 8. Networking and convergence 9. Monitoring and control systems
Target Participants	Officials of CBBOs/ BoDs/ CEO of FPOs
Methodology – A Note to Facilitators	The Sessions on Governance and Management of FPOs contain several legal terms and concepts. The materials should be translated to the language of the participants so that they can easily read and take part in the learning activities. The Facilitators are encouraged to use up-to-date information from online or other sources– as material provided in the Reading Material can rapidly become obsolete.

Day-to-Day Schedule		
Day	**Session**	**Topic**
I		Inaugural, Overview of the Programme, Participants' introduction and expectations
	I	Creating member-driven FPOs as successful enterprises
	II	Registering an FPO – legal options
	III	Understanding various management functions in FPOs - role, responsibilities of CEO and BoDs
	IV	Enterprise risks and their management: Role of key functionaries
II	V	Systematic conduct of various meetings by FPOs, statutory requirements, agenda, minutes, proceedings, and recent follow up on action points
	VI	FPO as an enterprise - business planning and management in FPOs - essential functions of bods and CEO
	VII	Essentials of financial planning and management in FPOs
	VIII	Marketing of products and services
III	IX	Networking and convergence for promoting FPO business
	X	Management information system (MIS), internal monitoring and control systems, and audits performance assessment tool
	XI	Managing regulatory and statutory compliances
	XII	Golden rules of effective corporate governance of FPOs: Do's and don'ts
		Action Planning, Feedback and Valediction

Lesson - 1: Creating Member-Driven FPOs as Successful Enterprises

Objective: After completing this training, the participants shall identify activities beyond the foundational activities that their FPOs have been doing. In particular, they would actively explore demands for backward and forward linkages that their members have and develop mechanisms to fulfill such services.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration	Methodology
			minutes	
i	Session introduction	To discuss the FPO as a member driven business entity; need for organising farmers	5	Presentations, Group activity and discussions
ii	Exploring FPO purpose	To discuss the governance of FPOs - challenges and quick case study review	40	
iii	Solving challenges	Identifying challenges faced by FPOs under governance and operations and identifying potential solutions	45	
iv	Discussion & Feedback		10	
Relevant Chapters in Reading Material: Chapter 1: Creating Member Driven FPOs and Chapter 2: Challenges in Governance – Giving Shape to Ideals of Corporate Governance				

Lesson 2: Registering an FPO – legal options

- Comparison between registering under Companies Act and Cooperative Acts

Objective: After completing this training, the participants shall select between the Companies Act and the Cooperative Act to register their FPOs. Participants shall also be able to identify the existing deviations from the prescribed corporate governance principles. Further, the session enables the participants to explore the solutions to governance challenges in their FPOs.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	Overview of different legal forms for FPOs	5	Presentation, group activities and discussions
ii	Selecting the FPO registration method	To compare different legal forms, differences and commonalities between different legal forms for FPOs .	40	
iii	Overview of corporate governance principles	To see the relevance of 10 Principles of governance and how to practice them.	15	
iv	Picking up solution	To choose an appropriate legal form based on the FPO's own context	30	
	Discussion & Feedback		10	Discussion Mode
Relevant Chapters in Reading Material: Chapter 3: Registering the FPO - Legal Options				

Lesson - 3: Understanding various management functions in FPOs - role, responsibilities of CEO and BoDs

Objective: After completing the course, the participants would be able to develop the job descriptions for the key stakeholders of an FPO—primarily for the BoDs, CEOs, and community leaders. The participants also can provide mentoring support in leadership skills, decision making, and other critical management skills that the FPO leadership needs to develop.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	Overview of role of BoD and CEOs in FPO governance		Presentation, group activity and discussions
ii	CEO's skills	To brainstorm on the roles of CEOs in different aspects of an FPO's management and governance		
iii	Leadership skills	To discuss good practices and role models of CEOs and BODs		
iv	Discussion & Feedback		10	
Relevant Chapters in Reading Material: Chapter 4: Role and Responsibilities of Board, CEO and Members				

Note to the Facilitator: The Reading Material under the same title provides the legal compliances related to the roles of BoD members and CEO as well as members, Company Secretary.

Lesson - 4 : Enterprise risks and their management: Role of key functionaries

Objective: After completing this course, the participants shall consider alternate solution approaches to mitigate their FPOs' risks. The FPO leadership would also delegate responsibilities and fix accountability for managing those risks. The course would further help the participants develop mechanisms and insights to read early warning signs for possibly impending risks.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	To overview the different forms of risks faced by an FPO	5	Presentation, group activity, role play and discussions
ii	Risk management overview	Finding risk mitigating strategies for given scenarios in sub-groups	45	
iii	Risk management and Early warning signals	To identify early warning signs of risks through a role play	40	
iv	Discussion & Feedback		10	
Relevant Chapters in Reading Material: Chapter 5: Enterprise Risk and Their Management – Role of Key Functionaries				

Lesson - 5: Systematic conduct of various meetings by FPOs,

- statutory requirements, agenda, minutes, proceedings, and recent follow up on action points

Objective: While the CBBOs may have exposure to the knowledge and procedure of conducting AGM and BoD meetings, they shall benefit a lot from a demonstration and practice in this training session. The FPO leaders may never have the experience of managing such meetings. After completing this session, they would have practised managing such meetings in various capacities.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	Overview of Governance processes through Board Meetings	5	Presentation and discussions
ii	AGM Overview	To demonstrate an AGM - with review of various aspects of governance and management	45	
iii	BoD Meeting Overview	To demonstrate a Board Meeting- with review of various aspects of governance and management	40	
iv	Discussion & Feedback		10	
Relevant Chapters in Reading Material: Chapter 6: Finance, Accounts, Audits - FPO Management				

1. **Additional Resource:** Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Skill Green Global. 2019. Session 2. Statutory compliances under Companies Act 1956 and Companies Act 2013 - meetings and registers. In, Capacity Building of Board of Directors of Farmer Producer Organisation (FPO) – A Trainer's Guide. Online: https://www.nafpo.in/wp-content/uploads/2019/05/Capacity-Building-of-BoDs-of-FPOs.pdf

Lesson - 6: FPO as an enterprise - business planning and management in FPOs

- Essential functions of BoDs and CEO

Objective: After completing the session, the participants would plan their business plan activities, engage professionals and volunteers, and review the process. More importantly, the participants shall select the commodities or services to focus on, in their business planning.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	Overview of business planning	5	Presentations, sub group activity and discussions
ii	Technical feasibility of a business plan	Hands on practice of finding feasibility of selected business activities	40	
iii	Business plan writing	Developing the contours of a business plan	45	
iv	Discussion & Feedback		10	
Relevant Chapters in Reading Material: Chapter 7: FPO as an Enterprise – Essentials of Business Planning and Management				

Lesson - 7: Essentials of financial planning and management in FPOs

- Critical issues for BoDs and CEOs

Objective: After completing this training, the participants shall be able to state the objectives of financial planning, explain its importance in an FPO's management, define the most important financial concepts relevant to FPO management, elaborate on the different methods to assess working capital requirement, understand term loans and their defining characteristics, and list the seven or eight sources of finance for FPOs. In understanding the sources of finance, the participants would also be able to appreciate finance from rural finance institutions as a distinct class and the extent of documentation that their FPO must maintain and prepare to seek access to such finance. Finally, the facilitator would also discuss the Credit Guarantee finance available for FPOs.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	Describe the need for financial planning	5	Presentation and discussions
ii	Why financial planning	Revisiting key concepts in financial planning	30	
iii	Working capital and term loans: methods for assessing requirement, information required and typical terms and conditions	Revisiting working capital assessment - operating cycle method and turnover method	30	
iv	Sources of finance	Revisiting how to raise finances	25	
Relevant Chapters in Reading Material: Chapter 8: Essentials of Financial Planning in FPO Management				

Lesson - 8: Marketing of products and services

- Challenges and strategies for FPOs

Objective: After completing this training, the participants shall better understand the key aspects of agricultural marketing, the existing structure and scenario, and the emergence of new patterns and models in the market. Participants would understand the key players (producers, middlemen, wholesalers, retailers, marketing societies, arthiyas, merchants, traders, different agencies, and numerous government institutions) which have been established at the Centre and in states.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	Overview of marketing for FPOs	5	Presentation, brainstorming and discussions
ii	Existing Scenario	Overview of the marketing ecosystem for FPOs	40	
iii	Understanding the demand estimation and customer needs	Customer centredness and FPO businesses	20	
iv	Marketing and promotion	Strategies for marketing - promotion of FPO products	20	
	Discussion & Feedback		10	Discussion Mode
Relevant Chapters in Reading Material:				

Lesson - 9: Networking and convergence for promoting FPO business

What role can Directors and CEOs play?

Objective: After completing this training, the participants shall be able to assess the networks that their FPOs currently have. Then, using the stakeholder analysis, they would be able to identify the stakeholders with whom the FPOs need to develop in line regarding the vision, purpose, and strategies. Following this, the participants would understand what it takes to build mutually beneficial relationships and networks that make a big contribution to the success of their FPOs.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	Why stakeholder engagement for FPOs?	5	Presentation, brainstorming and discussions
ii	Learning networking techniques	How to map stakeholder interests and how to engage them	20	
iii	Institutions and their schemes for FPOs	Schemes available for FPOs	25	
iv	Stakeholder and scheme convergence	How to enable convergence with schemes?	30	
	Discussion & Feedback		10	Discussion Mode
Relevant Chapters in Reading Material: Chapter 9: Networking and Convergence for Promoting FPOs Business				

Lesson - 10: Management information system (MIS)

- internal monitoring and control systems
- audits performance assessment tool

Objective: After completing this training, the participants shall identify activities beyond the foundational activities that their FPOs have been doing. In particular, they would dynamically explore demands for backward and forward linkages that their members have and develop mechanisms to fulfill such services.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration	Methodology
			minutes	
i	Session introduction	Overview of monitoring of FPO operations	5	Presentation and discussions
ii	Monitoring and evaluation of FPO activities	Overview of daily monitoring activities	15	
iii	Indicators and parameters for monitoring	Different monitoring tools	20	
iv	Developing a robust MIS system for the FPO preferably on an IT platform	How to design an MIS system	15	
v	Describing the three-Tier Institutional Monitoring Framework envisaged under the scheme	The Monitoring in the CSS on Promotion of 10000 FPOs	15	
vi	Listing and highlighting the assigned roles for various stakeholders along with expectations		20	
	Discussion & Feedback		10	Discussion Mode
Relevant Chapters in Reading Material: Chapter 10: Monitoring and Control Systems – Management Information and Performance Assessment Systems				

Lesson - 11 : Managing regulatory and statutory compliances

Objective: After completing this training, the participants shall be able to list various laws that apply to FPOs, list the different statutory and regulatory compliances under different acts, pay attention to the idea of a compliance calendar with the due dates for different compliances, and highlight the importance of their responsibility in ensuring compliance.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	Overview of regulatory compliances	5	Presentation and discussions
ii	Understanding various Acts applicable to FPOs	Overview of different Acts applicable to FPOs	20	
iii	Explaining Statutory and regulatory compliances under relevant legal Acts	Regulatory compliances under Companies Act	20	
iv	Explaining and listing of various statutory statements with due dates	Compliance Calendar	20	
	Underlining the role of CEOs and BoDs in compliance management	Discussion on role of CEOs in smooth management of compliance	20	
Relevant Chapters in Reading Material: Chapter 10: Monitoring and Control Systems – Management Information and Performance Assessment Systems				

Lesson - 12: Golden rules of effective corporate governance of FPOs: Do's and don'ts

Objective: After completing this training, the participants are able to state why corporate governance is important, list and explain the principles and golden rules of corporate governance, describe the responsibilities of the directors on the board of an FPO and also the Dos and Don'ts.

Duration: 90 Minutes

#	Lesson Plan	Objective	Duration minutes	Methodology
i	Session introduction	Overview of effective corporate governance in FPOs	5	Presentation and discussions
ii	Understanding the importance of Corporate Governance	Good governance standards	30	
iii	Introduction to the principles and golden rules of corporate governance	Components of corporate governance - eight principles	30	
iv	Underlining the key responsibilities of the chief functionaries of FPOs	Discussion on role of key functionaries in good governance in FPOs	20	
	Discussion & Feedback		5	Discussion Mode
Relevant Chapters in Reading Material: Chapter 12: Golden Rules of Effective Governance of FPOs – Dos and Don'ts				

Final Session: **Action Plan, Feedback and Valediction**

Objective: At the end of the session, the participants will be able to:

1. written their feedback for the programme in the format provided
2. given oral feedback
3. received their participation certificates

Duration: 90 Minutes

LessonOutline				
S.No.	Lessonplan	Objective	Time minutes	Methodology
i	Preparation of Action Plan better governance and management in FPOs; Collecting ideas of successful FPO interventions	To prepare an agency-wise plan for strengthening of governance in FPOs	50	Sub Group activity and presentation
ii	Feedback on the programme	To collect written feedback for the training organisations use and oral feedback from all participants	20	Written feedback in given format, oral feedback in plenary
iii	Valediction	Formal event	20	Formal event

Note: Use the Organisation's standard format for collecting feedback and a well-designed format for action planning

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Clients

All Banks, Government agencies, MFIs, NBFCs, Financial Sector, NGOS and Civil Societies.

Coverage (Training, Consultancy, Research)

Project Lending-Agriculture and MSME, Climate Finance, Rural Banking, Farmer Producer Organization, Micro Finance, Human Resource, Financial Inclusion, Training of Trainers, Executive Development, Management Development Programme, IT based Banking, Green Finance, Responsible CSR, Group approach to Development, Women Empowerment, Organizational Development, Investment & Treasury Management, Risk Management.

Faculty

Faculty are drawn from NABARD, banks and scholars of respective fields and have pan-India level field experience. The faculty have specialization in Banking Finance, Financial Inclusion, Agriculture & Allied sector, Fisheries, Forestry and Human Resources, etc.

Infrastructure

43 acre green campus has world class infrastructure in terms of class rooms, simulation and AV Rooms, Board Room, Conference Hall, Auditorium, Library, Gym, Air-conditioned Hostel Rooms, Local and International cuisine.