ADVANCE MODULE-06

BANKERS INSTITUTE OF RURAL DEVELOPMENT, LUCKNOW
(Designated Nodal Training Institution at Central Level by GoI under the Central Sector Scheme on Formation & Promotion of 10000 FPOs)

FPOs are growth engine of Indian Agriculture

Trainer's Note

Financing of FPO

under
Central Sector Scheme on Formation & Promotion of 10000 FPOs

NABARD

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Implemented by
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CONTENTS

PROGRAM OUTLINE

Program objective	The Advanced Module on financing of FPOs is targeted at lending institutions with the following long-term aims: ● To understand the concept of FPOs, their business strategies, relevance to smallholder farming and priority sector lending. ● To strengthen Farmer Producer Organisations (FPO) as business enterprises through increased access to a range of tailor-made financial products. ● The financial institutions will be better equipped to conduct appropriate credit appraisals of FPOs, identify suitable financial products and monitor the use of disbursed funds.
Duration	Three days
Course content	1. Overview on FPOs - need, concept, formation, registration, governance and management system 2. Operational guidelines of the Central Sector Scheme (CSS) on Formation and Promotion of 10,000 FPOs 3. Business Models of FPOs and capital budgeting 4. Modalities for Financing FPOs - loan appraisals 5. Specialised Financing for FPOs - an overview of schemes and programmes 6. Field Visit to a Successful FPO and Financing Bank 7. Tips for Financing FPOs - Experience of Lending Agencies
Target Participants	Officials of banks, financial institutions and their training Institutes

TRAINING PLAN

SESSION	SESSION TITLE	DAY	TIME - HOURS
0	Formal Inauguration and introduction to participants	1	1
1	Overview of FPOs - need, concept, formation, registration, governance and management system Operational guidelines of CSS on formation and promotion of 10000 FPOs and financing opportunities	1	1.5
2	Business Models of FPOs: Understanding credit requirement and challenges faced by FPOs in accessing institutional credit	1	1.5
3 & 4	Eligibility criteria, credit rating methodology, and appraisal methodology for the financing of FPOs	1	3
5 to 8	Field visit to a successful FPO and financing bank	2	8
9	Debriefing on Field Visit - Learning from the Field	3	1.5
10	Tips for Financing FPOs - Experience of Lending Agencies	3	1.5
11	Specialised Financing for FPOs - Credit Guarantee, Equity Grant Scheme, and other Central and NABARD sponsored schemes	3	1.5
12	Action plan, feedback, and valediction	3	1.5

Note: The instructions in the Teaching Methodology addresses the facilitator directly.

SESSION 1: OVERVIEW ON FPOs

Need, concept, formation, registration, governance and management system

Operational guidelines of CSS on formation and promotion of 10,000 FPOs and financing opportunities

SYNOPSIS

This session introduces the motivations behind the FPO formation – including grouping the farmers, federating them into product-specific clusters and crop cycles, providing quality input services, and helping to access fair and remunerative marketing services. The recap allows the participants to revisit the need for an FPO and the elements that make an FPO. There are six legal instruments available to register an FPO. The FPO members, its Board of Directors, and the Management Team (CEO, accountant, etc.) are responsible for managing the FPO.

With this background, the session then explores the formation of FPOs using the Central Sector Scheme (CSS) called the 'Formation and Promotion of 10,000 Farmer Producer Organisations (FPOs).' It lists the scheme objectives, target and coverage, stakeholders and their roles, and support as part of the Scheme.

TARGET GROUPS

The target groups include the officials of banks, financial institutions, etc. and their training institutes.

LEARNING OBJECTIVES

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

1. Describe the structure and objectives of FPOs,
2. List the different laws under which they are registered
3. Briefly describe the features of the CSS 'Formation and Promotion of 10,000 FPOs' - including its structure and the roles of various actors in the structure.
4. Briefly describe the different funding options available to FPOs under various schemes and the key eligibility criteria for FPOs

TEACHING METHODOLOGY

#	AREAS	DESCRIPTION	TIME (Minutes)	MATERIALS
1	Session introduction	Presentation	10	Presentation slides
2	Introduction to the CSS for 10,000 FPOs	Presentations Q&A	45	Presentation slides Charts Markers
3	Overview of support available to stakeholders	Presentations Q&A	35	Presentation slides Charts Markers

TEACHING METHODS AND NOTES

Before organising the training session, ensure all the materials used in training are available in the local language. The reference materials can be sent in advance as pre-reading. As this session is informational the facilitator can mostly use presentations with adequate room to ask questions and clarify doubts.

TASKS	ACTIVITIES
Task 1: Session introduction	Sets the session objectives and structure for the participants. Walk through the main concepts behind an FPO. The reading material provides four topics: a) objectives of FPO formation, b) need and concept, c) registration mechanisms available, and d) governance and management.
Task 2: Introduction to the CSS for 10,000 FPOs	Present the CSS on Promotion of 10000 FPOs detailing the aims and objectives of the scheme. The scheme stipulates FPOs with a minimum of 300 members for the plains and 100 members in the hilly and North-Eastern regions to qualify for support. Mention each such eligibility criteria for the scheme. It is essential for financial institution to understand the stakeholders of the scheme. The reading material provides a diagram of the hierarchy of the institutions – National Project Management Advisory and Fund Sanctioning Committee (N-PMAFSC), National Project Management Agency (NPMA), Implementing Agency (IA), Cluster-Based Business Organizations (CBBOs), and FPOs. Help the participants to identify the institutions designated in each category and explore their roles.
Task 3: Overview of support available to stakeholders	In this task, provide go through the support available to each stakeholder category mentioned in the previous activity. The support list includes: 1. SFAC and NCDC 2. CBBOs 3. FPO management cost 4. FPO equity grant 5. Credit Guarantee Facility for lending institutions

QUESTIONS FOR DISCUSSIONS

1. Share your understanding of the need for an FPO. Share your experiences dealing with FPOs that are fulfilling one or more such needs.
2. Name a legal instrument which an FPO could use to register itself. Which is the statutory body to govern such registration?
3. An FPO has its members, Board of Directors, and management staff. Share your thoughts on the critical roles played by them in FPO governance.
4. Mention a scheme that you are familiar with for the FPOs. How is it different from the CSS for the Formation of 10,000 FPOs?
5. Who are the Implementing Agencies in the CSS? Mention a role played by any one of those agencies?
6. Are you familiar with any CBBOs through your work? What are the roles that the CBBOs play in the promotion of FPOs?

BACKGROUND READING

1. BIRD. Guidebook FPO schemes. Online: https://birdlucknow.nabard.org/wp-content/uploads/2021/02/Guide-Book-FPO-schemes.pdf
2. Bankers Institute of Rural Development, Lucknow (2021). Session III. Salient Features of the Central Sector Scheme (CSS) on Formation & Promotion of 10000 FPOs. In, Resource Material: Capacity-Building of Cluster-Based Business Organisations (CBBOs) Under Central Sector Scheme on Promotion & Formation of 10000 FPOs Online: https://birdlucknow.nabard.org/fpo-resource-center/basic-modules/CBBOs/
3. Department of Agriculture, Co-operation & Farmers' Welfare, Ministry of Agriculture & Farmers' Welfare (2020). Formation and promotion of 10,000 Farmer Producer Organizations (FPOs): Operational guidelines. Online: https://agricoop.nic.in.

SESSION 2: BUSINESS MODELS OF FPOS

SYNOPSIS

This session aims to provide an overview of the financial requirements, especially the working capital requirements for the FPOs. FPOs follow different working capital estimation techniques. The reading material includes several examples of credit, working capital, and term loan assessments.

TARGET GROUPS

The target groups include the officials of banks, financial institutions, etc. and their training institutes.

LEARNING OBJECTIVES

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

- Describe the financial needs of FPOs at different stages of growth and the challenges they face in accessing finance
- Briefly describe the various funding options available to FPOs
- Calculate and assess working capital requirements of FPOs using data from teaching caselets using at least two methods (cash flow and projected annual turnover methods)
- Review the details of Business Plan Proposals that FPOs must submit for accessing finance

TEACHING METHODOLOGY

#	AREAS	DESCRIPTION	TIME (Minutes)	MATERIALS
1	Session introduction	Presentation	15	Presentation
2	Credit assessment (Working capital assessment)	Presentation Group activity (Role play)	30	Presentation Chart Marker
3	Credit assessment (Term loan assessment)	Presentation Group activity (Role play)	45	Presentation Chart Marker

TEACHING METHODS AND NOTES

Encourage the participants read the reference materials before the session. The session is aimed at financial professionals who are comfortable with English.

TASKS	ACTIVITIES
Task 1: Session introduction	Read out the session objectives and introduce the session. The introduction covers different business activities that the FPOs can undertake in input business, output business, and value addition. Provide an overview of the different financial requirements of FPOs - block capital, term loan, working capital, and working capital loan. Briefly describe how working capital is calculated for FPO businesses - cash budget system, turnover method, maximum permissible bank finance (MPBF) system, and net owned funds system.

TASKS	ACTIVITIES
Task 2: Credit assessment (Working capital assessment)	As a part of the credit assessment, the financial institution would assess the fixed capital, term loan, and the working capital requirement for the FPO. In this activity, introduce the working capital assessment of FPO using caselets. Role Play: Form three or four groups sub-groups. While one group plays the role of an FPO the others will representing different lending institutions. Ask the 'FPO representatives' to use the printed working capital estimate to explain their loan request to the 'bankers'. Lending institutions would try to ask questions and provide an assessment. At the end of the group activity, ask each group to present their findings on the assessments and outcomes.
Task 3: Task 2: Credit assessment (Term loan assessment)	In this activity, introduce the block capital assessment of FPO using caselets. Explain the concept of term loan using a format for an FPO. Following the presentation, form three or four groups sub-groups, While one group plays the role of an FPO the others will representing different lending institutions. Ask the 'FPO representatives' to use the printed block capital estimate to explain their term loan request to the 'bankers'. Lending institutions would try to ask questions and provide an assessment. At the end of the group activity, ask each group to present their findings on the assessments and outcomes.

QUESTIONS FOR DISCUSSIONS

1. What is your experience in reviewing or processing an FPO loan application?
2. How would do you advise a newly formed FPO to access loans?
3. What are the most essential documents to make an FPO's financial appraisal for a financial institution and why?
4. In your area, you may have seen various FPOs submitting loan applications. What are the average loan sizes for some everyday business activities that are successfully processed?
5. What are the few successful examples of term loans for the FPOs in your area?

BACKGROUND READING

1. State Bank of India, Local Head Office, Bangalore. Financing Farmer Producer Companies (FPCs). Online: http://coefpo.org/knowledge-services/info-desk/finanacing-fpcs-by-sbi.pdf
2. Alur, Ashok S, Dandin, Shankar B, Maheswar, DL. Chapter 8: Funding arrangements for farmer producer organizations. Bengaluru: Centre of Excellence for Farmer Producer Organizations (COE-FPO). Online: http://coefpo.org/fpo%20chapters/FPO_chapter_8.pdf

SESSION 3-4: MODALITIES FOR FINANCING FPOS

Eligibility Criteria, Credit Rating Methodology and Appraisal Methods

SYNOPSIS

This session focuses on three critical aspects of FPO lending practices for financial institutions like a bank. First, it outlines several factors that the lending officers shall consider in determining the quantum of credits to extend to the FPO. Lending officers can then consider FPO rating tools in their assessments. Finally, the FPO and financial institutions must prepare at least three documents - loan application, appraisal, and post disbursal monitoring formats.

TARGET GROUPS

The target groups include the officials of banks, financial institutions, etc., and their training institutes.

LEARNING OBJECTIVES

After completing the session, the participants will be able to:

- practically demonstrate applying FPO loan assessment criteria.
- practically rate an FPO using the given rating format.
- review the standard documentation involved in a loan appraisal process

TEACHING METHODOLOGY

#	AREAS	DESCRIPTION	TIME (Minutes)	MATERIALS
1	Session introduction	Presentation	10	Presentation
2	FPO credit assessment checklist	Presentation, followed by group activity Review of learning	60	Presentation Printed financial statements of an FPO (3-4 copies) Charts (5) Markers
3	FPO rating exercise	Presentation Group activity Review of learning	70	Presentation Printed rating form Chart (1) Markers
4	Overview of the lending procedures	Presentation Sample documents Closure and Feedback	40	Presentation

TEACHING METHODS AND NOTES

Encourage the participants read the reference materials before the session. The session is aimed at financial professionals who are comfortable with English.

<table>
<tr><th>TASKS</th><th>ACTIVITIES</th></tr>
<tr><td>Task 1: Session introduction</td><td>Read out the session objectives and present the session structure to the participants.</td></tr>
<tr><td>Task 2: FPO credit assessment checklist</td><td>The reading material has identified a checklist with seven criteria for assessing the FPO credit.

<table>
<tr><th>#</th><th>CRITERIA</th></tr>
<tr><td>1</td><td>The uniqueness of the credit proposal</td></tr>
<tr><td>2</td><td>Quantum of the loan amount</td></tr>
<tr><td>3</td><td>Credit evaluation</td></tr>
<tr><td>4</td><td>Risks and risk mitigation</td></tr>
<tr><td>5</td><td>Loan and repayment timeliness</td></tr>
<tr><td>6</td><td>Margin and security norms</td></tr>
<tr><td>7</td><td>Interest rates</td></tr>
</table>
First, explain the concepts in the FPO credit assessment checklist.Present the FPO case study and relevant financial statements (annual budget, cash flow statement, and loan application for a business activity).

Divide the participants into three or four groups. Each group selects one to two criteria from the checklist. Using the FPO financial statement, ask the groups to then discuss and work out their assessments and note down their on chart paper. The groups can take 10 minutes to discuss each criterion. After ten minutes, the groups take turns presenting their findings to the plenary, take questions and feedback before taking up the following criteria. Once all the checklist items have been covered, summarise the session capturing the informed opinions of the participants “how well did the FPO fare using the 7 criteria?” Discuss the results.</td></tr>
<tr><td>Task 3: FPO rating exercise</td><td>Introduce the rating instrument with four aspects: 1) governance and management, 2) business and operations, 3) process and systems, and 4) financial performance. Divide the participants onto four groups, each one to work on one of four aspects.

Before the class begins, the facilitator can go through the rating form and answer any doubts that the groups might have on their respective areas. This presentation also includes a recap of the data-sheets from the FPO as a case study for the class (20 minutes).

Distribute the printed copies of the Rating Form. Ask volunteers from every group to anchor and provide tips and suggestions in inspecting relevant documents for the FPOs. Based on the document review, the group calculates the ratings for each aspect (20 minutes).</td></tr>
</table>

	Once the ratings are done, ask the groups to present their ratings to the class, along with the information and interpretations they have used from the available FPO documents (20 minutes). At the end of the group presentations, summarise the ratings for each aspect. Further, the class can discuss the final rating obtained by the FPO (10 minutes).
Task 3: Overview of the lending procedures	In this task, present the procedures of lending by the financial institution. The presentation covers the following aspects: 1. Pre-sanction visit to the FPO 2. Loan application format 3. Loan application appraisal format 4. Post disbursement monitoring format In addition to the presentation, a sample set of documents would help the participants to understand the ideal formats. Open the floor for discussions.

QUESTIONS FOR DISCUSSIONS

1. Do you have any experience in dealing with FPO loan applications? Share your experiences.
2. What are the most common areas where the FPOs need to improve to increase their loan approval rate?
3. What is your experience with the quality of documentation maintained by the FPOs?
4. What are your key takeaways from your recent loan pre-sanction visits to the FPOs?

BACKGROUND READING

1. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (2020). Guidebook on lending to Farmer Producer Organisations. Online: https://birdlucknow.nabard.org/wp-content/uploads/2021/02/Guidebook-on-lending-to-FPOs.pdf .
2. Reserve Bank of India (2021). Master Directions – Priority Sector Lending (PSL) – Targets and Classification. Online: https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959 .
3. Bank of India. Farmer Producer Organization/Company (FPO/FPC). Online: https://www.bankofindia.co.in/FPO .

SESSION 5-8: FIELD VISIT TO A SUCCESSFUL FPO AND A FINANCING BANK

SYNOPSIS
In a three-day field visit, the participants would primarily explore a well-functioning FPO that has availed one or more credit lines from a financial institution (preferably a bank). Participants can spend 1.5 to two days with the FPO and one to 1.5 days with the bank, depending on the exposure and interest. Discuss the field visit programme details and logistics with the FPO management and host Bank prior to the visit.

TARGET GROUPS
The target groups include the officials of banks, financial institutions, etc. and their training institutes.

LEARNING OBJECTIVES
At the end of the field visit, the participants will be able to:
- describe the entire loan processing cycle for an FPO
- review and verify first hand the information presented by the FPO in their loan application and supplementary documents.
- shadow the host banker and participate in banking operations involving screening loan applications of FPOs.

TEACHING METHODOLOGY

#	AREAS	DESCRIPTION	TIME	MATERIALS
1	Overview	Recap and pointers by the facilitators before the field visit	20 Minutes	Handouts Agenda
2	FPO visit	Interviews, observations, document review, presentation by the FPO CEO, interactions with the community	1.5 to 2 days	Notes
3	Financing bank visit	Presentation by financing bank executives, interviews, document reviews	1 to 1.5 days	Notes Presentation slides

TEACHING METHODS AND NOTES

TASKS	ACTIVITIES
Task 1: Overview	Recap the key learning points discussed in the previous sessions. Present the objectives, tasks, schedule and programme of the field visit. Distribute a handout to each participant containing the checklist for observations during their field visits to the FPO and the financing bank.
Task 2: FPO visit	Participants can use the presentation by the FPO with pictures and videos to experience much of the activities—for example, Annual General Meeting, board

	meeting, marketing arrangements, to name a few. The participants can also interview a few members of the BoD and management staff. Followed by the meeting with the FPO leadership, the participants can visit the field to experience the business activities, such as sowing and harvesting, godown, for which the loan was sanctioned. Participants can also interact with the farmers. Close the field visit with a debrief and thank the hosts.
Task 2: Financing bank visit	In the financing bank, request the bank executive to share the documentation and process of loan applications. They can also take the participants through each process: 1. Pre-sanction visit 2. Loan application form 3. Loan disbursement form 4. Loan monitoring form Close the field visit with a debrief and thank the hosts.

QUESTIONS FOR DISCUSSIONS

1. What difference did the loan make to the FPO? How many farmers were benefited from the loan in the visited FPO?
2. What are the business activities that the model FPO was successful in getting the loans?
3. Are there any loans that the financing bank rejected? What are those? Why were those loan applications rejected?
4. How many members of the financing bank were engaged in processing the FPO loan application? What were their roles?

SESSION 9: DEBRIEFING OF FIELD VISIT

SYNOPSIS
In this session, participants are required to make presentations of their learnings from the field visits - that were spread over four sessions (sessions 5-8). The learning can focus on the key issues in appraisal and financing of FPOs.

TARGET GROUPS
The target groups include the officials of banks, financial institutions, etc. and their training institutes.

LEARNING OBJECTIVES
By the end of this session, the participants will be able to:

- present their learnings from field visits to the FPO and the lending institutions.
- summarise their learning on how to accurately profile an FPO, appraise the FPO, and arrive at financing decisions.

TEACHING METHODOLOGY
Upon returning from the field participants prepare presentations of their learnings from the field - using charts or presentation slides. The time distribution given here is indicative. Based on the number of groups, the facilitator may modify the time distribution as appropriate, ensuring that 1) each group has enough time for making a presentation, 2) the batch of participants has enough time for discussions, and finally 3) a useful concluding discussion is held.

#	AREAS	DESCRIPTION	TIME (Minutes)	MATERIALS
0	Homework	Preparing presentations	60	Charts and pens, laptop
1	Session introduction	Discussion	10	Whiteboard
2	Presentations by groups	Presentations, Q & A	45	Presentation slides or Charts and Pens
3	Discussions on learnings	Discussions	20	Whiteboard

TEACHING METHODS AND NOTES

TASKS	ACTIVITIES
Task 1: Session introduction	Read out the objectives and the structure of this session. After the classroom sessions covering the FPO model, the 10,000 FPOs scheme, FPO business models, eligibility criteria, credit rating and appraisal methodologies, the participants have visited the field to strengthen their learning. After the field visits, they are back in the classroom. Now, the purpose is to present their observations and share their learnings with one another.

Task 2: Presentations by Groups	Gives each group enough time to make presentations and take answers. The focus of the presentations would be the financial requirements of the FPOs, their financial linkage experiences, the lending requirements of the lenders, and their experiences. Specifically, the group should be able to present a profile of the FPO, the information they have collected, the way the FPO estimated their credit requirement (including that of their members), the efforts they made to develop credit linkages, and their experiences in accessing credit. The facilitator also gives the other participants enough time to ask questions.
Task 3: Discussions	Following the presentations, ask the participants questions which help them put together the theory, field learning, and content of the presentations, in order to understand FPO lending process better.

QUESTIONS FOR DISCUSSIONS

1. How do you identify a successful FPO?
2. How do you determine creditworthiness of an FPO?
3. What are the ways in which the FPOs can be supported to become more creditworthy?
4. What are the ways in which the FPOs can be supported to build their credit history?

SESSION 10: TIPS FOR FINANCING OF FPOs - EXPERIENCES OF VARIOUS LENDING AGENCIES

SYNOPSIS
In this session, the participants would learn from a leading FPO lender about the business of FPO lending.

TARGET GROUPS
The target groups include the officials of banks, financial institutions, etc. and their training institutes.

LEARNING OBJECTIVES
After completing the session, the participants will be able to:

- summarise the experiences of FPO lenders (guest speaker) - NABKISAN or Samunnati, about the different dimensions of lending to FPOs and mention some good practices in financing FPOs.

TEACHING METHODOLOGY

#	AREAS	DESCRIPTION	TIME (Minutes)	MATERIALS
1	Session introduction	Discussion	5	
2	Experience Sharing: NABKISAN/Samunnati	Presentation	45	Presentation slides
3	Experience Sharing - Questions	Q & A	30	Whiteboard
4	Wrapping Up	Felicitation and Discussion	10	Whiteboard

TEACHING METHODS AND NOTES
Before organising the training session, coordinate with the guest speaker to obtain the latest reading material about the organisations. Ensure all the materials used in training are available in the local language. Encourage the participants read the reference materials and visit the financial institutions' websites before the session.

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants. Welcome and introduce the guest/expert speaker for the session.
Task 2: Experience Sharing	The expert guest speaker from NABKISAN/ Samunnati makes a presentation of their experiences in lending to FPOs and the lessons they have to share. In this sharing, they can cover all the aspects that they wish to touch upon, such as policy,methodology and operational issues.
Task 3: Q & A	After the presentation, moderate a Q & A session in which the participants get adequate time to ask questions to the expert speaker.

Task 4: Wrapping Up	After the Q & A, felicitate the expert speaker, offering thanks for the time and experience shared. Discuss learnings from the session in the plenary. Conclude the session.

QUESTIONS FOR DISCUSSIONS

1. What are the most reliable ways to assess creditworthiness of FPOs?
2. What has been your most challenging experience in appraising an FPO for lending?
3. How do you support FPOs to become better borrowers?
4. What are some potential innovations in lending to FPOs?

BACKGROUND READING

Websites of Guest Speakers' Organisations:

- NABKISAN: https://nabkisan.org
- Samunnati: https://samunnati.com

SESSION 11: SPECIALISED FINANCING FOR FPOS

Incentives available under SFAC's schemes for FPOs (credit guarantee scheme, equity grant scheme) and various other Government and NABARD sponsored schemes

SYNOPSIS

In this session, participants would learn about the different financial assistance schemes designed for the FPOs.

TARGET GROUPS

The target groups include the officials of banks, financial institutions, etc. and their training institutes.

LEARNING OBJECTIVES

After completing the session, the participants would be able to

- recall the salient features of SFAC schemes, Central Government schemes, and NABARD schemes that support the FPOs with financing.
- correctly match different schemes with specific needs of FPO

TEACHING METHODOLOGY

#	AREAS	DESCRIPTION	TIME (Minutes)	MATERIALS
1	Session introduction	Presentation	10	Presentation slides
2	SFAC's Equity Grant Scheme	Discussion; Presentation	15	Whiteboard; Presentation slides
3	SFAC's Credit Guarantee Scheme	Discussion; Presentation	15	Whiteboard; Presentation slides
4	Various Central Sponsored Schemes & NABARD Schemes	Discussion; Presentation	40	Whiteboard; Presentation slides
5	Discussion and Feedback	Discussion	10	Whiteboard

TEACHING METHODS AND NOTES

Ensure all the materials used in training are available in the local language. Encourage the participants read the reference materials and visit the financial institutions' websites before the session.

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants.
Task 2: SFAC's Equity Grant Scheme	Brainstorm with the questions "What are the challenges that FPOs face in increasing equity?" "Given the challenges they face, what is the solution?"

	After the participants respond, present the details of the SFAC Equity Grant Scheme (objective, eligibility, application process, support provided for preparation of application, due diligence, sanction, and disbursement).
Task 3: SFAC's Credit Guarantee Scheme	Brainstorm with the questions "What are the challenges that FPOs face in accessing credit?" "Given the challenges they face, what is the solution?" After the participants respond, the facilitator presents the details of the SFAC Credit Guarantee Scheme (objective, eligibility, support provided for preparation of application exclusions, guarantee cover, guarantee fees, service fee, and invocation of guarantee). Briefly present the SFAC's Project Development Facility and how banks, CBBOs and FPOs can use this support.
Task 4: Other Schemes (Central Government and NABARD)	Brainstorm with the question "What are the business activities for which the FPOs need credit?" "Given these activities and requirements, what are the options available?" After the participants respond, present the details of the numerous schemes from the Central Government and NABARD. These include: • PM FME Scheme • AIF • AMIF • NABARD Schemes (PODF. PRODUCE and NABSanrakshan)
Task 5: Discussion and Feedback	At the end, the facilitator asks the participants that how they can use this information. After allowing reasonable time for discussion amongst the participants, the facilitator concludes the session.

QUESTIONS FOR DISCUSSIONS

1. What are the different activities for which the FPOs would require credit?
2. Do you have any experience in facilitating credit to cooperatives? How is lending to FPOs similar? How is it different?

BACKGROUND READING

NABARD - https://nabard.org - Refer to projects under Farm Sector Development Department
SFAC - http://sfacindia.com

SESSION 12: ACTION PLAN, FEEDBACK, AND VALEDICTION

SYNOPSIS
In this session, participants would prepare an action plan for financing FPOs, offer feedback on the training, and then the session would end with a valediction.

TARGET GROUPS
The target groups include the officials of banks, financial institutions, etc. and their training institutes.

LEARNING OBJECTIVES
After completing the session, the participants would have a draft FPO Lending Action Plan to take back to their bank/institution.

TEACHING METHODOLOGY

#	AREAS	DESCRIPTION	TIME (Minutes)	MATERIALS
1	Session introduction	Presentation	10	Presentation slides
2	Preparation of Action Plan for Financing the FPOs	Activity	40	Paper and pen
3	Feedback	Interaction	20	Whiteboard
4	Valediction	Valediction	20	Certificates

TEACHING METHODS AND NOTES

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants. Introduce the Action Planning Activity; you may give the participants the indicative contents/format of an action plan for FPO lending.
Task 2: Preparation of Action Plan for Financing the FPOs	Ask the participants from the same bank/financing institution to form groups and spend 25 minutes to develop an action plan for FPO lending that they can submit as an internal presentation. After the groups work on the task asks every group to contribute one point each on how to lend to FPOs without repetition. In this way, many unique ideas and suggestions can be gathered.
Task 3: Feedback	After completing the action plan activity, circulate a well-designed feedback form for each participant to fill (15 minutes) Open the plenary for oral feedback ensuring that every participant has spoken. (15 minutes)
Task 4: Valediction	Distribute certificates of participation to participants. Ensure the official group photo has been taken. Conclude the programme with a valediction for the participants.

QUESTIONS FOR DISCUSSIONS

1. What are the essential elements of an action plan?
2. What were the most useful sessions?
3. Which sessions need improvement?
4. What learning will you take back with you?

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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.