



UNESCO International
Research and
Training Centre for Rural
Education (INRULED)

Trainer's Guide

Module IX

Financing Rural Entrepreneurs: Micro-Finance and Micro-Credit



INTRODUCTION

A. Aim of the Trainer's Guide

This trainer's guide is developed for the trainers of the Local Government Representatives (LGRs) to train LGRs develop their skills and capacities in rural transformation. This guide will equip and help the trainers of LGRs in implementing training courses. It is expected that the knowledge and capacity of the course participants would be enhanced substantially if the training is conducted systematically as per instruction of this guide.

B. Characteristics of the Training Guide

This guide is a self-contained trainer's guide. Those who would use this guide for conducting training should read thoroughly the entire guide along with the "Resource Book" for detailed information and concepts before conducting the training course. This guide describes the process of facilitation of each session. The guide contains distinct objectives set for each session. Each session has a number of sub-topics. A tentative timeframe and methodology has been suggested for each sub-content as a guide for the trainers.

C. Use of "Resource Book"

A "Resource Book" is developed for both the Trainers and the Trainees. The resource book, comprises explanations and elaborations of all concepts and topics of the training course. Copy of the resource book should be distributed to all participants/trainees. The resource book is designed for the participants/trainees to be used during the training sessions as per instruction of the trainers. After the completion of the training course, all trainees should keep the copy of the resource book for further reading and reference.

D. Time Schedule

Five days will be required to complete this module. On each day, the sessions will continue for eight hours including 2 hours for lunch and tea break. The facilitators would make the time schedule taking into account the local logistic facilities and characteristics of the participants. The training should be residential and in accordance with the specific needs of the participants. Trainers will arrange special sessions in the evening. The timeframe and the management of training sessions should be flexible. Though the time for each session is set out, there may be exceptions. The participants may find extra time beyond the prescribed limit of eight hours to do additional work. For overcoming, monotony, short breaks are very effective. Likewise, for energising the participants can be engaged in games, songs, jokes, role-play etc. during these breaks.

E. Qualifications of Trainers/Facilitators

At least two highly experienced and skilled trainers should be selected for facilitating the training course. They should have wide knowledge on local government issues and practical experience on using participatory training methods. In addition, people who have expertise in different topics of the module can also be invited as resource persons/subject matter specialists to support the training programme.

F. Number of Participants

There should not be more than 25 participants in each course and a balance between men and women in the training activities should be maintained both in terms of facilitators and participants.

G. Preparation of the Trainers/Facilitators

■ Preparation for the Presentation

Trainers should understand the topic precisely before they start conducting the training session. They should read the resource book and each session guide to conceptualise the topic and prepare themselves sufficiently to conduct the training course efficiently and effectively. This will help them to gain necessary confidence and equip them to conduct the sessions.

■ Preparation of Training Materials

Considering the local context, trainers/facilitators need to prepare essential training materials such as hand-out, case story, flip chart, poster, PowerPoint etc. Training materials should be prepared well prior to the training course. PowerPoint (PPT) slides should be prepared based on the resource book and instructions of the trainer's guide. In addition, the trainers should consider local context and local information to contextualise the information. While preparing PowerPoint presentations, they should follow 10-20-30 rules for PPT slides. It means they should prepare 10 slides for 20 minutes presentation with a minimum font size of 30. Appropriate photos, charts, and illustrations make PPT slides attractive. They should have a backup plan in case of power failure or logistic and/or mechanical problems. Printed materials or hand-outs for the trainees should be produced ahead of time.

■ Preparation for the Field Visit

Field visit is an important activity of training. We have to plan field visit well in advance and collaborate with the local host to make our field visits meaningful and beneficial. We have to arrange all needed logistics before field visits. A detailed briefing is needed before the field visits to give a clear idea about the objectives, activities and outcomes of the field visit. Participants of the training should make adequate preparation before the field visit to meet the objectives of the training.

■ Selection of Training Venue

For organising the training, we need to select a suitable training centre. In the training centre the training hall/room should be large and comfortable enough for organising participatory learning activities. If possible, accommodation facilities should be available in the training centre both for the trainees and the resource persons.

■ Eye Contact and Body Language

There are some participants who keep themselves busy in gossips or discussing among themselves. The trainer/facilitator should keep eye on them. Trainers should not stand still in the training session and speak just to

board or slides. They should speak to the audience making eye contact with all participants. This is the key to ensure participation of all the trainees in the session. In addition to eye contact, body language is also very important in the session. Meaningful gestures with hand, face and body movements make presentations more attractive and effective.

■ **Voice Pitch and Pace**

We should be careful while speaking to the trainees. The speed of speech should neither be too slow or nor too fast. Trainers should speak at a speed of 150 words per minute as the general standard. Voice modulation is also important to attract attention of the trainees. They should raise and lower their voice pitch according to needs. Sometimes we should give a pause of 3-5 seconds to get back the attention of the trainees.

■ **Knowing about the Trainees**

Before we start preparing training materials, we should have information about our trainees' qualifications and prior experiences. This will help trainers to design training materials according to the level of participants' understanding and their expectations and needs.

■ **Collection of All Required Materials and Logistics**

All training materials and logistics required for conducting the training should be collected and tested before starting the training course.

H. Creating an Enabling Training Environment

Encourage the participants to share experience with each other. Always provide positive and constructive feedback to the participants. Never rebuke them on their inability to do or to understand each and every thing. Give the participants freedom to do the work in their own way and encourage them to give their opinions. Encourage those participants who take time to adjust in a new environment.

Keep eye on the individual and group needs. Support those participants who are lagging behind or not participating adequately; place them in various groups when

the participants are divided into groups. Ask open-ended questions to the participants so that they get ample opportunity to think and answer a given question.

While introducing a new topic, try to link this with the previous topic and give concrete examples from practical life. This will make the training attractive. Give clear instructions for each single activity. At the end of each session, summarise the points discussed during the training session. Re-emphasise the key learning points before closing the session. Use the visuals again, if necessary.

I. Ensuring Participation of the Trainees

There are some people who by nature are calm and docile. They feel shy to speak before others or just keep listening to what others say. If they are not ready to respond, encourage them to express their views. At certain points, they would feel encouraged to participate.

Some participants respond faster than others. If the same participants keep responding repeatedly, others might feel neglected or unable to respond. The facilitator should ensure participation of all trainees.

Icebreaking and energisers are very useful in training. To encourage participation, trainers need to organise activities to make the trainees feel relaxed and at ease with their fellow participants. Similarly, sometimes the participants may feel sleepy and inactive, especially right after lunch and long continuous sessions. In such cases, the trainer should organise energisers (activities that involve movement) to keep them awake and at the same time relaxed.

In the training sessions where the trainees are required to work in groups, the trainer may consider organising team building activities. Activities such as games, songs, and skits etc. will refresh them and make them feel comfortable with each other so that they can work together as a team.

J. Assessment of Training

At the end of each session, trainers/facilitators should ask questions to assess participants' understanding of each sub-content discussed in the session. If need arises, the main points should be discussed again in brief. Review previous day's

learning experiences before the start of current day's session and identify gaps and initiate discussion to minimise the gaps.

All the session guides in this trainer's guide are indicative. The trainers/facilitators should apply their creativity and imagination and take appropriate steps based on the needs and demands of the participants.

Major Objectives of the Module

After the completion of this module, participants would be able to:

- Understand why rural people need micro-credit.
- Understand the role, the concept of micro-credit and the types of micro-credit institutions.
- Design, manage and operationalize the micro-credit facilities to set up your own small-scale enterprise.
- Understand the mechanisms and modalities to handle and approach micro-credit facilities available in your community.
- Understand the role of self-help groups (SHGs).
- Plan, manage and handle the diverse micro-financial products.
- Prepare need-based micro-credit plan to set up your own business.
- Appreciate innovative approaches in micro-credit for rural people with the possibility of replication.

Contents of the Module

- Understanding micro-finance and micro-credit.
- Rural micro-enterprise management.
- How to form self-help groups?
- Common terms used by micro-finance lenders.
- Action Plan preparation.

Training Schedule

Time	Day One	Day Two	Day Three	Day Four	Day Five
09:00 – 10:30	Opening and Introduction to the Training Workshop	Cont...	Cont...	How to form Self-Help Groups	Micro-credit Terminology
10:30 – 11:00 Tea Break					
11:00 – 12:30	Understanding Micro-Finance and Micro-Credit	Cont...	Cont...	Cont...	Cont...
12:30 – 13:30 Lunch Break					
13:30 – 15:00	Cont...	Rural Micro-enterprise Management	Visit to Micro-Credit Institutions	Cont...	Group Discussion on Field Visit Follow-up Action Plan
15:00 – 15:30 Tea Break					
15:30 – 17:00	Cont...	Cont...	Cont...	Responsibilities of a borrower and Consequences of not paying loan	Course Evaluation and Closing

Session Guide



Session 1 – Day 1

Name of the Session: Opening and Introduction to the Training Workshop

Overview:

This manual has two sections: a 'Trainers Guide' which has lesson plans for all the sessions covered in the training and the “Resource Book (handouts)” that participants take home for reference during the training and at the work place.

Participants in this workshop are expected to have different views and understanding of microfinance. The individual participants will have different

responsibilities within the organization.

This session is designed to reconcile their expectations and set a learning environment in which participants and trainers interact with ease and relate as professional colleagues.

Objectives:

By the end of this session, participants and trainers will:

- Get acquainted with each other.
- Agree on common workshop expectations.
- Set norms to guide individual and group conduct during the workshop.

Materials:

Registration Form, Workshop Logistics, Opening Programme Schedule, Resource Book (Training Module IX), Poster Paper, Markers (assorted colours), Card, Flannel Board, Board Pins, Laptop, LCD Projector, Game Material.

Time: 1 Hour 30 minutes

Process	Method	Time
<ul style="list-style-type: none"> • Welcome the participants. • Complete registration of the participants using the prescribed form. Distribute the training logistics and the Resource Book (Training Module IX). Explain the purpose of the Resource Book and ask all participants to read the Resource Book carefully. 	Registration	10 minutes
<ul style="list-style-type: none"> • Inaugurate the course as per opening programme schedule. Invite guests in the opening session. 	Discussion	10 minutes
<ul style="list-style-type: none"> • Ask the participants to introduce themselves with a brief description of their current responsibilities and duties. 	Question, Answer and Discussion	10 minutes
<ul style="list-style-type: none"> • Elect Chairpersons for each day of the training. Fix up who will perform the duty of the Chairperson on what date and write it on a poster paper and hang it on the wall. Duties of Chairpersons will be to preside all sessions of the day and to summarize the learning from all sessions at the end of each session. The Chair person will play the role of a participant at the time of group work and in other discussion sessions. • Explain and make the concerned persons understand the above duties and responsibilities of the Chairperson. • Ask the selected Chairperson of the day to start acting as today's Chairperson. 	Discussion	5 minutes

Process	Method	Time
<ul style="list-style-type: none"> Give each participant 3 cards and 1 marker. Ask all the participants to write one expectation on each card. Assist the participants in identifying their individual expectations. Ask them to hand over the cards when they finish writing. Arrange the completed cards in clusters. Take help of the participants if required. Identify expectations that are not consistent with this course. Read out their expectations one by one and match their expectations with training objectives and activities. 	Individual work Discussion	15 minutes
<ul style="list-style-type: none"> In line with the participants' expectations, explain the training objectives, contents and training schedule. 	Discussion	10 minutes
<ul style="list-style-type: none"> Formulate training principles on the basis of general consensus among the participants and write those on poster paper and hang on a wall. 	Question and Answer	10 minutes
<ul style="list-style-type: none"> Summarise the session. Use a game or energiser for creating open and friendly environment. Close the session by thanking the participants for their active participation and contribution in the session. 	Discussion, Game	20 minutes

Session 2

Name of the Session: Understanding Micro-Finance and Micro-Credit

Overview:

Policies define and guide the delivery of credit. They define the rules to be followed, state values and set standards. On the whole they protect the interests of both the lending institutions and borrower.

Session 2.1: is designed to enable the participants to understand the problems faced in growth of rural entrepreneurs.

Session 2.2: explains how does micro-credit help the poor. It is also designed to enable the participants to understand the distinction between micro-credit and micro-finance.

Session 2.3: explains who the micro-credit clients are and the financial needs of poor clients. It explains that not all institutions operating within the micro-finance sub-sector define their clients the same.

Session 2.4: describes the several micro-credit lending models and how Grameen Bank functions and helps the rural poor.

Session 2.5: explains how to secure the coverage of poor rural women and migrant workers by a range of financial micro- and small-scale credit, saving facility and crop/livestock insurance.

Objectives:

Session 2.1: It is envisaged that at the end of the session, the participants will be able to understand the status and importance of micro-credit and micro-finance, understand and recognise the several problems faced by the rural entrepreneurs in obtaining credit for starting new business and/or expanding the existing ones.

Session 2.2: It is envisaged that at the end of the session, the participants will be able to understand how They the help the poor rural people in starting/expanding their businesses. It will enable them also to understand the difference between micro-finance and micro-credit.

Session 2.3: At the end of this session, it is envisaged that the participants will be able to identify the potential clients of micro-credit in rural areas and their financial needs.

Session 2.4: After completion of this session, the participants will be able to identify the diverse micro-credit models helping the rural people all over the world; what are the practices that they follow in lending credit; and how does the Grameen Bank (village bank) helps rural people in setting/expanding their businesses.

Session 2.5: It is envisaged that at the end of the session, participants will be able to explore ways and means to tap the potentialities and managerial capacities of rural women so as to enhance their self-confidence.

Migrant workers usually send a large portion of the money they earn back to their home countries, mostly through non-regulated channels or highly expensive, low security ones. Once they have reached their destination, these remittances are often spent straight away, partly due to a lack of suitable

financial services. Yet this money could be saved or invested. At the end of this session, participants will also be able to review this wasted potential, and develop a migrant remittance boosting strategy.

Materials:

Workshop Logistics, Resource Book (Training Module IX), Poster Paper, Markers (assorted colours), Card, Flannel Board, Board Pins, Laptop, LCD Projector, and Game Material.

Time: 7 Hour 30 minutes

Process	Method	Time
Session 2.1 – Day 1		
<ul style="list-style-type: none"> ● Welcome the participants. ● Introduce the theme of the training. ● Explain the state-of-the-art of micro-credit in the rural areas of the developing countries. ● Highlight the problems faced by rural entrepreneurs in obtaining micro-credit facilities. ● Referring to the Resource Book and considering the local context: <ul style="list-style-type: none"> ▶ Ask participants the key problems faced by them in setting/ expanding their business. ▶ Ask participants the key areas for which they need micro-credit. ▶ Ask participants to identify the limitations of local micro-credit institutions. ▶ Ask them how the micro-credit facilities that are supportive of their financial needs can be initiated in their communities by rural entrepreneurs both men and women. ▶ Write down their answers on the board. ● Explain how indigenous moneylenders exploit them and how they can escape from their un-ethical practices. ● Synthesise their answers and make a list of micro-credit needs suitable for the local community. ● Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h - 30 minutes

Process	Method	Time
Session 2.2 – Day 1		
<ul style="list-style-type: none"> • Welcome the participants. • Explain how does micro credit help poor. • Identify and explain the diverse financial needs of rural entrepreneurs. • Referring to the Resource Book and considering the local context, describe: <ul style="list-style-type: none"> ▶ <i>Five key problems faced in growth of rural entrepreneurs.</i> ▶ <i>Three major areas for which micro-credit is required.</i> ▶ <i>Types of micro-credit facilities operating in their community.</i> • Explain and identify the limitations of local micro-credit institutions. • Explain how micro-credit facilities can be initiated in their communities by rural entrepreneurs both men and women. • Write down their answers on the board. • Synthesise their answers and make a list of micro-credit needs suitable for the local community referring to the Resource Book. • Referring to the Resource Book and considering the local context, explain how local moneylenders exploit them and how they can escape from their unethical practices. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h - 30 minutes
Process	Method	Time
Session 2.3 – Day 1		
<ul style="list-style-type: none"> • Welcome the participants • Explain the definition of the target groups of micro-credit: Rural women, youth and low-income groups. • Explain in detail the socio economic condition of these target groups. • Referring to the Resource Book, • Define and explain the concept of “self targeting” - how to avoid “pushing the credit” and allow for the emergence of “demand driven” services. • Identify the key financial needs of rural women, youth and low-income groups in their community. • Micro-credit sources from where they borrow loans. • Ask participants to identify the problems they encounter in obtaining credit from these sources. • Write down their answers on the board. • Synthesise their answers and make a list of financial needs of these people. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h - 30 minutes

Process	Method	Time
Session 2.4– Day 1		
<ul style="list-style-type: none"> ● Welcome the participants ● Referring to the Resource Book: ● Explain the several diverse micro-credit lending models. ● Explain their advantages and disadvantages. ● Explain the advantages and disadvantages of taking a loan or using own money. ● Explain the key objectives of micro-finance banks. ● Explain with concrete examples how does micro-credit work – 3 C’s of credit. ● Highlight the main strength, weaknesses, opportunities and threats associated with micro-credit. Close the session by thanking the participants for their active participation and contribution in the session. ● Ask the participants which micro-credit model they would prefer for their community and why. ● Write down their answers on the board. ● Synthesise their answers and make a list of financial needs of these people. ● Close the session by thanking the participants for their active participation and contribution in the session. 	Discussion, Question and Answer	1h - 30 minutes
Session 2.5– Day 1		
<ul style="list-style-type: none"> ● Welcome the participants. ● Describe the meaning of women empowerment. ● Discuss key misconceptions about the poor rural women that they need loan at subsidized rates of interest on soft terms, they lack education, skills, capacity to save, credit-worthiness and therefore are not bankable. ● Demonstrate the experiences of several SHGs (self-help groups) that rural women are actually efficient managers of credit and finance. ● Discuss with the participants how the availability of timely and adequate credit is essential for them to undertake any economic activity rather than credit subsidy. ● Explain how does micro-credit help in overcoming the cultural barrier seen in male dominating society. ● Describe the gender-based obstacles in micro-finance and micro-enterprise. ● Describe the main benefits derived by rural women entrepreneurs from micro-credit facilities in terms of: <ul style="list-style-type: none"> ▶ <i>Greater involvement in income earning activities.</i> ▶ <i>Increase in awareness about social, economic and health-related issues.</i> ▶ <i>Increase in the adoption of family planning methods.</i> ▶ <i>Increase in girls’ education and school enrolment rate.</i> ● Explain the micro-credit needs of migrants. ● Ask the participants the special needs of micro-credit of migrants. Write down their answers on the board. 	Discussion, Question and Answer	1h - 30 minutes

Process	Method	Time
<ul style="list-style-type: none"> • Synthesise their answers and make a list of financial needs of women and migrant workers. • Close the session by thanking the participants for their active participation and contribution in the session. 		

Session 3

Name of the Session: Rural Micro-enterprise Management.

Overview:

Designing loan products to meet clients' needs is fundamental to the success of a micro-finance organization. Understanding cash patterns of borrowers and the profitability of their businesses helps to match the loan product with their business cycles. The loan term and repayment frequency are possibly the most significant variables in micro-finance and should be suited to the borrowers' needs.

Deciding between equity financing and taking on a loan for your business is a challenge for all small business owners when they need capital to expand a business. Should you go to a bank and apply for a business loan? Or should you look for an investor? Consider the advantages and disadvantages of each to determine which type of financing is best for your business.

This session explains the pros and cons of taking a loan or using your own money; borrowing money from a bank or from an investor; common weaknesses and constraints of micro-entrepreneurs; and the knowledge you should have prior to borrowing. The session also explains how to set financial goals for the business and manage money.

Session 3.1: At the end of this sub-session, it is envisaged that the participants will be able to understand how to set goals and how much it costs to reach them. They will be able to develop a simple strategy for managing credit and their own money.

Session 3.2: This sub-session explains the procedures for developing a financial plan together with its importance in daily life. The sub-session helps the participants to decide their spending priorities for the future and gives them discipline for spending and saving. Finally, it describes the salient features of a micro-enterprise.

Session 3.3: This sub-session differentiates between debt and equity finance. It gives reasons for borrowing money. It explains the advantages and disadvantages of taking a loan or using our own money. It highlights the common weaknesses and constraints of micro-entrepreneurs.

Session 3.4: This sub-session provides an inventory of questions to ask micro-finance lender before applying for a loan. It outlines the procedures for completing the micro-finance application and provides the format for a prototype loan application. It gives simple mathematical tools for calculating the interest rates on loans; responsibilities as a client of a micro-credit; and common consequences of not paying a micro-finance loan.

Objectives:

The main objective of the session is to explain how to set financial goals for the business with a view to encouraging entrepreneurship and self-employment among the youth and giving them the ability to seize the emerging opportunities of financial markets and to manage their money.

The session explains which loans can generate income and what are the financial resources that you can utilise when you want to set up your own business or want to expand it with a view to encouraging entrepreneurship and self-employment among the youth and giving them the ability to seize the emerging opportunities of financial markets and to manage their money.

Materials:

Workshop Logistics, Resource Book (Training Module IX), Poster Paper, Markers (assorted colours), Card, Flannel Board, Board Pins, Laptop, LCD Projector, and Game Material.

Time: 6 hours

Process	Method	Time
Session 3.1– Day 2		
<ul style="list-style-type: none"> • Welcome the participants. • Discuss the importance of setting goals and how much it costs to reach them. Explain the key items needed to achieve the goals for the future – the concept of financial planning. • Explain why financial planning is important in our daily life. • Explain the characteristics of a micro-enterprise. • Referring to the Resource Book and considering the local context: <ul style="list-style-type: none"> ▶ <i>Explain the concept of managing the money.</i> ▶ <i>Identify the difference between family and business expenses.</i> • Identify all possible sources for meeting the financial needs and explain the basic features of simple bookkeeping. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h -30 minutes
Session 3.2– Day 3		
<ul style="list-style-type: none"> • Welcome the participants. • Ask the participants the advantages and disadvantages of both equity and debt (taking a loan and using your own money). • Explain how debt financing can leave your business vulnerable during hard times when sales take a dip. • Explain the common weaknesses and constraints of micro-entrepreneurs. • Highlight the basic things that they should know prior to borrowing. • Ask all those participants who have borrowed loan their personal experiences with micro-credit. • Synthesise their answers and make a list of financial needs of women and migrant workers. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h -30 minutes
Session 3.3– Day 3		
<ul style="list-style-type: none"> • Welcome the participants. • Explain the type of project assistance for micro-entrepreneurs. • Ask the participants to prepare a list of questions they should ask a micro-finance lender before applying for a loan. • Explain the procedure for completing the micro-finance application form. • Ask the participants to develop a sample loan application form. • Explain in simple language all the details of loan application particularly the meaning of securities (collateral). • Synthesise their answers and make a list of financial needs of women and migrant workers. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h -30 minutes

Process	Method	Time
Session 3.4– Day 3		
<ul style="list-style-type: none"> • Welcome the participants. • Explain and write on whiteboard formulas for calculating interest on our loan. • Referring to the Resource Book, explain by giving concrete examples the difference between simple and compound interest and the meaning of the principal value of a loan and the compounding period (duration of the loan). • Explain the responsibilities as a client of micro-credit. • Explain the common consequences of not paying a micro-credit loan. • Synthesise their answers and make a list of financial needs of women and migrant workers. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h -30 minutes

Session 4

Name of the Session: Field Visit to Micro-credit

Overview:

Field trips are a great way to bring excitement and adventure to the training programme. However, field trips can be troublesome and difficult to organize and supervise. But they do provide learning opportunities that cannot be experienced in the classroom. They are a great way to communicate difficult information. Through these trips, most of the concepts and phenomena may be easily clarified, understood and assimilated and with the help of this, a good deal of energy and time of both the trainers and the trainee can be saved.

This session is designed to show how you can organise a field trip to a selected number of micro-credit agencies in your community and a nearby town/city where there are banks and some other financial institutions.

Sessions 4.1 and 4.2: At the end of these two sessions, it is anticipated that the participants will be able to understand the operational styles of a selected number of micro-credit institutions. They will have an opportunity to clarify every detail while asking for a loan.

The list given below provides you with a set of questions that you should ask a lender before applying for a loan. These questions will allow you to understand the different loan requirements, the cost of borrowing, and the consequences of not paying the loan. This information is vital because everyone has different financial needs and goals, so not all loan opportunities are the best option for you. It is also important that you look for a lender with the requirements that you understand and agree.

Objectives:

The main objective of the field trip is to clarify, establish, co-relate and coordinate accurate concepts, interpretations and appreciations and enable the trainees to make training more concrete, effective, interesting, inspirational, meaningful and vivid.

Materials:

Field Trip Logistics to be prepared well in advance and Resource Book (Training Module IX).

Time: 3 hours

Process	Method	Time
<ul style="list-style-type: none"> ● Referring to the Resource Book: <ul style="list-style-type: none"> ▶ Ask each participant to prepare a list of 3 questions to be asked by the host micro-credit lender. ▶ Ask participants to note down the responses. ▶ Propose your business idea and ask the lender all loan opportunities that are the best option for you. ● Summarise the session and ask each participant to prepare a brief report for presentation in Session ● Close the session by thanking the hosts for their support and the participants for their active participation and contribution in the field visit. 	Question, Answer and Discussion	3 h

Session 5

Name of the Session: Forming Self-Help Groups

Overview:

A Self-Help Group (SHG) typically comprises a group of micro entrepreneurs having homogeneous social and economic backgrounds, all voluntarily coming together to save regular small sums of money, mutually agreeing to contribute

to a common fund and to meet their emergency needs on the basis of mutual help. They pool their resources to become financially stable, taking loans from the money collected by that group and by making everybody in that group self-employed. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral and is closely related to that of solidarity lending, widely used by micro finance institutions. To make the bookkeeping simple, flat interest rates are used for most loan calculations.

This session explains how to form a SHG; type of families to be considered for forming SHGs; characteristics and functions of SHGs; procedures for opening a saving bank account for SHG; and the limitations of micro-finance.

Session 5.1: At the end of this session, it is expected that the participants will be able to understand the concept of a SHG and the possibilities of setting SHGs in local communities.

Session 5.2: This session explains the salient characteristics and functions of SHGs and suggests basic information and documentation required for opening a Saving Bank account for SHGs.

Session 5.3: This session describes the major activities to be undertaken by the government for an effective functioning of SHGs. It also highlights the limitations of micro-finance and how SHGs can address them.

Objectives:

The broad objectives of this sessions are to explain how a SHG can be formed in a village; enable the poor and marginalized to have access to micro-credit with bank linkages via enterprising SHGs; promote the concept of SHGs by sensitizing bankers, the Government and NGOs; and raise awareness.

Materials:

Workshop Logistics, Resource Book (Training Module IX), Poster Paper, Markers (assorted colours), Card, Flannel Board, Board Pins, Laptop, LCD Projector, and Game Material.

Time: 4 hours 30 minute

Process	Method	Time
Session 5.1 – Day 4		
<ul style="list-style-type: none"> • Welcome the participants. • Explain the basics of Self-Help Groups. • Provide Guidance for executing agencies on the steps in creating Self-Help Groups. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h -30 minutes
Session 5.2 – Day 4		
<ul style="list-style-type: none"> • Welcome the participants. • Describe the composition of the Management Committee of an ideal SHG. • Explain the procedure of conducting a meeting in SHG. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h -30 minutes
Session 5.3 – Day 4		
<ul style="list-style-type: none"> • Welcome the participants. • Give concrete examples of internal regulations. • Referring to the boxes in the Resource Book, discuss some innovative approaches followed by SHGs. • Ask participants to hold role-plays for promoting activities such as: purpose of savings, the spirit of SHGs, the principals of SHGs highlighting a general agreement of all the members on weekly saving terms of loan, weekly meetings discussing savings, repayment and penalties, loans for emergencies without interest, and election of the SHG Committee. • Explain how the Savings Book, Loan Book, Individual Savings and Loan Card, and Cash Book can be prepared and maintained. • Synthesise their answers and make a list of basic documents needed for running successfully a SHG. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h -30 minutes

Session 6

Name of the Session: Responsibilities of a Borrower and Consequences of not Paying the Loan

Overview:

When a borrower is not in a position to run his/her business successfully, loans still have to be paid back, with interest. There are several repayment options. For instance, you might pay the same amount each month until the loan is paid off or your payments might be based on your income. Your promissory note will describe the repayment options that apply to your loan. Keep all the information about your loan(s) in a folder or box, including the promissory note, proof of payments, and any correspondence with the lender or loan servicer (the loan servicer is the agency, on the lender's behalf, to which you make your loan payments).

This session explains the responsibilities of a borrower and the consequences she/he has to face in the event of failure of a loan amount on due date.

Objectives:

The main objective of this session is to explain the borrower's responsibilities. The session would enable the participants to understand their loan agreements, the contents of the Master Promissory Note (MPN) to make sure that they understand their loan terms and payment requirement. Another objective is to explain to the participants the consequences they may encounter in the event of not paying the loan on time.

Materials:

Workshop Logistics, Resource Book (Training Module IX), Poster Paper, Markers (assorted colours), Card, Flannel Board, Board Pins, Laptop, LCD Projector, and Game Material.

Time: 1 hour 30 minutes

Process	Method	Time
Session 6 – Day 4		
<ul style="list-style-type: none"> • Welcome the participants. • Explain the main responsibilities of a borrower. • Ask the participants their experiences as borrowers of micro-credit loans. • Explain the consequences of defaulter of a loan. • Ask participants if there is anyone among them who was declared as a defaulter of loan. What types of consequences she/he faced? How did she/he solve the problem? • Synthesise their answers and make a list of basic documents needed for running successfully a SHG. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	1h -30 minutes

Sessions 7 and 8

Name of the Session: Common Terms Used by Micro-Finance Lenders.

Overview:

Certain financial terms often mean different things to different organizations depending on their own particular accounting policies. Financial terms will have slightly different interpretations in different countries. So, as a general rule for all non-financial business people, if in doubt, ask for an explanation from the person or organization responsible for producing the figures and using the terms - you may be the only one to ask, but you certainly will not be the only one wondering what it all means. Don't be intimidated by financial terminology or confusing figures and methodology. Always ask for clarification, and you will find that most financial managers and accountants are very happy to explain.

This session furnishes the most commonly used terms in micro-finance and micro-credit. The terms will be helpful to improve your knowledge in micro-finance.

Objectives:

By the end of this session, participants and trainers will:

- Get acquainted with most commonly used terms in micro-finance.

Materials:

Registration Form, Workshop Logistics, Opening Programme Schedule, Resource Book (Training Module IX), Poster Paper, Markers (assorted colours), Card, Flannel Board, Board Pins, Laptop, LCD Projector, and Game material.

Sets of common microfinance terminologies and definitions cut up on separate pieces of paper and instructions for activity (Activity Sheet No. 1).

Time: 3 Hours

Process	Method	Time
Sessions 7 and 8 – Day 5		
<ul style="list-style-type: none"> • Welcome the participants. • Ask the participants to describe the term they know and commonly use in micro-credit transactions. Write their answers on the board. • Referring to the Resource Book, explain each and every single term and their significance. • Close the session by thanking the participants for their active participation and contribution in the session. 	Question, Answer and Discussion	3hs

Session 9

Name of the Session: Group Discussion on Field Visit and Follow-up Action Plan

Overview:

The purpose of the field trip is usually observation for education and to provide trainees with experiences outside their everyday activities. The trainees observe the subject in its natural state and collect information and samples.

This session provides an opportunity to discuss among all participants the information they gathered after meeting the officials of the micro-credit institutions in their community and/or in the nearest town and city.

Objectives:

By the end of this session, participants and trainers will be able to:

- Get acquainted with the functioning of micro-credit institutions.
- Identify learning points from different sessions of the module.
- Formulate an action plan for implementation.

Materials: Resource Book (Training Module IX), Poster Paper, Markers (assorted colours), Plan Matrix 6.1.

Process	Method	Time
Session 9 – Day 5		
<ul style="list-style-type: none"> • Welcome the participants. • Divide participants into 3 - 4 groups and ask them to describe success and failure during implementation of their action plans prepared in the last training course. • Initiate discussion on how they could avoid failures and achieve more success. Get suggestions from the participants and write those on the board. • Divide the participants according to convenience of preparing and implementing action plans. • Ask all groups to identify action areas from the present course and prepare Follow Up Action Plan. • Ask each group to present their Follow Up Action Plan in the plenary. Encourage other groups to give their comments. • Summarise the session by thanking all participants for their hard work and active participation in the training course. Request all participants to discuss this plan with other local government representatives in their respective local government offices and make a Final Action Plan. • Request all LG representatives to take actions in accordance with their plan. 	Question, Answer and Discussion	1h -30 minutes

■ Plan Matrix: 9.1

Follow up Action Plan

SL NO.	Name of action	Implementation strategy	Implementing partners	Time of implementation	Responsible person
1					
2					
3					
4					
5					
6					
7					

Session 10

Name of the Session: Course Evaluation and Closing .

Objectives:

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

- Provide ratings and comments on different sessions of the module.

Total Time: 1 hour 30 minutes.

Materials: Evaluation Form and Certificate of Participation.

Process	Method	Time
Session 10 – Day 5		
<ul style="list-style-type: none"> • Welcome all participants in the session. • Distribute Evaluation Form to each participant. Ask them to fill up the Evaluation Form individually. • Collect all Evaluation Forms to be examined later and take appropriate steps as per their comments. • Organise a concluding session having some local guests. Ask 1-2 participant(s) to give their remarks on the activities and outcome of the course. • Invite comments and speeches from the guests and conclude the session. • Distribute Certificate of Participation at the end of the session. 	Question, Answers and Discussion	1h -30 minutes

■ Course Evaluation Form

1. To what extent did this course fulfil your expectations?

Fully Partially Not at all

2. Give your opinion about the course contents (check the appropriate column).

No.	Content	Findings		
		Fully	Partially	Not at all

3. Check the appropriate box.

Service	Excellent	Good	Poor	Very Poor
Classroom arrangement				
Quality of food				
Recreational arrangement				

4. Mention the good and poor things about this course (three of each type).

Good things	Poor things
1.	1.
2.	2.
3.	3.

5. Of the total contents of the course, which part did you:

- a) Like the most
- b) Not like at all

6. How would you use the experience from this training?

7. Give your overall opinion about the course (check the appropriate box).

Service	Excellent	Good	Poor	Very Poor

8. Write if you have any other comments or suggestions.
