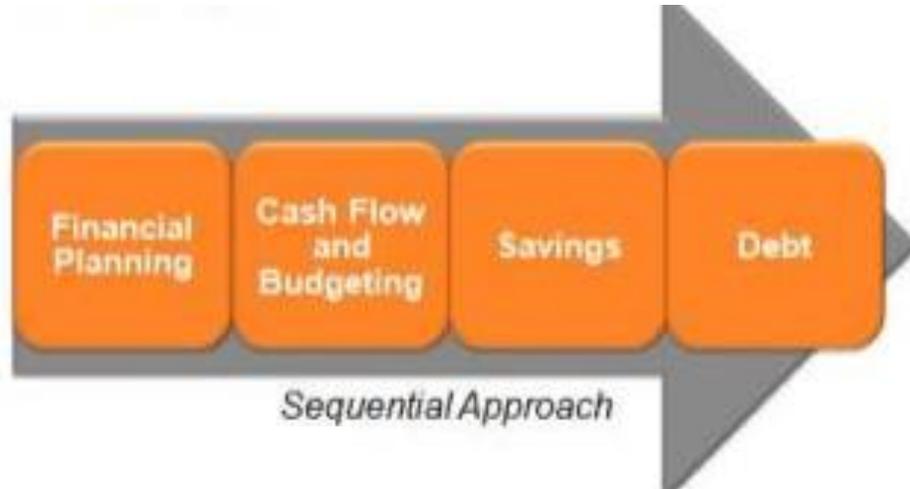


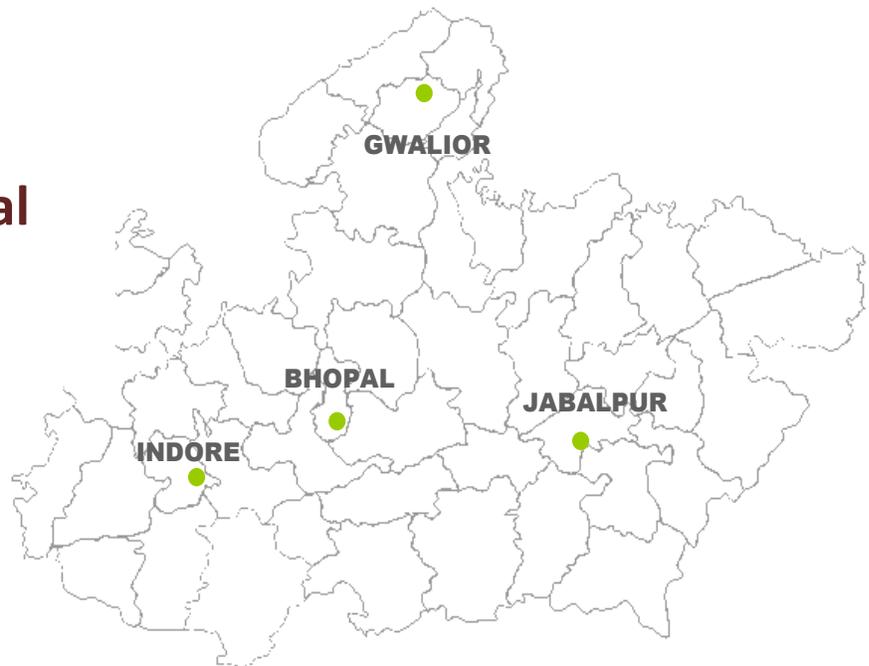
Madhya Pradesh Urban Infrastructure Investment Programme
a GoMP-DFID partnership



SAFE CITIES INITIATIVE



**Guidelines for
Community level
Meetings on Financial
Literacy**



January 2013

Background:

DFID under the MPUIIP is supporting UADD and ULBs to undertake evidence based Safe City Initiative – an action research to tackle violence against women and girls in four towns of Madhya Pradesh (Bhopal, Indore, Jabalpur, and Gwalior) The two-year Safe City initiative – an action research will be implemented across 250 slums in four cities: Bhopal, Gwalior, Indore and Jabalpur and is designed to reduce violence experienced by women in both the domestic and public spheres. And by doing so, it aims at building a body of evidence on the interventions within this initiative, their effectiveness in reduction of incidence and threat perceptions in target communities- ‘what works and why’ so that effective strategies can be up scaled in future. One of the key interventions under this initiative is the capacity building of women SHG members. The SHG members/ Micro finance group members in the identified slums will be provided training and handholding support to improve their livelihoods. These guidelines are meant to guide the trainers/field workers to carry out regular weekly meetings with existing groups to initiate the slum level capacity building process.

Purpose:

The key purpose of these weekly meetings is to develop discipline following the best practices of group/institution development through a regular weekly interaction for a specific period. These regular weekly meetings should aim to:

- To develop capacity of the existing women group members to improve their functioning
- To help SHG members improve their ability to manage personal and household finances
- To enable them to become informed and effective consumers of financial services
- Enable them to effectively use financial services and avoid risks of over-indebtedness

Approach:

Participatory process to be followed and the role of the facilitator is to facilitate the processes in order to achieve conscious decisions through active involvement of women. The SHG strengthening training modules and the tool kit for financial literacy are to be referred for the discussion on specific issues during the weekly meetings. This process will be undertaken by the trainers who were recently trained under the safe city initiatives. The Community Support Agencies when in place will be oriented on the toolkits and its use. **Meeting duration:**

Preferably 1-2 hours and largely depends on the issues/topics of the discussion. Initial few meetings

KEY POINTS TO REMEMBER

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount
- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes

will take some more time. The timing of the meeting should entirely be based on the convenience of slum women.

Outcome:

The key outcome of this meeting is to develop conceptual understanding of the women SHG members on financial planning, cash flow and budgeting, savings and debt which will lead to a regular savings, meeting, timely repayment and good record keeping. Secondly, SHGs should be able to function independently after intensive 12 weekly meetings.

REMEMBER "DAL MAKING" and TO FOLLOW THE SEQUENTIAL APPROACH

Arrange the following tasks in the order you will complete them while making and eating "DAL TADKA"

- A. Eat Dal
- B. Boil in Pressure Cooker
- C. Serve in Katori
- D. Cut Onion for Tadka
- E. Add Masala
- F. Prepare Tadka

Right Sequence

- B. Boil in Pressure Cooker
- D. Cut Onion for Tadka
- F. Prepare Tadka
- E. Add Masala
- C. Serve in Katori
- A. Eat Dal

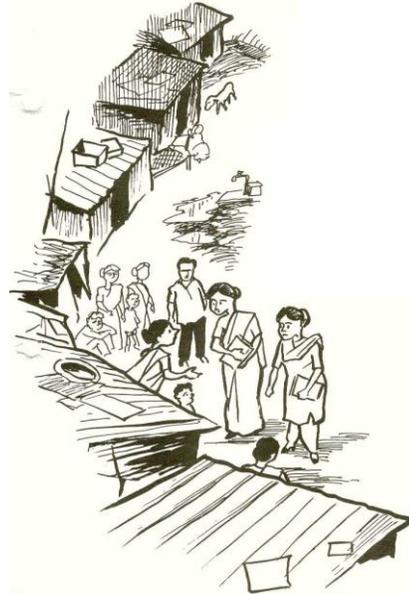
Weekly Meeting Agenda

Environment setting (Week- 00)

- Introduction of the MPUIIP and safe city initiatives (objective and purpose)
- Key drivers of the programme such as SHGs
- Importance and concept of SHG (**refer handouts-01 What is SHG**)
- Stating interventions of safe city plan and their roles and responsibility

Setting of basic norms for 12 intensive weekly meetings: time, place, attendance etc. (once agreed ensure the norms are written in the meeting minutes)

- Stock-taking of the existing group- current situation and status such as total available saving amount, meeting regularity, loan situation and any other dispute/conflict within the group (**refer- handout 02 – CHECKLIST FOR SHGs**)
- Agree to meet every week at least first three month and also explaining the reasons of this weekly meeting and its benefits
- Facilitate in the process of identification of office bearers such as President/chair person, Secretary and Cashier cum book keeper
- Agree and inform their roles and responsibility (**refer handout 03 ROLES and RESPONSIBILITY**)
- Agree a minimum amount of weekly saving by the members
- Sensitize and initiate credit/saving plus- activities such as gender discrimination and gender based violence at the family level
- Answer/question session
- Agree the time and venue of the next meeting and the agenda of the next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes



**Session on Communication (Samwad)
(Week- 01)**

Preliminary Discussions:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount

Discussions on:

- What is communication/Samwad and its importance (**refer to Handout4 – Communication**)
- What communication mean in the context of SHG (discuss the value of equal understanding and information among SHG members such as SHG savings and balance amount, norms of SHG, savings, lending, meetings etc.)
- The common processes for sharing/communicating information about SHGs

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes

Key Learning:

- All are encouraged to participate in discussions and agree a processes for communication and sharing information for SHG
- Understand the importance of communication
- Understand effective communication

**Session on Leadership
(Week- 02)**

Preliminary Discussions:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount

Discussions on:

- The need of leadership for SHG and key roles and responsibility of the leadership (**refer Handout – 5 – Leadership**)
- Possible conflict related to leadership

Leadership roles and responsibilities of office bearers:

- Discuss the various options and processes for the selection of leaders/office bearers (refer: Handout on Leadership)
- Discuss and record the final decision for the processes and options to be followed for the leadership
- Discuss the benefits of rotational leadership

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes

Session on Leadership (Week- 02)

Key Learning:

- All are encouraged to participate in discussions and identify leadership in the group
- Understand the importance of leadership and power of collective strengthgroup
- Understand the processes to be followed for leadership selection/rotation etc.



Session on Financial Planning (Week- 03)

Preliminary Discussions:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount

Follow the toolkit on “Aarthik Vichar aur Yojnayan” and focus on:

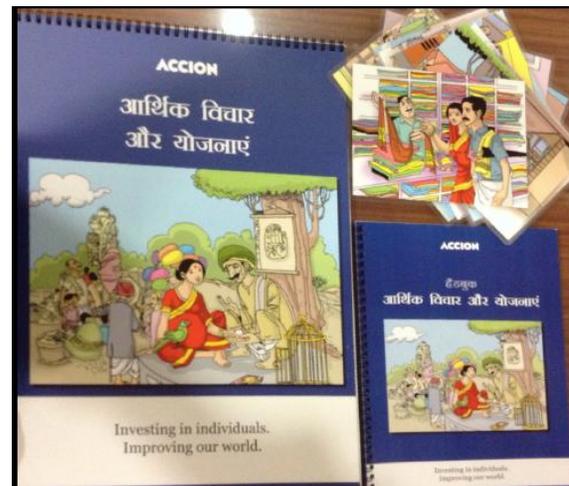
- Importance of financial planning
- Poverty Cycle and ways to break it
- Differentiate between Needs and Wants

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes

Key Learning:

- Should be able to understand the cycle of poverty and ways to break the cycle
- Should be able to realize the need for financial planning
- Understand the financial planning framework concept



Cash-Flow (Week- 04)

Preliminary Discussions:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount

Follow the Toolkit : “Aaya Vayay ka Lekha Jokha” and focus on:

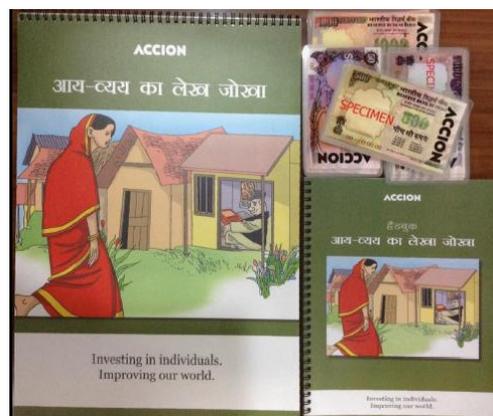
- What is income and expenditure
- Understanding financial situation including deficit and surplus
- How to plan as per your financial situation

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes

Key Learning :

- To learn to draw up a cash flow statement
- Understand present financial situation vis-à-vis desired state – deficit or surplus



Household Budget (Week- 05)

Preliminary Discussions:

- Facilitate to meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total saving amount

Follow the Toolkit : “Aaya Vayay ka Lekha Jokha” and focus on:

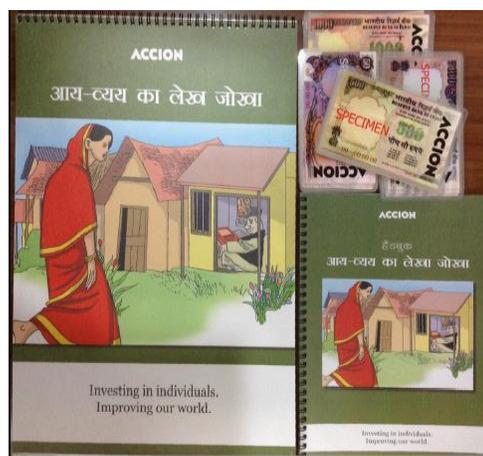
- Allocation of budget on the basis of cash flow game)

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made the register
- Ensure all members have signed on the meeting minutes

Key Learning:

- Budgeting as a tool to help achieve desired financial state based on cash flow analysis



and

(play

in

Savings (Week- 06)

Preliminary Discussion:

- Facilitate to meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount

Follow the toolkit “Bachat” and focus on:

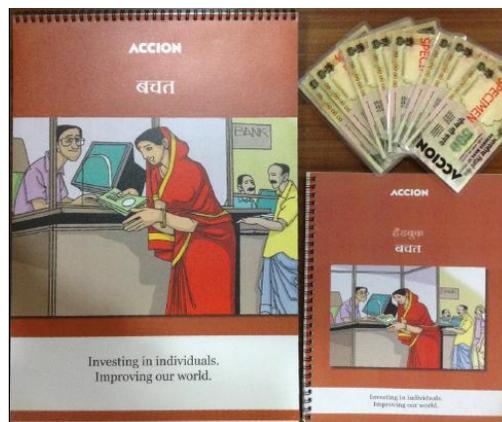
- How to save by differentiating between needs and wants
- Saving by reducing expenses on wants
- Saving – Why, How, When and where

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes

Key Learning:

- Savings is necessary to build a secure and happy future
- Everyone can save irrespective of their income and expense levels. Its about attitude and habit
- Understand the concept of needs and wants
- Concepts and Strategies for saving – saving small, continuously and begin at any time
- Safe options to save



Loan (part 1) (Week- 07)

Preliminary Discussion:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount

Follow the toolkit “Karz” and focus on:

- What leads to indebtedness
- Differentiate between good and bad loan
- Sources of lending- Institutional and non institutional
- Debt carrying capacity

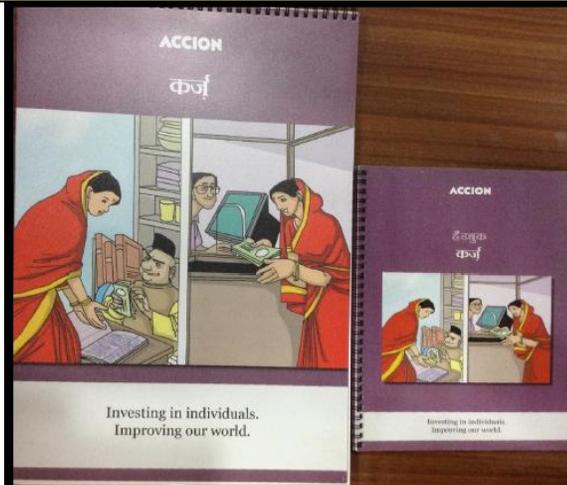
Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes

Loan (part 1) (Week- 07)

Key Learning:

- Benefits and responsibility of Debt
- Concept of good debt and bad debt
- Sources of debt and their differences
- Importance of timely payments and consequences of defaults
- How much debt – their carrying capacity



Loan (part 2) (Week- 08)

Preliminary Discussion:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount

Follow the toolkit “Karz” and focus on:

- Game play on loans
- Recall good and bad debt

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes

Key Learning:

- Concept of good debt and bad debt

A colorful grid-based game board for 'Karz'. The board is a 10x10 grid with numbers in each cell. The numbers are arranged in a pattern that suggests a path or sequence. The grid is decorated with illustrations of people and objects. The numbers are: 95, 94, 93, 92, 91; 90, 89, 88, 87, 86; 85, 84, 83, 82, 81; 76, 77, 78, 79, 80; 75, 74, 73, 72, 71; 66, 65, 64, 63, 62, 61; 55, 54, 53, 52, 51; 46, 47, 48, 49, 50; 35, 34, 33, 32, 31; 26, 25, 24, 23, 22, 21; 16, 15, 14, 13, 12, 11; 6, 5, 4, 3, 2, 1.

**Setting SHG Norms/Bi-law
(Week- 09)**

Preliminary Discussion:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount

Focus on SHG Norms and bi-laws:

- Discuss the importance and needs of setting SHG norms and bi-law
- Facilitate to develop SHG norms /bi-law for the general management and operation of SHGs, as inclusion and exclusion of membership, saving, leadership selection, withdrawal of members, internal loaning, rate of interest, fine
(Refer Handout 6 – Model Bylaws for SHGs)



such
etc.

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made register
- Ensure all members have signed on the meeting minutes

in the

Key Learning:

- Members understand and are prepared to form and record bi-laws

**Finalization of SHG Norms/bi-laws
(Week- 10)**

Preliminary Discussion:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the week saving amount to the members and the amount

last
total

Focus on:

- The finalization of SHG norms/bi-law
- Ensure it is recorded/written in the register

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been in the register
- Ensure all members have signed on the meeting minutes



made

Key Learning:

- SHGs form their norms /bi-law for the general management and operation of SHGs, such as inclusion and exclusion of membership, saving, leadership selection, withdrawal of members, internal loaning, rate of interest, fine etc and record in register

Bank Linkages (Week- 11)

Preliminary Discussion:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total amount

Focus on:

- NABARD bank linkage plan including the procedure of SHG grading and assessment through Bank (Refer: NABARD guideline)

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the
- Ensure all members have signed on the meeting

Key Learning:

- Groups understand the grading process
- The basic understanding banking procedures are clearly understood
- Understanding Loan Procedure

(Refer NABARD Hand-book)



register
minutes

Initiate the preparation of business plan (Week- 12)

Preliminary Discussion:

- Facilitate to start meeting with a song
- Facilitate in the collection of saving amount by the members and ensure recording
- Facilitate secretary and cashier to explain the last week saving amount to the members and the total savings amount

Focus on business plan and:

- Facilitate to develop business plan with a simple cost benefit analysis for each identified/short-listed enterprise/business ensuring the business plan
- Discuss and explore the funding sources (bank/SHG savings/government scheme etc.)
- Discuss the livelihoods scheme of the government and steps/procedure to access it (prepare and distribute the list of key livelihoods scheme)

Conclusion:

- Agree and set an agenda for next meeting
- Ensure all the necessary entries have been made in the register
- Ensure all members have signed on the meeting minutes

Key Learning:

- Simple cost benefit analysis for each identified/short-listed enterprise/business
- Source of Funds
- Information on existing Government Schemes on Livelihood

Refer to **Urban Schemes Compendium prepared under MPUSP in Jabalpur** or the book 'Aage Aayen labh Uthayen')



HANDOUTS

HANDOUT 1

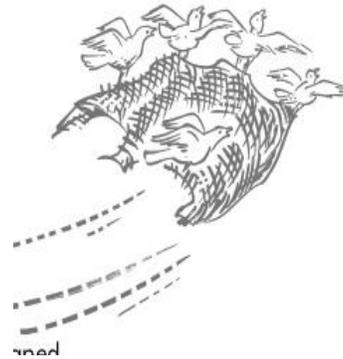
What is Self Help Groups

The Self Help Concept

Purpose of SHG: working on attitude change- she/he is of worth and can take steps toward their own development. Building a strong people's institution that will be self-sustaining by women are the keystone for community development: support groups in pursuit of various ventures have remained a major social strategy in human history, Basic Principles: SHG is all about rebuilding strong and homogeneous women collective communities institutions, thereby bringing people together and empowering them. Central to this process are actions which both build individual and collective assets.

Self Help Groups are intended to draw those excluded back from the margins. We are to bring together large numbers of people together in small groups that are meeting and sharing on a regular weekly basis. You will have a community facilitator that will just help you in the start-up phase but whose primarily function is to enable you to grow independent and strong.

Story: Once a flock of birds was caught in a hunters' net. For a long time they tried to escape from the net, but they did not success. Finally, they flapped their wings together and flew away with net



SHG Features: (write on flip chart)

- Small size: 10-15 members.
- Voluntary membership
- Emphasis on self help, mutual support
- Members in same geographical area and economic level
- Not a registered body
- Rotational leadership

- Non-political, non-religious
- Maintain a high level of discipline (fines for lateness, being absent, not saving each week or not paying loans back on time).

SHG Function: (write on Flip Chart paper):

- Meet every week (at least one hour)
- Save in the meeting
- Discuss issues
- Take decisions in meetings
- Manage credit
- Monitor credit utilization
- Ensure regular repayment of loans
- Establish linkage with government department
- Organize exposure to other SHGs
- Initiate community and social action programs in the community
- Initiate credit plus- activities such as sensitize community on gender discrimination and health issues

Three levels: there are three levels of organizations: **Self Help Group**-savings/credit and all economic activities leading to income generation activities; social bond and affinity among members; basic social issues in family and community: Second level is the **Cluster Level Association** that will bring together 15 SHG to share and be a learning group. This happens after the first year of SHG operations. The third level is the **SHG of the Clusters** which will reach out to other organizations/institutions to help with growing support for the Self Help Groups. This normally happens at the end of year two. The intent is that at the end of this project you will be managing your own affairs and the support organization will have handed it over to you. From the very beginning we will slowly be phasing out. It is critical at all levels to involve people in decision making (not top down). We are always transferring power.

HANDOUT 2

CHECKLIST FOR SHGs

Name of Field Staff: ----- Name of SHG:-----

Date of Assessment -----

Sr No	Factors To Be Checked	Very Good	Good	Unsatisfactory
01	Group Size	10-15	16-20	Less than 10
02	Status of Members	Only very poor members	2-3 not very poor members	Many not poor members
03	No. of Meetings	4 in a month	2 in a month	Less than 2
04	Timings of Meetings	Fixed meeting time in agreement	Casual	No time – nobody knows
05	Attendance of Members	More than 90%	70-90%	Less than 70%
06	Participation of Members	80-100%	60-80%	Less than 60%
07	Savings Collection within the Group	Four times a month	Three times a month	Less than three times a month
08	Amount to be Saved	Agreed Fixed amount	Varying amounts	-
09	Interest on Internal Loans	Depending upon the purpose	24-36%	More than 36%
10	Interloaning of Savings Amount by SHG	Fully used for loaning to members 75%	Partly used for loaning Upto 50%	Poor interloaning Upto 25%
11	Loan Recoveries	More than 90%	70-90%	Less than 70%
12	Maintenance of Books	Most important registers [minutes, savings, loans, etc.] are updated	Partially updated	Irregular in maintaining and updating books
13	Accumulated savings	More than Rs 5000/-	Rs 3000-5000/-	Less than Rs 3000/-
14	Knowledge of the	Known to all	-	Not known to all

Sr No	Factors To Be Checked	Very Good	Good	Unsatisfactory
	Rules of the SHG			
15	Educational level	More than 30% of members can read and write	20-30% members can read and write	Less than 20% know to read and write
16	Knowledge of Govt. Programmes	All are aware of Govt. Programmes	Most of the members know about Govt. Programmes	Most of the members do not know about Govt programmes

- SHGs with 12 to 16 "very good" factors can get loans immediately.
- SHGs with 10 to 12 "very good" factors — need 3 to 6 months' time to improve, before loan is given.
- SHGs with rating of less than 10 "very good" factors will not be considered for loan.

HANDOUT 3

ROLES and RESPONSIBILITY

Type of leaders in an SHG

1. Secretary
2. Book writers/Treasurer
3. Chair person

Role of Secretary

- To ensure that the weekly meetings takes place regularly
- To facilitate good relationship between members of the group and to ensure the smooth functioning of SHG
- To facilitate group members to resolve any conflicts that may arise in the SHG
- To build relationship between the SHG and other institutions
- To share all relevant information gathered from training sessions attended and from external contacts with rest of the SHG members
- Jointly operate bank account as authorized by the group
- To monitor the financial affairs of the SHG including maintenance of records, audits and fund management
- To check with decisions made in the Minute book before signing a cheque
- Represent the SHG in other forums
- Facilitate the group to carry out the decisions of the SHG
- Try to mobilize local resources for the benefit of SHG

Role of Chairperson

1. To ensure discipline in the meeting
2. To handle cash transaction of the day and to remit cash to the bank
3. To furnish the bank receipt counterfoil to the SHG members in the next meeting
4. To ensure participation of all members in the proceedings of the meeting

Role of Book writer/Treasurer

1. To ensure updating of all book of accounts
2. To ensure that books and documents are kept safely and in good condition and to produce them whenever required
3. To ensure the audit of SHG finances
4. To attend training sessions when organized
5. To ensure that a second line of book writers are developed in SHG
6. To prepare and present the monthly report to members, to CLA and NGO
7. Work for improvement of literacy and numeracy skills of the SHG members
8. Training members in bank transactions

Rotating leadership functions

Rotational leadership in an SHG is important because,

1. It creates opportunities for all members to develop leadership qualities
2. It enables the sharing of responsibilities
3. It allows the SHG to function smoothly even if some members are absent. (Many saving credit groups in Uganda were closed due to the resignation of the leader)
4. Create equal opportunities in the SHG
5. Does not allow domination by a few members

Note: leaders should be appointed three months prior to the expiry of the term of the former leaders in the SHG

HANDOUT 4:

COMMUNICATION

What is communication?

Communication involves the process of both sending and receiving ideas, facts, opinion, information, feeling and experience. The purpose of communication is to inform, to provide instructions, to educate, to teach new skills, to influence/ persuade and to organize people.

One way	Two way communication
One person conveys the message and the other passively receives it.	Two parties talk to each other but they are listening to each other as well. Two way communication is important because: <ol style="list-style-type: none"><li data-bbox="571 797 1270 898">1. The sender knows that the receiver has understood the message she has sent correctly only if she receives feedback from the receiver of the message<li data-bbox="571 931 1182 994">2. It helps in clarification of doubts, confusions and misconceptions<li data-bbox="571 1028 1142 1059">3. Helps both parties understanding each other<li data-bbox="571 1093 1070 1124">4. Helps in receiving and giving feedback

Principles of successful communication

1. Using clear, simple language that the receiver can understand
2. Deliver the message by understanding the interest and the needs of the receiver.
3. Having knowledge, interest and skill on the subject
4. Avoid giving too much information at a time
5. Be sure that your actions support your communication
6. Be a good listener
7. Giving and receiving feedback.

Guidelines for effective listening

1. Concentrate on hearing
2. Listen with open mind
3. Pay attention and try to understand what is being said
4. Do not predict what the speaker is trying to say

5. Do not become defensive and do not argue or interrupt
6. Understanding the feeling behind what is being said
7. Ask questions

Norms of successful communication in the SHG

1. Conduct meeting in a calm place
2. Circular seating arrangement
3. One member speaks at a time
4. Provide chance to all members to voice their opinion
5. Documentation of the discussions and decisions in minute book
6. Use the language which majority of the members can understand
7. Be clear and specific
8. Make eye contact
9. Address the group

Norms of successful communication with other institutions

1. Try and fix an appointment prior to the meeting
2. Keep all the documents and information you may need during the meeting
3. Introduce yourself, your SHG and village at the beginning of the meeting
4. Be clear and specific

HANDOUT 5

LEADERSHIP

Need for leadership in an SHG

Leadership is needed:

- To coordinate all the SHG activities
- To nurture the group's interpersonal relationship
- To ensure that all members participate in group activities
- To take initiative in establishing linkages with external organizations
- To represent the group in other forums

Characteristics of a good SHG leader

Democratic leadership is essential for an SHG. The leader must foster participation, respect the members, must be responsible, impartial and supportive. A democratic leader also helps promote new leaders in a group. A good leader in an SHG should be courageous, dedicated, honest and a visionary. She should always put the larger interest of the group before her personal interest.

HANDOUT 6

MODEL BYE-LAWS FOR SHGS OF SELF-HELP GROUPS

(to be sent separately)