

Training On CLA Formation and Management

Day I

Day I Training contents

Experience sharing

Review on the concept of SHG

Concept of CLA

Why/need of CLA

Structure of CLA

Feature of CLA

**Experience Sharing
Among Organizations
on SHG formation
and management**

**Review
on
Self Help Group/ SHG
Concept**

Principles of SHG approach

Despite of the socio-cultural differences (religion, color, race, etc.) every human being is created with full potential

The society marginalized the very poor and make them to feel that they are good for nothing

Unorganized poor are vulnerable, voiceless, powerless and can not change own situation

The SHG approach organizes the poor and enable them explore their hidden potential through gradual attitudinal change

As the poor organized and helped to analyze their situation, they become an active actor for own development

Operating principles

No material resources/hand out

- Group finances their inputs
- Sense of Achievement
- Strengthen Ownership

Group should be formed with No agenda

- Rather help the group to identify needs

Non political & Non religious

- Political & cultural dev't
- Overcome religious barriers

Why SHG approach?

Most of the existing groups focus on development

Poor people are not part of the existing group

Focus on poor, bringing out the potential of people (unleashing human potential)


Build strong communities

Cost effective model

NGO phasing out is possible with SH approach, sustainable development is possible

What is Self Help Group/ SHG?

Self-Help Group (SHG) is an informal association of poor (weaker sections) in a community with a common objective of working together for their economic and social development /empowerment and also for their overall area development.

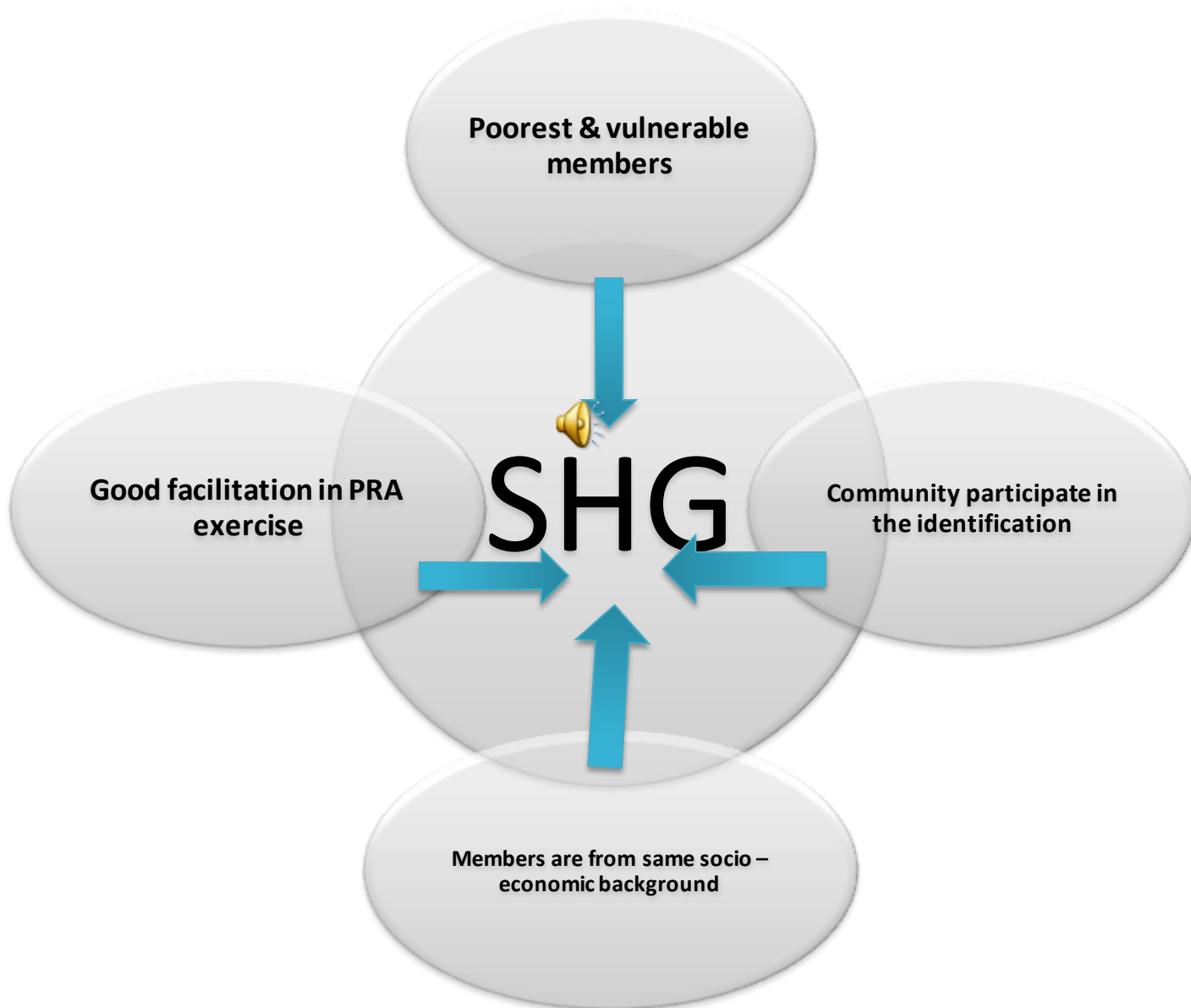


SHG is small (15 to 20 members), generally homogeneous and members are bound by affinity

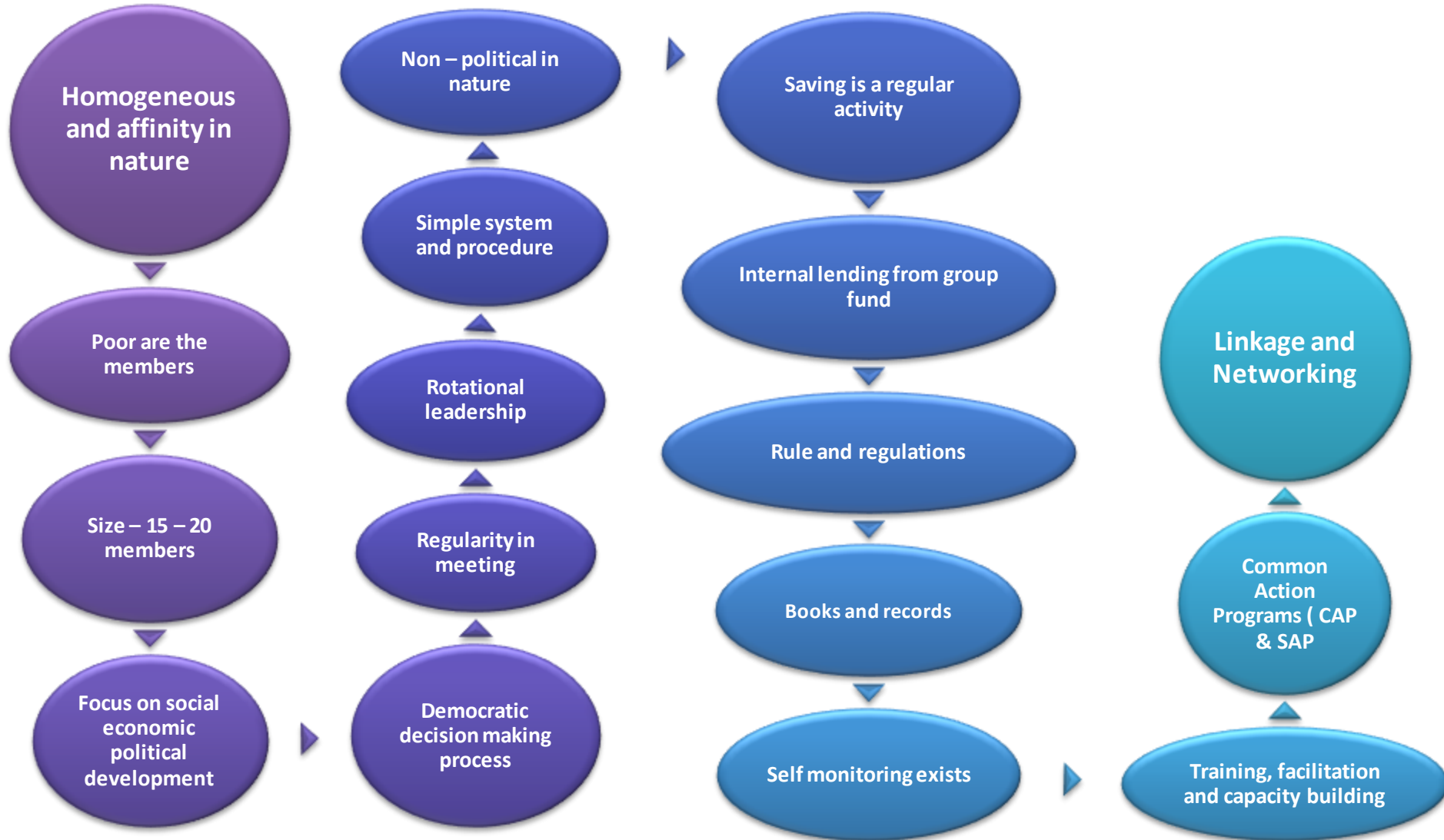
Homogeneity - Similarities related to age, sex, activities/ occupation, socio economic condition, place of birth etc

Affinity - Natural bonds due to mental characteristic like love and affection, mutual trust, respect, support, etc.

SHG Membership



Features of SHG



Functioning of SHG

Regular weekly meetings

Members choose date, time, venue

Belongingness

Share ideas

Regular savings

Stretch member's ability & discover that they can do

Decide on minimum weekly saving

Optional savings

Additional saving

Internal lending

Loan rules

- Maximum loan
- Repayment period
- Repayment in installment or the entire amount
- Rate of interest

Short cycle loan with high interest rate is a driving factor to develop business mind setup

Record keeping

Individual passbook

Attendance cum minute books

Loan Ledger

Admission book

Take-up Community & social Issues

Regular meeting helps them to face problems

Motivated to act rather than waiting

Community Action, social problems and social issues

Micro business Activities

Every members has to start business & develop it

Ensure Economic development

Objective of the SHG approach

Social dev't & empowerment

- Equal participation & status
- participation & increase decision making power at all level
- Overcoming social, cultural & religious barrier

Economic dev't & empowerment

- Greater access to financial resources
- Reduced vulnerability of weaker sections
- Significant increase in own income,
- Financial self – reliance

Personal dev't & empowerment

- Members consciousness created
- Start claiming their right
- Lobbying and advocacy

Pillars of the SHG

Examples of Social Empowerment

Confidence build & assertiveness increased

Better awareness, communication skill, consciousness increased

Increased social security

Regular meeting & address their social problems

Linkages with schools & education office for FAL purpose

Access to education & Improved Health

Mutual support & strong social network created

Members became active participants

Recognition at family and community levels

Linkages with different institutions for service

Examples of Economic Empowerment

Credit Access created

Members involve in business

Income increased & diversified

Family livelihood change

Linkage with technology, finance, Market place

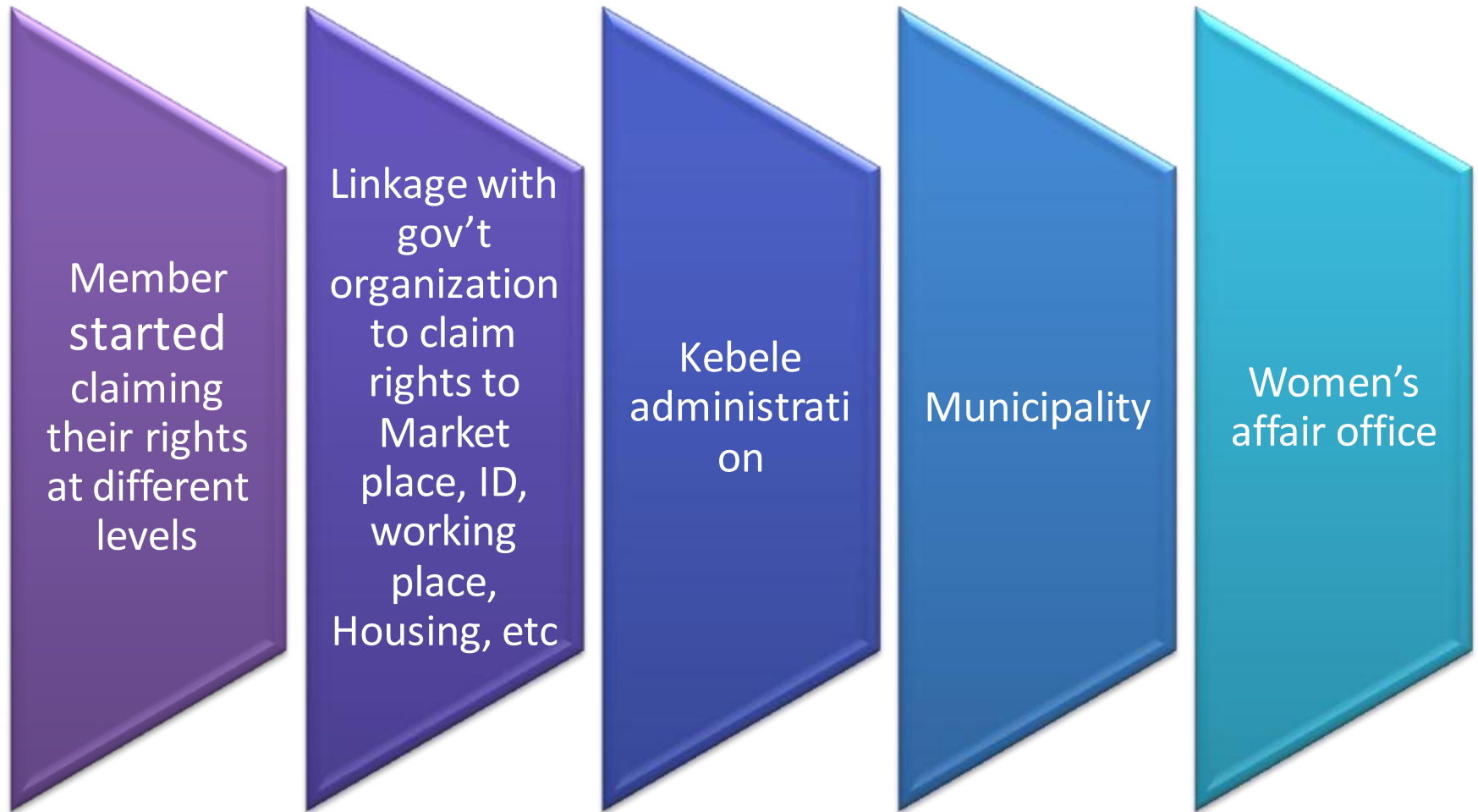
Skill developed

Employment opportunity

Asset created (Housing, furniture, small animals)

Business capital increased

Examples of Personal empowerment cont'd

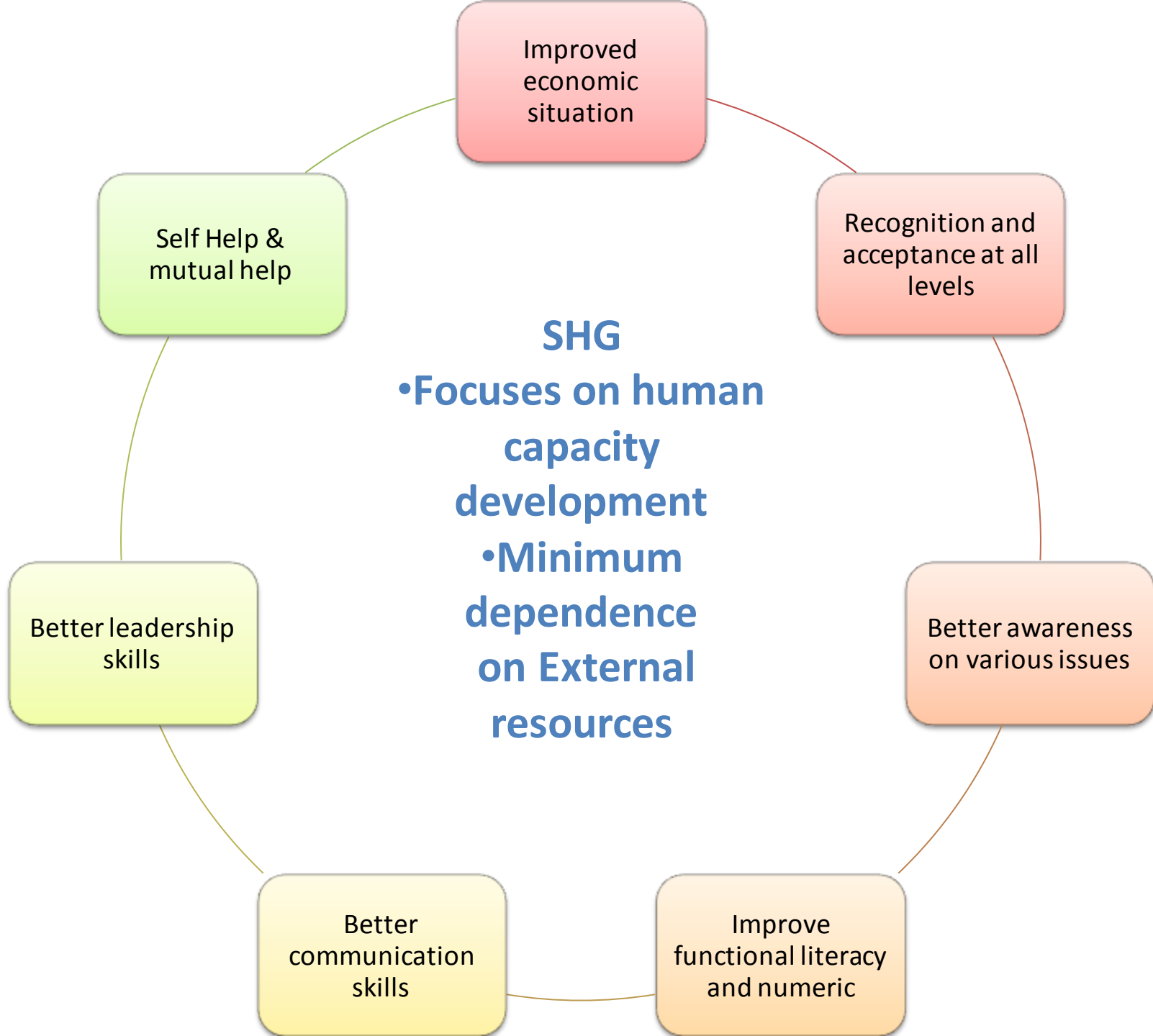


Advantages Of SHG



Development and Empowerment

- At Members level
- Community level



What issues/activities
are beyond the capacity
of SHG
or difficult to accomplish
at SHG level ?

Roles and responsibilities of SHG

Non-financial

Regular meeting

Discussion on various issues

Set and revise rules

Mutual support

Plan and implement

Self monitor

Financial

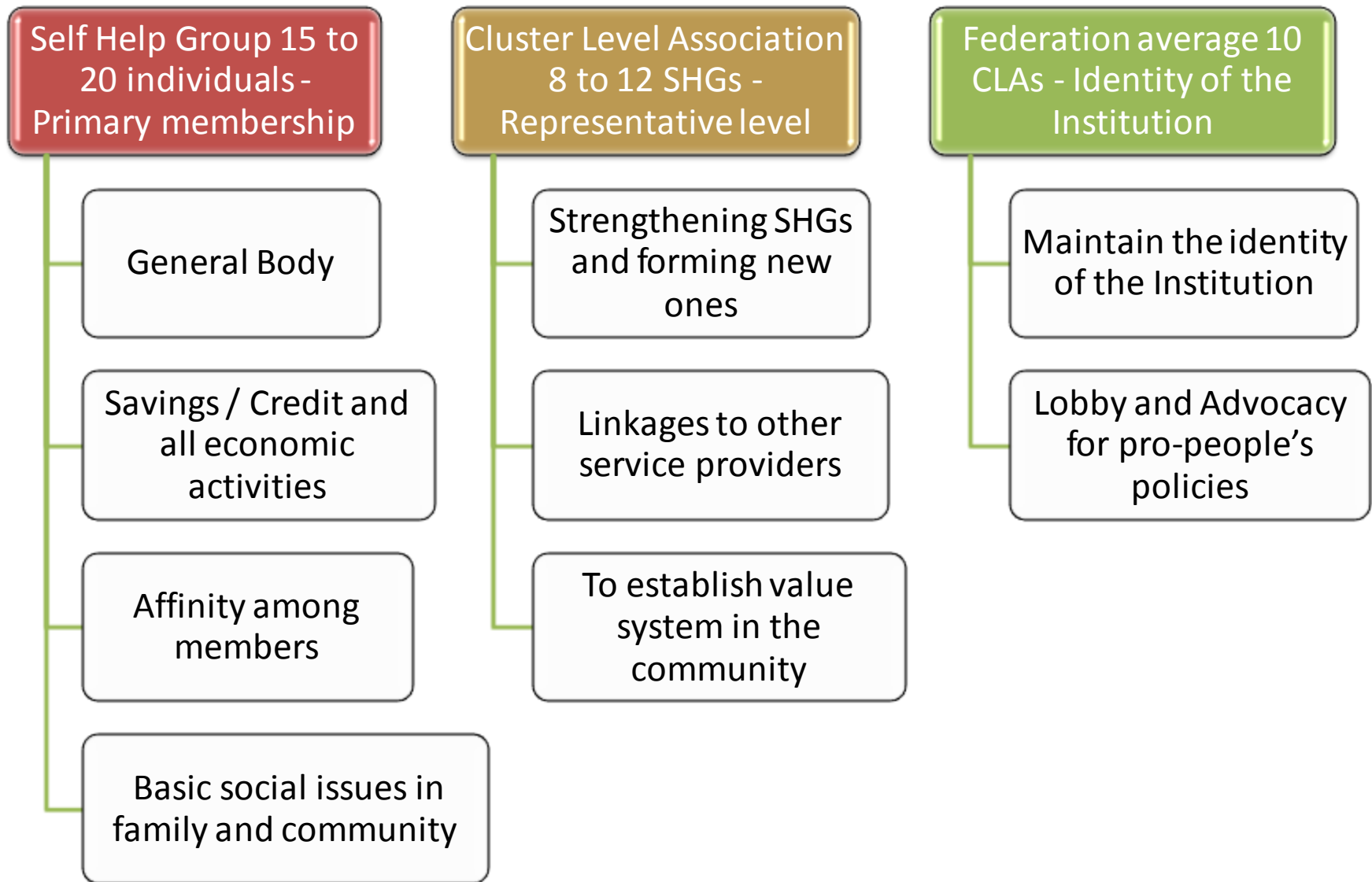
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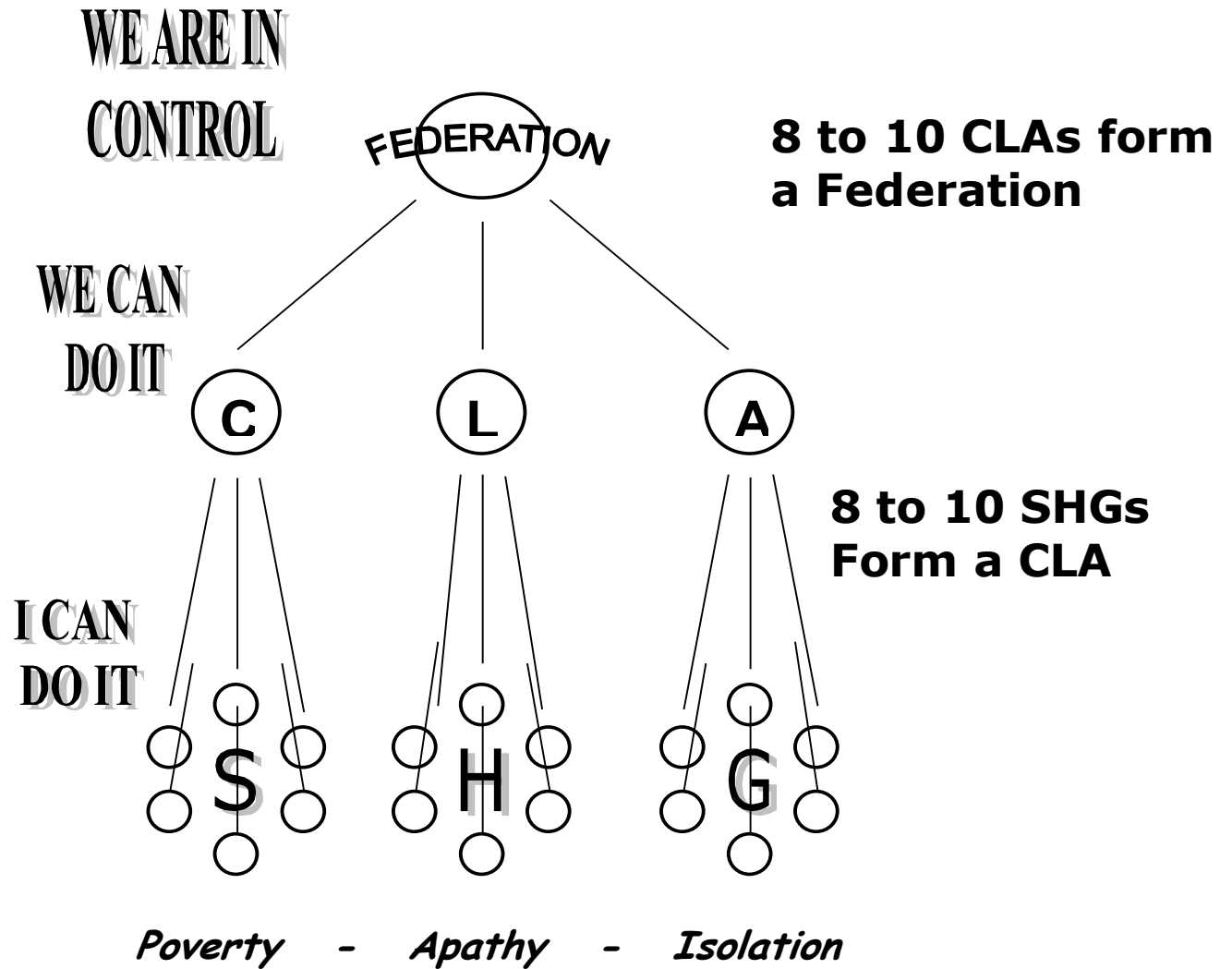
Loaning

Book keeping

Group IGA

SH Approach - Three Levels Structure





Cluster level
Association/
CLA formation and
management

What is CLA?

A CLA is the network of 8 – 12 SHGs located in nearby area (within same geographical area/2-3/5km radius) and working on the things that cannot be done by SHGs themselves effectively

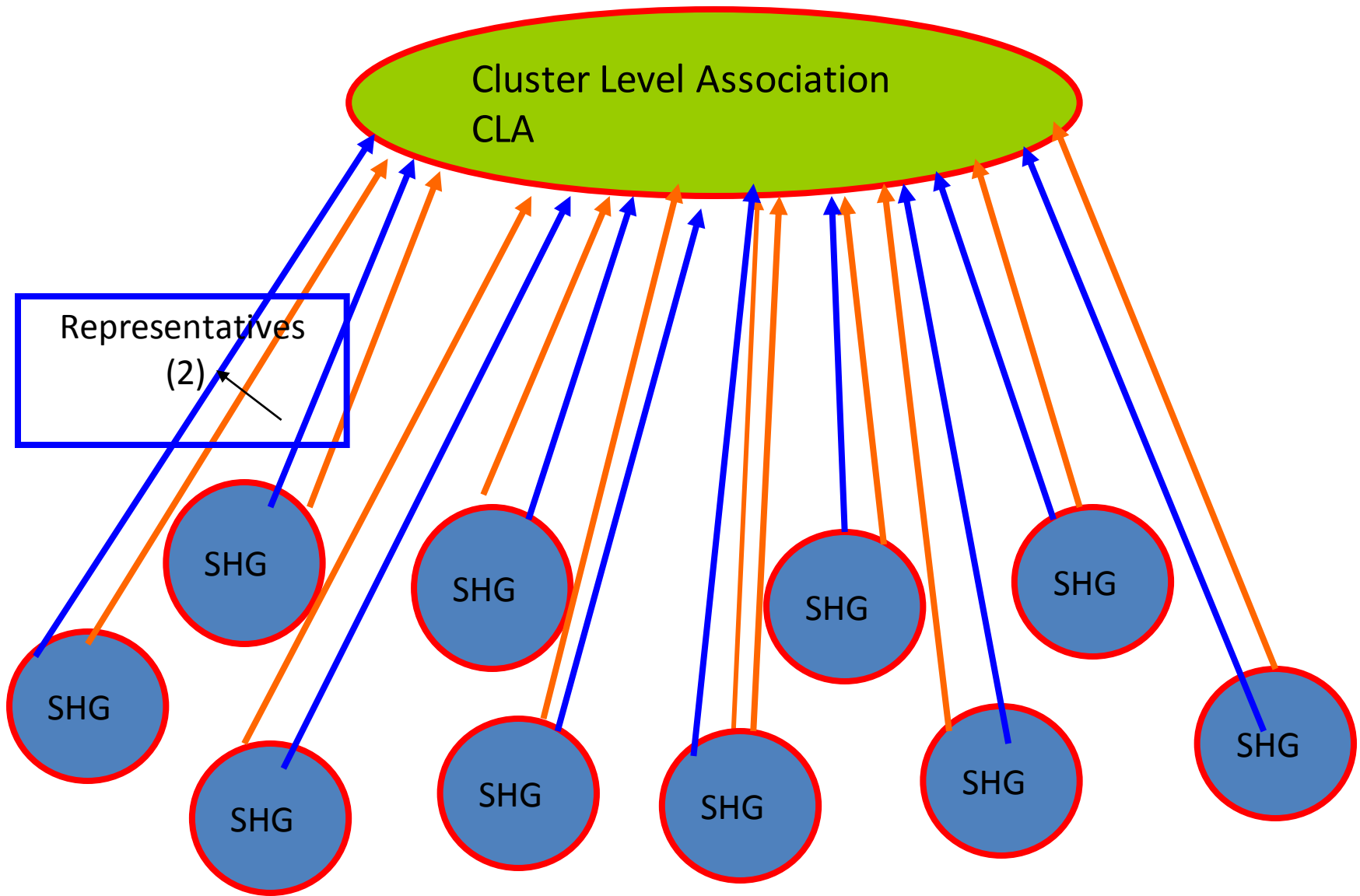



CLA (Cluster Level Association) is a democratic body of SHGs, by SHGs for SHGs

Strong SHGs form their CLAs

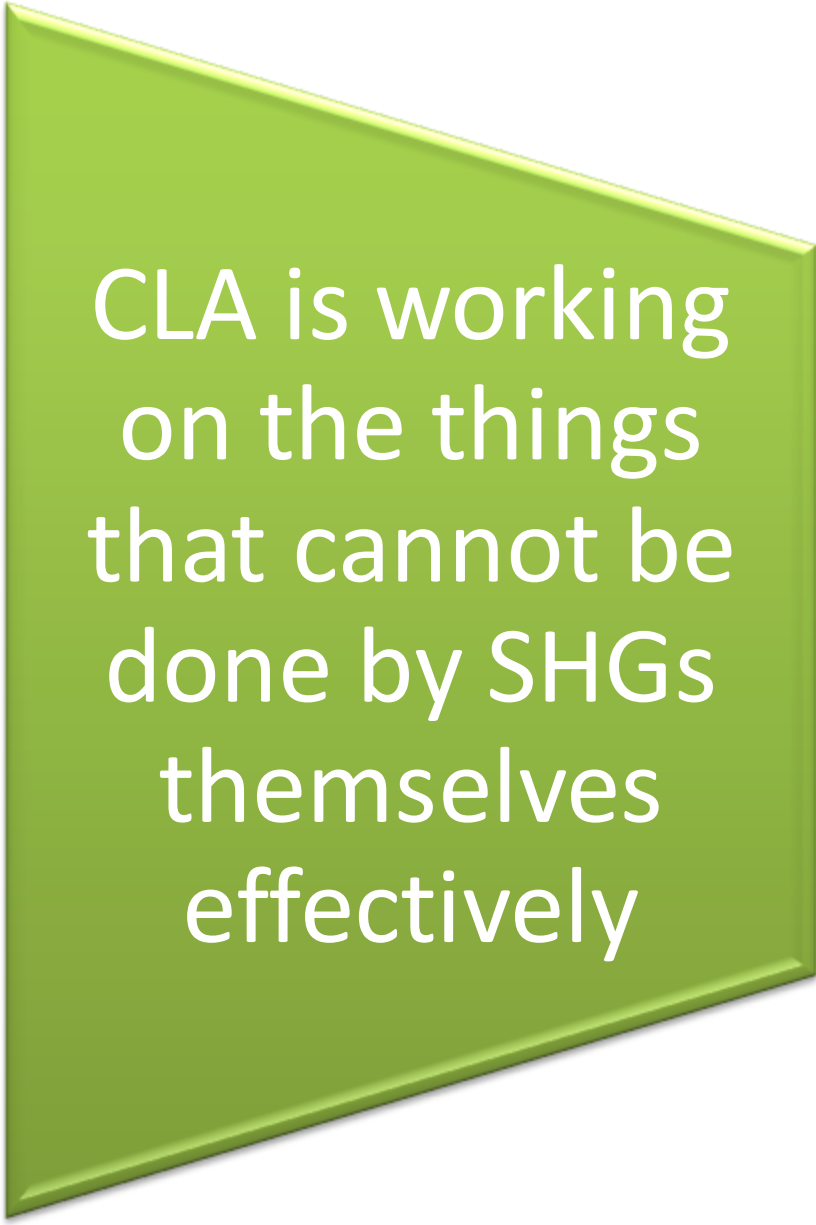
SHGs send representatives to network at CLA

2nd level institution CLA (6-12 SHG)



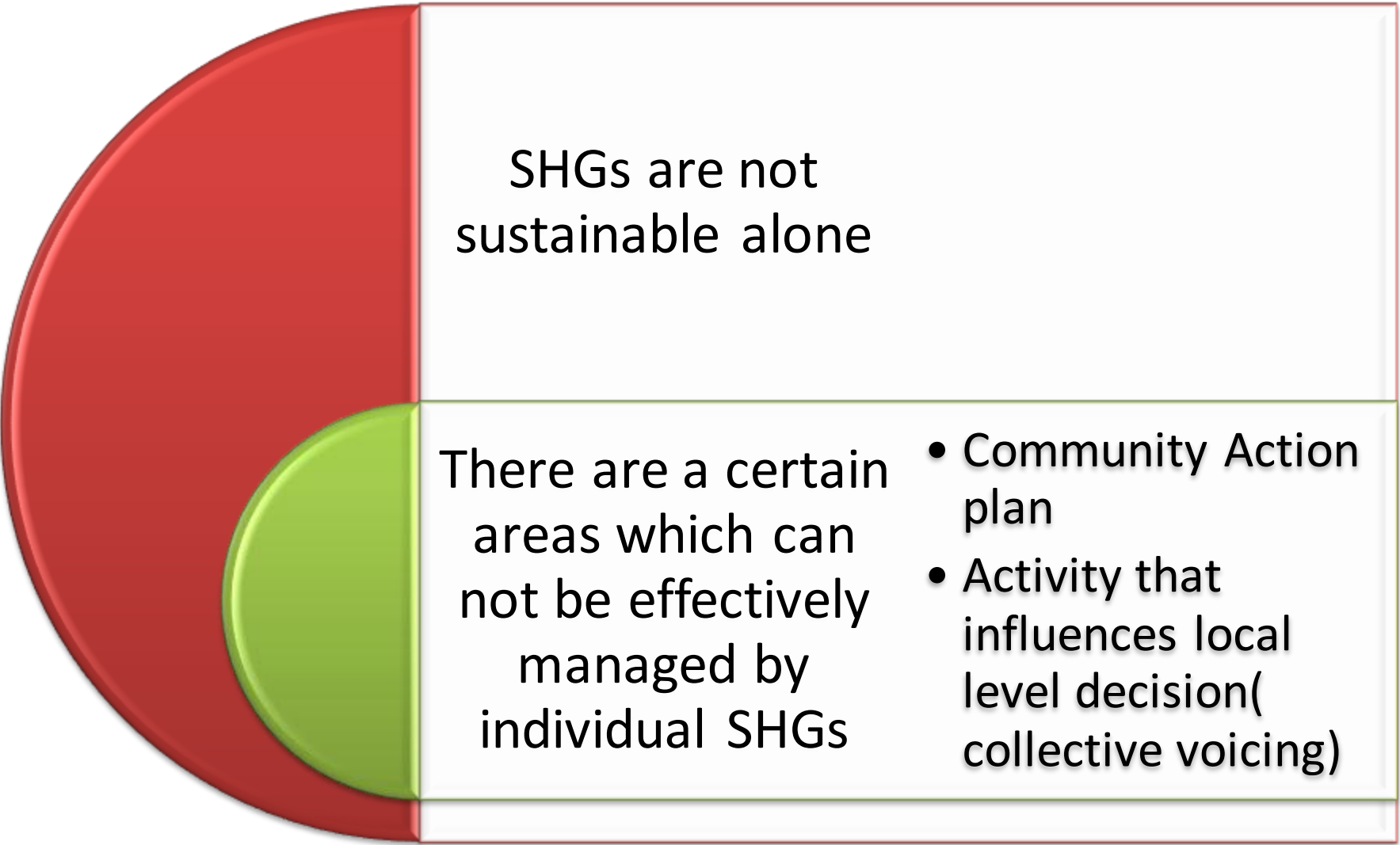
A red arrow pointing to the right, containing white text.

CAL is not a
controlling
body but
supportive
structure to
SHGs

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CLA is working
on the things
that cannot be
done by SHGs
themselves
effectively

Why CLA?



SHGs are not sustainable alone

There are a certain areas which can not be effectively managed by individual SHGs

- Community Action plan
- Activity that influences local level decision(collective voicing)

Why CLA, con'td

CLA plays crucial role in the process of empowerment as it support the SHGs in areas like the following:

Establishin
g
sustainable
linkages
with
different
institutions

Expressing
solidarity
and
mobilizing
collective
action on
wider social
issues

Support for
weaker
SHGs

Lobbying
with local
bodies and
institutions

Crisis
resolutio
n within
SHG

Marketin
g and
bargainin
g power

Promoting
continuity
for the
program/
sustainabili
ty

NGO Phasing out is possible

CLA take over
of operational
and
administrative
role

NGO will hand
over the
responsibilities
to CLA

People's
institutions
will manage
their
institutions
and facilitate
the dev't
process

Areas where cooperation can be needed between SHGs

SHGs networking & strengthen the weak SHGs

SHGs share their experiences

SHGs networking improve the interpersonal relationship among the groups

Voicing together/influencing

Advocacy and lobbying is possible

Day II

Feature of CLA

Size :

- 8 – 12 SHGs (16 to 24 members)

Area coverage -

- One geographical cluster

Registration -

- Informal in the early age
- Registration may be at later stage. However, federation can be registered

Focus -

- Wider issues
- Sustainability of SHGs

Meetings -

- Regular bimonthly or monthly meeting on a fixed date and at a fixed venue

Books and documents -

- Minute book, Cash book, General ledger, Vouchers, Bank account - In the name of CLA

Do have own rules and regulations –

- financial management and general management

Features cont.

Finance source -

- SHG admission fee,
- monthly contribution ,
- service charges
- Delegating need based projects for SHG and generate income , etc

Responsibility sharing -

- Rotation of book writers and representatives
- Rotation of CLA members,
- Rotation of moderator,
- Formation of sub committees

Monitoring and evaluation -

- Work review at regular meeting (Self monitoring)
- Participatory grading -Auditing (financial, management and social auditing),

Decision making process -

- Democratic

Training :

- Concept and management aspects,
- *Members training*,
- *Book writers training*,
- *Representatives training*,
- *subject matter training*

Representing in Federation

Structure

CLA Members are 8 - 12 SHGs who completed 6 months from same geographical area

Two selected members from each SHG should represent in CLA.

CLA members must be rotated in a staggered manner

The CLA book writer and two representatives must be selected by consensus among the CLA members.

- The book writer and representatives are from different SHGs.

It is preferable that the CLA looks after its accounts itself in the initial years.

Formation of sub committees can be encouraged, as it helps in delegation of power and responsibilities.

Number and function of subcommittees has to be decided based on felt need

The NGO staff should not be a part of structure of the CLA. The presence of NGO staff affect the autonomous nature & sustainable functioning of the CLA

Duties and responsibilities of Representatives & Book writer /CLA office bearers/



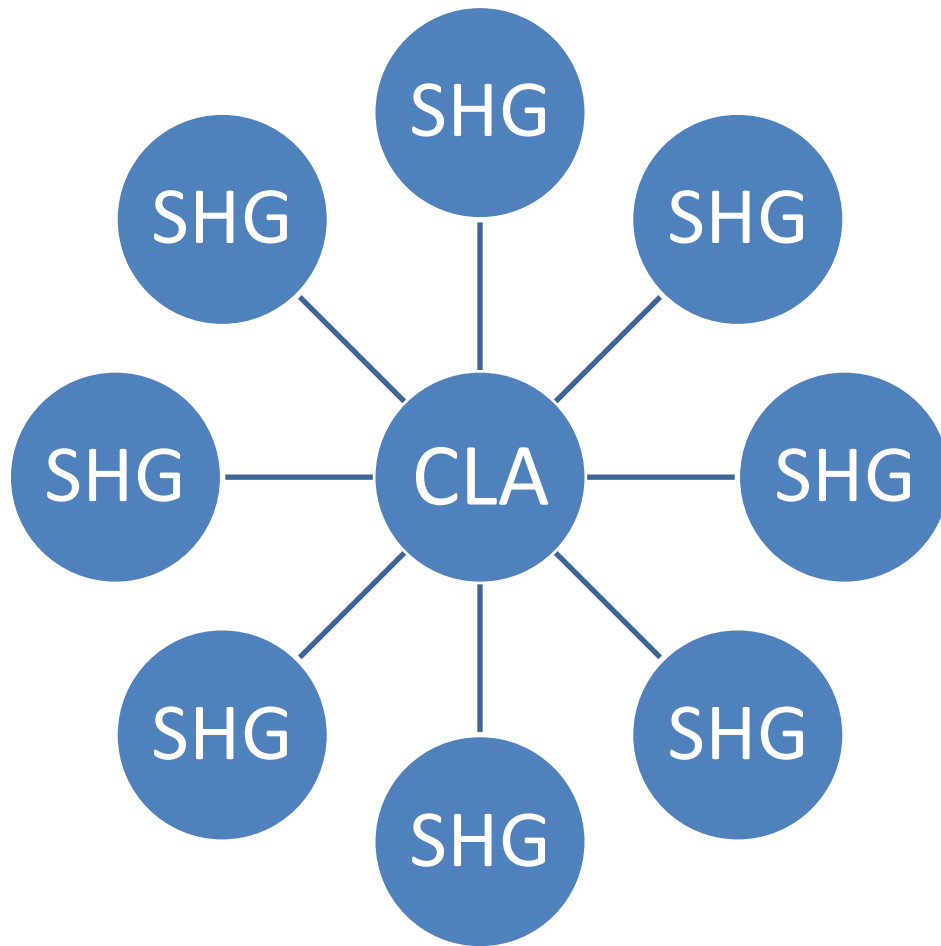
The book writer of a CLA shall maintain CLA records
In order to separate book writing and cash management the later shall be done by the two representatives
The representatives would be joint signatories to operate the CLA's bank account
When the book writer is not present, one of the representatives shall maintain CLA records

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CLA's Role And Responsibilities

Eight/8 roles & responsibilities of CLA

1. Strengthening SHGs
2. Formation of new SHGs
3. Mobilizing need based services & resources
4. Implementing need based projects by the CLA
5. Taking up social issues in the community
6. Participating in the local governance
7. Raising Administrative costs
8. Taking over the activities from the promoting organization/
sustainability

2. Strengthening

- Conduct participatory grading
 - Social and financial Auditing of member SHGs and
 - Guiding them on areas for improvement
- Guiding weak SHGs
- Review performance of SHGs and pinpoints areas for corrective action
- Enabling member SHGs to share their experience among themselves and thereby learning best practices from each other
- Arranging/ organizing training for SHGs
- Organizing exposure to new SHGs
- Organizing PRA for need assessment, project planning, implementation, monitoring and evaluation

Cont'd

- Facilitating preparation of annual action plan for SHGs
- Collection and consolidation of progress reports of SHGs on a monthly basis
 - Review monthly performance of SHGs
 - Ensure proper maintenance of accounts books of member SHGs
 - Solving problems and issues within (intra) & between (inter) SHGs which is beyond SHG capacity
 - Establishing strong interpersonal relationship

Role and functions of CLA

2. Formation of New SHGs

Reaching out the poorest of poor

Identification of poorest area in their locality

Identification of poorest families

Motivating poorest of poor to form SHGs

Formation of new SHGs

Facilitating newly formed SHGs through trainings

Accept the new SHGs to be a member of CLA

3. Mobilizing need based services and resources/Material and infrastructural needs

Need assessment of SHGs and the community at large

- Examples: linkage with others for Skill training, external loan, health service, technology, awareness creation on HIV/AIDS, family planning, etc
- The promoting organization facilitate and give new ideas only

Identifying sources or channels for personal & skill improvement of member SHG

Mobilize resources for training of SHGs to take-up individual or group IGAs

Linkages with other institutions, gov't, NGOs and other service oriented agencies

Linkage with Government departments as well as local bodies to facilitate a land, market place, etc

Linkage with financial institutions, insurance agencies etc

Information collection and dissemination to SHGs

Linkage with marketing agencies for collective purchase and collective marketing, etc

Lobbying and advocacy with other institutions for the benefit of SHGs

4. Implementing Need based projects

Creation/repair/maintenance of public amenities

- Examples: Avail, water sources, repairing hand pump, common Toilet/kitchen, literacy class, KG, planting trees, etc.

Design need based projects and hand over the implementation for SHGs

- Examples: water pump can be managed by SHG with agreement to CLA – benefit sharing (30% SHG 70 % for CLA)

CLAs should not make themselves busy with this kind of Projects

The role of the CLA is only identifying need based projects and establish then hand over to SHGs

- Income create for SHG for individual benefit
- Income create for CLA to meet the administrative costs

5. Taking up Social issues

Organizing, facilitating cluster level events like campaigns for social issues

Involve in the eradication of social evils for the benefits of SHG members and the community

Participate in actions which result in change of attitude, which happens over a period of time

- Prevention of child labor, HTP, gender inequality, eradication of liquor, robbery etc.

6. Participating in the local Governance

The CLA members should actively participate /involve in the local governance

- Active participation in the kebele meetings
- Participate in the kebele administration

This helps to involve in the decision making to exert pressure

Advocacy and lobbying activities can be done by the CLA

- Influence the decision making which would benefit the SHG members

7. Raising Administrative costs

Admin costs of CLA /expenses for CLA

- Stationary, transport, expenses for CLA, payment for services,

Sources of income for CLA

- Contribution from member SHGs
- Organizing bazaar/events for SHG's product and make income
- Collection of service charges for audit, mobilizing resources etc
- Investing in community facilities through mobilizing external funds
- Experience selling

This enhance the self sufficiency of the CLA

Ensures ownership and sustainability of the CLA activities

8. Taking over activities from the promoting organization

- Training and capacity building of SHGs
- Developing the SHGs
- Payment for CF
- Monitoring
 - Receiving the reports of SHG
 - Receiving the reports of CF
- Reporting to the donor
- Etc

Role of SHGs In the functioning of CLAs

1. To ensure proper selection of CLA members
2. Rotation of CLA representatives as per the rules and regulation of CLA
3. Ensuring prompt attendance of CLA representatives in the CLA meeting organized by CLA
4. Take follow up action based on CLA meeting minutes
5. Payment of subscription in time
6. Support to CLA in various activities like participating in CLA sub committee
7. Ensuring proper sharing of information & skill with all member SHGs
8. Ensure that the rights and ownership of CLA rests with SHGs
9. Ensure that CLA helps SHGs become sustainable over a period of time.

Role of SHG representatives to CLA

1. Act as a bridge between SHG & CLA – create smooth relationship between SHG & CLA
2. To attend all meetings and training sessions of the CLA
3. Active participation in the CLA function
4. To orient and brief the SHG members about CLA activities
5. Train the SHG members
6. Share experiences of best practices and experience from other SHGs to their group
7. To identify issues and problems which cannot be solved by the SHGs and attempt solution with help of CLA
8. To ensure proper flow of subscription and other fund between SHG & CLA
9. To visit weak member SHGs and motivates their performance
10. To involve Annual action Plan of the SHG and conduct periodical assessment
11. To ensure that minutes have been copied to SHG
12. To share experience of success and failures in their SHGs with all CLA members

Steps in CLA formation

Some indicators for strong SHG

- Having written goal/vision, action plan
- Is the vision and plan understood and accepted by all the members
- Manageable group size
- Members have good working relationship
- Attendance rate in the meeting (>95%)
- Decisions made by consensus
- Conducting weekly meetings
- Discipline at the meeting
- Having rules and adhering to them
- Regularity and growth of saving

Indicators, cont...

- Having the basic books, updating them and existence of book writer
- Rotation of loan, repayment rate and its utilization
- Utilization of common fund, keeping it in safe place and amount known by the members
- Regular practice of auditing and its follow up by the members
- Role played by the representatives and the duration term of them
- Sharing of responsibilities
- Are activities known by all the members
- Institutions that the SHG has already contacted, services gained from them and having information about the relevant institutions
- Monitoring and follow up system and action taken afterwards

What can be seen in Grading?

The SHG should design its own indicators to monitor progress in relation to its objectives. Indicator can be:

1. Quantitative (meeting frequency, savings method, saving frequency, Internal lending, Repayment of internal and external loans, IGAs, attendance etc.)
2. Qualitative (Impact of effectiveness of training, members going to bank by rotation etc.)

Steps in CLA formation

1. Awareness creation among the SHGs regarding the importance of CLA

2. Identification of 8 – 12 SHGs

- All SHGs in one geographical cluster
- 6 months old SHGs
- Strong and underwent basic training

3. Selection of strong SHGs

- Participatory grading
- Financial auditing

4. Introduction of CLA concept

5. Selection of CLA members

6. CLA formation

- Note: Strong SHGs form the basis for establishing strong Cluster Level Association

Indicators of /features of 6 month old SHG

- **Conduct its regular weekly meeting**
- **Have regular savings**
- **Minimum of 70 % of the members accessed internal loan**
- **Formulate and apply basic byelaws**
- **Have Admission book, minute book & Individual pass book managed by SHG**
- **Loan ledger introduced**
- **Opened Bank book or cash box**
- **Have two representatives and book writers**
- **At least one agenda for every meeting on social issue**

6 month old SHG, cont'd

- Attendance rate is minimum 70%
- At least visited two other SHG – Experience Sharing
- Took at least the basic three trainings-SHG concept, book keeping and saving and internal loan management
- 75% of the members facilitated the weekly meeting of the SHG and went to bank for depositing the groups' money
- Having realistic objective which is Shared by all members
- Having written short term plan
- <15% members drop out

GROUP GRADING

Importance

1. To provide the SHGs an opportunity to assess their own performance
2. To enable the SHGs in evolving time bound action plan to improve their weak areas
3. To help the project in planning necessary intervention for the development of SHGs

Process:

It is a PRA exercise

- **List out the criteria for good SHG**
- **Discussion on each criteria, compare with the actual performance of SHG**
- **Seeds or pebbles are used to rank the results on a ten point scale/Cross verification**
- **Reasons for scoring**
- **Problems encountered**
- **Possible solution**
- **External support needed**

Example of Group Grading exercise/10 seeds scoring

[illegible]

Example of Group Grading exercise/10 seeds scoring

Grading Parameter	Score /10 points	Reasons for score	Problems encountered	Possible solution	External support needed
Regular attendance	óóó óóó	Few members do not come regularly	Members busy in their activity	Change time of meeting	Look for alternative time
Regular saving	óóó óóó	Members do not save regularly	Saving habit not developed	Make commitment Introduce penalty	Training
Utilizing saved capital	óó óó	More members are not taking loan	Fear of failure in business	Encourage Give ideas	CF organize training, exposure visit
Timely repayment	óóó óó	Members do not pay back on time	Business not successful	More careful in selecting business	More PRA exercise to identify viable business
Participation in meetings	óóó óóó	Few members talk a lot	Some want to talk, others are silent/shy	Everyone be given time to express opinion	CF to facilitate how to make full participation
Rotational leadership	óóóóó óóóóó	Regularly followed	No problem	-	-

Financial Auditing in SHG

- What is auditing
- Why auditing is important
- How to do auditing at the SHG

Auditing is

- a systematic verification of books of accounts, by a person external to the SHG

FINANCIAL AUDITING OF SHG

Auditing is the systematic verification of books of accounts by a person external to the SHG

Auditing is important because,

- To promote financial accountability and transparency
- To find and rectify the errors and omissions in maintain the books
- To strengthen the existing accounting system in the SHG
- To confirm the income and Expenditure
- To build trust in the SHG as an institution leading to sustainability, recognition and credibility
- For future budgeting and financial decisions

Importance of Auditing in SHG

- Promotes accountability and transparency
- Helps identifying the errors and omissions in maintaining books
- Strengthen the existing accounting system in SHG
- Confirm the income, expenditure, asset and liabilities
- Builds the trust among the members
- Provides credibility to the external agencies
- Enable future budgeting and financial decisions to be made

Auditing at SHG

- Identify and list all income in the SHG
- Identify and list all expenses in the SHG
- Identify cash at hand and cash at bank
- Sum up all the income (left side)
- Sum up all the expenses with cash at bank and cash at hand (right side)
- Compare the sum results (the left side and right side results) and check if it is equal
- If the sum is not equal verify all the books and financial transactions

It is advisable at the SHG level to
conduct auditing once in a year

Selection of CLA members

SHG elects CLA members in participatory way



willing to travel and attend all trainings and meetings of CLA



They must actively participate in all activities of CLA



Initially members with good communication skills should be chosen as members of CLA. So that CLA becomes vibrant and effective



SHGs should replace their CLA members in a staggered manner. One CLA member may be replaced every year and the term of each member can be two years

In the selection process of the CLA representatives ,

- 1. SHG members elect 4 to 5 candidates and give symbols representing each one of them.
- 2. This proves to be a good method to clarify 'who is who' for the illiterate members.
- 3. Then, the group decided upon the criteria a good representative should have and evaluate every member accordingly.
- 4. Finally, a final general evaluation for every member was done and the rank selected

Day Four

Responsibility / sharing of work in CLA

It provides opportunity to all members to take up responsibilities on their own and work towards the success of CLA activities

It paves the way for better distribution of different works among them based on their skills & capacity

Help for smooth function of the CLA

It ensures participation by all concerned & also helps in collective decision making and collective bargaining

It provides opportunity to learn new skills or to improve existing skills in performing different kinds of activities

It results in greater accountability among its members

The unity and cooperation among the members SHGs will be strengthened when responsibilities are collectively shared by all of them

While allocating responsibilities relevant information & access to all resources required for the task should be provided e.g. facilitation, collecting subscription, write meeting minutes, sending copy of the minutes to member SHGs, taking attendance, announcing new message / ideas / guidelines, arrange refreshments to the participants, are the responsibilities must be shared by all members in rotation

Group work

- Discuss the possible types of Sub committee in CLA

CLA Sub committee

- CLA sub committees should be formed based on the action plan of the SHG
 - It should be functional not idle
- The sub committee arrangement should be based on the individual skill & experience
- The sub committee can use also from the SHG members depending on the qualities of members



Group work

- Identify the areas of rules and regulations in CLA

CLA - Rules and regulations - General management

- The CLA should conduct at least two meetings per month, as per the agenda
- Special meetings can be called for as/when required
- The meeting date, venue, and timings have to be fixed in consultation with its members preferably on a fixed day of the month.
 - Initially the CLA meeting can be held in rotation in each village of member SHGs
- CLA meetings should have at least 85% attendance.
- CLA record must be maintained by the book writer, or representatives of CLA
- CLA meeting minutes should be circulated immediately (within a week) to its member SHGs,
 - which in turn shall discuss it in their respective SHG meeting
- CLA must maintain proper set of books and records as part of its management function
- The term of each CLA member is for a minimum period on a rotation basis
- CLA members can be removed if they do not follow the rules & regulations of the CLA

Cont'd

- A penalty as fixed by CLA may be imposed on SHGs whose CLA members are late or are absent from CLA meetings
- CLA can form appropriate sub committees for various activities when needed.
 - Each sub committee may present its reports at each CLA meeting or whenever called for by the CLA
- The CLA members should attend all trainings, meetings and other events as and when organized
- CLA should also ensure attendance of members of its SHGs for meetings, trainings and other activities for which their participation is needed
- CLAs can evolve any rules and regulations after discussion with member SHGs and follow it up by passing a resolution in their meeting
- Two third of CLA members should attend each CLA meeting to constitute minimum quorum
- CLA meeting minute must be recorded in the CLA minutes book and duly signed by all members
- CLA should not interfere with administrative and managerial rules and regulations of member SHGs and respect the autonomy of member SHGs

Rules and regulations – Financial management

- CLA should have a bank account in the name of the CLA and it should be operated jointly by the two representatives
- The CLA will maintain a proper set of accounting books for its financial transactions and management
- CLA accounts books can be maintained by book writer / representatives
- CLA can collect admission fee as one time payment from its member SHGs
- CLA can collect regular subscription fee from member SHGs every month to meet their general maintenance costs
- CLA may collect nominal service charges when its services are used (e.g. for grading, record maintenance, auditing etc.)
- CLA can mobilize resources (Money, material, etc) for member SHGs
- The CLA should prepare monthly statement of its own accounts and have it signed by all CLA members
- CLA accounts should be audited every year and its report must be given to each member SHG
- The audit discrepancies if any must be rectified immediately by the CLA
- The CLA should take strict action against member SHGs or CLA members for any financial irregularities
- The CLA should not interfere in the financial functional autonomy of its member SHGs
- CLA must ensure transparency and accountability in its accounting system as well as other activities

Deciding the rules and regulations

In the first CLA meeting

- Approval of member SHG list
- Fixing the date and venue for the CLA meeting

In the second / third meeting

- Selection of CLA book writer, representatives
- Resolving to open a bank account for the CLA and its operating instructions
- Framing other rules and regulations as per their need or requirements
- Deciding the entrance / subscription amount to be paid by the member SHGs

Group work

- Discuss on the types and use of books and records in CLA

CLA records

Minutes book

- Recording the meeting minute book is a proof for having conducted CLA meeting
- CLA decisions are recorded and used for follow up action
- CLA can review it's performance itself periodically based on the minutes and action taken
- Resolution passed in the CLA meeting must be duly recorded in the minutes book, read and signed by the CLA members
- It ensures total transparency and enable democratic functioning

Receipts

- It is a proof to member SHGs for the payment of subscription and other payments
- It is the basis on which cash book entry is made
- It shows the cash flowing into the CLA

CLA records, Con'td

Payment vouchers

- It is proof to a SHG for having made the payments
- Based on this, cashbook entries are made.
- It shows cash flowing out of the CLA.

Cashbook

- It is useful for recording the receipt & payment of CLA
- From Cash book we can know the cash in hand & bank balance

General ledger

- General ledger is useful to know the cumulative financial position of CLA at a given point of time
- Expenses/ income under a particular head can be easily assessed. E.g. Subscription, expenses etc.

Correspondence file

- Separate files may be maintained by CLA to file all documents, correspondence etc. for record purpose
- Audit report
- Grading report
- Monthly reports
- Insurance policies

Day Five

CLA Linkages with
different
institutions

Facilitating CLA meeting — The process guidelines

General

- Inform members in advance about the date, time & venue of the meeting.
- The date should be preferably a fixed day during the first week of month.
- Ensure proper attendance by informing again & confirm their participation
- Begin & end the meeting in time
- The CLA book writer should keep all records & other documents needed for the meeting
- Sit in a circle

Meeting procedures

- Prayer
- Moderator selection
- Attendance
- Review previous meeting minutes
- Prepare proper agenda for discussion in proper order
- Ensure involvement and participation of all members
- CLA book writer to ensure that CLA members of each SHGs present all information about their SHG
- Discuss properly and come to a logical conclusion
- Fix date for next meeting with venue and time (in the case of special meeting)
- Review sharing of responsibilities until next meeting
- Conclude by summarizing & reading meeting minutes
- Get signatories of all the participants

Group work

- What would be the role of CLA in IGA Promotion

CLA and promotion of IGA

- CLA can help the SHGs to purchase the raw material (Bulk purchase) at cheaper rate
- CLA can mobilize loan to the member SHGs
- CLA can organize IGA trainings
- CLA should collect the details on products made by the member SHGs and should collect market information for those products
- CLA should shortlist certain products of member SHG, for which, it can organize bulk marketing with institutions or bulk consumers locally
- CLA can procure the products from the member SHGs and release to the market at the appropriate time, when the market price is more profitable

CLA and pro. of IGA, cont'd

- CLA meeting place can be used as a forum to launch new products of member SHGs and samples can be distributed to the members to canvass orders and promote products
- CLA can create common facility centers, where value addition by way of quality checks, branding, packing done
- CLA can contact corporate houses and get orders for their member SHGs products
- CLA can distribute posters and handbills through its member SHGs for promoting the products made by member SHGs
- CLA can hire a shop in nearby towns or in main village and display the products of members SHGs for sale
- CLA can encourage the member SHGs to bring their products for sale during the CLA meeting and during special workshops organized by NGO
- CLA can organize exhibition and trade fairs
- CLA can establish contacts with distant markets and arrange the marketing for member SHGs products

Day Five

CLA Linkages with
different
institutions

CLA Linkages

Meaning

- It is a mutually beneficial association between CLA with any institution or organization or person with the objectives of furthering the economic or social development of its member
- **Need:** For wider growth and attaining broader goals
- **Nature:**
 - Mutually beneficial
 - Transparent
 - Collaborative
 - Sustainable

Strategies:

- The CLA should not direct its energy and time for all possible linkages at the same time
- CLA should prioritize and select some linkages of greatest importance and build relationships
- CLA must build close rapport with grassroots level workers of key departments at village level
- The members should know how to approach different institutions
- CLA should also establish linkages with local community by taking up CAPs / SAPs
- NGO assistance must be only in the nature of facilitation and not that of a middleman
- CLA should periodically assess the linkage status

Review Yesterday's lessons

What are resources

- Types of resources

How can CLA identify resources

- Strategies to mobilize resources
- Role of CLA in resource mobilization

Resources management

- Three types of resource management
- Plan development for resource management

Linkage – what does it mean?

- Linkage is the process of establishing a relationship. A linkage is developed for the purpose of support and capacity building in pursuing the CLA's agenda

CLA Linkage

It is a mutually beneficial association between CLA with any institution or organization or person with the objectives of furthering the economic or social development of its member

Need: For wider growth and attaining broader goals

Nature Of Linkage:

Mutually
beneficial

Transparent

Collaborative

Sustainable

CLA linkages

Linkage is a mutual relationship established among the parties. Horizontal relationship.

Linkage can either be formal or informal

A linkage may serve several purposes

Linkage can be initiated by any of the parties

Linkage could be temporary or relatively permanent

Either of the parties can terminate the linkage

Why linkage?

CLA have limited

Human capital

Financial
resource

Material asset

Experience etc
to pursue their
development
goal and serve
the purposes
they are
established for.

Basis of good CLA linkage

```
graph TD; A[Basis of good CLA linkage] --- B[Based on need]; A --- C[Transparency ( free of corruption)]; A --- D[Continuous feedback/reporting]; A --- E[sustainability]; A --- F[Clear benefits];
```

Based on need

Transparency (free of
corruption)

Continuous
feedback/reporting

sustainability

Clear benefits

Need for Linkage

```
graph TD; A[Need for Linkage] --- B[For wider growth and broader attainment of goals in social, economic and political matters]; A --- C[The CLA need to develop a relationship with number of other agencies which includes various gov't line department]; A --- D[Linkages are important for mobilization of resources and services];
```

For wider growth and broader attainment of goals in social, economic and political matters

The CLA need to develop a relationship with number of other agencies which includes various gov't line department

Linkages are important for mobilization of resources and services

Strategies for CLA Linkages

The CLA should not direct its energy and time for all possible linkages at the same time

CLA should prioritize and select some linkages of greatest importance and build relationships

CLA must build close rapport with grassroots level workers of key departments at village level

The members should know how to approach different institutions

CLA should also establish linkages with local community by taking up CAPs / SAPs

NGO assistance must be only in the nature of facilitation and not that of a middleman

CLA should periodically assess the linkage status

Assessment and scope for linkages

What are the potential institutions for linkages?

The institutions with which the CLA creates linkage varies based on the need of the CLA.

Linkages could be with:


Credit
institutions

Health
offices

Education
offices

Education
offices

Municipality
etc



PRA Exercise

Venn Diagram/ linkage analysis

Objective: to
assist CLA to
acquire
assessment skill
on linkages

- To study the relationship between the CLA with relevant persons, organizations, institution related to the topic of discussion

How to conduct/Steps

Introduce the topic, explain the topic



Prepare the list of relevant persons/ institutions associating with the topic in consultation with the participants



Prepare paper cut out of 3 various sizes. Ask participants to represent each person, organization on a cut out. The more important is the larger size of the cut out,



Ask the reason



Draw three circles on the ground . Ask participants to place the cutout in any one of the circle based on the current relationship

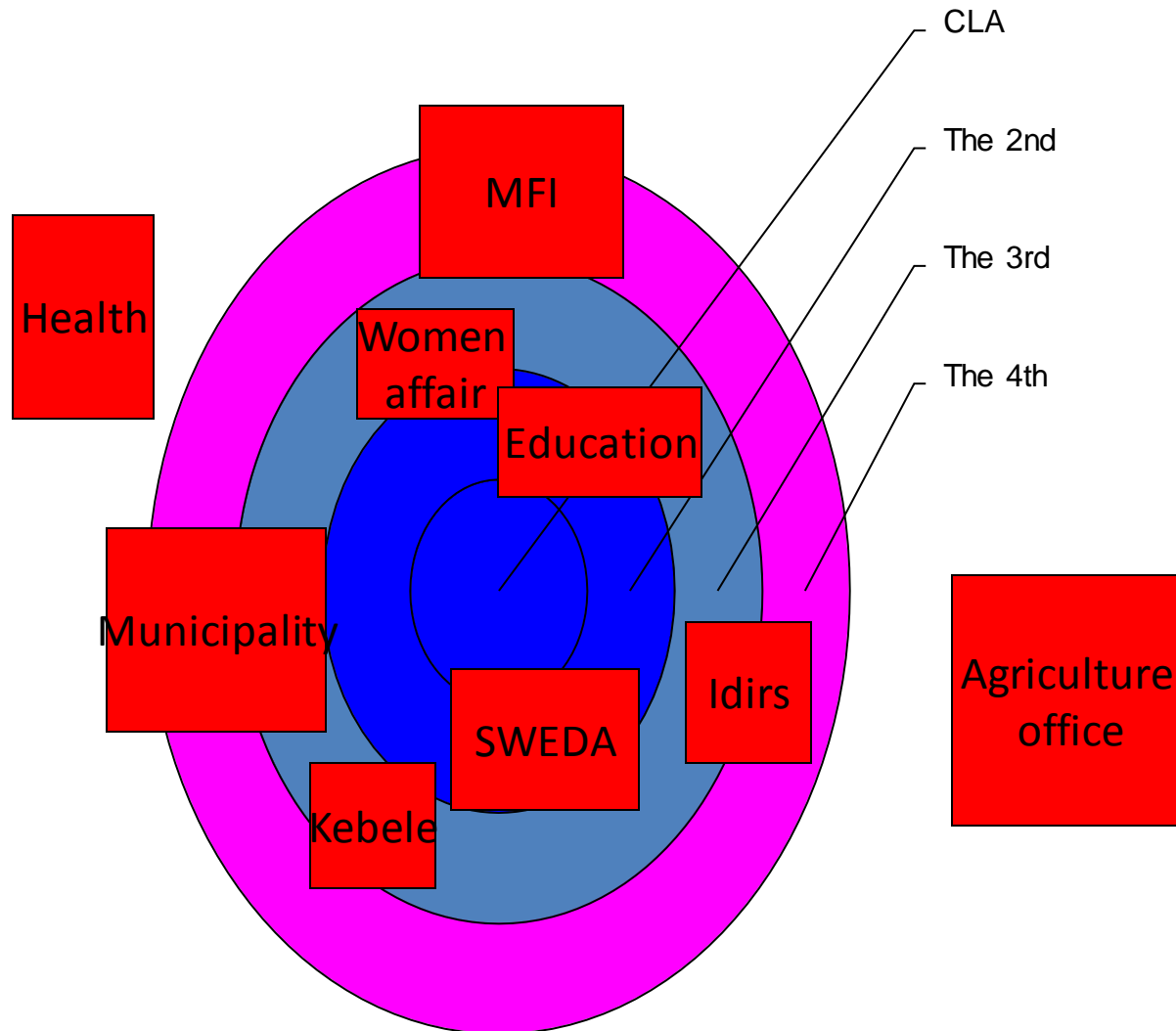


Ask the reason for the current relationship



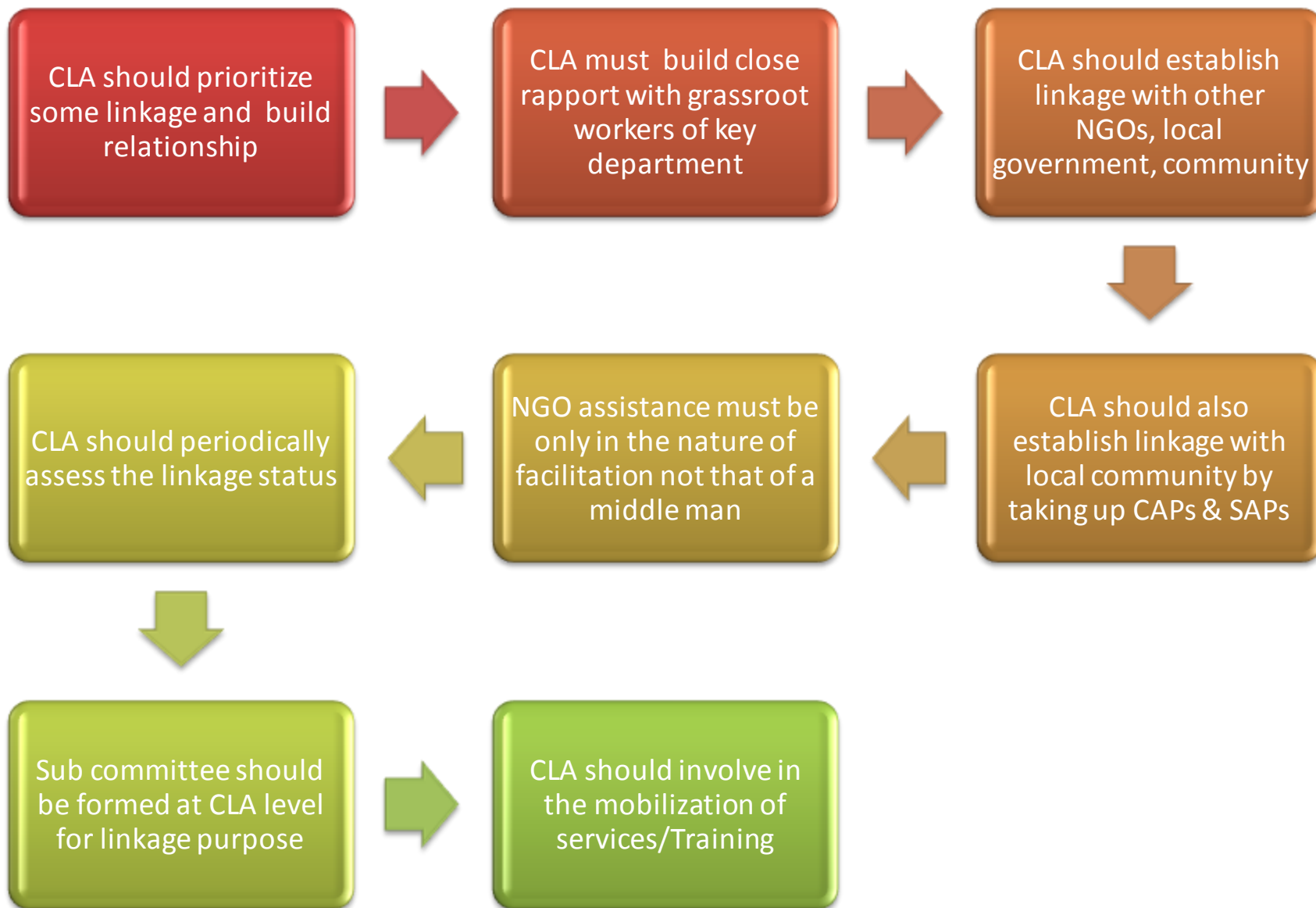
Ask suggestion for improve the relationship with important persons, organizations and institutions

Sample Venn diagram/ Importance and relation ship

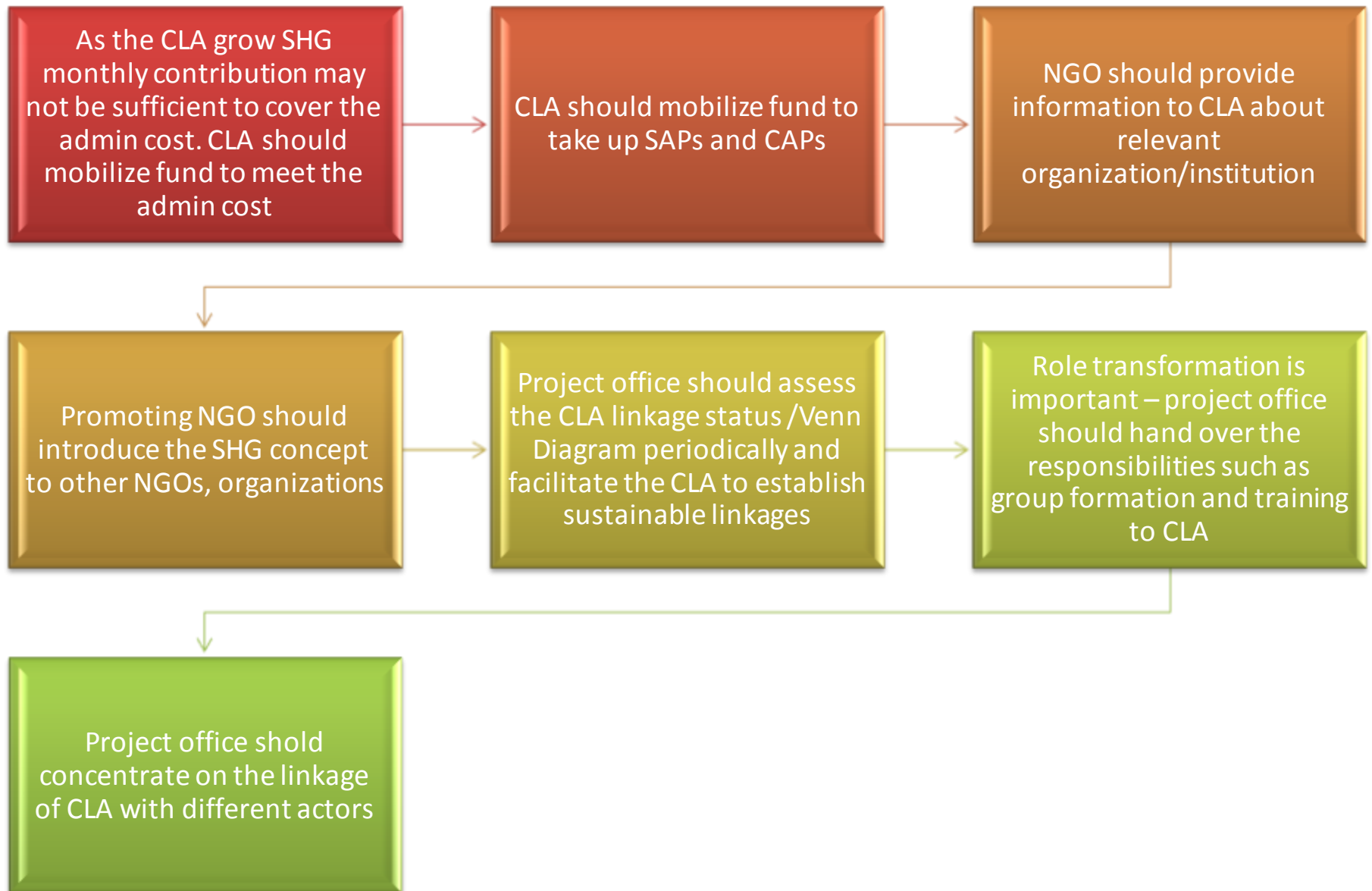


Name of the person, institution , organization	Importance(High/medium/low)	Reason for importance	Current relationship /Good/ poor/very poor/nil	Reason/ why the relationship is good/poor/very poor/nil)	Suggestion to improve the relationship

How to establish CLA linkage



CLA Linkage Cont'd



How to approach an institution by CLA / confidentially & appropriately

CLA should maintain the list of important institution
& their programs of relevance to them(Venn Diag.)

CLA should decide well ahead on representatives who will
meet the official

CLA delegation should be well aware of the content and back ground
on the issues to be represented to the officials

CLA representative should make an appointment to meet
the officials

CLA representatives shall confirm all appointments of prior to the
meeting

How to approach organization, cont'd

Whenever an issue is to be represented, a copy of the letter should be filed for the future

The letter should include the full address of the CLA, background information and vision

- Articulated description of the problem and the services sought

While approaching the officials, First make a brief introduction of the CLA then the problems

Have a good rapport with the staff of the institutions/frequently visit –repeated visit till the problem solved

If the CLA send different members to the second visit, they should be briefed well/ effective follow-up

If the institution is not responding – CLA should go to the next level

CLA representatives must share their visit experience for other during the CLA meeting

- CLA operate in typical rural areas, there are few organizations around them
- Some offices are in very far place, CLA face difficult to travel long distance

Challenges in CLA Linkages

- CLAs are informal and not register
- Promoting organization imposition

Challenges in CLA Linkages

- SHG approach is an empowerment, other organizations may have relief approach
- Lack of skill and clarity in linkage by CLA

Challenges in CLA Linkages

Strategies to overcome challenges

- CLA submit its relevant reports to the linking organization
- Since CLA have large constituencies – others may be attracted
- Openness between CLA and linking organization – exchange of documents



Strategies to overcome challenges

- CLA have sustainable linkage with developmental organization
- CLA have clear action plane which clearly outline their roles and functions



Strategies to overcome challenges

- In some case CLAs may be registered
- CLA having clear vision, objective and facilitation from promoting organizations

SLOT Analysis of CLA



Day Six

Strengthening CLA

Autonomy of SHGs

Autonomy of SHGs is defined as SHGs ascertain of their independent functioning and the ability to withstand interference of other organizations and institutions related to SHGs

- CLA is for SHGs, of SHGs and by SHGs
- SHGs are the foundation block of CLA hence the CLA must ensure that their activities should not affect the autonomous nature of SHGs in any way
- CLA must respect functional freedom of SHGs
- Decision making power on any aspect should not be centralized in the CLA
- Formation of functional committees within CLAs should be encouraged to promote decentralization of power
- CLA should serve as a guiding post to SHGs,
 - giving advice/suggestions with proper perspectives and SHGs should be empowered to chart their own strategies and take appropriate decisions
- CLA must confine itself to what SHGs cannot do on their own
- The CLA should have no say in the lending by SHGs
- The CLA should not pool savings from SHGs for a lending to SHGs as loans.

Strengthening

CLA

Topics

- Strategy to strengthen CLA
- CLA training
- Indicators of strong CLA
- Indicators of CLA sustainability

Strategies to strengthen CLA

- Identification of able member SHG for CLA
 - Strong SHG
 - Manageable size
 - Geographical cluster... 2-3-5km
 - including SHGs of more or less the same capacity level into a CLA
- Help the CLA to set goals and objectives
- Facilitate to prepare Annual Action Plan
- Awareness creation on the importance of CLA
- Awareness creation on the role & responsibility of the CLA
- Awareness creation among member SHGs regarding the need of CLA and responsibility of SHG to build a good CLA
- Conduct training based on need assessment of the CLA
 - Regular training

Strategy, cont'd

- **Focus on necessary trainings like**
 - CLA role & responsibility
 - Vision building,
 - Resource mobilization
 - Networking & linkage analysis
 - Management, etc
- **Help them to have**
 - financial flow system,
 - Resource management system, etc
- **Create relevant linkages with other institutions**
- **Help them develop a system about**
- **SHG formation, Grading, strengthening and support**
- **Develop system & procedure**
- **Create avenue for linkages**
- **Involvement in project activities**
- **Develop monitoring system**
- **Devise a step by step phasing out strategy**
- **Assigning separate and competent personnel (FW)**

CLA training

CLA level	Sub committee	Need based exposure
<ol style="list-style-type: none"> 1. CLA concept 2. Sub committees ; need, how to form, role and functions, monitoring 3. Goal Setting/ Vision building 4. Leadership and communication, linkages 5. Conflict resolution (SHG) 6. Project formulation 7. Gender 	<ol style="list-style-type: none"> 1. PRA and group formation 2. Auditing 3. Grading 4. TOT 5. Fund raising (resource mobilization) 	<ol style="list-style-type: none"> 1. CLA to CLA 2. CLA to other agencies

Indicators for One year old CLA

- Conduct regular meeting
- Having Structure & responsibility sharing
- Knows clearly the CLA role & responsibility
- Participate in SHG formation
- Visits and strengthens member SHG
- Having Annual Action plan
- Arrange experience sharing for member SHG
- Linkage with government institutions
- Linkage with other NGOs
- Able to receive reports from and follow member SHG
- Developed shared vision and objective
- Up-to-date and clear books of records
- Initiation to be involved in community and social issues
- Respect the autonomy of member SHG

Indicators of strong CLA

- **Ability to discharge its 8 roles without the support of NGO**
 - Ability to maintain correct accounts and do the auditing in a transparent manner by itself
 - Ability to meet the administrative cost of CLA by itself without external support
 - Conduct all its activities without any external support especially NGO
 - Able to facilitate credit needs of SHGs by linking with different sources
 - Social recognition of CLA and its role by its member SHG as well as general public
 - Established direct linkages with other institutions for benefit of member SHGs as well as local community
 - Successes in eradicating social evils
 - Participation in a large scale in local governance & community development as volunteers and
 - successful examples of creation or maintenance of public amenities

CLA Sustainability Indicators

Sustainability indicates the state of being totally self reliant and interdependent.

It indicates that CLA has reached a state when it does not need any external assistance for its regular operations.

- Taking over all activities from NGO related to SHG
 - SHG formation, strengthening, training, and payment of CF, etc
- Ability to contact relevant institution to meet the CLA agenda
- Ability to conduct CLA meeting without the support of NGO
- Ability to maintain correct accounts and do the auditing in a transparent manner
- Ability to meet the administrative cost of CLA by itself without external support
- Conduct all its activities without any external support, especially NGO



Thank you!!