

Training-cum-Exposure Visit to Germany on Cooperative Functioning
(24 February- 03 March 2012)

BIRD is pleased to announce an Exposure Visit to Germany during **24 February-03 March 2012**, to study the functioning of Cooperative Sector in the country in collaboration with Academy of German Cooperatives (ADG), Montabaur. ADG is a highly prestigious apex level training institute for training in cooperative sector in Germany.

Germany is the first country to set up Credit Unions in the world in mid-19th century. The German cooperatives are extremely strong and are competing with the best of banking institutions in their country. The German Cooperative Banks have made tremendous advancement in adoption of technology, providing ICT enabled services and meeting all the credit needs of their clients. The cooperative banks in Germany have also gone through the process of revival, restructuring and consolidation to emerge as stronger entities. Similarly, the German cooperatives in sectors other than banking are also functioning very well. They have been successful in collection, processing, packing and marketing of agriculture produce for the supermarkets spread across the country, providing quality products to the customers and adequate returns to the farmers. There are also examples of cooperatives in energy sector (running community based bio-gas plants for energy production, bio-fuel development, etc.), irrigation and modern farming (Green houses, poly houses, exotic vegetables, floriculture, etc.). Germany has also developed excellent mechanism for flood control and supply of water for drinking and irrigation through inter linking of rivers, canals and water bodies.

Germany is also a pioneer in the field of micro finance as it has been providing small loans, savings, money transfer, insurance and other services through the credit unions since mid-19th century. It is estimated that around 80% of the current assets in Germany are controlled by the MFIs.

The captioned Training-cum-Exposure Visit would provide a valuable insight into the functioning of cooperative institutions and also that of other institutions in the field of agriculture, marketing, micro finance in Germany.

The visit would be a worthwhile learning experience not only for cooperative banks but also for agencies such as Government Organizations/Departments,RBI, Commercial Banks, Private Banks, NGOs, MFIs, and others who are engaged in reaching the unreached population of the country especially for ensuring inclusive growth.

The programme fee of the captioned visit is ` **2,54,000/= per participant** and this covers travel costs (Lucknow - New Delhi – Germany - New Delhi), boarding/lodging, institutional fee and field visits during the programme. However, the programme does not cover visa fee, medical cum travel insurance policy charges, incidental expenses and travel cost to and fro the venue of the programme in India and these costs would have to be borne by participants/nominating organizations. The programme brochure is enclosed.

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Training-cum-Exposure Visit to Germany
On 'Cooperative Functioning'
(24 February - 03 March 2012)

Cooperative sector occupies an extremely important place in the Indian Economy. The cooperative credit structure is vital because of its vast outreach to the remotest parts of the country and its role in meeting the growing credit needs of rural India. The cooperatives in other sectors such as marketing, dairy, fish farming, handloom weavers, production and marketing of inputs, manufacturing (industrial cooperatives) are also extremely important and have been the nucleus of development in rural areas, especially in the States of Maharashtra, Gujarat, Kerala, Andhra Pradesh, etc.

However, there are areas of concern where the cooperatives in our country, both in credit and non credit sectors, have not performed to their desired level and capabilities. The recent policy initiatives in the form of revival package to revitalize the short term cooperative credit structure have ushered in a fresh wave of energy in the cooperative banking system of the country. The financial, managerial and policy changes envisaged under the package are expected to give a big boost to the strengthening of this structure for overall benefit of the rural economy in general and farming community in particular. Coupled with the above, the initiatives being taken by NABARD and GTZ under the Rural Financial Institutions Programme (RFIP) for strengthening the entire system of training in cooperatives would help develop skilled and efficient manpower essential to sustain the initiatives of the revival package.

Thus, though the future for the cooperative sector in the country appears to be promising, there is a need to learn from the experiences and best practices in the cooperative sector in other countries. In this regard, the situation in Germany is worth looking into. The German cooperatives are extremely strong and are competing with the best of banking institutions in their country. The German Cooperative Banks have made tremendous

advancement in adoption of technology, providing IT enabled services and meeting all the credit needs of their clients. The cooperative banks in Germany have also gone through the process of revival, restructuring and consolidation to emerge as stronger entities.

Similarly, the cooperatives in other than banking sector of German are also functioning very well. They have been successful in collection, processing, packing and marketing of agriculture produce to the supermarkets spread across the country providing quality product to the customers and adequate returns to the farmers. There are also examples of cooperatives in energy (running community based bio-gas plants for energy production, bio-fuel development), irrigation and modern farming (Green houses, poly houses, exotic vegetables, floriculture). Germany also has an excellent mechanism for flood control and supply of water for drinking and irrigation through inter linking of rivers, canals and water bodies.

Germany is also a pioneer in the field of micro finance as it provided small loans, savings, money transfer, insurance and other services through the credit unions promoted in mid-19th century. It is estimated that major portion of the current assets in Germany are controlled by the MFIs. The MFI sector in Germany is unique in the sense that it operates under two formats viz. the capitalist as well as the cooperative. The involvement of the cooperative sector has not only enabled neutralization of the dominant role of capital but has helped the cooperatives in expanding their reach and becoming more people friendly. In the process, it has given strength to the micro finance sector to become sustainable and withstand the financial upheavals in the international banking sector and growing competition.

Inclusive Growth is the fulcrum around which the entire planning and economic development has been envisioned by planners across the world. In India too, the core focus of the XI Five Year Plan is ensuring inclusive growth and 100% Financial Inclusion has been accepted as one of the important tools to achieve the above. It is expected that all rural households would be brought within the ambit of banking services by

2015, of which, at least 50% households are to be covered by 31 March 2012.

Keeping the above in mind, the Reserve Bank of India has taken a number of initiatives to facilitate the process of financial inclusion which includes introduction of Business Correspondents and Business Facilitators (BC/BF) by banks to provide variety of financial services in the unreached rural areas. It is pertinent to note that Primary Agriculture Cooperative Societies (PACS) are one of the agencies approved by RBI to act as BC/BF. The commercial banks and even the private banks can tie up with the PACS and can leverage upon the strength of the cooperatives outreach in the remote rural areas for tapping the large rural market and expanding their business. In this regard, it would be essential for these banks to get a better insight into the working of the cooperatives in India and the best practices in vogue in the cooperative sector of Germany.

With the implementation of the recommendations of Vaidyanathan Committee for revival of short term cooperative credit structure in our country, a host of new possibilities have opened up for cooperatives. Under the revival package, it is provided that if the higher tiers of the cooperative credit structure are unable to meet the growing credit needs of PACS, they can access funds from the commercial banks to meet the emerging and higher credit needs of their members. Hence, this provides another reason for the commercial banks to understand the working of cooperatives so as to collaborate with them for mutual benefit. Thus, an exposure to the successful initiatives taken by the cooperatives and MFIs in Germany could give a better insight into the process to be adopted in our country for the purpose.

In view of the above, BIRD has decided to organize a training-cum-exposure visit to Germany from **24 February to 03 March 2012** to study the cooperative functioning and working of other institutions in the field of agriculture, marketing, micro finance, etc. in collaboration with Academy of

German Cooperatives (ADG), Montabaur, a highly prestigious apex level training institute for the cooperative sector in Germany



Photographs: ADG Germany

Objectives:

By the end of the programme, the participants would be able to:

- Describe the cooperative functioning in India, the issues involved and the recent policy initiatives to revive the sector;
- Understand the functioning of German Banking Sector with special focus on cooperative sector and functioning of cooperatives in other sectors;
- List out the strengths and strategic initiatives taken by the cooperative organization in Germany to cope with the business challenges
- Describe/ understand the innovative / best practices in different forms of cooperatives in Germany and identify areas where they could be replicated in India;
- Discuss the importance of training in building the HR in cooperative sector to cope with the emerging challenges, the methodology and practices in training.
- Discuss the status and working of MFIs in Germany, different models in operation, role of commercial and cooperative banks in supporting MFIs, innovations in extending the outreach, range of products, etc.

Training Modules/Schedule

Module I: At BIRD, Lucknow (Day 1, 24 February, 2012)

- Overview of Cooperative Sector in India
- Recent Policy Initiatives
- Revival Package
- Experience Sharing

Module II: Exposure Visit to Germany (February 25 – 03 March, 2012)

- Introduction to Academy of German Cooperatives
- Overview of Germany Banking and Cooperative Sector
- Microfinance and SSI development
- Organization and Services of Regional associations
- Organization of Cooperative Bank Training
- Governance in Primary Cooperative Bank
- DZ Bank (Central Cooperative Bank)
- Overview of cooperatives in agri marketing and other sectors.

Participants

The programme would be highly useful for the officers of Cooperative Banks, Commercial Banks, MFIs, NGOs, NABARD, RBI, SIDBI, Government Departments / Institutions, etc.

Duration

The programme would commence on February 24, 2012 at 1000 Hrs at BIRD, Lucknow and would conclude on March 03, 2012 at Delhi. This includes visit to Germany during February 25 to March 02, 2012.

Programme Fee

The Programme Fee is ` 2,54,000/= (Rupees Two Lakh Fifty Four Thousand only) per participant.

This includes the cost of training and exposure visit along with boarding and lodging and travel in Germany and cost of air travel from Lucknow - New Delhi-Germany-New Delhi. **The cost does not include visa fee, the expenses for the personal appearance at German Consulate for**

obtaining visa, incidental expenses and travel expenses from the place of residence of the participants to Lucknow and return from New Delhi to their place of residence.

The fee is payable by MICR Demand Draft drawn in favour of “ Bankers Institute of Rural Development” payable at Lucknow.

Essential Documents:

Participants must be holding a valid passport with at least nine months validity, from the date of return to New Delhi, i.e., Passport should be at least valid till 31 December 2012. The participants should also be eligible for travel abroad. **The participants are also required to take Medical cum Travel Insurance policy, on their own, for the period of travel and stay in Germany.**

Visa applicants are required to report to the German Embassy for a personal interview. Facilitation for Obtaining visa and Medical cum Travel Insurance policy can be arranged through Travel Agency.

Last Date for Receiving Nominations:

The nominations, alongwith the necessary course fee,must reach BIRD in the format given on the next page latest by **25th December 2011**, positively. The nominations will be accepted on first come first served basis. All the nominations may be addressed to:

The Director,
Bankers Institute of Rural Development
Sector H, LDA Colony,
Kanpur Road
Lucknow 226010

NOMINATION FORM

**Training– cum– Exposure Visit to Germany
on Cooperative Functioning
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Full Name:

As appearing in Passport

Nationality:

Date of Birth Date Month Year

Sex: Male Female

Educational/Professional

Qualification.....

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Name and complete Postal Address of your Organisation:

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Telephone No. (With STD Code)

(Office).....(Residence).....

Mobile No.....Fax No.....

Email

Present Designation:.....

Passport No.....

Place of Issue.....Valid upto.....

Whether the passport has ECNR endorsement: Yes No

Description of the current role, responsibilities and experience.

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Signature of
The participant

Signature of
Head of Sponsoring
Organisation or Head of the Dept.

Particulars of Course fee:

Demand Draft No.....Date:.....Amt. Rs.....

Name of the Bank/Branch.....

You can also mail your nomination form to:

monomoy.mukherjee@gmail.com