

National Rural Support Programme



Micro Finance Training Programme

NRSP

Institute of Rural Management

www.irm.edu.pk

In the wake of growing significance of micro finance as a tool for poverty alleviation, there is a dire need for building institutions to provide micro finance services. The Institute of Rural Management has designed comprehensive training modules to meet the demands in the shifting paradigms. The Micro Finance Training Programme addresses all aspects of micro finance delivery: from principles, methods and monitoring to record keeping, and database management.

PORTFOLIO OF TRAINING MODULES

These modules are designed to cater for specific needs of NGOs, MFIs, CBOs and community members. Some of the modules have an in-built, on the job, training component. Following is a list of the current portfolio of training modules being offered by NRSP - Institute of Rural Management under its Micro Finance Training Programme.

DIPLOMA IN FIELD BASED MICRO FINANCE

120 Days

- Orientation training workshop
- Field attachment
- Refresher
- Exposure visit
- Banking / Computer training
- Field attachment
- Final exam
- Effective communication and presentation skills
- Planning and management of micro finance

MANAGEMENT OF MICRO FINANCE PROGRAMME

10 Days

- Principles of participatory development
- Micro-credit as a means of poverty alleviation
- Various approaches of micro-credit programmes
- Role of social collateral
- Credit need assessment by community (Micro plan)
- Credit need assessment by organization
- Cost benefit analysis (Agriculture inputs, Livestock development, Enterprise development, and Small infrastructure schemes as individual enterprise)
- Cash flow statement
- Project worth (Cost benefit analysis, Present and future value of capital, Cash flow statement, and Internal rate of return.)
- Methods of calculation of service charge/mark up
- Credit discipline (Credit progress reporting, Credit monitoring, and credit tracking system)
- Field visit

CALCULATION OF SERVICE CHARGE/MARK-UP

2 Days

- Various methods of calculation of service charge/mark up
- Calculation on different basis

TRAINING OF TRAINERS IN MICRO ENTERPRISE DEVELOPMENT

6 Days

- Designing of training
- Training arrangement
- Training material
- Selection criteria for trainee
- Need of micro enterprise development
- Identification of opportunities of micro enterprises
- Market survey
- Specific issues in marketing
- Production planning and management
- Organization and management
- Preparation of economic feasibility report of micro enterprise
- Financial planning and management
- Field visit

TRAINING OF TRAINERS FOR OPERATIONAL RISK MANAGEMENT

5 Days

- What is TOT and why it is important for credit managers?
- Pre-training arrangements
- Defining risks and categories of risks (Institutional risk, Operational risks, Financial management risks and External risks)
- Common risks to MFIs
- Six steps of risk management
- MFIs tone for clients and employees tolerance toward risk
- Transparency, accountability, reporting, and internal control process

TRAINING OF TRAINERS FOR CLIENT APPRAISAL TECHNIQUES

5 Days

- Defining client appraisal and importance of client appraisal
- Importance of giving and receiving feedback during appraisals
- Process of appraisal (Micro finance)
- Relationship between effective communication skills and effective appraisal
- Process of client appraisal in skill training
- Way of handling different situations
- Interviewing and questioning skills
- Role play of typical appraisal scenarios
- Importance of reporting and record keeping of appraisals

COMMUNITY BASED LENDING/VILLAGE BANKING

4 Days

- Saving and capital formation
- Financial management
- Different procedures of credit appraisal for village banking
- Record keeping for village banking
- Calculation of service charges and preparation of plan for disbursement and sustainability
- How to ensure accountability and transparency?
- Field visit

MONITORING OF MICRO FINANCE PROGRAMME

10 Days

- Importance of credit discipline
- Preparation of credit resolution by community organization
- Credit case preparation
- Credit sanctioning
- Credit disbursement
- Record keeping for credit disbursement
- Preparation of repayment schedule
- Record keeping for credit recovery
- Daily recovery sheet
- Daily cash in hand statement
- Credit progress reporting
- Computerized credit tracking system
- Credit pass book maintenance by community activist
- Credit ledger register maintenance by community activist

CREDIT APPRAISAL AND RECOVERY TECHNIQUES

3 Days

- Importance and procedure of social appraisal
- Role of credit staff while doing social and technical appraisal
- Basic guidelines in working field
- Method and importance of loan inquiry
- Record keeping
- Responsibilities of field worker
- Techniques of loan recovery
- 6Cs
- 3Ds
- Areas of appraisal (Client, Household, and Enterprise)
- Importance of loan and its need

GROUP LENDING

3 Days

- Basic principles of participatory development
- Role and importance of collective saving
- Social and technical appraisal
- Characteristics of a sustainable credit programme
- Calculation of service charge
- Credit discipline (Credit record keeping)
- Field visit

SKILLS FOR RURAL MARKETING

6 Days

- Designing of training
- Training arrangement
- Training material
- Selection criteria for trainee
- Basic principles of participatory development
- What is market?
- Factors affecting marketing
- Problems in rural marketing
- Market information system
- Participatory planning for rural marketing
- Field visit

3 Days

WORKSHOP ON ISLAMIC MODE OF FINANCING

- What is Riba?
- History of Islamic mode of financing in Pakistan
- Islamic mode of financing:
 - Musharakah
 - Bai-Istisna
 - Mudarabah
 - Bai-Muajjal
 - Leasing
 - Hire Purchase
 - Bai-Salam
 - Murabaha

3 Days

DEVELOPING A MICRO ENTERPRISE

- Need of micro enterprise development
- Identification of opportunities of micro enterprise
- Market survey
- Specific issues in marketing
- Preparations of economic feasibility report of micro enterprise
- Book keeping of micro enterprise
- Balance sheet
- Field visit

TRAINING METHODOLOGY

Programmes are conducted in Urdu and/or English. The teaching methodology encompasses the following techniques:

- Lectures
- Group discussions
- Brain-storming
- Experimental games
- Practical experience
- Field visits

RESOURCE PERSONS' PROFILE

The Micro Finance Training Programme resource persons have direct experience of managing Micro Finance Programme. Many have attended high-level courses at Reading University (UK), MFT Boulder (USA) and in Turin (Italy) as well as Grameen Bank, BRAC and other MFIs in Bangladesh.

In addition to NRSP's own staff, highly qualified experts are invited from other organizations, including the Shore Bank (USA), International Islamic University, Habib Bank Limited and other Rural Support Programmes.

IRM PROFILE

- The NRSP - Institute of Rural Management, established in 1993, is one of Pakistan's leading training institutes in the non-profit sector. Its mandate is to reduce poverty through skill enhancement and capacity building initiatives.

TRAINING PROGRAMMES OFFERED

- The **Community Training Programme** works to enhance the capacity of community organization members in managerial, technical and vocational skills. The main components of CTP are the Community Management Training Programme, Social Sector Services Training Programme, Environment and Natural Resource Management Training Programme, Vocational Training Programme, and Enterprise Development Programme.
- The **Staff Training Programme** aims to enhance the knowledge, skills and attitudes of the staff of other RSPs, government departments, national and international organizations. The main components of STP are the Internship Training Programme, Management Development Programme, and Micro Finance Training Programme.
- The **Professional Development Programme** implemented in partnership with the Rural Support Programmes Network, aims to enhance the professional competencies of senior and mid-level managers by developing a needs-based curriculum for training courses that upgrade academic, technical and managerial skills.
- The **Women's Leadership Programme** enables women professionals to improve and develop their leadership and management skills. This unique programme consists of five 2-week sessions over one year. The sessions are complemented with 'distance learning' and mentoring.
- The **Academics Programme** offers Post Graduate Diplomas in Human Resource Management and NGO Leadership and Management. It also offers Executive Diploma in English Language Proficiency. These diplomas are designed for professionals from government, corporate sector and civil society organizations.

PROFESSIONAL SERVICES AND SUPPORT

- The **Advocacy, Communication and Networking Section** aims to provide support to the activities of IRM through its reports, brochures, newsletters, case studies, leaflets, and documentaries. ACN has proved to be instrumental in enhancing the involvement of government and civil society organizations in participatory development by generating opportunities to learn and share new approaches, technologies and information.
- The **Akhter Hameed Khan Resource Center** was set up to honor the contributions of this renowned scholar and activist to social mobilization and participatory development. The AHKRC serves as a repository of knowledge, both contemporary and historical. One significant point of focus is the archives of the RSPs' field experiences and Akhter Hameed Khan. (www.ahkrc.net.pk)
- The **Teachers' Resource Up gradation Center** was established in 2005 to design and deliver training to primary school teachers. The objective is to make them effective facilitators in the classroom. The TRUC also develops supplementary teaching guides and teaching materials to inspire and empower teachers to become better educators.
- **Vocational, Technical and Educational Centers** have been established in Rawalpindi, Rawalakot and Muzaffarabad with the aim of providing vocational, technical and educational skills to the young men and women of rural areas, and to the vulnerable and marginalized, especially women and persons with disabilities.



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