



**TRAINING
PROGRAMME
ON MICRO
FINANCE
DELIVERY
SYSTEM FOR THE
EXECUTIVES OF NGOS**

27 August - 01 September 2001

Organised by:



**ENTREPRENEURSHIP
DEVELOPMENT
INSTITUTE OF INDIA
AHMEDABAD**

Sponsored by:



**SMALL INDUSTRIES
DEVELOPMENT
BANK OF INDIA
AHMEDABAD**

BACKGROUND

In the last two decades, policy makers and planners across the country have attached significant importance to rural development. Various reports and indices of international bodies reveal that though the country has initiated several economic reforms, it is still lagging behind in terms of growth, as compared to other developing economies, mainly because its large rural sector is facing the growing problems of poverty and unemployment. Besides several impact making interventions, planners and policy makers have substantially stressed the significance of micro finance in rural development. For effective implementation of programmes and schemes under the micro finance scheme, NGOs play a prominent role as implementors and facilitators.

The NGOs, because of their empathy towards the poor and their social commitment, have come forward to participate in these schemes so as to promote easy accessibility of the poor to formal credit channels. Drawing inspiration from experiences of Grameen Bank, Association for Social Advancement, BRAC, Bangladesh and also other international funding institutions, the NGOs, in their efforts to become micro finance delivery channels to the poor, have come up with innovative methods of credit delivery. This has resulted in the emergence of many agencies at the national level that provide a good basis for developing micro finance institutions (MFIs) in the country. Micro finance programmes are backed by apex financial institutions like SIDBI and NABARD.

THE NEED

During the last couple of years, SIDBI has been especially focussing on giving micro credit and has also set up the SIDBI Foundation for Micro Credit (SFMC). With many NGOs engaged in micro finance activities in the country, like BASIX, MYRADA, etc., the foundation aims at bringing professionalism and giving a unique orientation to plan and manage these activities systematically. This is to be achieved by evolving

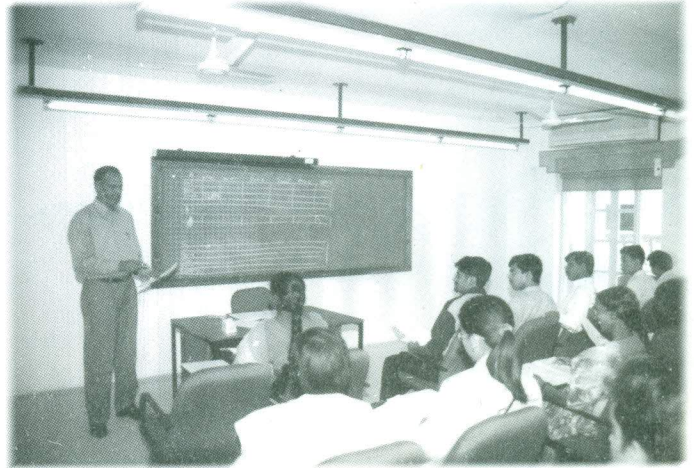
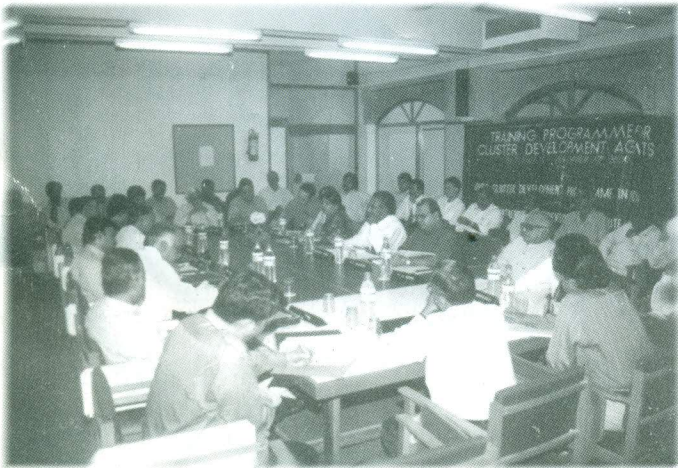
result-oriented systems, structures and frameworks within the MFIs to provide a sustainable base for effective delivery of micro credit. However, there is still a critical need to develop capacities of NGO professionals to carry out these activities, effectively. EDI, over the last five years, has successfully organised eight workshops for Chief Executives of NGOs, besides organising five training programmes of three-week each on Micro Finance Delivery System, thus training 135 Executives of NGOs. In a bid to render the NGOs financially viable in micro finance projects, a six-day Training Programme on Micro Finance Delivery System has been planned.

OBJECTIVES

The broad objective of this training programme is to equip NGOs with knowledge necessary for the formation of MFIs. This would be achieved by providing training and guidance to the Executives of NGOs to develop financial systems and procedures for the management of micro finance delivery projects. The specific objectives of the training are to expose these Executives to:

- * various models of best practices in micro finance at national and international level;
- * issues related to regulatory and legal framework for the MFIs;
- * different schemes of insurance in micro finance;
- * methodologies of assessing financial viability (self-sufficiency) of micro finance projects & sustainability of MFIs;
- * innovations in financial products;
- * financial and portfolio analysis of MFIs;
- * monitoring and evaluation of MFIs; and
- * strategic and operational planning for MFIs.

28. Coimbatore, Tharur, Karnataka, Mahatma Nagar, Mysore, Hassan, TN, UP, Uttaranchal, West Bengal, Orissa, Rajasthan



PROGRAMME CONTENTS

The programme inputs are designed in a sequential order. These will focus on :

- * Emergence and growth of micro finance sector at national as well as international level
- * Different approaches and best finance practices of micro finance at national and international level
- * Issues related to regulatory and legal framework for MFIs
- * Innovations in insurance coverage and different schemes of insurance in micro finance
- * Financial viability (self-sufficiency) of micro finance projects
- * Sustainability of MFIs, levels of sustainability and key issues in achieving sustainability
- * Financial and portfolio analysis of MFIs
- * Strategic and operational planning for MFIs.

TRAINING METHODOLOGY

Besides classroom training on applied aspects in micro finance delivery system, methodology includes, participatory learning, case studies, experience sharing, real life cases and simulation exercises to provide theoretical and conceptual understanding on the topics. Important reference material will also be provided to the participants. Besides experienced faculty of the Institute, expert 'Resource Persons' will also be invited to deliver the inputs.

DURATION AND VENUE

The duration of the programme is six days and it will be conducted at EDI's elegant campus, from August 27 to September 01, 2001.

WHO CAN BE NOMINATED

The training programme is open to Executives of NGOs, involved in implementing micro finance projects.



NGOs will be selected in consultation with SIDBI. Preference will be given to SIDBI supported NGOs. Only one nomination from one NGO will be entertained.

FELLOWSHIPS AND FEES

The programme is sponsored by Small Industries Development Bank of India (SIDBI). However, a token fee of Rs.1, 000/- will have to be paid by each participant. Besides, participants will have to bear to and fro travel cost, incidentals and medical expenses, if any.

HOW TO APPLY

Please forward enclosed nomination form duly filled-in, along with a Demand Draft for Rs. 1,000/- drawn in favour of 'Entrepreneurship Development Institute of India' payable at Ahmedabad, on or before August 13, 2001 to:

Dr. Naresh Singh

Programme Director - MFDS

Entrepreneurship Development Institute of India
Ahmedabad, Gujarat, India

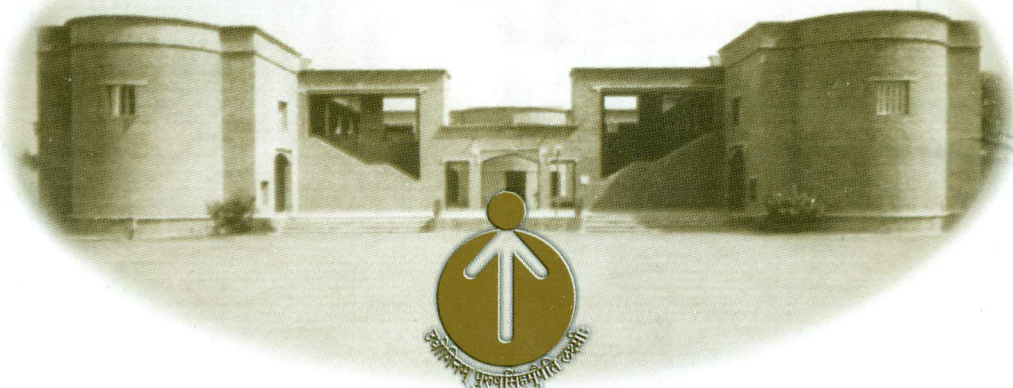


ABOUT EDI

Entrepreneurship Development Institute of India (EDI), an international resource organisation for training, teaching and research in entrepreneurship development, was set up by all India financial institutions viz. Industrial Development Bank of India (IDBI), Industrial Credit & Investment Corporation of India (ICICI), Industrial Finance Corporation of India (IFCI) and State Bank of India (SBI). EDI has been spearheading entrepreneurship movement throughout the nation with a belief that entrepreneurs need not necessarily be born, but can be developed through well-conceived and well-directed activities. This, in turn, led to the emergence of several training programmes, workshops and research projects under strategic thrust areas, thereby advancing the frontiers of theories and practices of entrepreneurship and effectively contributing to the nation's economic vitality.

Realising that such a gigantic task can only be accomplished with a collaborative effort, EDI has established linkages with a nation-wide network of organisations and institutions committed to entrepreneurship development. Micro Enterprise & Micro Finance Development is one of the important thrust areas of the Institute. The Institute has completed 14 years of fruitful partnership with NGOs, in implementing Micro Enterprise Development Programmes (MEDPs) and other related programmes in rural areas. As of now, it has implemented 750 REDPs, training 15,000 rural youths, of which about 10000 have successfully launched their ventures with an average investment of about Rs. 45,000/- and employment of over 2 persons per venture. So far, EDI has trained over 500 trainer-motivators from NGOs.

The extensive work on micro enterprise and micro finance has brought EDI close to the problems and needs of rural poor. With valuable support from funding organisations like SIDBI, NABARD, RGVN, KVIC, Central Silk Board, Ford Foundation, FNSI and with active involvement of NGOs, EDI is set to make a long lasting contribution towards the goals of employment creation and poverty alleviation through promotion of micro enterprise & micro finance development.



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