



Institute for Inclusive Finance and Development (InM)

InM

ANNUAL REPORT 2019-20

Journey
towards
excellence

Annual Report 2019-20

InM Journey Towards Excellence in
Research | Knowledge Management | Training | Education



Institute for Inclusive Finance and Development (InM)

Editor-in-Chief: Mustafa K. Mujeri
Executive Director

Team: Farhana Nargis
Fatima-Tuz-Zohora

Concept, Design and Illustration:
Tahidul Islam

Photo Credit: Nur-E-Safa, Tahidul Islam, Ashraful Islam

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Message from Chairman

InM's key mandate is to work towards creating an inclusive and poverty-free society. The Institute should act as a resource centre on innovative knowledge and technologies on inclusive finance, poverty, capacity building; and share success cases from around the world on financial inclusion and development to adapt in specific contexts.



I am glad to know that the year 2019-20 has been a year of transitional breakthrough for InM with a more focused activity portfolio. It is also pleasing for me to learn that InM has successfully pursued activity diversification during the year with new research collaborations, training and capacity building programmes, challenging Financial Inclusion Network-Bangladesh (FIN-B) activities, and many others. In fact, FIN-B – as an innovative and inspiring endeavour to develop, share and disseminate knowledge and expertise on financial inclusion and development – will be one of the effective tools for InM to promote its mission.

It is also heartening to note that, in the context of the Covid-19 pandemic, InM has undertaken a number of activities relevant to its operation. Obviously, these highlight the challenges especially in the context of significant transformations of the microfinance sector from group-based limited-scale microcredit to appropriate finance and microenterprise operations for nurturing broader farm and nonfarm activities and microenterprises of the graduating microcredit borrowers and microentrepreneurs.

In the present Covid-19 affected Bangladesh economy, several important aspects of the financial inclusion ecosystem especially relevant to the low income populations are important to meet the unfolding challenges. Bangladesh's financial inclusion agenda has a vital role to play in supporting financial services ecosystems as an important component of the response to the pandemic. It is noteworthy that InM is working towards generating credible information on the pandemic's impact on the poor and informal sector participants and financial services providers to support informed responses to the financial inclusion challenges arising from the Covid-19 pandemic. Further, since the coronavirus crisis is unprecedented, InM must also work to provide a collective space to share insights, experiences and lessons learned.

I congratulate Dr. Mustafa K Mujeri and the entire InM team for their rich achievements during the year. I also take this opportunity to thank my colleagues in the InM Governing and General Bodies for their wholehearted support and guidance. I take this opportunity to acknowledge PKSF for establishing and supporting InM for working as a centre of excellence on inclusive finance and development and constantly working towards its sustainability and excellence.

I believe InM will continue to work with imaginative and diverse initiatives to fully realise its unique opportunity to emerge as important partner of inclusive finance and development in Bangladesh and other parts of the developing world.

A handwritten signature in black ink, appearing to read 'Qazi Kholiquzzaman Ahmad'.

Dr. Qazi Kholiquzzaman Ahmad
July 2020

Message from Executive Director

I am glad that InM has completed another year of its successful operation in 2019-20. Last year, the Institute pursued its multifaceted mission with renewed strength to build capacity and ensure inclusive development through delivering on our core aim of financial inclusion for the poor and excluded. The InM team worked tirelessly throughout the year to reinforce the processes, develop focused strategies, and enhance the Institute's professional excellence through increasing its focus on our core mission.



At InM, we are excited about developing Bangladesh's financial sector that can serve and include around half of Bangladesh's people who currently have no access to all core formal financial services. Such access is necessary to ensure improvements in the quality of life even for the extreme poor. From managing vulnerability through savings and microinsurance products, to taking advantage of entrepreneurial opportunities through microenterprise loans, to safely receiving remittances—all these benefits can leverage real-life transformations for the low income families in the long-run.

While working with financial inclusion, we as practitioners face several questions: How many people do not have access to any bank account? What other services need to be provided to help the poor better manage their resources? How can quality and reliable financial services be provided such that the poor can make the most of these services? What are the barriers to using financial services at the bottom of the pyramid? Which are the institutions best equipped to provide access to quality financial services to those who need them? And there are many more which we need to explore.

In the real life, for people to benefit from financial inclusion, it is important to ensure that all people who use them have access to a full range of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the users. For ensuring the above requirements, financial services have to be delivered by a wide range of providers and reach everyone who would like to use them, including the poor, women, disabled, disadvantaged and other excluded populations. At InM, we target four dimensions which are essential to consider while addressing the above concerns: type of products and services provided; how they are provided; who offers these services; and who receives them.

In Bangladesh, the problem of access to finance at the base of the pyramid is well-known. And a solution seems to be emerging through transforming microcredit into microfinance and now towards appropriate finance and financial inclusion. And the key issue at present is to transform financial inclusion from a priority agenda into reality. What Bangladesh needs is a big push to pave the road towards financial inclusion for all with a clear vision on the destination. We at InM believe that now is the time to take concrete action!

The present Covid-19 pandemic is no doubt an eye opener for Bangladesh since it shows how fragile can be the country's hard earned success in poverty reduction over the past decades to external and internal shocks. The need is to put further emphasis on developing the resilience and inherent capacity of the people to withstand shocks and put in place well-designed social

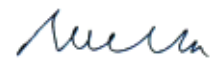
protection measures to help them in times of crisis. In all these efforts, financial inclusion is the key. At InM, we are taking these challenges to fulfil our potential as a leader in inclusive finance.

This annual report is designed to highlight a few key activities which, we hope, will give a glimpse of the full picture. Obviously, the report does not give the details of the behind-the-scenes efforts that have created these successes. As you would agree, the passion and commitment of InM staff have made this possible through undertaking research, training, education, and knowledge management and other activities to realise smart financial inclusion and inclusive development.

I am proud that we, at InM, work hard and remain flexible, accessible and thoughtful. We are committed to using our financial and human resources to build the capacity of the people at the bottom of the pyramid to enhance their quality of life and of microenterprises to become larger and more productive through pursuing financial inclusion and the path to inclusive and sustainable development. After all, this is what as an institution InM is all about.

Our promise is to work tirelessly to position InM as a centre of excellence and fulfil its mandate. Over the years, we are expanding the Financial Inclusion Network-Bangladesh (FIN-B) to develop, share and disseminate knowledge and expertise on financial inclusion through stimulating exchanges, developing collaboration, and promoting the Network to its members as a knowledge partner on inclusive finance. Despite our funding and other constraints, we do what we can with the strengths and talents of our staff, leadership team, General and Governing Bodies, and, most importantly, with support from our Chairman, Dr. Qazi Kholiuzzaman Ahmad.

On behalf of InM, I extend our deepest appreciation and gratitude to our Chairman, PKSF, and all our well-wishers who have facilitated the unveiling of the transformative power of InM in action. We extend our gratitude to the Institute's General and Governing Bodies, especially to our Chairman, whose primary mandate has been to provide governance oversight in ensuring that InM functions to the highest standard in executing its mission. We believe, there is a place for everyone in helping us build on our success and momentum!



Dr. Mustafa K. Mujeri

July 2020



About InM

The Institute for Inclusive Finance and Development (InM) is working since 1 January 2016 as a non-profit organisation established primarily to meet the research, capacity building and information needs of national as well as global financial sector including microfinance institutions (MFIs). Its predecessor, the Institute of Microfinance, was established at the initiative of the Palli Karma-Sahayak Foundation (PKSF) on 1 November 2006. The InM is registered as an independent non-profit institution under the Societies Registration Act 1860.

The Institute works for developing the overall capacity of the financial sector and strengthening the links between the financial and real sectors through undertaking research, training, education, knowledge management and other programmes in priority areas including inclusive finance, microfinance, poverty and development.



Vision

Towards establishing a poverty free and inclusive world, InM sees itself as a frontline centre of excellence in research, training, education, knowledge management and networking.



Mission

The InM undertakes capacity building and knowledge generating activities for the financial (including microfinance) sector, organises training and academic programmes for human development, conducts research and undertakes dissemination of new knowledge and technology, and implements networking and other activities for the benefit of the sector. The aim is to emerge as a knowledge centre in inclusive finance, poverty, enterprise development, and other key areas. InM works at both national and international levels through building networks with financial institutions, development practitioners, academicians and researchers for collaboration and exchange of ideas and experiences.



Key Objectives

- Conduct research on inclusive finance and development along with their interactions with the real economy, poverty, inequality, vulnerability and other socioeconomic and cultural dimensions.
- Initiate, undertake and promote research and action research activities directed towards the expansion, integration and consolidation of different components of the financial sector to deepen the linkages between the real and financial sectors.
- Undertake joint collaborative activities with national and international agencies, research and professional institutions and universities covering livelihood promotion, environment and climate change, inclusive finance and priority development issues.
- Use research results and lessons of national and cross-country experiences and prepare research/policy notes and reports to help policymakers and practitioners of the financial sector and assist in setting standards, preparing best-practice norms, formulating policy documents and preparing guidelines.
- Develop and undertake training and capacity development programmes for appropriate finance and microfinance professionals and practitioners from home and abroad.
- Maintain information warehouse and develop database using primary surveys and secondary sources on national and global microfinance and financial sector issues including financial inclusion.
- Provide certificates, diplomas and post-graduate degrees in partnership with formal institutions to meet the needs of qualified and professionally trained people in the financial sector especially through blending theoretical knowledge with practical training to equip them to face the challenges of dominant transformations of the financial sector.
- Work towards building InM as a dynamic, forward looking and a self- sustaining institution in the arena of knowledge management and capacity building of the financial sector.

Legal Entity

InM is registered as an independent non-profit research and training institute under the Societies Registration Act 1860.

InM Governing Body

The Governing Body, subject to the general control and supervision of the General Body, holds the responsibility to pursue and carry out the goals of the Institute. In order to realise the Institute's intended goals, the Body determines the direction and scope of the activities. The basic governance lies with the Governing Body. It comprises of seven members, including the Executive Director of the Institute as an ex-officio member.



Dr. Qazi Kholiuzzaman Ahmad
Chairman, InM



Mr. Mohammad Moinuddin Abdullah
Managing Director, PKSF



Dr. Toufic Ahmad Choudhury
Former Director General, BIBM



Ms. Nazneen Sultana
Former Deputy Governor, Bangladesh Bank



Dr. Jahangir Alom Khan
Former Director General
Bangladesh Livestock Research Institute



Dr. Nilufar Banu
Executive Director
Bangladesh Unnayan Parishad (BUP)



Dr. Mustafa K Mujeri
Executive Director, InM

InM General Body

The General Body is the Institute's highest authority. It is responsible for the overall policy guidance and direction for efficient functioning of the Institute. Total number of members of the General Body is 14 (fourteen), including 7 (seven) members of the Governing Body.



Dr. Qazi Kholiqzaman Ahmad
Chairman, InM



Dr. Mustafa K Mujeri
Executive Director, InM



Mr. Mohammad Moinuddin Abdullah
Managing Director, PKSF



Dr. Toufic Ahmad Choudhury
Former Director General, BIBM



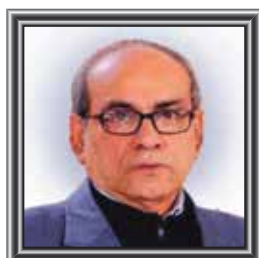
Ms. Nazneen Sultana
Former Deputy Governor, Bangladesh Bank



Dr. Jahangir Alom Khan
Former Director General
Bangladesh Livestock Research Institute



Dr. Nilufar Banu
Executive Director
Bangladesh Unnayan Parishad (BUP)



Dr. R. M. Debnath
Economic Columnist
Former Director, Janata Bank Ltd.



Dr. Anowara Begum
Senior Research Fellow, BIDS



Dr. Akhter Hossain
Professor
Department of Public Administration, DU



Mr. Md. Fazlul Kader
Deputy Managing Director, PKSF



Dr. Niaz Ahmed Khan
Professor
Department of Development Studies, DU



Dr. Nazma Begum
Professor
Department of Economics, DU



Shabbir Ahmed Chowdhury
Director, InM

Major Services

Major services that InM provides are research on multidimensional poverty, microfinance, microenterprise financing and development, impact assessment and evaluation of microfinance and other programmes, and other aspects related to inclusive finance and sustainable development. InM also provides training, education, capacity building support and knowledge management services to microfinance institutions and other development organisations. Further, InM provides education support through designing and providing demand-driven capacity building programmes. Moreover, knowledge management and networking activities are the dissemination tools and voice of InM which feature organisational networks, publications, conferences, website, ICT support and database management.

Unleash Your Research Potential

Master state-of-the art research capacities and work with quality dataset in diversified areas of inclusive finance and development

Develop your capacity and sharpen your skills especially on microfinance, entrepreneurship development, financial risk management and governance, WASH, environmental management, business planning and execution

InM Training

InM Education

Get certified and learn what it takes to get the InM Diploma in Microfinance and enhance your skills and potentials in inclusive finance and microfinance

Get connected and find your next read in socioeconomic, financial inclusion or other inclusive and sustainable development issues

Knowledge Management and Networking

InM Governing Body Meetings

InM Governing Body Meetings

53rd Governing Body Meeting

The 53rd meeting of the Governing Body was held on 31 October 2019 with Dr. Qazi Kholiquzzaman Ahmad, Chairman InM in the chair. All members of the Governing Body--Mr. Mohammad Moinuddin Abdullah, Managing Director, PKSF; Dr. Toufic Ahmad Choudhury, former Director General, BIBM; Dr. Jahangir Alam Khan, Agricultural Economist and Former Director General, Bangladesh Livestock Research Institute; Dr. Nilufar Banu, Executive Director, Bangladesh Unnayan Parishad (BUP); Ms. Nazneen Sultana, Former Deputy Governor, Bangladesh Bank; and Dr. Mustafa K Mujeri, Executive Director, InM--were present in the meeting.



54th Governing Body Meeting

The 54th meeting was held on 23 December 2019 with Dr. Qazi Kholiquzzaman Ahmad, Chairman InM in the chair. All members of the Governing Body--Mr. Mohammad Moinuddin Abdullah, Managing Director, PKSF; Dr. Toufic Ahmad Choudhury, Former Director General, BIBM; Dr. Jahangir Alam Khan, Agricultural Economist and Former Director General, Bangladesh Livestock Research Institute; Dr. Nilufar Banu, Executive Director, Bangladesh Unnayan Parishad (BUP), Ms. Nazneen Sultana, Former Deputy Governor, Bangladesh Bank; and Dr. Mustafa K Mujeri, Executive Director, InM--attended the meeting.



55th Governing Body Meeting

The 55th meeting of the InM Governing Body was held virtually on 25 June 2020 due to Covid-19 pandemic. Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM presided over the meeting which was attended by the members of the Governing Body – Mr. Mohammad Moinuddin Abdullah, Managing Director, PKSF; Dr. Toufic Ahmad Choudhury, Former Director General, BIBM; Dr. Jahangir Alam Khan, Agricultural Economist and Former Director General, Bangladesh Livestock Research Institute; Ms. Nazneen Sultana, Former Deputy Governor, Bangladesh Bank; Dr. Nilufar Banu, Executive Director, Bangladesh Unnayan Parishad (BUP) and Dr. Mustafa K Mujeri, Executive Director, InM.

InM General Body Meetings

InM General Body Meetings

14th Annual General Body Meeting

The 14th annual General Body meeting was held on 23 December 2019 which was presided over by Dr. Qazi Kholiquzzaman Ahmad, Chairman InM. All members of the General Body--Mr.

Mr. Mohammad Moinuddin Abdullah, Managing Director, PKSF; Dr. Toufic Ahmad Choudhury, Former Director General, BIBM; Dr. Jahangir Alam Khan, Agricultural Economist and Former Director General, Bangladesh Livestock Research Institute; Dr. Nilufar Banu, Executive Director, Bangladesh Unnayan Parishad; Ms. Nazneen Sultana, Former



Deputy Governor, Bangladesh Bank; Dr. Anowara Begum, Senior Research Fellow, BIDS; Dr. Akhter Hussain, Professor, Department of Public Administration, University of Dhaka; Dr. R.M. Debnath, Economic Columnist and Former Director, Janata Bank Limited; Mr. Md. Fazlul Kader, Deputy Managing Director, PKSF, Dr. Nazma Begum, Professor, Department of Economics, University of Dhaka; Dr. Mustafa K Mujeri, Executive Director, InM; and Mr. Sabbir Ahmed Chowdhury, Director Education, InM were present at the meeting.

12th Extra-Ordinary General Body Meeting

The 12th extra ordinary General Body meeting was held virtually on 25 June 2020 with Dr. Qazi Kholiquzzaman Ahmad, Chairman InM in the chair. The members of the General Body--Mr.



Mr. Mohammad Moinuddin Abdullah, Managing Director, PKSF; Dr. Toufic Ahmad Choudhury, Former Director General, BIBM; Dr. Jahangir Alam Khan, Agricultural Economist and Former Director General, Bangladesh Livestock Research Institute; Dr. Nilufar Banu, Executive Director, Bangladesh Unnayan Parishad; Dr. R.M. Debnath, Economic

Columnist and Former Director Janata Bank Limited; Dr. Anowara Begum, Senior Research Fellow, BIDS; Dr. Akhter Hussain, Professor & Chairman, Department of Public Administration, University of Dhaka; Dr. Niaz Ahmed Khan, Professor, Department of Development Studies, University of Dhaka; Mr. Md. Fazlul Kader, Deputy Managing Director, PKSF, Dr. Nazma Begum, Professor, Department of Economics, University of Dhaka; Dr. Mustafa K Mujeri, Executive Director, InM; and Mr. Sabbir Ahmed Chowdhury, Director Education, InM attended the meeting.



Research

Completed Research

Development of a Detailed Implementation Plan with M & E Framework and Resource Plan for the National Financial Inclusion Strategy-Bangladesh

The research on 'Development of a Detailed Implementation Plan with M & E Framework and Resource Plan for the National Financial Inclusion Strategy-Bangladesh (NFIS-B)', prepared for the Financial Institutions Division (FID) of the Ministry of Finance, provides a detailed year-wise implementation plan for NFIS-B along with an accompanying M&E framework and activity-wise resource plan (2020-2024) with sources of resources for the successful implementation of NFIS-B.

Sustainable Development Goals: Bangladesh Progress Report 2020

The study provide the draft of the 'Sustainable Development Goals: Bangladesh Progress Report 2020' to the General Economic Division (GED) of the Bangladesh Planning Commission. The report was based on the ground in the lead up to 2019, highlighting how much more effort would be needed to reach the SDGs and meet the commitment to leave no one behind. The year 2020 is identified in the report as a critical juncture to reflect on the first five years of the Agenda 2030 implementation and allow for adjustments to priorities and course corrections. For Bangladesh, it represents a key window of opportunity to inject urgency and catalyse updated or new commitments from all stakeholders – all of which will be necessary if leave no one behind goal and Agenda 2030 are to be achieved.

It may be mentioned that the Report highlights Bangladesh's adoption of the 'whole of society' approach in implementing the SDGs. The SDGs Progress Report 2020 is important for Bangladesh on two counts: first, five-years represent one-third of the SDGs implementation time, an important milestone to assess the direction of implementation and progress achieved to draw lessons on what has worked, what improvements are still needed, and in which areas major challenges persist; and second, there is still a decade left to achieve SDGs in 2030, and insights and policy implications from the lessons will raise the efficiency of the SDGs implementation process in the coming years.

Bangladesh Voluntary National Review (VNR) 2020: Fostering Inclusiveness for Shared Prosperity

The draft of the 'Bangladesh Voluntary National Review (VNR): Fostering Inclusiveness for Shared Prosperity', prepared for the General Economics Division (GED) of the Bangladesh Planning Commission, facilitates the sharing of experiences, including successes, challenges and lessons learned, with a view to accelerating the implementation of the 2030 Agenda. The

report also focuses on strengthening policies and institutions and mobilising multi-stakeholder support and partnerships for the implementation of the SDGs.

The Review tracks progress in implementing the 2030 Agenda, including the SDGs and targets, in a manner that respects the universal and integrated nature and all dimensions of sustainable development. The principles that guided the VNR process covered universal requirements such that these are substantive and knowledge based, along with a particular focus on the poorest, most vulnerable, and those furthest behind.

Leaving No One Behind: Implementation Context of SDGs in Bangladesh

The study on 'Leaving No One Behind (LNOB) in the context of SDGs Implementation in Bangladesh' has been completed with support from UNDP. The SDGs pledge to leave no one behind implies that progress towards the goals and targets will have to be faster among the disadvantaged social groups. Without quicker improvements among those who are lagging behind, the existing disparities will not narrow down and these groups will continue to be left behind.

An important step towards meeting the aspiration of leaving no one behind is to identify who is being left behind and from what. For the purpose, the need is to examine group-based inequalities, with the focus on the disadvantages faced by women, youth, older persons, persons with disabilities, racial and ethnic minorities and other marginal groups. The study targets inclusion which is fundamental to achieving a socially, economically and environmentally sustainable future. Since no single set of policies or strategies is applicable in all contexts to tackle exclusion and promote inclusion, the government will have to apply a strong equity lens to policy making to address the structural causes of exclusion and social injustice. The study provides policy inputs for the country's 8th Five Year Plan, 2021-2025.

Baseline Study of the Project- Scaling WaterCredit in Bangladesh

In Bangladesh, many microfinance institutions (MFIs) develop and scale sustainable financial products that empower those at the base of the pyramid (BOP) and invest in their own water and sanitation needs. This includes the construction of water improvements and/or toilets within their homes. Water.org supports these local organisations in conducting education campaigns and build awareness on critical hygiene practices, enabling sustainable improvements in community health and well-being. This project is under implementation by MFIs in 61 of the 64 districts across all eight divisions of the country. For evaluating the impact on the borrower households, InM conducted a baseline study to gather information on household level outcomes. The study collected baseline information to be used in impact evaluation at the end of the programme and set benchmarks for key performance indicators for programme outcomes. In the baseline survey, 3,200 potential clients were interviewed from the programme area.

Improving Fiscal Decentralisation for Local Government Institutions

The study explores and identifies policy interventions for greater fiscal decentralisation for effective functioning of the local government institutions (LGIs) in Bangladesh. Experience shows that, unless fiscal decentralisation is effectively done, the LGIs are unlikely to function towards achieving the national goals and the country's longer term vision. The government is committed to strengthening the country's local government system, which has been reiterated in different policy documents. The study examines the current fiscal transfer trends and local

resource mobilisation potential to portray the future needs and address the financial constraints facing the LGIs in delivering their mandated services. The study has been funded by UNDP.

Transforming the Agri-food Sector towards a Modern, Sustainable Advanced Economy: Looking Beyond 2030 towards Achieving Bangladesh's Vision 2041

The study, conducted by InM, provides a basis for informed discussion and supports the development of Bangladesh's Second Perspective Plan 2021-2041 (SPP, 2021-2041) and the 8th Five Year Plan 2021-2025 (8FYP, 2021-2025). The analysis incorporates a review of current trends and challenges shaping food and agriculture in Bangladesh; identifies the vision, goals and targets for future food and agriculture sector in Bangladesh and interim targets for 2025 and 2030; explores the implications for achieving the SDGs and the 2041 vision, transition pathways and pragmatic scenarios; and finally, develops recommendations on strategies towards achieving the SDGs and making 2041 vision a reality. The study has been funded by the Food and Agriculture Organisation (FAO) of the United Nations through CIRDAP.

On-going InM Covid-19 Research

Developing Capacity of MFIs for Fighting Covid-19 Impact in Bangladesh

Since the early 2020, the Covid-19 pandemic has seriously affected the lives and livelihoods across all countries in the world. These countries, including Bangladesh, are now fighting to contain the spread of the virus by testing and treating patients, carrying out contact tracing, limiting travel, quarantining citizens, imposing lockdowns and physical distancing, and cancelling large gatherings. Moreover, Covid-19 is more than a health crisis; it has created devastating social, economic and other crises that are leaving deep scars in society and the economy of all countries. Every day, jobs and incomes are being lost, along with grave uncertainties regarding the time when normality would return.

In Bangladesh, since the outbreak of the pandemic, the MFIs and their customers have been facing enormous challenges to cope up with the situation. The crisis threatens health and economic prospects of the poor MFI borrowers as well as the microfinance sector itself. As the vast majority of the MFI borrowers become vulnerable, it also creates a serious threat to the day-to-day activities of MFIs and on their sustainability. In response to the Covid-19 pandemic, InM is conducting a quick survey among the MFIs to gather their responses on key challenges and analyse how the microfinance sector is being affected by the pandemic including the impact of the pandemic on MFIs' institutional sustainability and identify required policy responses.

Covid-19 and Financial Management of the Urban Middle Class

For capturing the impact of Covid-19 pandemic on the financial behaviour of the urban middle class, InM is conducting a quick online survey. The prime objective is to analyse how the economic behaviour and the choice of financial instruments by the urban middle class have been affected by the pandemic. The study also focuses on how the patterns of income, expenditure and savings have changed over the past few months, whether the pandemic has an impact on digital financial inclusion and whether there are any changes in the preference pattern of financial products due to Covid-19. These will help to suggest appropriate policy responses for the post Covid-19 period.

Opportunities and Challenges for MFIs during Covid-19

The MFIs in Bangladesh have travelled a long way since the country's independence in 1971 along with significant transformations from group-based limited-scale microcredit to individual microenterprise operations in order to create more widespread and sustainable development impacts. Throughout these years, microcredit has graduated from its mainstream activity of supporting basic needs of the poor people to nurturing broader farm and nonfarm activities and microenterprises of the graduating microcredit borrowers and microentrepreneurs. The focus on 'appropriate' finance—along with working in the remote areas; mobilising the poor for promoting social development; creating awareness on health, education and women empowerment; providing access to technologies and income earning opportunities—has provided the MFIs a unique opportunity to emerge as important partners of development in Bangladesh, especially during difficult times such as the present pandemic.

In Bangladesh, many poor people and micro-entrepreneurs rely on various financial services offered by the MFIs including credit, savings, remittance transfer, loan insurance etc. The pandemic has seriously affected the workplace and earnings of the MFI borrowers to substantially weaken their repayment capacity. Most of the MFIs, especially the smaller and mid-sized ones, are facing hardships and difficulties in paying full salaries to their staff with no available avenues to continue their activities in the coming months.

Under the InM research on 'Opportunities and Challenges for MFIs during Covid-19', a quick survey is currently on going to gather information on operational and crisis management measures taken by the MFIs, crisis response measures for the borrowers adopted by MFIs and the design of new products/services/markets that the MFIs plan to develop in the medium term.

Journal Publications

1

Muneer, F (2020). 'Analysis of Dropout Behaviour among Borrowers of Microfinance Sector in Bangladesh'. *Journal of Wealth Management and Financial Planning*, 7(1).

Muneer, F. and F. Khan (2019). 'QARD-AL-HASSAN as a Tool for Poverty Alleviation: A Case of FAEL KHAIR WAQF Program in Bangladesh'. *Journal of International Islamic Monetary Economics and Finance*, 5 (4).

2

3

Hasan, M. and F. Muneer (2019). 'Understanding the Causes of School Dropout among Poor Households in Bangladesh'. *Journal of Sustainable Environment and Development*, 1(4)

InM Working Papers



Nargis, F. & S.M.A. Habib (2020). Financial Exclusion Status and Barriers to Financial Inclusion among Vulnerable Populations in Bangladesh. InM Working Paper No. 61, Dhaka.

Nargis, F. (2020). Crisis Coping and Saving Pattern of Vulnerable Street and Working Children in Bangladesh. InM Working Paper No. 60, Dhaka.



Muneer, F. (2019). Saving Behaviour and Financial Inclusion of Vulnerable Working Children: A Case of Bangladesh. Working Paper No. 59, Dhaka.



Education

Education Activities

Graduation Ceremony of Diploma Programme

The 4th Graduation Ceremony of InM Diploma in Microfinance programme was held on 21 November 2019 at PKSF Auditorium-2 in Dhaka. Dr. Qazi Kholiquzzaman Ahmad, Chairman of InM graced the occasion as the Chief Guest while Mr. Mohammad Moinuddin Abdullah, Managing Director of PKSF was present as the Special Guest. The ceremony was presided over by Dr. Mustafa K Mujeri, Executive Director of InM. A total of 80 participants from the 7th,



8th and 9th batches of the programme received their diploma certificates. Besides the successful graduates, the ceremony was attended, among others, by representatives from MFIs, banks, and development organisations in the country.

10th Batch of Diploma Programme Ends

The programme activities of the 10th batch of InM Diploma in Microfinance programme has ended with the final examination held during June-July 2020. The courses and examinations of the 2nd semester were conducted online due to the Covid-19 pandemic. A total of 25 participants from 12 MFIs attended the programme. The results are expected to be published in September 2020.

InM Certificate Course in Microfinance

For graduates seeking to build their career in the microfinance sector, a new certificate course in microfinance has been designed by InM. The course provides an in-depth understanding of issues and challenges of microfinance programmes for the beginners and practical knowledge on successful field operations. The contents and materials of the programme have been designed and developed by a group of microfinance experts in consultation with sector leaders and practitioners.



Training

Training Activities

During the year, the scheduled training activities of InM were significantly hampered especially due to the Covid-19 pandemic, as both national and international training programmes remained suspended since March 2020.

PKSF Partner Organisations (POs) Training

For strengthening capabilities of PKSF-POs in different areas based on the field assessment, InM, jointly with PKSF, regularly organises training programmes for the POs. During the year the following trainings were organised.

- 1 Loan Management of Microenterprises.
- 2 Accounts and Financial Management.
- 3 Software based Monitoring and Supervision.
- 4 ToT on SEP (Sustainable Enterprise Project) Policies and Safeguard Documents.
- 5 Training of Trainers (ToT).



A total of 588 participants from PKSF-POs joined the training courses.

Customised Training for NGO-MFIs

As an effort towards diversifying training activities and undertake demand-driven training for NGO-MFIs and the private sector need-based customised training is offered.



Training on Interest-free Microfinance Operations and Financial Management

The training course was designed and offered to the branch managers of the United Trust, the Social Welfare organ of the United Group at the United Trust Office, Melandaha, Jamalpur.

Workshop on Result Based Monitoring (RBM) for Microfinance Programme of DSK: Let the Figures Talk

This specialised workshop was designed and organised for the professionals of Dushtha Shasthya Kendra (DSK) at the InM Training Centre. The main theme was to identify and select key indicators towards developing an RBM framework for the microfinance programme. A total of 25 senior professionals of DSK joined the workshop.



Customised Training on Entrepreneurship Development and Gender for LIUPCP/UNDP

Under an MoU signed between InM and LIUPCP (Livelihoods Improvement of Urban Poor Communities Project)/UNDP, InM and LIUPCP jointly organised a training programme on Entrepreneurship Development and Gender for 19 socioeconomic and nutrition officers/experts from eight municipalities and 11 city corporations.



Customised Training for NGO-MFIs at Field Level

A tailor-made course was designed and implemented for senior managers of Resource Integration Centre (RIC), at InM Training Centre on advanced risk management and monitoring in microfinance operations at field level. A total of 16 senior microfinance operations managers of RIC joined the course.

International Training on Prevention of Financial Crime in the Financial Sector

InM, jointly with Banking Finance and Insurance Institute of Nepal (BFIN), organised an international training course on “Prevention of Financial Crime in the Financial Sector” mainly to address contemporary financial crimes. The course was designed to help understand how to detect and prevent specific financial crimes, fraud, data and information security breach, bribery and corruption and how to investigate and prosecute. The course was exclusively designed for



bank/NBFI officials of Nepal. A total of 17 senior professionals from different banks and NBFIs of Nepal joined the course. The course was conducted by professionals of BIBM, Bangladesh Bank, Dhaka Bank Limited, Bank Asia Limited, and InM.

Online Training for NGO-MFIs

In view of the Covid-19 pandemic including persisting lockdown situations and associated uncertainties, several online courses for NGO-MFIs have been designed:

- Course 1 Addressing Post Covid-19 Microfinance Operations and Management
- Course 2 Prevention of Financial Crime in the Financial Sector
- Course 3 Risk Management and Monitoring
- Course 4 Microfinance Sustainability Management in Post Covid-19 Scenario
- Course 5 Handling the Post Covid-19 Challenges in Microenterprise Management





Knowledge Management

MoU between InM and IICMR India

InM signed an memorandum of understanding (MoU) with the Indian Institute of Contemporary Management and Research (IICMR), India on 24 December 2019 for mutual collaboration between the two institutions. Dr. Mustafa K. Mujeri, Executive Director InM and Prof. Arup Choudhuri, Chairman IICMR signed the MOU on behalf of respective institutions at InM Headquarters in Dhaka and exchanged views on potential areas of collaboration and exchange.

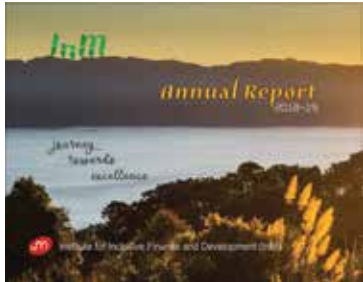


InM Participation in PKSF Development Fair 2019

InM participated in the weeklong PKSF Development Fair during 14-20 November 2019 at Bangabandhu International Convention Centre (BICC) in Dhaka. A total of 125 organisations showcased their products in the fair. In the InM stall, recent publications and activities of InM were displayed and disseminated.



Publications



InM Annual Report 2018-19



FIN-Biz,
Issue 4, December 2019



FIN-Biz,
Issue 5, June 2020



Brochure of International FIN-B
Financial Inclusion
Conference and Inclusion Fair 2019



INSIGHTS InM Newsletter
Vol. 04, Issue 02, August 2019



INSIGHTS InM Newsletter
Vol. 04, Issue 03, December 2019



INSIGHTS InM Newsletter
Vol. 05, Issue 01, April 2020



Finimile
Vol. 01, Issue 03, September 2019



Finimile
Vol. 02, Issue 01, January 2020



Finimile
Vol. 02, Issue 02, May 2020



Working Paper 59
November 2019



Working Paper 60
June 2020



Working Paper 61
July 2020

InM Media Publications

- FY2019-20 budget: What's in it for the poor people?; The Financial Express, June 30, 2019
- Poor centrality and financial inclusion: The poor live complex financial lives; The Financial Express, July 24, 2019
- Boosting CMSMEs through mobile banking, Dhaka Tribune, July 30, 2019
- বাংলাদেশে আর্থিক অন্তর্ভুক্তি ও প্রযুক্তি; The Banik Barta, July 31, 2019
- Development sans inclusiveness meaningless: Dr Rizvi; The Financial Express, August 01, 2019
- শেষ হলো ফিন-বি আন্তর্জাতিক সম্মেলন: আর্থিক অন্তর্ভুক্তি বিস্তৃতিতে সচেতনতা ও জ্ঞান সৃষ্টির সুপারিশ; The Banik Barta, August 01, 2019
- কৃষি খাতে রূপান্তর ও আমাদের ভাবনা; The Banik Barta, February 27, 2020
- Covid-19 pandemic in Bangladesh: Are we the next Italy?; Dhaka Tribune, April 18, 2020
- Monetary policy geared to post-pandemic financial stability; The Financial Express, July 10, 2020
- Helping MFIs to serve pandemic-hit poor; The Financial Express, August 07, 2020



Financial Inclusion Network-Bangladesh (FIN-B)

The Financial Inclusion Network-Bangladesh (FIN-B) has been established in 2018 at the initiative of InM to develop, share and disseminate knowledge and expertise on financial inclusion through stimulating exchanges, developing collaboration, and promoting the Network to its members as a knowledge partner in their preferred areas of inclusive finance.

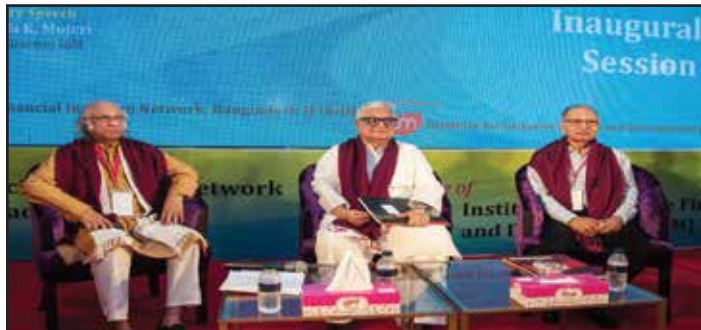
The major thrust of FIN-B activities is to leverage expertise in advancing financial inclusion as a key instrument for poverty reduction and inclusive growth and development. It is a unique platform to bring together all financial sector stakeholders including relevant government organisations, banks, NGO-MFIs, other financial institutions, and local government and grassroots organisations for sharing ideas and best practices from home and abroad. For guiding FIN-B activities, a 23-member Steering Committee works under the Chairmanship of Dr. Qazi Kholiquzzaman Ahmad, Chairman of InM and PKSF. The Committee includes representatives from Bangladesh Bank, Financial Institutions Division of the Ministry of Finance, banks, insurance and other nonbank financial institutions, research organisations, MFIs and other stakeholders. At present, there are 72 institutions who are members of the Network.

International FIN-B Financial Inclusion Conference and Inclusion Fair 2019

The first FIN-B International Conference and Inclusion Fair 2019 was held at the Krishibid Institution in Dhaka during 30-31 July 2019. This was organised by InM in collaboration with event partners including SHIFT SAARC of UNCDF, Concern Worldwide, Bank Asia Limited, bKash, Water.org, and Business Finance for the Poor-Bangladesh (BFP-B) project of DFID/UKAid. The Conference was attended, among others, by Dr. Mashiur Rahman, Economic Adviser to the Prime Minister of the Government of the People's Republic of Bangladesh; Dr. Gowher Rizvi, Adviser on International Relation Affairs to the Prime Minister; Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM; Dr. Atiur Rahman, former Governor of Bangladesh Bank; Major General Sheikh Md. Monirul Islam (retd.) of bKash, Mr. Arfan Ali, President and Managing Director of Bank Asia Limited; Professor Arup Choudhuri, Chairman & CEO of Acasia Global Consulting LLP, India; Mr. Rajeev Kumar Gupta, SHIFT Programme Manager-ASEAN & SAARC, UNCDF and policy makers, financial experts, practitioners, and academicians to discuss complex issues and challenges facing financial inclusion for all.



During the two-day conference, fifteen papers were presented on six different themes which provided an opportunity to discuss financial inclusion challenges, identify innovative solutions and share experience covering both demand and supply-side issues. The recommendations of the Conference were crafted focusing on four key aspects of financial inclusion: (i) a framework for promoting financial inclusion for the excluded and disadvantaged groups that uphold human dignity; (ii) codes of conduct and best practices for developing customised financial products and services; (iii) coordinated principles and strategies for financial literacy and education; and (iv) best practices for different stakeholders including banks, financial institutions, telcos, and the regulators.



Regional Dialogue on ‘Partnerships against Extreme Poverty: Putting the Financial Needs of the Extreme Poor First’

A regional dialogue on ‘Partnerships against Extreme Poverty: Putting the Financial Needs of the Extreme Poor First’ was organised by InM on 27 November 2019 in Kurigram. Dr. Qazi Kholiquzzaman Ahmad, Chairman of InM was present as the Chief Guest. More than 150 participants from FIN-B member organisations, PKSF POs, government organisations, local academicians and other stakeholders were present in the dialogue. FIN-B, in collaboration with Concern Worldwide Bangladesh, organised the programme.



Workshop on Mental Health and Professional Productivity

FIN-B organised a workshop on 'Mental Health and Professional Productivity' in collaboration with Life-spring Consultancy Ltd. and KK Foundation on 25 February 2020. The workshop discussed the mental health issues that directly affect productivity in the work-life and on work-life balance. InM Chairman Dr. Qazi Kholiquzzaman Ahmad and Executive Director Dr. Mustafa K. Mujeri attended the workshop along with participants covering FIN-B member organisations, doctors, bankers, psychologists and development practitioners.



There is a close relationship between the status of mental health and professional productivity in organisations. The links between mental health and two alternative workplace productivity measures – absenteeism and presenteeism (i.e. lower productivity while present in work) – are relatively strong. While absenteeism is higher among the staff who report being in poor mental health, mental health status is important in understanding reduced productivity of staff at work.

For the development sector institutions such as the MFIs, mental health reflects cognitive, behavioural, and emotional wellbeing; that is, all about how the organisation's staffs think, feel, and behave. Although the status of mental health affects daily life, relationships, and even physical health, the importance of mental healthcare is almost unrecognised and non-existent in Bangladesh. Most people, even in formal and professional institutions, are not aware of the importance of mental health. This causes a huge loss in staff productivity due to depression, anxiety, posttraumatic stress disorder (PTSD), drug addiction, and other mental illnesses. Mental health problems have an impact on the performance of the MFIs directly through increased absenteeism, negative impact on productivity, as well as an increase in costs to deal with the institutional issues. In addition, they impact employee morale adversely.

Work-related stress is a major cause of occupational ill health, poor productivity and human error. This means increased sickness absence, high staff turnover and poor performance in the organisation and a possible increase in human error. Work-related stress could also manifest as various illnesses; as well as psychological effects such as anxiety and depression, loss of concentration and poor decision making. The most common reason for workplace stress is dealing with difficult supervisors. But this is easy to solve by improving communication skills. Having a sincere conversation may make a difference. Sometimes, the supervisor may set unreal targets, where an honest discussion can bring out what deadlines can be met. Tasks that are not part of an employee's responsibility can also cause stress. Often, institutions want to create multitask employees, but without frank discussions with the concerned employees, this could potentially affect their ability to deliver.

Another major reason could be 'difficult' colleagues or co-workers in the organisation. Dealing with a difficult colleague can be difficult as their performance is often bumpy against oneself. This has to be resolved by an amicable discussion, resulting in a mutual agreement. One can explain to the colleague as how a team can have far more benefits than indulging in rivalry. Further, in an

increasingly complex world, families are no doubt struggling to cope with challenges and to find the right balance between work and family responsibilities.

In view of the reality, MFIs would do well to address mental wellbeing at the workplace through a clearly articulated workplace policy on mental health. This should cover the vision, values and principles, and objectives of mental health policy for the employees. The development and implementation of a workplace mental health policy and programme will benefit the health of employees, increase the productivity of the organisation and will contribute to the wellbeing of the community at large.

Psychosocial intervention along with stress management training and health promotion interventions have a positive impact on mental well-being of all. A mentally healthy staff is an economically productive employee and it is in the benefit of the MFIs to safeguard mental health. Given the multifaceted contributions of the MFIs to pro-poor development in Bangladesh, staff mental wellness programmes are not only a strategic priority for the country but also an economic imperative for the MFIs.

Other Activities

Innovation for Inclusive Development Company (IIDC)

InM and Integrated Development Foundation (IDF), a non-profit, non-government organisation working for the poor and disadvantaged people especially of the remote, difficult, hilly and unserved areas of Bangladesh, have jointly established the 'Innovation for Inclusive Development Company (IIDC)' to develop, among other initiatives, an International Convention and Training Centre at Cox's Bazar with standard international facilities including dormitory, catering, convention centre, training and conference venues and other facilities. The Company, when operational, will become a permanent source of income to support InM activities.

The Company is run by its Board of Directors nominated by InM and IDF. Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM is the Chairman of IIDC. During the 2019-20 period, IIDC has purchased 17.5 decimals of adjacent land to add to the existing 50 decimals and currently it is negotiating to purchase another 9 decimals for the Centre at Amtali in Cox's Bazar. In addition, drawing the detailed structural design of the Centre, preparing the needed documents to get approval from relevant authorities and site development activities have been initiated.



এ. মতীন এন্ড কোং
A. MATIN & CO.
Chartered Accountants

Institute for Inclusive Finance and Development (InM)
Statement of Financial Position
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		July 2018 to June 2019	July 2017 to June 2018
Assets:			
Property and equipment	4	111,164,046	115,652,447
Intangible assets	5	—	64,027
Short term deposit with bank	6	75,759,544	114,915,009
Interest receivable on short term deposits	7	—	1,385,856
Other receivables	8	—	1,023,344
Advances, deposits and prepayments	9	22,685,614	17,176,352
Cash and cash equivalents	10	10,882,291	3,139,587
Total Assets		220,491,495	253,356,622
Fund and Liabilities			
Accrued expenses and provision	11	21,272,998	15,298,100
Other liabilities	12	601,560	509,263
Deferred grant income for assets	13	17,825,000	19,375,000
Grant received in advance	14	—	—
Fixed asset fund	15	93,855,768	96,858,196
Development fund	16	84,763,696	119,152,647
Foreign currency translation reserve	17	2,172,473	2,163,416
Total Fund and Liabilities		220,491,495	253,356,622

Signed in terms of our separate report of even date annexed


Head of Finance & Accounts


Executive Director


Chairman

Dated, Dhaka :
18-12-2019




(A.K Abdul Matin, FCA)
A. Matin & Co.
Chartered Accountants



এ. মতীন এন্ড কোং
A. MATIN & CO.
Chartered Accountants

Institute for Inclusive Finance and Development (InM)
Statement of Comprehensive Income
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		July 2018 to June 2019	July 2017 to June 2018
Income			
Grants	18	4,553,478	6,291,448
Contribution for Research Projects	19	2,775,765	18,602,898
Training fees	20	10,545,931	9,023,135
Others	21	76,588	483,636
Transferred from Development Fund	16	41,878,073	39,080,933
Total Income		59,829,835	73,482,050
Expenditure			
Research expenses	22	249,781	8,445,439
Training expenses	23	9,560,946	10,478,802
Knowledge management expenses	24	489,792	1,068,177
Salaries and allowances	25	39,530,792	42,111,211
Administrative expenses	26	3,507,891	4,699,407
Financial expenses	27	128,109	544,089
Depreciation and amortisation	28	4,532,496	6,134,925
Income tax expenses	29	1,830,028	—
Total expenditure		59,829,835	73,482,050


Head of Finance & Accounts


Executive Director


Chairman

Dated, Dhaka :
18-12-2019

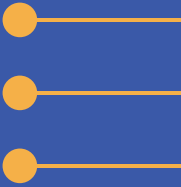



(A.K. Abdul Matin, FCA)
A. Matin & Co.
Chartered Accountants

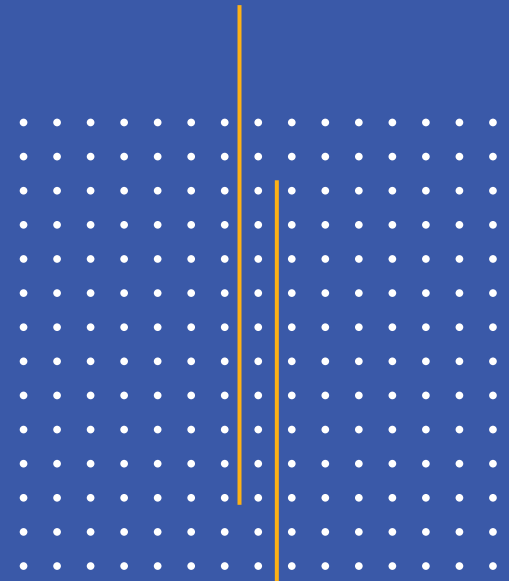


Financial Inclusion
Network
Bangladesh

JOIN
CONNECT
GET INVOLVED



DEVELOP
TECHNOLOGY
SHARE
DISSEMINATE
KNOWLEDGE & EXPERTISE



Be a Member

FIN-B membership is open to national/international institutions (both public and private), academia and research organisations.

Interested individuals may also join the Network as associate members.

FIN-B Membership Information Form
and other details

 finb@inm.org.bd

 <http://inm.org.bd/financial-inclusion-network-bangladesh-fin-b>



Financial Inclusion Network, Bangladesh

an initiative of InM



Institute for Inclusive Finance and Development (InM)



Institute for Inclusive Finance and Development (InM)

PKSF Bhaban, E-4/B, Agargaon, Sher-e-Bangla Nagar, Dhaka - 1207, Bangladesh

PABX: +88-02-8181066, 8181064, Fax: +88-02-8181068

InM Training Centre, House# 30, Road# 03, Block: C, Monsurabad R/A, Adabor, Dhaka - 1207, Bangladesh

PABX: +88 02 8190606, Fax: +88-02-8190364

E-mail: info@inm.org.bd