

InM ANNUAL REPORT 2011

- Towards a poverty free world



Institute of Microfinance (InM)

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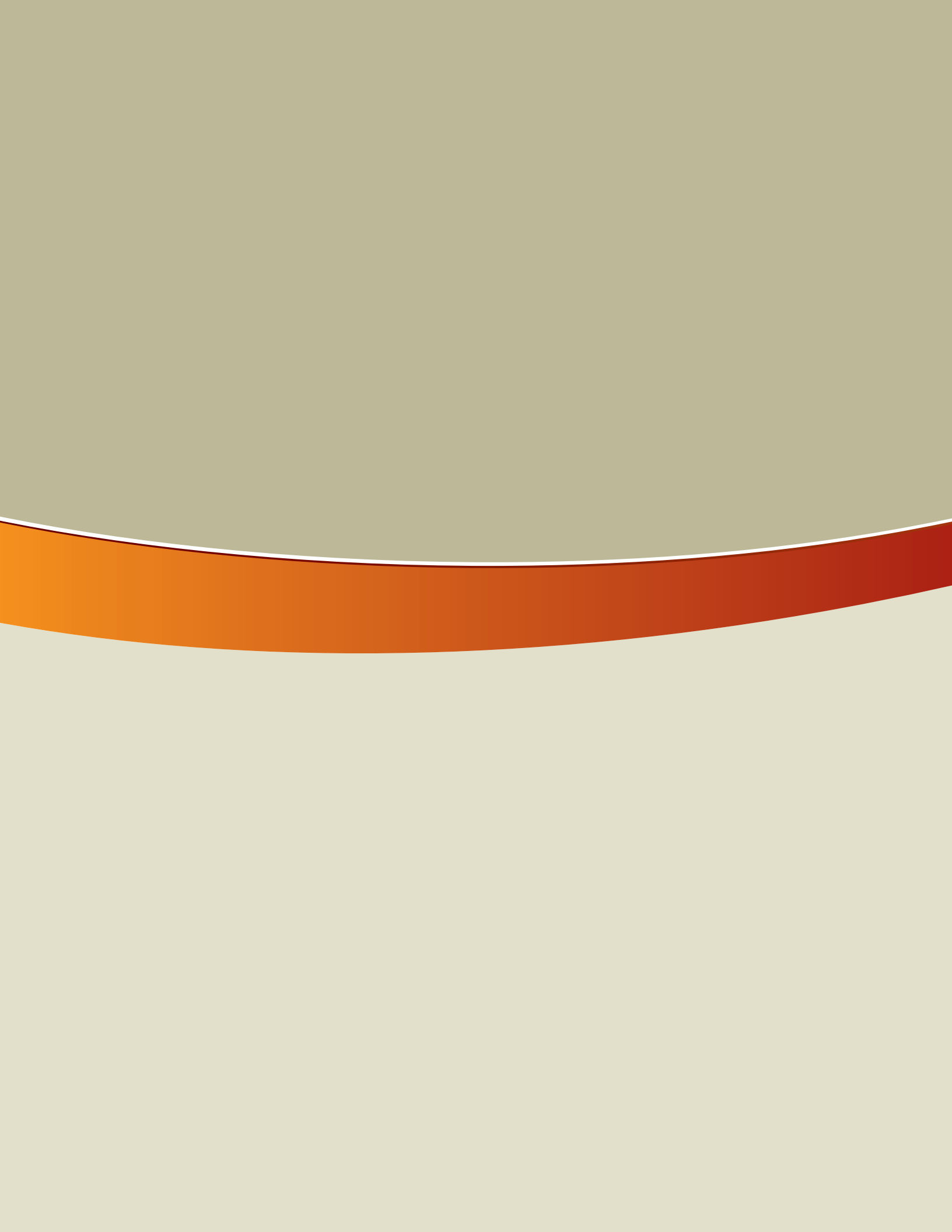
This publication has been supported under the PROSPER Programme funded by UKaid, DFID.

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Design, Layout and Production: **nymph**ea, www.nymph-ea-bd.com



A Centre of Excellence
in
Research, Training and Knowledge Management



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Acronyms

ADB	Asian Development Bank
ADBI	Asian Development Bank Institute
AIT	Asian Institute of Technology
APR	Annual Percentage Rate
BCL	Bangladesh Consultants Limited
BIDS	Bangladesh Institute of Development Studies
BKB	Bangladesh Krishi Bank
CAM	China Association of Microfinance
CDF	Credit and Development Forum
CEO	Chief Executive Officer
CGAP	Consultative Group to Assist the Poor
CIB	Credit Information Bureau
CICETE	China International Centre for Economic and Technical Exchange
CIRDAP	Centre on Integrated Rural Development for Asia and the Pacific
CTS	Come to Save
CUP	Cambridge University Press
DAM	Dhaka Ahsania Mission
DFID	Department for International Development
DK Foundation	Desh Kallyan Foundation
DMP	Disclosure in Microfinance Pricing
DSK	Dushtha Shasthya Kendra
ED	Executive Director
EIR	Effective Interest Rate
ERG	Economic Research Group
FSVGD	Food Security for Vulnerable Group Development
GDF	Global Development Finance
H.E.	His/Her Excellency
HQs	Head Quarters
ICT	Information and Communication Technology
IEEE	Institute of Electrical and Electronics Engineers
IGC	International Growth Centre
IGES	Institute for Global Environmental Strategies
InM	Institute of Microfinance
JICA	Japan International Cooperation Agency
JSTOR	Journal Storage
KnM	Knowledge Management and Communication
LAN	Local Area Network
MFIs	Microfinance Institutions
LSE	London School of Economics

MFT	Microfinance Transparency
MIS	Management Information System
MOM	Microfinance Operations and Management
MoU	Memorandum of Understanding
MRA	Microcredit Regulatory Authority
MSC	Microcredit Summit Campaign
MSS	Manabik Shahajya Sangstha
NGOs	Non-Government Organisations
NUF	Nari Unnayan Forum
PCU	PROSPER Coordination Unit
PKSF	Palli Karma-Sahayak Foundation
POPI	People's Oriented Programme Implementation
POs	Partner Organisations
PRA	Participatory Rural Appraisal
PRIME	Programmed Initiatives for Monga Eradication
PROSPER	Promoting Financial Services for Poverty Reduction
RAKUB	Rajshahi Krishi Unnayan Bank
RDF	Resource Development Foundation
REOPA-CST	Rural Employment Opportunities for Public Assets Capability Strengthening Team
RMDC	Rural Microfinance Development Centre
RRF	Rural Reconstruction Foundation
SAARC	South Asian Association for Regional Cooperation
STUP	Specially Targeted Ultra Poor
TDLC	World Bank Tokyo Development Learning Centre
TMSS	Thengamara Mohila Sabuj Sangha
TNA	Training Needs Assessment
ToT	Training of Trainers
UDDIPAN	United Development Initiatives for Programmed Actions
UK	United Kingdom
UNCDP	United Nations Committee for Development Policy
UNDP	United Nations Development Programme
UP	Ultra Poor
UPL	University Press Limited
USA	United States of America
VERC	Village Education Resource Center
WB	World Bank
WDI	World Development Indicators
YPSA	Young Power in Social Action

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Based on InM's research findings, we are also beginning to better understand the nature of some alleged risks to the microcredit system...

Message from the Chairman

The Institute of Microfinance (InM) was established in 2006 with the mission of becoming a focal point of research and training in the field of microfinance and poverty related interventions. It is gratifying to see that the Institute has come a long way since then in fulfilling that mission. It has now successfully progressed beyond the initial phase of institutional consolidation and is successfully engaging in various research and training activities. The benefits from early efforts in developing training materials and designing field surveys and data gathering are now being reaped in the form a variety of research outputs, training activities and dissemination events. The networking efforts have resulted in productive collaboration with a number of international institutions including the World Bank, the Asian Institute of Technology in Bangkok, the Population Council in New York and selected agencies in China.

The past year has seen more progress on all those fronts. The training activities related to the management of microcredit programmes were further consolidated. In the area of research and knowledge management, some major reports were completed or nearing completion, while a number of policy papers and research briefs were produced to facilitate dissemination of research results. The research carried out at InM has also led to publication in top international academic journal, such as: "Revisiting Seasonality of Rural Poverty and Hunger: The Role of Public Policies" by Professor Wahiduddin Mahmud in "The Indian Journal of Labour Economics: A Quarterly Journal of Indian Society of Labour Economics. - New Delhi, Vol. 54.2011, 1, p. 11-29 / 2011". Another important publication was "Seasonal and Extreme Poverty in Bangladesh: Evaluating an Ultra-poor Microfinance Project" by Shahidur R. Khandker, M. A. Baqui Khalily & Hussain A. Samad, which was published as "Policy Research Working Paper No.

5331" by The World Bank, Washington, DC.

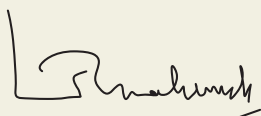
During the year, research findings were available from the initial phase of the three major flagship projects, one on 'Access to Finance' and the other on 'Long-term Dynamics of Microcredit Programme in Bangladesh'. Interim findings were also available from these on-going projects, including one on the assessment of long-term impact of microcredit based on longitudinal household survey, undertaken jointly with the World Bank, and another on the social impact of microfinance on gender norms and behaviour jointly undertaken with the Population Council and BRAC University. Progress was also made in completing the manuscript of the book entitled The "Theory and Practice of Microcredit" to be published by Routledge (Francis and Taylor).

The findings from these completed and on-going studies provide useful new insights for researchers, practitioners and policymakers. For example, there is for the first time a comprehensive profile of the financial system showing who has access to finance and who does not and why. The trends in the structure of financial markets show how microcredit has not only provided access to credit for the poor but also has replaced to a large extent the usurious money lending that once dominated the rural financial scene. The analysis of the prevalent interest rates paid by the microcredit borrowers can help to reconcile the divergent views on the social objective of helping the poor on the one hand and the commercial objectives of financial sustainability on the other. The profitability analysis in respect of microenterprises undertaken by the poor households show that the net returns can be significantly higher than the interest rates charged for microcredit; this suggests that these activities are severely credit-constrained and that there are market niches that the poor can profitably

exploit. Access to credit can be seen to help the poor households by enabling them to flexibly manage their financial life, meet the need for lumpy expenditures, overcome livelihood risks, and expand household income-earning activities. Benefits gained from longer-term participation in the microcredit programmes are found to be more marked in terms of higher income, higher consumption and thereby higher chance of graduation out of poverty. The preliminary results from the 'Dynamics of Poverty' study provide a systematic relationship between asset accumulation in the past and poverty status at present, as well as throw light on the factors that shape the dynamics of asset transition itself.

Based on InM's research findings, we are also beginning to better understand the nature of some alleged risks to the microcredit system, such as arising from excessive competition among the microfinance institutions, overselling of credit resulting in over-indebtedness, increasing incidence of multiple borrowing (known as "overlapping"), the saturation of markets for microcredit-financed enterprises, and the institutional fatigue resulting in lax supervision and inability to respond to feedback from field experience. While these are often legitimate issues of concern, the findings from our research suggest that we should be able to contain these risks with appropriate regulation and institutional innovations.

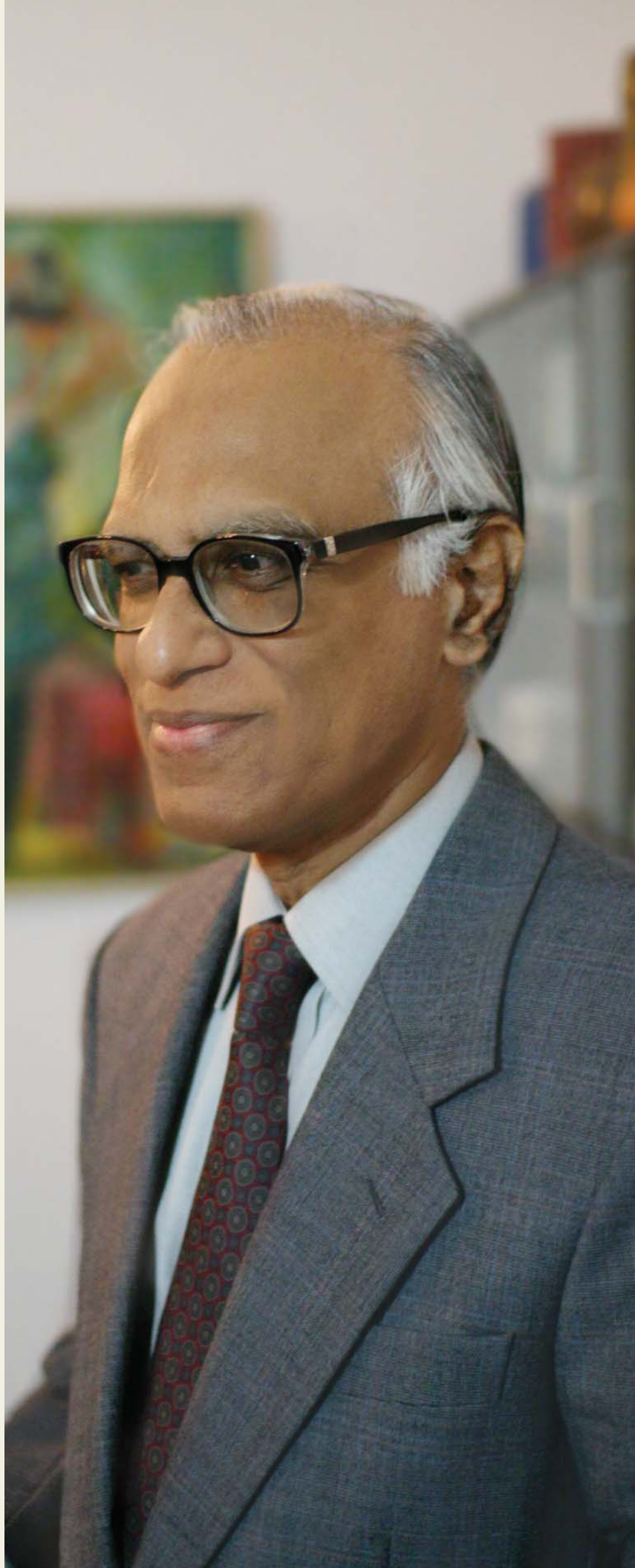
The Institute was initiated and promoted by Palli Karma-Sahayak Foundation and is now primarily funded by UKaid from the Department for International Development (DFID). I thank all the stakeholders for their support and for helping us to come this far. Needless to say, the institute will need continued support in realising its goal of becoming a premier institution in its field.



Wahiduddin Mahmud

Chairman
Institute of Microfinance (InM)

Dhaka
September 2012



Message from the **Executive Director**

During this time, InM has made valuable and significant contributions for improving the excellence of the sector through its research, training, knowledge generation and other activities...

This Annual Report provides a summary information on InM's major activities covering the period from January - December 2011.

This was a momentous and eventful period for InM and for me. During this time, InM has made valuable and significant contributions for improving the excellence of the sector through its research, training, knowledge management and other activities. Along with the Institute's core activities, new initiatives were taken in media relations and advocacy, dialogues, publication and outreach programmes to reach the broader audience.

Since the establishment, InM has come a long way and has made considerable progress in the past years in its journey to emerge as a 'centre of excellence'. But the path was not smooth, and still the organisation has a long way to go to achieve its goal in the coming days. Developing an institution like InM is not an easy process; in the efforts to create an eminent presence in the sector, it has gone through many hurdles with the passage of time. It has mobilised its considerable resources for conducting quality research, useful training and meaningful knowledge creation activities at national and international levels to contribute significantly to the overall development of the country.

During these days, the microfinance sector focuses on a range of more complex issues like—interest rate, access to financial services, multiple memberships (overlapping), indebtedness, social impact of microfinance, governance, microinsurance, asset accumulation, environmental issues—that require both immediate and long-term attention from the policymakers. As these subjects have direct implications on poverty and development,

InM sought ways to address them through evidence-based research and with solid policy recommendations.

InM's role in this context is to conduct rigorous policy research to clarify options and identify possible solutions to policy problems. In 2011, the Institute carried out a significant number of research on many topics of concern to policymakers, including Access to Financial Services, Multiple Membership in Microcredit, Long-term Dynamics of Microcredit Programmes, Microinsurance, Poverty, and Vulnerability, Governance Mechanism of Microcredit, Performance of the MFI's, Microfinance and Gender Role etc. These and other research results reached a growing audience within the country and around the world via the Institute's publications, online resources, seminars, dialogues, and training sessions. As a result, InM has become a leading and trusted source of knowledge for sound, evidence-based research on the issues related to microfinance globally.

The training division of the Institute has a wide and diverse range of curriculum for both employees of the MFIs and beneficiaries of microcredit. The training division has been able to train a substantial number of practitioners successfully with a wide range of topics, and the number of participants is increasing gradually. InM plans to further improve and diversify its training activities in future as per the demand of the sector. International Training Centre at Cox's Bazar is going to be established on the land and building donated by World Vision Bangladesh, near the shore of the world's longest sea beach. It is aimed at becoming a central learning hub for national and international development practitioners.



During this period, along with its regular activities, InM's involvement with different media relations and TV talk shows, for instance, has advocated the positive impacts of microfinance and also addressed important development and environmental concerns. It is now experimenting its new and innovative activities beyond its traditional endeavours so that InM could make a more sustainable and notable impact on the sector along with creating awareness among mass people of the country.

In our effort to create bilateral accomplishments, and to widen its network, InM has already collaborated with AIT (Thailand), RMDC (Nepal), SAARC Secretariat, World Vision, The World Bank, JICA, UNDP, Muslim Aid-UK, CICETE (China), Lang Fang (China), DAIBANG (China), and IGES, Japan. It keeps itself open to challenging and fruitful future initiatives with like-minded organisations from home and abroad.

I would like to acknowledge my gratitude to our development partners; especially PKSF, PROSPER-PCU, and UKaid-DFID who provided continuous

support for InM's growth and success. I would like to express my great appreciation to InM's staff and management for their dedication and hard work in the past years.

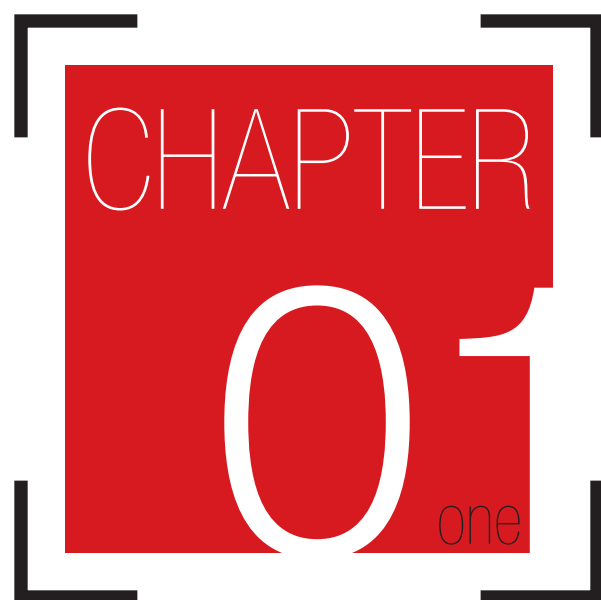
In fine, I would like to welcome cordially the new Governing and General Body members of InM. I hope that with their appropriate and valuable directions, InM will be more successful in the future to work for the progress and development of the Institute. We also highly appreciate the valuable and important contributions of its preceding Governing and General Body members to its progress.

I look forward to an even more exciting and eventful year ahead of us.

Dr. Md. Mosleh Uddin Sadeque

Interim Executive Director

Dhaka
September 2012



The Institution

About

Institute of Microfinance (InM)

The Institute of Microfinance (InM) is a non-profit organisation established primarily to meet research and training needs of national as well as of global microcredit programmes. Initiated and promoted by Palli Karma-Sahayak Foundation (PKSF) in 2006, InM is registered as an independent non-profit institution under the Societies Registration Act 1860. It is principally funded by UKaid, Department for International Development (DFID) through its Promoting Financial Services for Poverty Reduction (PROSPER) Programme. The Institute is working for developing the overall capacity of the microfinance

sector and creating output-based knowledge in the area of microfinance and poverty, as well as managing it and disseminating the results for the benefit of policymakers and practitioners.

The Institute endeavours to emerge as a centre of excellence in microfinance, poverty, enterprise development, environmental issues and other allied areas at the national and international levels through building network with microfinance institutions, sector stakeholders and reputed researchers at home and abroad.

Vision

Towards establishing a poverty free world, InM sees itself as a frontline centre of excellence in knowledge creation and management.

Mission

- Firstly, InM will contribute to the capacity building of the microfinance sector in Bangladesh through training and academic programmes for human resource development, conducting research studies and dissemination of findings, regular dissemination of new knowledge and technology for the benefits of the sector.
- Secondly, the Institute should emerge as a centre of excellence in microfinance, poverty, enterprise development, and other allied areas at the national and international levels through building network with microfinance institutions, sector stakeholders, reputed researchers, thinkers and professionals, and exchange of ideas and experiences.

Goals and Objectives

InM is committed to poverty reduction and rural development through research, training and knowledge management on microfinance at the national and international levels.

The Institute has the following key objectives:

- To conduct research on microfinance and its effects on the economy, poverty alleviation, inequality and vulnerability.
- To initiate, undertake and promote research and action research activities directed towards the expansion, growth and consolidation of national and global microfinance and related programmes for poverty alleviation.
- To collaborate with national and international agencies and universities for research, action research and other professional activities such as training, livelihood promotion, environmental issues, experimentation and academic degree programmes in Bangladesh and other countries.
- To use research results and lessons of inter-country experiences and prepare policy notes and reports to help policymakers and practitioners of microfinance.
- To initiate, undertake and arrange training programmes for microfinance professionals and practitioners from home and abroad.
- To develop and maintain database on national and global microfinance.
- To set standards, prepare best-practice examples, formulate policy documents and prepare guidelines to help the sector stakeholders.

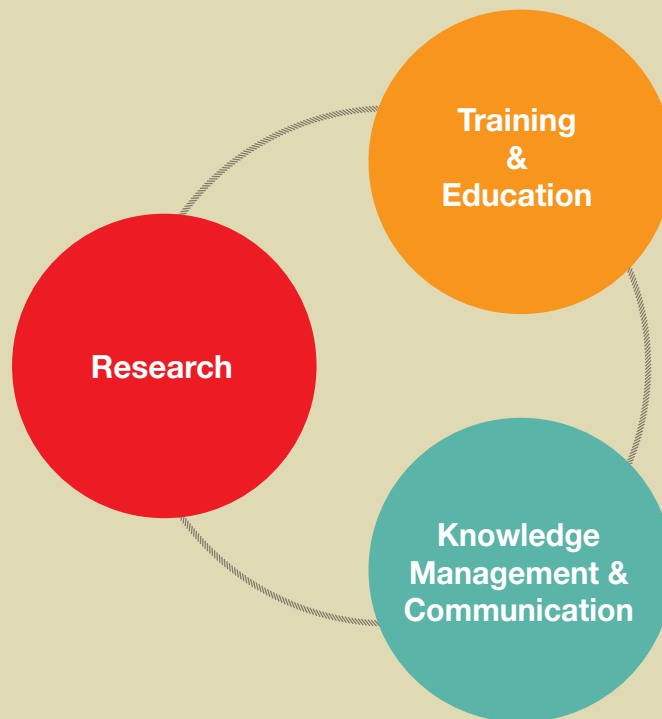
Major Services

The major services that InM provides are research on poverty, microfinance, enterprise development, impact assessment and evaluation of microfinance programmes. Beside research, InM provides microfinance related training, capacity building support and knowledge management services to microfinance institutions and other development organisations. The major services are as follows:

- **Research:** Dynamics of poverty and inter-relationship with microfinance, household survey and impact assessment, evaluation of microfinance programmes, microfinance product development, etc.
- **Training:** Training needs assessment and capacity building planning, training of trainers, scheduled and tailor-made courses, curriculum and module development, training evaluation, etc.
- **Consultancy:** Microfinance programme management, developing policy advice, strengthening local governance, strategic planning, project design and development, monitoring and evaluation, change management and institutional development, etc.
- **Programme Management:** Technical assistance to management services, project and programme cycle management, monitoring, review and evaluation, etc.

Key Areas

InM has three unique divisions viz. Research, Training and Knowledge Management. The key areas are:



Research

Research is the main activity of the Institute focusing on microfinance, poverty and development issues in the national and international arena. The goal of InM Research is to derive lessons and insights to guide policymakers and stakeholders of the microfinance and development. Therefore, InM conducts research independently and/or jointly with distinguished researchers as well as in collaboration with renowned research institutions from home and abroad. The underlying objective of the research agenda is to develop insights into the issues of poverty and microfinance, and also to assess the impact of different interventions including microfinance.

InM Research primarily focuses on the following issues:

- Poverty and Socio-Economic Development
- Microfinance and Rural Economics

In addition, it can also work in other areas such as:

- Human Rights, Governance, Gender and Equity
- Health, Hygiene, Sanitation, Nutrition and Demographic issues
- Environmental and Natural Resource Economics and so on.

Besides, InM also encourages action research supporting poverty reduction programmes and conducts research as per clientele need.



Training & Education

As comprehensive and relevant capacity building programmes are essential to overcome many development challenges, InM Training division is dedicated towards the capacity building of MFIs and other partner organisations. Providing training and education services of international standard on microfinance, microenterprise, livelihood promotion, gender, governance, environmental issues, and encouraging the best practice models are the underlying principles of the training activities of the Institute. InM has also been mandated to collaborate with national and international organisations in supporting need based training, diploma and degree programmes in microfinance. InM believes that to increase the competencies of trainers and service providers are needed to ensure their readiness in responding appropriately to the demands of the sector.

Knowledge Management & Communication

The Knowledge Management and Communication (KnM) division of the Institute is considered as the hub of all research data and works as the voice of InM by disseminating its activities to the wider audience and managing its public relations activities. It coordinates the task of editing, featuring, publishing and preserving/managing all academic papers, teaching case banks, reports, books and other publications and intellectual properties of the Institute. This division is also responsible for MIS, microfinance pricing transparency, publishing newsletters, microfinance statistics, organising seminars, workshops and dialogues with the stakeholders, journalists, civil societies and policymakers. KnM division helps the Institute's ability to get the most from the activities through its workforce and information technology to harness the intellectual capital of the Institute by maintaining networks with development partners in the field of microfinance and development.



Legal Entity

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

InM Team

For operating the Institutional activities smoothly, the research, training and knowledge management divisions of InM have a competent team of professionals. The regular core research and training group comprises well-coordinated and dedicated researchers/trainers with extraordinary expertise. Besides, InM draws research scholars from reputed national and international universities and institutions across the world. In addition, InM always welcomes interested researchers and academicians to join the dynamic team for working with the scholars/practitioners of the sector.

Sustainability Strategy of InM

With respect to organisational sustainability, InM is always keen to see itself as a self-sustained institution. InM started its operations with direct support from its development partners like Palli Karma-Sahayak Foundation (PKSF) and Department for International Development (DFID). Hence, in order to become a self-sustained organisation, a study entitled “Projection of Sustainability of the Institute of Microfinance (InM)” was commissioned to assess the degree to which the Institute can attain sustainability along with organisational strategies and activities. InM has already developed its strategic plans to cater the needs of development organisations working specially in the microfinance sector in Bangladesh.

To contribute towards its organisational and financial sustainability, significant changes in the Institute's sustainability strategy have already been adopted such as branding InM as the ‘Centre of Excellence’ in the microfinance and development sector, developing diverse strategic alliances, developing a strong working group, re-arranging the governance system of international standard, revenue generation through national and international training programmes, research revenue, selling of the publications, and developing business plan and partnership model with stakeholders etc. InM is also looking forward to having funds from other development agencies as the Institute desires to work with multi-donor agencies for expanding its activities in different relevant and specialised fields related to the development sector.

Future Plans and Challenges

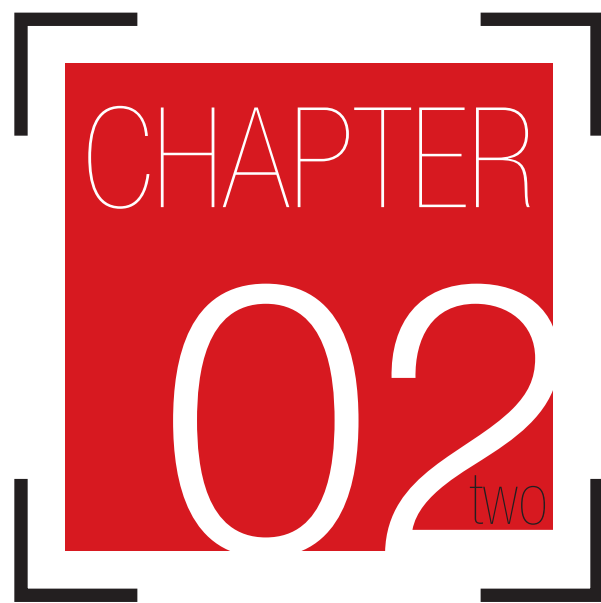
InM has already established its eminent presence in microfinance and development through its research, training and knowledge management activities by making significant impact in terms of policy implications to the sector. For this purpose, InM has been organising different seminars/workshops regularly as well as policy dialogues with the government and policymakers at national level. In the coming years, InM has future plans to further strengthen its presence in the international arena through its activities.

The activities of Research Division of the Institute are going to be broadened by focussing on contemporary and challenging issues like financial inclusion, microenterprise development, indebtedness of microcredit farmers, agricultural finance, health and nutrition, and their impact on microcredit in Bangladesh. InM intends to produce qualitative research studies on significant research topics like – managing climate induced risks, employment generation through microcredit, asset creation mechanisms, designing micro-insurance products, etc.

InM Training Division has future plans to introduce new and innovative training programmes like – entrepreneurship development, business planning, group dynamics, community mobilisation, risk management, disaster management, environmental issues, governance, etc. InM plans to embark on collaborating with other relevant organisations and institutions with its networking approach. InM has already been collaborating with institutions from China, Nepal, and Thailand for its future endeavours.

Under the Knowledge Management Division, InM will be organising seminars/workshops on various relevant topics and publishing research briefs and policy papers regularly based on InM research findings that deal with contemporary policy issues and challenges of microfinance sector. InM will continue conducting dialogues like talk shows in different TV Channels as its knowledge dissemination approach to enhance mass people's knowledge and ideas on microfinance and other development issues. As an extension of this, InM will also develop issue based documentaries on various microfinance and development topics.

Moreover, InM would like to establish an International Training Centre at Cox's Bazar soon on the fifty decimal land with a two storied building donated by World Vision, Bangladesh, near the shore of the world's longest beach to continue with organising national and international training programmes, seminars, and workshops at the Centre on regular basis.



Governance and Internal Management

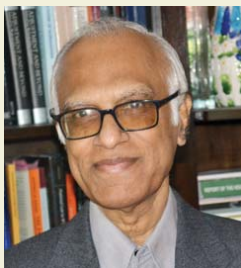
Governance Structure

The Institute is governed by a two-tier Governing Body and General Body governance system. The basic governance lies with the Governing Body of the Institute. It comprises of seven members, including the Executive Director of the Institute as an ex-officio member. Dr. Md. Mosleh Uddin Sadeque is currently the Interim Executive Director of the Institute.

Governing Body

The current Governing Body consists of seven members as follows:

Chairman:



Professor Wahiduddin Mahmud

Former Advisor to the Caretaker Government of Bangladesh, and
Member of the United Nations Committee for Development Policy (UN CDP)

Members:

Dr. Iqbal Mahmud

Professor Emeritus
Department of Chemical Engineering
Bangladesh University of Engineering & Technology (BUET)



Dr. Quazi Mesbahuddin Ahmed

Managing Director
Palli Karma-Sahayak Foundation (PKSF)

Ms. Rasheda K. Choudhury

Former Advisor to the Caretaker Government of Bangladesh, and
Executive Director, Campaign for Popular Education (CAMPE)



Dr. Toufic Ahmad Choudhury
Director General
Bangladesh Institute of Bank Management (BIBM)



Dr. Pratima Paul-Majumder
Senior Research Fellow
Bangladesh Institute of Development Studies (BIDS)

Dr. Md. Mosleh Uddin Sadeque
Interim Executive Director, InM (Ex-officio)



The InM Governing Body

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 13 (thirteen), including 7 (seven) members of the Governing Body.



The InM General Body

Administration and Finance

InM has a strong team at both Administration and Finance divisions to cater the administrative and financial support to the management and the activities associated with research, training and knowledge management divisions. The Administration Division provides HR and support services to the functional divisions of the Institute. It ensures coordination among the divisions, top management and Finance & Accounts Division regarding compliance issues. InM's administrative team has been providing support to the authority and managing activities associated with the functional divisions- research, training and knowledge management.

InM has an efficient Finance and Accounts (F&A) division that maintains the overall financial affairs and manages related budgetary activities as well as ensures financial transparency of the regular activities of InM. The financial activities of the Institute are performed and monitored by two auditing cells – internal and external auditing bodies.

Internal audit of InM ensures the regular auditing activities of all the expenditures of the Institute. The adequate internal check and control are in place through appropriate employment of finance and internal audit team to check and validate the expenses and the systems in operation. It performs the regular auditing of the financial documents of all programmes and branches, and reports to the ED.

The F&A division is presenting its financial statements in conformity with general accepted accounting practices, Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS).

External audit is performed each year by reputed external audit firm appointed by the InM Governing Body after getting the approval at the Annual General Meeting. KPMG, Rahman and Rahman Huq, a renowned world class audit firm, has been appointed as the external auditor of InM for this year which provides considerable time to audit the expenditures of the Institute's operational activities and overall financial management.

Current Strength of InM Core Staff

Posts	Number of Positions
Executive Director	1
Directors	2
Senior Deputy Directors	2
Senior Assistant Directors / Senior Research Associates	9
Assistant Directors-1 / Research Associates-1	9
Assistant Directors-2	4
Officers/ Assistant Officers	4
Total	31

Internal Management

Research Committee (RC)

To strengthen the research activities of the Institute, InM has constituted a five-member Research Committee (RC). The RC was set up with a view to ensuring proper planning and implementation of various research programmes initiated by InM. The RC monitors the progress in research works, evaluates/approves research proposals and deliberates on various decisions regarding research.

Review, Coordination and Planning

In respect to the review, coordination and planning mechanism of the Institute, all regular employees of InM generally meet every month at the “Monthly Staff Coordination Meeting” where discussions are made regarding the activities of the Institute. The review agenda relates to the inter-departmental coordination and collaboration to ensure more integrated and complementary actions in terms of both organisational activities and administrative matters. The meeting follows-up and takes stock of InM activities carried out since its last meeting. It provides the opportunity for the staff to interact and discuss issues relating to various departmental operations namely research, training, administration, knowledge management and other matters. The employees share their monthly progress reports and work plans at the meeting. They also discuss about the organisational strategies and plans. In addition, special meetings are convened by the management to take necessary actions for the issues that require immediate attention.



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CHAPTER
03
three

Research

Research

Research is the most important among the core activities of the Institute. It is mainly focussed on the issues, challenges and experiences of microfinance programmes, and their roles in poverty reduction and development. The research activities of InM are mandated for promoting policy-based research. The priority agenda is to carry out research on policy relevant strategic issues of microfinance and development in the short and long term. The key consideration of research is to derive lessons and insights to guide policymakers and practitioners of microfinance so that the research outputs can be of direct relevance to the sector stakeholders, both at macro and micro levels.

In recent years, InM Research has entered into a phase of consolidation and completion of on-going programmes in an appropriate manner. InM has streamlined its research by defining key themes of research, preparing the concept notes on all research projects, outlining the research questions addressed, and policy issues covered by each of the research projects.

Significant issues covering the Institute's mandated areas of operation such as: Access to Financial Services, Poverty Dynamics in Rural Bangladesh, Impact of PRIME Interventions, Microinsurance, Poverty and Vulnerability in Bangladesh, etc. have already been featured in the research studies of InM. Along with the mandated research, the new areas of concern of InM research have been extended to related innovative areas such as: Inclusive Finance, Enterprise Development, Health and Education, Rural Credit Market Portfolio and Performance of MFIs, Indebtedness of microcredit borrowers, etc.

Thematic Areas of Research

The Institute's research projects are grouped into the following four thematic areas:

Poverty and Microcredit

Evaluation of Specific Programmes

Microfinance Product Development

Development of Microfinance Institutions

A. Poverty and Microcredit. Eradication of poverty is the prime goal of many countries. In Bangladesh, it is even more important given its high level of poverty. Research in this area is most important for formulation of policies/programmes of poverty alleviation. Microcredit has so far been found to be a useful tool of poverty alleviation. InM is mandated to study how microcredit can affect the aspects and dynamics of poverty.

B. Evaluation of Specific Programmes. Government and non-government agencies/organisations undertake and implement specific poverty alleviation programmes overall or in times of needs. InM undertakes impact evaluation studies of the programmes especially connected with microfinance.

C. Microfinance Product Development. At the beginning, microfinance institutions (MFIs) used to administer microcredit for the rural poor for their poverty alleviation through investing the borrowed money in income generating activities. Over time, the dimensions have expanded and the service of MFIs is no longer confined to only administering microcredit for income generating activities. Instead of microcredit, the term "microfinance" which encompasses microcredit, micro-saving, microinsurance, and so forth, is commonly used. Even the traditional microcredit has crossed its limit of financing income generating activities to financing microenterprises. InM undertakes studies on the aspects of various product developments of MFIs.

D. Development of Microfinance Institutions. Since the MFIs have become development partners in terms of poverty alleviation through administering microcredit and other such products, their success relies on their governance. Therefore, governance issues of MFIs are the burning questions to be looked into for further development of the institutions.

Policy Recommendations

The Institute also provides policy suggestions and recommendations on burning issues through Policy Notes based on the research findings, and reviews of the best practices for the benefit of policymakers, planners and microfinance practitioners at home and abroad. These policy recommendations and advices are in conformity with the contemporary policy issues and challenges that the microfinance sector faces. InM regularly disseminates these policy suggestions by publishing Policy Papers and Policy Briefs, and by organising seminars and dialogues on the selected contemporary policy issues.

Research Staff

Two categories of research staff in-house and external— have been working in the Institute's various research studies. The fresh graduates from different reputed universities with outstanding academic results are selected as the in-house research staff at junior levels. Lateral entry is also allowed at senior positions based on their academic achievement and experience in research. The external researchers are appointed from various reputed local and foreign universities and research institutions.

Fellowship Programme

Renowned research scholars from home and abroad with extensive expertise are invited to work with InM research team to produce significant research outputs of distinguished quality. Thus InM has been drawing eminent research scholars from reputed universities and development institutions across the world. The distinguished fellows, scholars, researchers worked during the period are as follows:

- Dr. Rashid Faruquee, Virginia International University, USA, and former Lead Economist, World Bank
- Professor S. R. Osmani, Department of Economics, University of Ulster, UK
- Professor Syed M. Ahsan, Department of Economics, Concordia University, Canada
- Professor M. A. Baqui Khalily, Department of Finance, University of Dhaka, Bangladesh
- Dr. Shahidur R. Khandker, Lead Economist, World Bank
- Professor Habibul Haque Khondker, Department of Humanities and Social Sciences, Zayed University, Abu Dhabi, UAE
- Professor Tanweer Hasan, Rolf-Weil Professor of Finance at Roosevelt University, Chicago & Schaumburg, IL, USA
- Ms. Simeen Mahmud, Lead Researcher, BRAC Development Institute (BDI), BRAC University, Bangladesh
- Dr. Shahadat Khan, Academic and Researcher in the School of Business Information Technology and Logistics, RMIT University, Melbourne, Australia
- Dr. Syed Abdul Hamid, Associate Professor, Department of Health Economics, University of Dhaka, Bangladesh
- Dr. Atonu Rabbani, Assistant Professor, Department of Economics, University of Dhaka, Bangladesh
- Dr. Kazi Iqbal, Research Fellow, Bangladesh Institute of Development Studies (BIDS), Bangladesh
- Dr. Mahfuz Kabir, Senior Research Fellow, Bangladesh Institute of International and Strategic Studies (BIISS), Bangladesh
- Dr. Wahid Abdallah, Department of Economics & Social Sciences, BRAC University, Bangladesh

InM Research Studies at a Glance

Name of the Research Study	Lead Researcher
A. Poverty and Microcredit	
Completed	
Dynamics of Poverty in Rural Bangladesh: Phase-I	Professor S. R. Osmani, Department of Economics, University of Ulster, UK
Access to Financial Services: Phase-I	Professor M. A. Baqui Khalily, Department of Finance, University of Dhaka
Multiple Memberships (Overlapping) in Microcredit Programmes	Professor M. A. Baqui Khalily, Department of Finance, University of Dhaka
Microfinance, Gender Role and Individual Modernity: Evidence from Rural Households in Bangladesh	Professor Habibul Haque Khondker Department of Humanities & Social Sciences, Zayed University, Abu Dhabi, UAE
Internal Female Migration in Rural Bangladesh	Professor Quamrul Ahsan Chowdhury, Department of Sociology, University of Dhaka
Searching for An Explanation of Differences in Poverty Levels and Trends at Sub-national Levels	Dr. Sajjad Zohir, Director, Economic Research Group (ERG), Dhaka
On-going	
Dynamics of Poverty in Rural Bangladesh: Anthropological Study	Professor S. R. Osmani, Department of Economics, University of Ulster, UK
Social Impact of Microfinance on Gender Norms and Behaviour	Dr. Sajeda Amin, Population Council, New York Ms. Simeen Mahmud, Lead Researcher, BRAC Development Institute (BDI), BRAC University, Dhaka
Long-term Dynamics of Microcredit Programmes in Bangladesh	Dr. Shahidur R. Khandker, Lead Economist, World Bank
Assessing Financial Inclusion in Char and Haor Areas in Bangladesh	Dr. Mahfuz Kabir, Senior Research Fellow, Bangladesh Institute of International and Strategic Studies (BISS), Dhaka
B. Evaluation of Specific Programmes	
Completed	
Effectiveness of PRIME Interventions in Greater Rangpur: Phase-III	Dr. Atonu Rabbani, Department of Economics, University of Dhaka
On-going	
Effectiveness of PRIME Interventions in Greater Rangpur at the Household Level and Institutional Level: A Longitudinal Approach (Phase-IV)	Dr. Atonu Rabbani, Department of Economics, University of Dhaka
Effectiveness of PRIME Interventions in the South-western Bangladesh: Baseline Survey	Dr. Atonu Rabbani, Department of Economics, University of Dhaka

Name of the Research Study	Lead Researcher
C. Microfinance Product Development	
Completed	
Microinsurance, Poverty and Vulnerability in Bangladesh: Phase-I	Professor Syed M. Ahsan, Department of Economics, Concordia University, Montreal, Canada
On-going	
Microinsurance, Poverty and Vulnerability in Bangladesh: Phase-II	Professor Syed M. Ahsan, Department of Economics, Concordia University, Montreal, Canada
D. Development of Microfinance Institutions	
Completed	
Strategic Behaviour of NGOs/MFIs in Bangladesh	Dr. Kazi Iqbal, Research Fellow, Bangladesh Institute of Development Studies (BIDS), Dhaka
Impact of Governance Mechanism on Financial Performance and Outreach of Microfinance Institutions in Bangladesh	Professor Tanweer Hasan, Rolf Weil Professor of Finance at Roosevelt University, Chicago & Schaumburg, IL, USA
On-going	
The Outreach-Profitability Trade-off: Evidence from an Ultra-Poor Programme in Bangladesh	Dr. Wahid Abdallah, Department of Economics & Social Sciences, BRAC University, Dhaka

Policy Papers

Name of the Policy Papers	Lead Author(s)
Impact of Microfinance Programmes on Poverty in Bangladesh	Dr. Rashid Faruquee
Interest Rates in Bangladesh Microcredit Market	Dr. Rashid Faruquee and Professor M. A. Baqui Khalily
Multiple Borrowing by MFI Clients	Dr. Rashid Faruquee and Professor M. A. Baqui Khalily

Brief Outline of Research Studies

A. Poverty and Microcredit

Completed Research



Dynamics of Poverty in Rural Bangladesh: Phase-I

Objective: This study intends to examine the dynamics of poverty in rural Bangladesh with the help of a panel survey in three phases. It focuses on *ex-ante* characterisation of poverty status, once the exogenous factors remain same. For the first phase, the study has focused on rural poverty only.

Data: 6,300 households (and their offshoots) were randomly selected from 63 districts.

Key Findings: The findings from benchmark study are:

- Poverty, measured by head count ratio, dropped from 44 per cent in 2005 to around 30 per cent in 2010.
- The average annual growth in rural income during 2000-2010 has been 3.7 per cent which is a substantial acceleration compared to the 2.8 per cent between 1991-92 and 2000.
- Sharp declines of the proportion of extreme poor—from 38 per cent in 2000 to just 16 per cent in 2010, and equally sharp rise in the proportion of the well-offs—from 36 per cent to 55 per cent.



Access to Financial Services: Phase-I

Objective: This study aims to find out the household access to deposit and credit services, procedures of savings and investment, magnitude of the access to formal, quasi-formal, and informal financial services, and also the availability of insurance services. In addition, the study evaluated different dimensions of financial inclusiveness in relation to poverty, micro-enterprise development, migration and remittance. This study is a longitudinal one to be conducted in three phases.

Data: The survey covered nearly 9,000 households in 63 districts.

Key Findings:

- Nationally, 54 per cent of the households have access to some credit.
- Eight per cent of the households have access to formal credit, 37 per cent to quasi-formal credit, and 21.8 per cent to informal credit.
- Urban households have more access to financial services than the rural ones.
- Urban households dominate the access to formal financial services, while rural households dominate the quasi-formal and informal markets.



Multiple Memberships (Overlapping) in Microcredit Programmes

Objective: This is a representative study on overlapping undertaken by InM with a view of understanding the whole scenario of overlapping in microcredit programmes. The objectives of the study are:

- To find out the determinants of multiple memberships.
- To assess the extent of multiple memberships;
- To take stock taking of liability; and
- To assess the impact of multiple memberships.

Data: The survey was conducted over 4,143 households randomly selected from 118 villages in 17 upazilas from 12 districts of 6 divisions.

Key Findings:

The main findings that emerge from the study are:

- Both individual and household overlapping in microcredit have increased over time—the individual overlapping rate is found to increase from 8.58 percent in 2000 to 31.02 percent in 2009. On the other hand, the household overlapping rate has increased from 13.27 percent in 2000 to 42.51 percent in 2009. It is a reflection of higher demand for credit.
- Enterprise financing is one of the main causes of overlapping.
- Overlapping does not lead to indebtedness.
- Probability of multiple borrowing reduces with access to formal credit market.



Microfinance, Gender Role and Individual Modernity: Evidence from Rural Households in Bangladesh

Objective: The study examines the relationship between microfinance and transformation of gender-role leading to individual modernity in everyday life of the rural households.

Key Findings:

- Microcredit happens to be one of the contributing factors towards creating a culture of modernity in both rural and peri urban areas of Bangladesh.
- Changes in values and behaviour are of utmost importance for sustainable economic growth of Bangladesh.



Internal Female Migration in Rural Bangladesh

Objective: The aim of the study was to identify both the push and pull factors working behind the decision of poor rural women to migrate and the economic and social impact of migration on their households.

Key Findings:

- Economic hardship is the main factor for female migration to urban areas. They send their remittances back home which actually benefit most households.
- Many social hazards like physical and mental abuse are involved during the course of such female migration.



Searching for an Explanation of Differences in Poverty Levels and Trends at Sub-national Levels

Key Findings:

- There are differences in poverty levels and trends across regions.
- Besides initial resource endowment, the policies in Bangladesh account for the regional differences in poverty.

On-going Research



Dynamics of Poverty in Rural Bangladesh: Anthropological Study

It is a part of the original research design of “Dynamics of Poverty in Rural Bangladesh” to undertake specialised anthropological surveys on a smaller scale using the sub-sample of the benchmark sample. The objective of this study is to observe how the livelihood of people is changing over time, in a more focused way. In addition, this study will help develop further hypotheses about poverty dynamics based on case studies that can be tested and refined when quantitative panel data become available.



Social Impact of Microfinance on Gender Norms and Behaviour

The three-year long study plans to identify synergies and interactions of microcredit, to identify particular arenas for targeted microcredit plus programme approaches. The main outcomes of interest in this study is the changes in gender norms and behaviours such as education, attitudes, and practices regarding marriage and child bearing, gender based violence (both inmate partner violence and violence in public spaces), women’s economic participation, and attitudes and behaviour regarding gender equality in public and private spheres more generally.



Long-term Dynamics of Microcredit Programmes in Bangladesh

The study will augment an existing large-scale household panel survey of microfinance participants and non-participants in rural Bangladesh, to examine the long-term dynamics of microcredit programmes in the country over the last 20 years. In addition to the research contribution, an important policy issue is whether, and under what circumstances, potential short-run benefits from microfinance carried over in the long term.



Assessing Financial Inclusion in *Char* and *Haor* Areas in Bangladesh

The objective of the study is to examine the state of financial inclusion in *char* and *haor* areas in order to explore avenues for inclusive finance. This study can be used to devise the options and strategies for inclusive finance, for formal banking and MFIs. Twelve upazillas in seven districts have been chosen as the sample *char* and *haor* areas. The study will be conducted in two phases – phase-I will be conducted using the qualitative approach and phase-II will be conducted using quantitative approach.

B. Evaluation of Specific Programmes

Completed Research



Effectiveness of PRIME Interventions in Greater Rangpur: Phase-III

Objective: Significant positive impact of the PRIME was found from the first and second phase studies. In the third phase of the PRIME, the programme design has included enhanced supplies and services, which may have measurable impact. Thus, the third phase of the study has intended to look into it.

Data: The survey was conducted over 6,988 households selected from 340 villages of 120 unions in 26 upazillas from the 5 PRIME implemented districts.

Key Findings: The important findings that emerge from the study are:

- There were secular trends in overall improvement in food security status as typified by consumption ordering (having at least three meals a day) for the households living in ecologically vulnerable areas such as chars.
- Food and non-food expenditure has been found to be positively associated with period of PRIME participation.

On-going Research



Effectiveness of PRIME Interventions in Greater Rangpur at the Household Level and Institutional Level: Phase-IV

Palli Karma-Sahayak Foundation (PKSF) has been implementing its Programmed Initiatives for *monga* Eradication (PRIME) in Greater Rangpur and successively in the southwestern region of Bangladesh, with a view to eradicating *monga* and *monga*-like situation permanently by generating income through wage- and self-employment opportunities for the affected people. The regular interventions include provision of flexible microcredit for undertaking income generating activities (IGAs), technical assistance to create and increase agricultural and livestock activities, primary health care support to reduce health risks of the beneficiaries. In addition, PRIME disburses emergency loans to the affected households during *monga* / disaster, engages members of the households in temporary public works, imparts training for skills development of potential beneficiaries and extends livestock breeding facilities.

Assessing the impact of these interventions is a regular activity of PRIME. InM by partnering with PKSF has already carried out the first, second and the third round impact assessment to evaluate the outcomes of different PRIME interventions. The current study is the fourth round impact assessment through a sample survey that has already been completed.

The main objectives of the fourth round impact study are:

- To assess the impact of the project interventions on the life and livelihood of the *monga* affected households.
- To compare the 4th round impact with those of the earlier rounds.
- To assess the impact on institutional capacity strengthening initiatives for Partner Organisations.
- Assess the operational sustainability of PRIME branches in order to suggest possible ways to attain this.



Evaluation of PRIME Interventions in the South-western Bangladesh: Baseline Survey

Objective: Since *monga*-like situation of seasonal deprivation existed in other parts of Bangladesh, PKSf decided to extend PRIME to other ecologically vulnerable areas like south-western coastal areas of Bangladesh.

Data: The extension of PRIME in the south-western regions of Bangladesh was initiated in the beginning of 2011 in six upazillas of three districts. The objective of the baseline survey was to provide baseline outcome of the households.

Key Findings: The benchmark study has found that the targeted households have exhibited features which were more or less in line with the stated criteria for being eligible for receiving benefits under the programme.

C. Microfinance Product Development

Completed Research



Microinsurance, Poverty and Vulnerability in Bangladesh: Phase-I

Objective: This study was launched in order to look into different aspects of micro-insurance, analysing current micro health insurance market in Bangladesh including its scope, demand, product design, regulation and overall impact.

Data: The study is based on about 4,000 households in 120 villages (70 in programme and 50 in control areas) of 7 districts in Bangladesh.

Key Findings: Despite advances in microcredit and evolving social institutions, the effective coping mechanism for the poor is often to rely on self-insurance, leading to exhaustion of savings or loss of capital.

On-going Research



Microinsurance, Poverty and Vulnerability in Bangladesh: Phase-II

Phase-II of the project has expanded the research agenda in several new dimensions. This survey will help assess the extent to which micro health insurance can be implemented through the existing health care network. Another new element of the second phase is the piloting of some prototype micro health insurance products in selected rural areas. This phase will focus on studying how the pilot schemes appear to fare in terms of public acceptance, the cost structure, the adequacy of the care provided, NGO cooperation, as well as the sustainability of the intervention. Some new areas have been included in the sample to make it nationally representative.

D. Development of Microfinance Institutions

Completed Research



Strategic Behaviour of NGOs/MFIs in Bangladesh

Objective: Over the last two decades, the growth of NGOs/MFIs in Bangladesh has outpaced the growth of any other institutions in terms of its coverage, products, and modes of operation. The study examines whether NGOs/MFIs compete or cooperate in choosing branch locations, products and prices and how this behaviour changes with the characteristics of the incumbent and the entrant.

Key Findings:

- Microfinance Institutions (MFIs) compete in three spaces: location, product and strategic behaviour of NGOs/MFIs, price. This gives a borrower wider range of products to choose from larger number of MFIs in a location with lower nominal price and more lenient terms and conditions.



Impact of Governance Mechanism on Financial Performance and Outreach of Microfinance Institutions in Bangladesh

Objective: The study provides a comprehensive analysis of various governance issues of MFIs in Bangladesh.

Key Findings:

- Significant positive relationship is found to exist between only one governance variable, gender of the CEO (female) and MFI performance. However, further analysis shows that the superior performance of female CEOs is not due to the gender rather than the outcome of better training and other institutional factors affecting performance

On-going Research



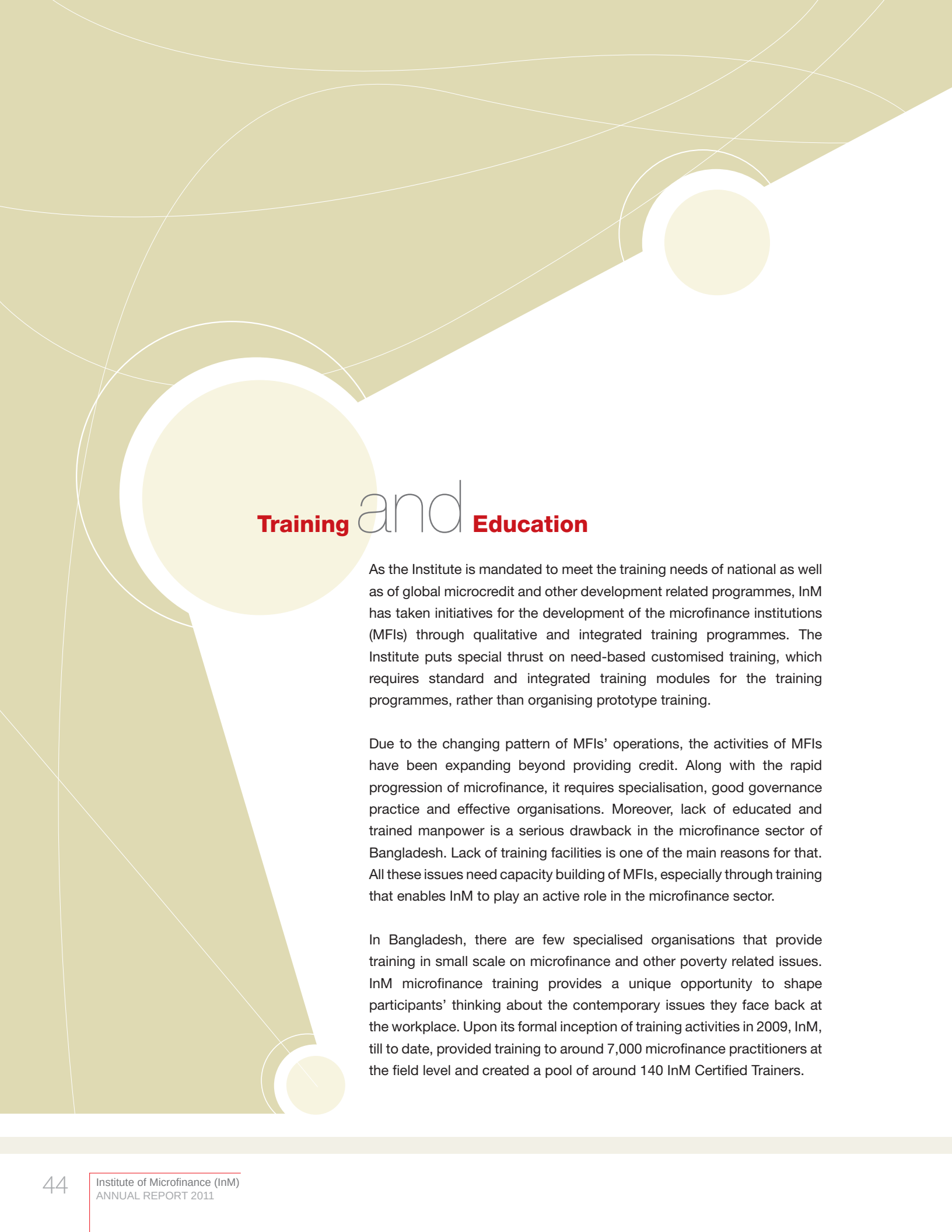
The Outreach-Profitability Trade-off: Evidence from an Ultra-Poor Programme in Bangladesh

Microfinance emerged as an important tool to fight poverty. Reaching to the poor, especially the poorest, is challenging. They have lower repayment capacity. It is costly to reach them as they often dwell in remote areas. Hence the monitoring cost is also high. Therefore, there exists a trade-off: MFIs may either avoid the poorest and attain self-sufficiency; or serve them with lower profit/higher loss. This study investigates this trade-off with a new measure of Depth of Outreach, Proportion of Ultra-Poor Loans, using PRIME branch level data from 178 branches for the years 2009 and 2010. This study also attempts to identify whether and to what extent self-sufficiency of a branch is affected as Ultra Poor (UP) and related programmes are implemented.

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CHAPTER
04
four

**Training
and
Education**



Training and Education

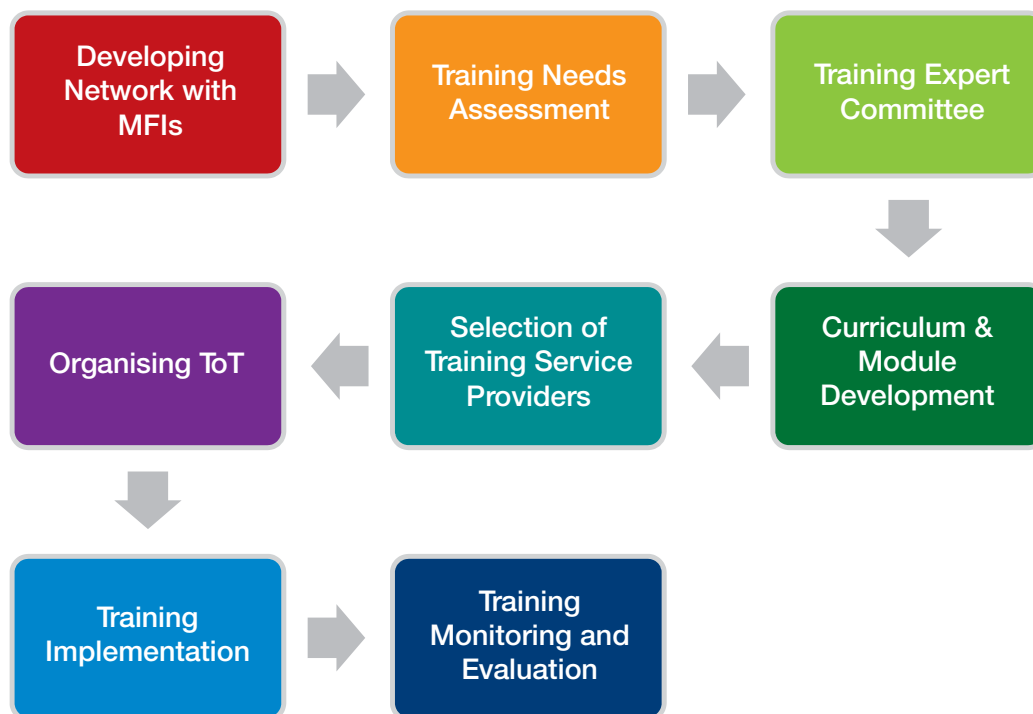
As the Institute is mandated to meet the training needs of national as well as of global microcredit and other development related programmes, InM has taken initiatives for the development of the microfinance institutions (MFIs) through qualitative and integrated training programmes. The Institute puts special thrust on need-based customised training, which requires standard and integrated training modules for the training programmes, rather than organising prototype training.

Due to the changing pattern of MFIs' operations, the activities of MFIs have been expanding beyond providing credit. Along with the rapid progression of microfinance, it requires specialisation, good governance practice and effective organisations. Moreover, lack of educated and trained manpower is a serious drawback in the microfinance sector of Bangladesh. Lack of training facilities is one of the main reasons for that. All these issues need capacity building of MFIs, especially through training that enables InM to play an active role in the microfinance sector.

In Bangladesh, there are few specialised organisations that provide training in small scale on microfinance and other poverty related issues. InM microfinance training provides a unique opportunity to shape participants' thinking about the contemporary issues they face back at the workplace. Upon its formal inception of training activities in 2009, InM, till to date, provided training to around 7,000 microfinance practitioners at the field level and created a pool of around 140 InM Certified Trainers.

Training Approach

Training should not be approached on a hit and miss basis; it involves a series of planned activities. Keeping that in mind, InM takes a more holistic approach in formulating its training strategy. It involves receiving response from MFIs, engaging sector stakeholders, academicians, civil society, etc. for identifying the training needs, formulating training strategy, developing modules, implementing training programmes at field level etc.



Training Needs Assessment (TNA)

Training Needs Assessment (TNA) as carried out by InM in 2009 identified “Training for the Employees” as the key factor that should be considered as the most important means for the capacity development of their employees.

For the improvement of training, almost all MFIs (over 98%) have pointed out the necessity of “suitable and trained trainers” for the capacity building of the sector. Other than this, “performance evaluation”, “workshops and seminars”, “exposure visits” are considered as the important factors for capacity development of training.

The findings from TNA also highlighted the need for training programmes on livelihood, gender, and environmental issues that have direct impact on microfinance. In line with changing structure, target groups, and products, training courses in the areas of risk management, project evaluation, sustainability issues, etc. were also recommended. The MFIs also expect training support on IT and MIS concerning their daily activities.

Curriculum and Module Development

InM divides its training courses into the following four thematic areas:

1. Improving Efficiency of Microfinance Programme
2. Organisational Development
3. Performance Review and Evaluation of Microfinance Programme
4. Good Governance

1. Improving Efficiency of Microfinance Programme

Microfinance has evolved in years and went beyond credit delivery. As microfinance practitioners, it is important to have appropriate knowledge on the status of microfinance and its development and challenges for improving the efficiency, effectiveness, impacts and sustainability of the microfinance programmes in Bangladesh. This thematic approach of InM Training aims at understanding appropriate methodology for microfinance products design and service delivery mechanisms, process of operations, interest rates calculation, financial management, and effective internal control in MFIs.

2. Organisational Development

With the aspect of advancement of the microfinance sector in Bangladesh, the organisational development is a prerequisite for the sustainability of the MFIs. In this context, InM has been constantly working on increasing the efficiency of the staff of the MFI along with its overall capacity building and organisational development. Under this thematic approach, InM has been conducting training programmes and developing modules for providing knowledge to the MFI personnel on various issues like concept and process of proper organisational planning, logical framework for project planning, approaches and techniques of motivation, communication, leadership, supervision, team management, decision making, human resource development, control functions in management, etc. Besides, one of the major aspects of this approach is to develop certified/master trainers by organising generic and specialised Training of Trainers (ToTs) programmes on specific subject matters.

3. Performance Review and Evaluation of Microfinance Programme

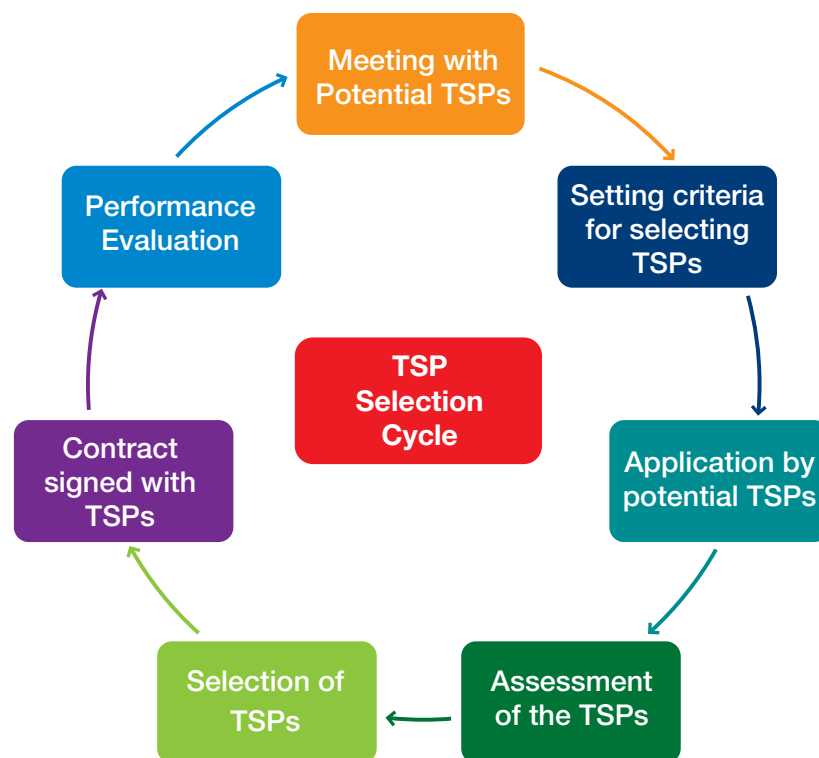
Monitoring and Evaluation (M&E) is an essential tool that scrutinises the efficiency and effectiveness of a specific programme or project, which is a significant part of developing and reviewing microfinance programmes in the country. The M&E gives a pen-picture of overall performance of the programme from the implementation to operational levels. Training programmes under this approach are benefitting the field level microfinance practitioners engaged in regional and branch level operations and management. This approach mainly focuses on different key issues of M&E system like reviewing the existing system, identifying the gaps, upgrading the existing system, developing conceptual framework, reporting M&E findings, and also developing the M&E matrix for any microfinance programmes, etc.

4. Good Governance

To ensure accountability and to increase the efficiency of the microfinance sector, a well-structured governance mechanism is of great importance for smooth operation and sustainability of the MFIs. Good governance is also important for providing quality services to the microfinance beneficiaries. In this context, InM emphasises on the overall understanding of legal and regulatory structure of Bangladesh microfinance sector. Along with the role of MRA and governance issues of MFIs, various aspects of good governance have been covered through developing various modules.

Training Service Providers (TSP)

The Training Service Providers (TSPs) are selected on the basis of certain criteria such as experience as a training organisation, proximity, availability of training venue and physical facilities, InM certified trainers, etc.



At present, InM has 23 Training Service Providers (TSPs) selected from all over Bangladesh. The TSPs on behalf of InM conduct training at Regional and Dhaka level. The trainings are facilitated by InM Certified Trainers.

InM is also going to select service providers at the hard-to-reach areas where the small MFIs operating in those areas will be in the purview of capacity building. At present, 23 TSPs are actively working with InM.

Regional Distribution of InM Training Service Provider (TSP)

Region	Name of Service Provider
Dhaka	BRAC, Proshika, CDF, DSK, NGO Forum, DK Foundation, BCL, UDDIPAN, VERC, Padakhep, NUF
Rajshahi	TMSS, RDRS, ASHRAI
Khulna	DAM, RRF, Wave Foundation
Barisal	RDF
Chittagong	Coast Trust, YPSA, PROTTYASHI, IDF, Muslim Aid – UK (Bangladesh Field Office)

Certified Trainers Pool

InM has successfully introduced “Certified Trainer” concept like CGAP (Consultative Group to Assist the Poor), the World Bank. The InM Training Service Providers (TSPs) organise training at the field level in coordination with InM. The InM Certified Trainers conduct the trainings. As a Certified Trainer, he/she is also able to train across the country, wherever the training programmes are held. Currently, InM has a pool of around 140 Certified Trainers. Together with Certified Trainers, relevant practitioners having experience in microfinance may also facilitate training sessions in consultation with InM. Besides, there is a resource pool of trainers, who can be called into for facilitating training sessions. In such cases, the experienced professionals on the line will only be eligible to be a member of the resource pool.

Training Implementation Training at HQs and Regional Level

InM conducts training through its Certified Trainers from the Training Service Providers (TSP). Microfinance practitioners from different MFIs attend the training courses offered by TSPs. All these trainings are monitored by InM to ensure quality of training. During 2011, InM provided training to 4,783 practitioners at the field level, compared to 2,171 in the last year.

Level	No. of Participants
HQs	2,166
Regional	2,617
Total	4,783

Training Conducted by Service Providers in 2011

Name of the Training	Location	Name of Service Provider	No. of Training	Total Participants
Book Keeping and Accounting Management for MFIs	HQs (Dhaka)	Credit Development Forum (CDF)	10	189
		NGO Forum	20	398
		UDDIPAN	9	177
		Dushtha Shasthya Kendra (DSK)	4	80
		DK Foundation	14	280
		Padakhep Manabik Unnayan Kendra	11	224
	Regional	Thengamara Mohila Sabuj Sangha (TMSS)	18	454
		Rural Reconstruction Foundation (RDF)	6	150
		RDRS Bangladesh	1	26
		WAVE Foundation	8	199
		Rural Reconstruction Forum (RRF)	7	171
		PROSHIKA	11	238
		COAST TRUST	4	100
		Nari Unnayan Forum (NUF)	5	122
		BRAC	4	95
		ASHRAI	2	50
Total			134	2,953

Microfinance Operations and Management	HQs (Dhaka)	Padakhep Manabik Unnayan Kendra	13	263
		DK Foundation	10	218
		Dushtha Shasthya Kendra (DSK)	4	81
		Credit Development Forum (CDF)	6	134
		UDDIPAN	5	101
		NGO FORUM	1	21
	Regional	Thengamara Mohila Sabuj Sangha (TMSS)	13	328
		Rural Reconstruction Forum (RRF)	11	285
		RDRS Bangladesh	4	101
		COAST TRUST	7	175
WAVE Foundation		5	123	
Total			79	1,830

Training Plan

InM plans to train around 15,000 microfinance practitioners at the field level during January 2012 – June 2014. During the same period, around 400 successful trainers are expected to join the pool of InM Certified Trainers in order to conduct training at the field level. Keeping these in mind, InM has developed a comprehensive Training Plan for January 2012 – June 2014. (The Training Plan of InM for the period July 2011 – June 2012 is provided in the Annex-A).

Training Monitoring and Evaluation

The success of the training depends on the participants' efficiency and effectiveness in the work place after receiving the training courses. The purpose is to assess the impact of training on the participants. Therefore, the objectives are to identify the effectiveness of InM training, and to identify the extent of change in the attitude, skills, and knowledge of the participants. InM follows a holistic approach of training evaluation, known as "InM 360-Degree Evaluation Approach", which involves receiving feedback from all the possible actors in the process.



Training Workshop on “Poverty Alleviation Strategies and Microfinance” for the Media Personnel

InM organised a day-long Training Workshop for various electronic and print media personnel on “Poverty Alleviation Strategies and Microfinance” at BRAC Centre Inn, Dhaka on 10 February 2011.

The training workshop aimed at deepening the understanding of the media personnel on microfinance and poverty alleviation. The main objective of the workshop was to bridge the gap between media personnel and microfinance lending and research organisations while reporting any issue related to microfinance as a pro-poor financial service.





Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM welcomed all to the training workshop and said that the workshop was to focus on poverty alleviation strategies, migration, savings, remittance and microinsurance for the better understanding of the media personnel and journalists for writing precise reports with authentic facts on microfinance and related issues.

The Panel Discussion session of the workshop was chaired by Professor Wahiduddin Mahmud, Chairman, InM. Professor S. R. Osmani, Department of Development Economics, University of Ulster, UK and Visiting Fellow, InM; Professor Syed M. Ahsan, Department of Economics, Concordia University, Canada and Visiting Fellow, InM; Mr. Fazlul Kader, General Manager (Operations), Palli Karma-Sahayak Foundation (PKSF); Dr. M. Amanullah (Mak) Khan, International Team Leader, PROSPER-PCU, DFID; and Mr. Dewan A. H. Alamgir, Microfinance Specialist, were present as discussants at the work shop. Mr. Monjurul Ahsan Bulbul, Editor-in-Chief and CEO, Boishakhi TV, moderated the event.

Professor Wahiduddin Mahmud mentioned the importance of this unique training workshop. He acknowledged the collaborative work and the linkage between development practitioners and media personnel to work with each other more effectively for the development of the country. He requested the media personnel to show motivated journalism and to do scientific survey and research to present substantial content in their reporting.

At the open floor (question-answer) discussion session of the training, various queries came up from the participants, and the discussion panel answered to the questions. The session became lively by the active participation of media personnel and discussants.

At the closing, Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM again mentioning the importance of this training workshop, encouraged the journalists to come up with challenging working proposals and case studies on success stories of microfinance which will also enrich the business journalism in media. He thanked all the participants for participating at this training workshop. He wished that the media would be a part of the development sector by projecting actual facts and making fair reports.

AIT-InM Case Bank

InM, in collaboration with Asian Institute of Technology (AIT), Thailand, has taken initiative for developing Case Bank for 'Teaching Cases for Experiential Learning'. The primary purpose of the AIT-InM Case Bank initiative is to develop cases on microfinance issues from South Asian context as a regional learning hub. As there are very few cases available on microfinance or social enterprise based issues mostly business focused and rooted in western context; hence, InM felt the need for developing a compendium of teaching cases in collaboration with AIT professionals.



During the Case Bank Initiative, a workshop on participants' orientation and selection was conducted and MFI personnel from different organisations were selected for case-writing. A "Stakeholders Workshop" was organised to identify and finalise the Case Leads for writing teaching cases for the Case Bank. Mr. Fazlul Kader, Deputy Managing Director, PKSF was also present and provided expert opinion on the teaching cases. An Orientation Training for the "Mentors" was also conducted at AIT, Thailand as a consequence to this initiative.



Finally, a 10-day rigorous Training-Workshop was organised at Bangladesh Institute of Bank Management (BIBM), Dhaka during 10 – 20 September 2011. The training was conducted for both the case writers and the mentors to have an overall concept on writing teaching cases. Dr. Faiz Shah, Head of Development Management, AIT, Dr. Willi Zimmermann, and Mrs. Teresita D. Suselo, Senior Faculties, AIT were the resource persons of the training programme. The AIT-InM Case Bank is a unique initiative in a sense that the Microfinance practitioners have

been involved in writing teaching cases that would ensure effective experiential learning by presenting cases on real life situations based on facts.

During the Training-Workshop's closing ceremony on 20 September 2011, Mr. Muhammad Zamir, Honourable Chief Information Commissioner (State Minister), Information Commission Bangladesh, was present as the Chief Guest and awarded the certificates to the participants. In his speech, Mr. Zamir appreciated the initiative of AIT-InM Case Bank and also emphasised on the needs of access to information for a balanced economic and social growth of the country.

Among others, Dr. Jashim Uddin, Deputy Managing Director, PKSF, Mr. Fazle Karim, Head of IT & Engineering, AIT, Mrs. Teresita D. Suselo, Senior Faculty, AIT, and Ms. Fahmida Chowdhury, Associate Professor and Director, Evening Masters in Bank Management Programme at BIBM were present as Special Guests. Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director of InM, chaired the closing ceremony.



International Training

Being the origin of Microcredit, Bangladesh remains the centre of attraction to all the microfinance practitioners around the world. InM is capitalising on such competitive advantage through joint collaboration with various institutions from Afghanistan, China, Nepal, and Thailand. InM also received such invitations from African and Latin American countries to organise training and education programmes on microfinance. However, InM is presently collaborating with China, Nepal, and Thailand. Based on the experiences and resources, InM may expand its activities in the coming years.



In this venture, a team from InM led by Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, visited China during February 21-March 01, 2011. InM team, in collaboration with CICETE (China International Centre for Economic and Technical Exchanges), conducted a 3-day training on “Microfinance Product Design and Business Planning”. 29 participants from different MFIs, Commercial Banks, and development organisations attended the training. Professor Du Xiaoshan, Chairman, China Association of Microfinance

(CAM), inaugurated the training. Among others, Mr. Bai Chengyu, Director, Microfinance Division, CICETE, was also present at the occasion.

The InM team also visited DAIBANG, a growing MFI in China, at Changsha Province. During the visit, InM conducted a 5-day training on “Microfinance Credit Delivery Process and Operations” for the Branch Managers of DAIBANG at Jiang Xi, China. Upon its successful completion of first training, the same training was conducted for the Loan Officers of DAIBANG during July 2011 at Changsha, China.

Brief of On-going Training Courses



Microfinance Operations and Management (10-day)

Course Brief

The training on “Microfinance Operations and Management” is designed to improve the overall performance of the microfinance sector by augmenting the capacity of the human resources at various levels. It also aims at increasing the efficiency, effectiveness, impacts and sustainability of the microfinance programmes.

Key Focus of the Course

- Emergence and Evolution and the Present Situation of Microfinance in Bangladesh.
- Process and Techniques of Microfinance Product Design and Development.
- Selection of Appropriate Methodology for Microfinance Service Delivery to the Target People.
- Steps of the Organising and Starting a Microfinance Programme.
- Process of Group Formation and Development, Borrower Selection, Loan Disbursement and Realisation.
- Causes and Consequences of Delinquency and Effective Delinquency Management.
- Contemporary Issues related to Interest Rate Calculation and the Process of Setting a Viable Interest Rate.
- Analysis and Interpretation of Ratios and Portfolio Quality Indicators for Evaluating the Performance of a Microfinance Programme.
- MIS and the outline, contents and use of MIS in Microfinance for portfolio tracking, analysis and reporting.
- Accounting and Financial Management System of Microfinance Programme.
- Process of Preparing Business Plan for Microfinance Programme.
- Risks in Microfinance and Control Mechanisms.
- Frauds and Fraudulent Practices in Microfinance and Control Mechanisms.
- Effective Internal Control in Microfinance Operations.

Target Participants

Mid-level to senior level staff including branch manager, programme manager, programme coordinator of the NGO-MFIs involved with design, operations and management of the microfinance programme are the target participants of this course.



Microfinance Operations and Management (5-day)

Course Brief

This 5-day training on “Microfinance Operations and Management” has been designed to build the capacity of the junior field level staff. This training aims at enhancing knowledge and improving performance of the microfinance practitioners working at the branch level.

Key Focus of the Course

- Emergence, Evolution and Present Situation of Microfinance in Bangladesh.
- Designing Market Driven Microfinance Programme.
- Steps to start a Microfinance Programme.
- Process of Group Formation, Borrower Selections, Loan Disbursement and Realisation.
- Process of Setting Viable Interest Rates.
- Analysis of Ratio and Portfolio Quality Indicators of Microfinance Programmes.
- Risks in Microfinance and Control Mechanisms.
- Supervision and Monitoring System in Microfinance Operations.

Target Participants

The course aims at building the capacity of the junior level staff of the MFIs ranging from branch operation managers to loan officers of microfinance programme.



Microfinance Credit Delivery Process and Operations (5-day)

Course Brief

This training aims at enhancing the competencies of the participants on microfinance credit delivery process and operations.

Key Focus of the Course

- Basics of Microfinance: Goal, Objectives, Characteristics & Challenges.
- Microfinance Products & Services and Service Delivery Mechanisms.
- Microfinance Model, Credit Policies, and Role of Staff.
- Microfinance Clients: Criteria and Characteristics of a Good Client.
- Identifying, Assessing, and Selecting MF Clients and Area Mapping.
- Loan Appraisal & Processing.
- Client Analysis and Assessment.
- Feasibility Analysis of the Business.
- Cost Structure, Investment, Profitability Analysis of a Business and Portfolio Management.
- Delinquency Management and Fraud Management in Microfinance.
- Loan Monitoring and Factors affecting Client Satisfaction in MF.

Target Participants

Microfinance Practitioners, especially the branch managers and loan officers are the target participants of this customised course. This course has been specially designed for DAIBANG, a growing MFI in China.



Microfinance Product Design and Business Planning (3-day)

Course Brief

This 3-day training has been designed to enable the participants to design market driven, appropriate and sustainable financial products and to prepare business plan for their microfinance programmes to maintain growth, efficiency and productivity of the programmes.

Key Focus of the Course

- Microfinance and its Services.
- Factors to be Considered in Designing Market Driven Microfinance Products.
- Step by Step Process of Microfinance Product Design.
- Preparation of an effective Business Plan for a Microfinance Programme.

Target Participants

The training addresses mid-level to senior level staff of microfinance institutions, NGOs, commercial banks having microcredit operations.



Book Keeping and Accounting Management for MFIs (5-day)

Course Brief

The training has been designed to improve the competence levels of MFI staff on standard accounting system, which ensures smooth operations of microfinance programmes. It also involves fundamental financial management of MFIs/NGOs related to microcredit.

Key Focus of the Course

- Concept and Principles of Accounting.
- Transaction Identification and Voucher Preparation.
- Maintaining Ledger Book.
- Bank/Cash Book and Bank Reconciliation Statement.
- Preparation of Financial Statements.
- Budget Preparation and Techniques of Budgetary Control.
- Cash Management Process.
- Grant Accounting.
- Tax and VAT Calculation.
- Internal Control.

Target Participants

Mid-level staff including branch managers and accountants involved with microfinance programmes are the target participants of the course.



Improving Participatory Managerial Skills and Management Style (5-day)

Course Brief

This training has been designed to introduce the participants of the course with the concepts of overall management functions in order to enhance their managerial skills to increase efficiency in their professional fields.

Key Focus of the Course

- Management Approaches, Roles and Functions of Managers.
- Concept, Types and Process of Planning, Logical Framework as a Project Planning tool.
- Leadership and Leadership Approaches and Style to Achieve High Performance.
- Approaches and Techniques of Motivation.
- Concept and Process of Communication.
- Approaches of Supervision and Its Role in the Organisation.
- Team Building for Effective Team Management.
- Steps of Problem Solving and Decision Making for Smooth Implementation of Projects.
- Concept of Human Resource Development and Management and its elements.
- Concept of Control Functions in Management.

Target Participants

The mid-level to senior level staff of MFIs including programme manager, programme coordinators, and executive directors are the target participants of this course.



Monitoring and Evaluation of Microfinance Programme (5-day)

Course Brief

This 5-day training has been designed for effective monitoring and evaluation of different microfinance programmes and this course will assist in the development of practical knowledge on monitoring and evaluation of microfinance programmes. The participants will also learn the ways to design an effective monitoring system and to apply this in their own organisations.

Key Focus of the Course

- Conceptual Framework of “Monitoring and Evaluation (M & E)” System.
- Gap Identification of the Existing M & E System.
- Reviewing and Upgrading the Existing M & E System.
- Developing M & E Matrix for a Microfinance Programme.
- Tools of M & E Including Simple Questionnaire Survey, Focus Group Discussion (FGD), Interview, PRA, Qualitative/Quantitative Methods, etc.
- Preparation of M & E Report.

Target Participants

This course is designed for the midlevel to senior level staff of MFIs responsible for programme management, coordination, and supervision.



Advanced Generic ToT (10-day)

Course Brief

This training has been designed to enhance the trainer's capabilities necessary for effective training delivery.

Key Focus of the Course

- Overview of the Training Function.
- Training Needs Assessment (TNA).
- Training Design.
- Training Methods.
- Training Materials
- Communication.
- Facilitation Skills.
- Session Planning.
- Training Evaluation.

Target Participants

This general Training of Trainers (ToT) targets the participants, mainly professional trainers to conduct their training effectively.



Legal & Regulatory System and Governance (5-day)

Course Brief

The course has been designed to provide an overall understanding of legal and regulatory structure of Bangladesh microfinance sector with special focus on Microcredit Regulatory Authority (MRA). It also aims at shedding lights on various aspects of governance issues related to the operational level of the MFIs.

Key Focus of the Course

- Legal and Regulatory Structure of Bangladesh Microfinance Sector.
- Role of Microcredit Regulatory Authority (MRA).
- Governance Issues of Microfinance Institutions and Various Aspects of Good Governance.
- Monitoring and Evaluation of Microfinance Programmes by the Executive Committee (EC).
- Process of Risk Reduction of Microfinance Programme and Role of EC.

Target Participants

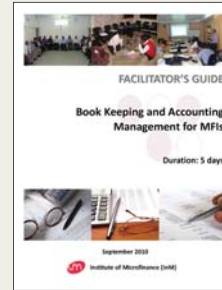
The target participants of this course include members of the Executive Committee and senior officials of NGO-MFIs, officials from Government agencies responsible for administering laws related to NGOs, MRA and other concerned officials who are interested in governance issues of MFIs.

InM Developed Training Modules



Name of Module:
Microfinance Operations
and Management

Duration: 5 & 10 Days
Language: Bengali & English



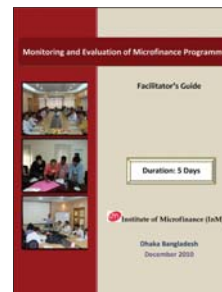
Name of Module:
Book Keeping and Accounting
Management for MFIs

Duration: 5 Days
Language: Bengali & English



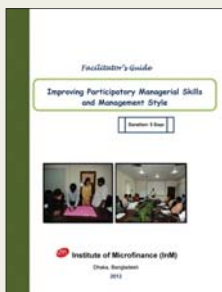
Name of Module:
Legal Regulatory System
and Governance Module

Duration: 5 Days
Language: Bengali & English



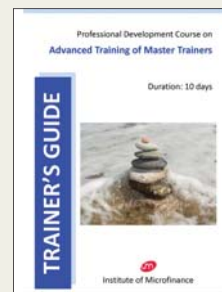
Name of Module:
Monitoring and Evaluation of
Microfinance Programme

Duration: 5 Days
Language: Bengali & English



Name of Module:
Improving Participatory
Managerial Skills &
Management Style

Duration: 5 Days
Language: Bengali & English



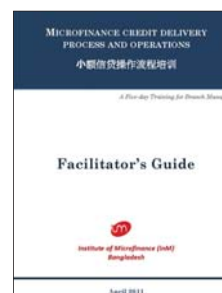
Name of Module:
Advanced Training of
Trainers (ToT)

Duration: 10 Days
Language: English



Name of Module:
Microfinance Product
Design and Business
Planning

Duration: 3 Days
Language: English & Chinese



Name of Module:
Microfinance Credit Delivery
Process and Operations

Duration: 5 Days
Language: English & Chinese

Training Plan for MFIs/NGOs/Sector Stakeholders (July 2011 – June 2012)

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Training Plan for MFIs/NGOs/Sector Stakeholders (July 2011 –June 2012)

SL#	Name of the Training	Level of Participants	Location	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
ORGANISING TRAINING FOR SERVICE PROVIDERS															
4.0	Good Governance														
4.1	Legal Regulatory System and Governance	- Members of Executive Committees & Senior Officials of MFIs - Officials from Govt. agencies responsible	HQ												
5.0	Performance Review and Evaluation of Microfinance Programmes														
5.1	Monitoring and Evaluation of Microfinance Programme for MFIs	Mid level to senior level staff of MFIs	HQ												
6.0	Others														
6.1	Product Development & Business Planning for MFIs	Mid level to senior level staff of MFIs	HQ												
7.0	International Training														
7.1	Risk Management	Programme Managers and Programme Coordinators of development organisations													
7.2	Financial Management for MF	- Finance Manager & Accountants of Microfinance Institutes and Service Providers - Accountants of Microfinance Institutes and Service Providers													
7.3	Result Base Monitoring & Evaluation	Programme Managers and Programme Coordinators of development organisations													
7.4	Generic TOT Generic ToT jointly administered by Asian Institute of Technology (AIT), Thailand and InM	Trainers of MFIs													



Institute of Microfinance (InM)

3

Training Plan for MFIs/NGOs/Sector Stakeholders (July 2011 –June 2012)

SL#	Name of the Training	Level of Participants	Location	2011						2012					
				July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
ORGANISING TRAINING COURSES THROUGH SERVICE PROVIDERS FOR MFIs															
1.0 Improving Efficiency of Microfinance Programmes															
1.1	Microfinance Operations and Management	Senior level staff of MFIs directly related with MF operations	HQ												
1.2	Microfinance Operations and Management (05 days)	Mid level to junior level staff of MFIs directly related with MF operations	HQ												
1.3	Bookkeeping and Accounting Management for MFIs	Branch Managers and Accountants of MFIs	HQ												
2.0 Organisational Development															
2.1	Improving Participatory Managerial Skills & Management Style	- Mid level to senior level staff of MFIs - Programme Managers and Programme Coordinators of MFIs	HQ												
3.0 Performance Review and Evaluation of Microfinance Programmes															
3.1	Monitoring and Evaluation of Microfinance Programme for MFIs	Mid level to senior level staff of MFIs	HQ												
4.0 Good Governance															
4.1	Legal Regulatory System and Governance	- Members of Executive Committees & Senior Officials of MFIs - Officials from Govt. agencies responsible for administering laws	HQ												



Training Plan for MFIs/NGOs/Sector Stakeholders (July 2011 –June 2012)

SL#	Name of the Training	Level of Participants	Location	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
ORGANISING TRAINING COURSES THROUGH SERVICE PROVIDERS FOR MFIs															
1.0 Improving Efficiency of Microfinance Programmes															
1.1	Microfinance Operations and Management	Mid level to Junior level staff of MFIs directly related with MF operations	Regional												
1.2	Bookkeeping and Accounting Management for MFIs	Branch Managers and Accountants of MFIs	Regional												
2.0 Entrepreneurship Development															
2.1	Entrepreneurship Development and Business Planning	- Mid level to senior level staff of MFIs - Programme Managers and Programme Coordinators of MFIs	Regional												
3.0 Performance Review and Evaluation of Microfinance Programmes															
3.1	Monitoring and Evaluation of Microfinance Programme for MFIs	Mid level to senior level staff of MFIs	Regional												
OTHER ACTIVITIES															
1.0 Training courses for sector stakeholders															
1.1	Training for Journalists	Journalists from print and electronic media	HQ												

For further information please contact InM at: info@inm.org.bd

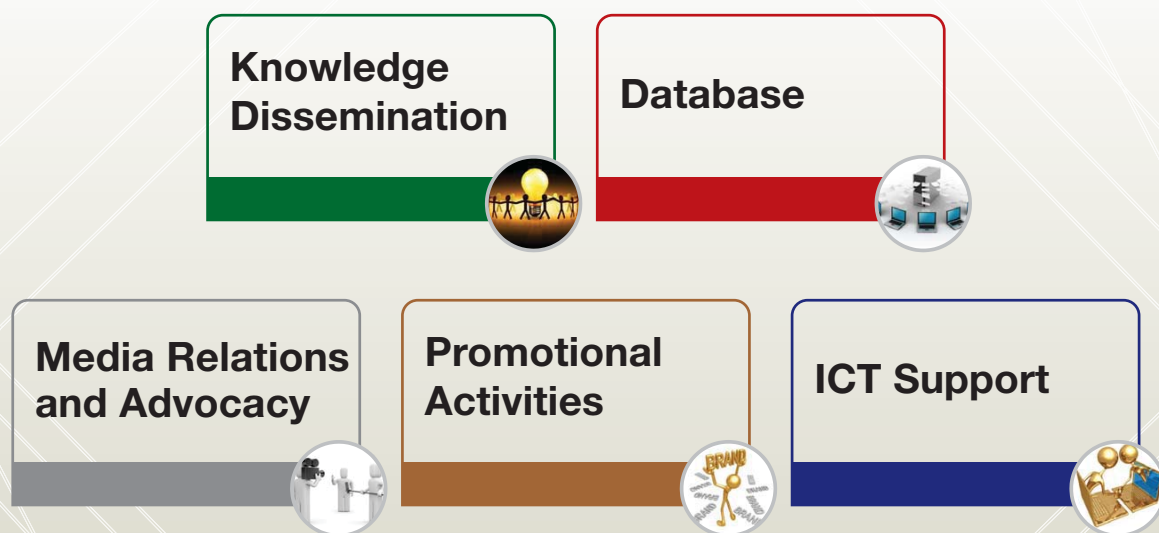


Knowledge Management and Communication

Knowledge Management and Communication

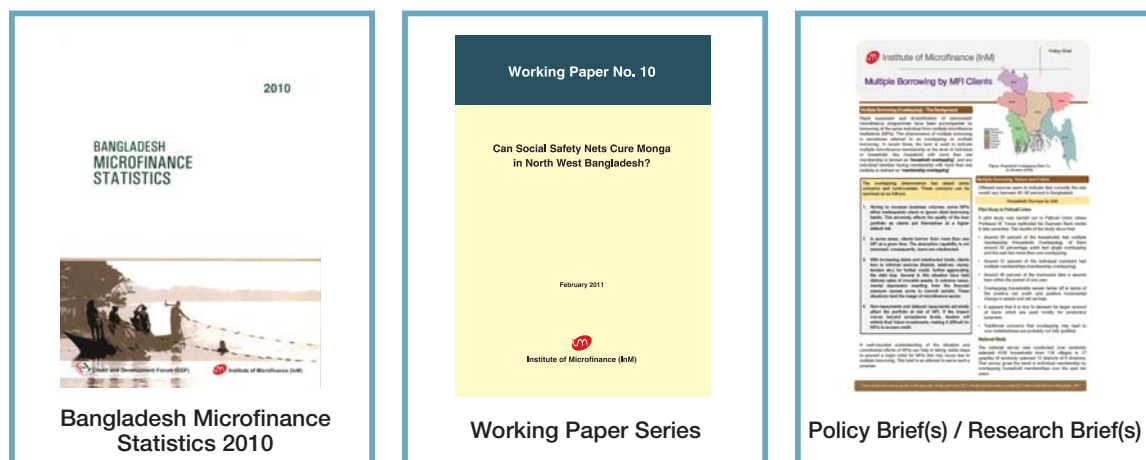
With a view to create knowledge, its management and dissemination in the area of microfinance and poverty alleviation, the Knowledge Management and Communication (KnM) division works as the voice of the Institute by featuring its activities to the wider audience and managing its public relations activities. The KnM division of the Institute is the hub of all knowledge generation and dissemination activities. InM publishes its intellectual properties as academic papers, reports, books and other publications through this division. To circulate the research findings, InM has been organising dialogues, seminars, and workshops, etc. Moreover, to build consensus among stakeholders, various TV programmes have been organising on regular basis that suggest important policies and insights to government and private sector. KnM division also maintains an archive of all valuable research data generated from different InM research studies for further use.

Knowledge Management Approach of InM



Knowledge Dissemination through Publications

To disseminate the research findings of InM governed research studies; and to aware the mass people of the country along with academicians, practitioners, stakeholders, InM has been publishing different types of publications such as books, policy papers, research briefs, policy briefs, working papers, occasional papers, study reports, microfinance statistics, etc.



Working Paper Series

Based on the findings of its various research studies, InM has been publishing its own Working Paper Series regularly that provides the readers in-depth ideas of research outputs from various dimensions. InM has so far published 10 working papers.

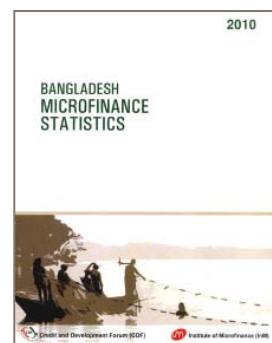
Working Paper No. 10: Can Social Safety Nets Cure Monga in North West Bangladesh?

Authors: Shahidur R. Khandker, M. Abdul Khaleque, Hussain A. Samad

This paper examines the role of social safety net programmes run by government and NGOs in mitigating seasonal deprivation in a highly vulnerable region of Bangladesh. The paper also explores whether social safety nets help only avert seasonal deprivation or also address seasonality of income and employment. Using the InM survey from the North West (NW) region, the paper finds that social safety nets have a positive impact in mitigating both seasonal and non-seasonal deprivation. The results are robust because of the recent expanded coverage of social safety net programmes by NGOs active in this region. However, as *monga* is a recurrent problem in NW region because of seasonality of agriculture and the region's overwhelming dependence on agriculture for livelihood, social safety nets cannot be a permanent cure for *monga* eradication. What is also needed is to promote income and productivity of the poor through programmes that help diversify income and employment.

Bangladesh Microfinance Statistics

InM, along with CDF, collects microfinance statistical data from different MFIs in Bangladesh and publishes them in volumes titled *Bangladesh Microfinance Statistics*. These volumes contain information on operational and financial aspects of the MFIs along with comprehensive coverage of the microfinance sector. Since 2007, InM and CDF have been jointly publishing the series. In the year 2011, *Bangladesh Microfinance Statistics 2010* has been published.



Policy Notes

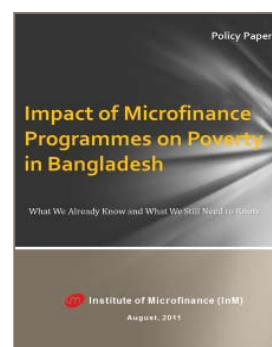
The Institute also prepares Policy Notes under the category of Policy Brief(s) and Policy Paper(s) based on research findings and reviews of the best practices for the benefit of policymakers, planners and microfinance practitioners. Prepared by experienced researchers, these policy notes deal with contemporary policy issues and challenges faced by the microfinance sector.

Policy Paper

Impact of Microfinance Programmes on Poverty in Bangladesh

Author: Rashid Faruquee

Microfinance Institutions (MFIs) in Bangladesh and some other countries that followed Bangladesh model have made impressive progress in providing financial services (primarily credit but also micro-savings, microinsurance and transfer services) to the poor especially women. Collateral free, group based lending has been the hallmark of the microfinance programme of MFIs. In recent years, there have been some questions and concerns about the real impact of the microfinance programmes on the poor. Some donors have wondered whether this was the best use of resources of all alternative development projects. Some policymakers have even wondered whether microcredit programme did eventually help or hurt the poor. Some researchers have also raised methodological questions about impact results and their doubts have reinforced doubts of some policymakers. In the backdrop of these concerns and questions, this paper reviews the empirical evidence and shows what we already know and what we would still need to know about the impact of microfinance programmes in Bangladesh.

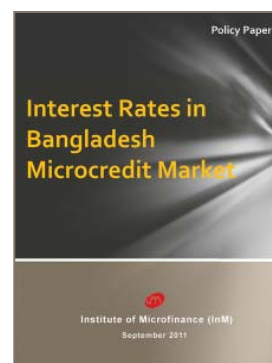


Interest Rates in Bangladesh Microcredit Market

Authors: Rashid Faruquee and M. A. Baqui Khalily

In recent years, the criticism that Microfinance Institutions (MFIs) charges its poor borrowers unreasonably high interest rate has intensified. Some people point out the unfortunate combination of profit-seeking microfinance institutions, minimal competition and vulnerable borrowers has opened up dangerous potential

for exploiting the poor. In the backdrop of these concerns and criticisms, this policy paper reviews the interest practice of MFIs in Bangladesh, examines the issue of interest rate from the perspectives of MFIs and the borrowing members. The paper highlights the two different points of view about the role of MFIs-social objectives (of eradicating poverty) and commercial objectives (of operating sustainability without Government or donor support) that actually guide how one views the interest rate. Those who believe MFIs should primarily have the social objective for helping the poor; they consider the interest rate to be high (compared to rate in the formal credit market). While the other group who wants the MFIs charge an interest rate that would make MFIs viable and sustainable without support would consider the rate not so high (compared to informal credit market). There is a way to reconcile the two points of view. A rational set of principles guiding the interest rate policy and practice of MFIs would reconcile the welfare and sustainability objectives of MFIs. The paper shows that in a situation of market failure (either existence of monopoly power of some MFIs or their non-transparent behaviour) an interest rate cap set by a regulating agency is advisable. But a more desirable approach would be to focus on the reasons identified for high interest rates charged by MFIs and take necessary steps, as outlined in this note, to increase the operational efficiency of MFIs, which will enable the MFIs to bring down the effective interest rate charged to the borrowers. In the light of the analysis in this paper, one can conclude that Government's recent decision of putting interest cap of 27% on declining method basis appears reasonable, but regular review of the interest rate policy taking into account cost structure of MFIs would be desirable. MFIs need to focus on improving their operational efficiency in order to reduce the interest rate to the borrowers.



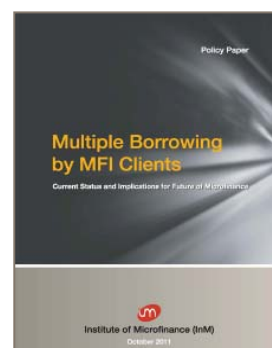
Multiple Borrowing by MFI Clients: Current Status and Implications for Future of Microfinance

Authors: *Rashid Faruquee and M. A. Baqui Khalily*

Borrowing simultaneously from multiple sources is widely prevalent in the microfinance sector. With the increasing percentage of multiple borrowers, policymakers are more concerned with the possible adverse impacts on the demand side. From the supply side, it may result from unethical competitive practices, reckless lending by fast growing microfinance institutions (MFIs) without suitable assessment of client's credit absorption capacities and at the end leading to over-indebtedness and defaults.

Considering the increasing concerns, this paper reviews the empirical evidence and attempts to find out the current status and implications for future of microfinance. It shows that borrowing from multiple sources may be caused by their strategy to maintain flow of resources for diverse purposes especially for expansion of business and a small percentage of borrowers use it for repayment purposes. Moreover, taking multiple loans are totally voluntary decisions of the clients. Although few studies demonstrate that multiple borrowing is essentially a sign of competition in credit market, it may have arisen from information asymmetry and concentration of MFI operations in accessible areas.

The intensity of multiple borrowing may not have as big an impact as the policymakers thought but certainly, the situation needs to be examined keenly as the poor borrowers will be in the most vulnerable situation in case of major covariate risks and economic recession. Analysing various research papers the study has found that there is no evidence of growing indebtedness for the overlapping households. Multiple borrowing



itself is not a problem. Poor borrowers always try to allocate and reallocate their credit to cope with diverse shocks. Some studies reported equal or better repayment records of the multiple borrowers than the single borrowing households. They are in a better position in terms of positive net worth which rejects the notion of growing indebtedness and defaults. Despite largely positive impacts, Microcredit Regulatory Authority (MRA) needs direct the MFIs in operating cost-benefit analysis with good risk management, screening, staff monitoring and informal information sharing about multiple borrowing. In addition, MRA should also consider establishing a Credit Rating Agency in order to minimise potential risks of the institutions.

Policy Brief

- Mitigating Seasonal Hunger: Evidence from Northwest Bangladesh by *Shahidur R. Khandker* and *Wahiduddin Mahmud*
- Impact of Microfinance Programmes on Poverty in Bangladesh by *Rashid Faruquee*
- Multiple Borrowing by MFI Clients by *M. A. Baqui Khalily* and *R. Faridi*
- Interest Rates in Bangladesh Microcredit Market by *Rashid Faruquee* and *M. A. Baqui Khalily*



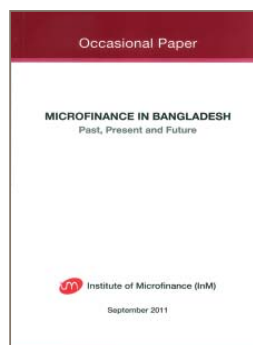
Research Brief

- Access to Financial Services (ATFS) in Bangladesh by *M. A. Baqui Khalily*



Occasional Paper Series

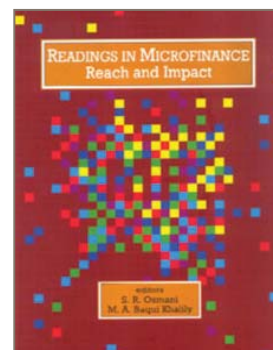
- Mitigating Seasonal Hunger: Evidence from Northwest Bangladesh by *Wahiduddin Mahmud*
- Microfinance in Bangladesh: Past, Present and Future by *Rashid Faruquee* and *S. Badruddoza*



Readings in Microfinance: Reach and Impact

Editors: *S. R. Osmani and M. A. Baqui Khalily*

InM, in association with the University Press Limited (UPL), published an edited book titled *Readings in Microfinance: Reach and Impact*. This book is a compendium of articles published earlier in different reputed journals and other published materials with special focus on the reach and impact of microfinance and development. It tells us the story of the journey of microfinance from a remote village of Bangladesh to the wider world. This book provides the readers some perspectives on the saga of microfinance industry by presenting its key features such as successes and limitations of different models and practices, innovations, and challenges ahead.

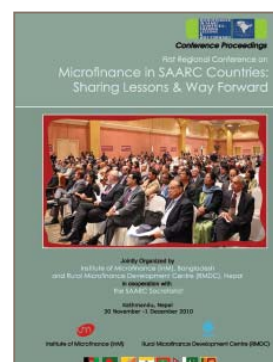


Conference Proceedings

Conference Proceedings on **“Microfinance in SAARC Countries: Sharing Lessons & Way Forward”**

Published by: **Institute of Microfinance (InM), Bangladesh and Rural Microfinance Development Centre (RMDC), Nepal.**

This publication contains the Conference Proceedings on the first Regional Conference on “Microfinance in SAARC Countries: Sharing Lessons & Way Forward” jointly organised by InM, Bangladesh and Rural Microfinance Development Centre (RMDC), Nepal, held at Kathmandu, Nepal during 30 November - 1 December 2010.



Knowledge Dissemination through Seminar, Workshop, Dialogue, Conference

From the time of its inception, InM is regularly organising conferences, seminars, workshops, and dialogues for disseminating the findings of InM research studies and to communicate with the sector stakeholders and practitioners. These activities help InM facilitate as a mechanism to share the views and experiences along with knowledge creation and management. Several conferences, seminars, workshops, and dialogues have been conducted highlighting the following themes:

- Policy and Regulations of Microfinance
- Dynamics of Poverty and Microfinance
- Regional Performance of Microfinance
- Governance of MFIs
- Programme Evaluation of MFIs
- Operational Issues of Microfinance
- Health and Microinsurance Issues
- Gender and Individual Modernity

Seminars

Seminar on “The Impact of Governance Mechanism on the Financial Performance and Outreach of MFIs in Bangladesh”

InM organised a seminar on the concept paper and progress of an on-going research study entitled “The Impact of Governance Mechanism on the Financial Performance and Outreach of MFIs in Bangladesh” on 14 March 2011 at the conference room of InM’s Agargaon office, Dhaka. Dr. Tanweer Hasan, Professor, Roosevelt University, USA and Visiting Fellow, InM, and also the Team Leader of this research study at InM, was the Keynote Speaker.

The seminar was held to analyse and discuss the major distinctive characteristics of the research study that examine the impact of governance mechanism on the performance and outreach of MFIs. The study was intended to find out a standard governance mechanism and the relationship between governance mechanisms and financial performance of MFIs in Bangladesh. However, the study also emphasised the structure and impact of female leadership in the governing body of MFIs since more than 90 per cent clients in microfinance market of Bangladesh are women.

The seminar was chaired by Dr. Rashid Faruquee, Visiting Fellow, InM. Among others, Dr. Quazi Mesbahuddin Ahmed, Managing Director, PKSF; Mr. Md. Fazlul Kader, Deputy Managing Director, PKSF; Dr. Jashim Uddin, Deputy Managing Director, PKSF; Dr. B. A. A. Mustafi, Research Director, PKSF; Professor M. A. Baqui Khalily, Department of Finance, University of Dhaka; Professor S. R. Osmani, Visiting Fellow, InM; Dr. A. Z. M. Zahidur Rahman, Chief of Disease Prevention, Social Marketing Company; Mr. Iqbal Ahammed, Executive Director, Padakhep Manabik Unnayan Kendra, and Dr. Atonu Rabbani, Assistant Professor, Department of Economics, University of Dhaka, were present at the seminar.

Seminar on “Developing Micro Health Insurance in Bangladesh”

InM organised a seminar on “Developing Micro Health Insurance in Bangladesh” at the conference room of InM’s Lalmatia office, Dhaka on 18 March 2011.

Professor Syed M. Ahsan, Department of Economics, Concordia University, Canada and Visiting Fellow, InM, and Professor David M. Dror, Erasmus University of Rotterdam and Micro Insurance Academy (MIA), New Delhi; were the Keynote Speakers at the seminar. The seminar was chaired by Dr. Rashid Faruquee, Visiting Fellow, InM.

Professor Syed M. Ahsan presented a paper entitled “Developing Viable Micro Health Insurance in Bangladesh” at the seminar. The paper analysed and discussed the issues on designing and developing viable micro health insurance (MHI) products and models for Bangladesh focussing on health shocks, public health insurance, health risks and vulnerability, and health services in rural Bangladesh.



Professor David M. Dror expressed his thoughts and ideas regarding Micro Health Insurance and shared his experiences to the deliberations. He also replied to the related questions on Micro Health Insurance and sustainable health insurance solutions asked by the participants at the event.

Dr. Mahabub Hossain, Executive Director, BRAC, Dr. Manuela De Allegri, Researcher, Heidelberg University, Mr. Ahsan Sadiq, Consultant, GFA Consulting Group, Dr. Muhammad Abdul Latif, Director (Research & KnM), InM, Dr. B. A. A. Mustafi, Research Director, PKSf, Mr. Muhammad Shahidul Islam, Deputy Director, Microcredit Regulatory Authority (MRA), Dr. Muhammad Iqbal, Scientist, ICDDR,B, along with the other participants from various development organisations were present at the seminar.

National Seminar on “Asset Accumulation and Poverty Dynamics in Rural Bangladesh: The Role of Microcredit”

InM organised a national seminar entitled “Asset Accumulation and Poverty Dynamics in Rural Bangladesh: The Role of Microcredit” at PKSf Auditorium (PKSf Bhaban, Agargaon, Dhaka) on 24 August 2011. The seminar was aimed at addressing and disseminating the findings from a study entitled “Dynamics of Poverty in Rural Bangladesh” regarding the role of microcredit in terms of asset accumulation and poverty dynamics in the rural areas of Bangladesh.

Dr. Muhammad Abdur Razzaque, Honourable Member of the Parliament and Minister for Food and Disaster Management of the Government of the People’s Republic of Bangladesh, graced the event as the Chief Guest. The seminar was chaired by Dr. Qazi Kholiquzzaman Ahmad, Chairman, PKSf. Dr. Atiur Rahman, Governor, Bangladesh Bank was present as the Special Guest.



In his welcome speech, Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM expressed his gratitude to the distinguished guests and other audiences for their valuable participation. He briefly introduced InM and its activities to the participants.

The Chair of the seminar Dr. Qazi Kholiquzzaman Ahmad appreciated InM’s achievement in such short period after its inception, especially in research activities. He expected that InM would flourish more in near future and that it would greatly contribute to its pertinent sector.

The keynote speaker of the seminar was Professor S. R. Osmani, Department of Development Economics, University of Ulster, UK, and Visiting Fellow, InM. Professor Osmani, in his presentation, mentioned that the study was based on the findings from the first phase survey of long-term panel surveys covering 6500 rural households in 63 districts, and it examined the factors, including the role of microfinance, that have a causal influence on poverty dynamics.

The objectives of the study were to examine how the dynamics of poverty in rural Bangladesh is shaped by the process of asset accumulation, to identify the factors that affect the process of asset accumulation and thereby the dynamics of poverty, and while examining the factors, particularly observing the role of microcredit.

The Special Guest of the seminar Dr. Atiur Rahman, in his speech, mentioned that in spite of being in all problems and limitations, Bangladesh has achieved a milestone in poverty reduction and set a model for the rest of the world. Dr. Atiur Rahman stated, microcredit is not a panacea; nonetheless, it has the elements whose effective utilisation could greatly contribute to poverty reduction.



Honourable Minister Dr. Muhammad Abdur Razzaque, the Chief Guest of the seminar, portrayed a vivid scene of poverty situation in Bangladesh. He mentioned, the government needs to keep the positive sides of microcredit in mind, as well as should imply effective monitoring and governance policies. He also hoped that this InM research study would be very useful to microfinance, sector stakeholders as well as to the policymakers.

In his concluding remarks, Dr. Qazi Kholiquzzaman Ahmad admitted that, microcredit alone is not sufficient to eliminate poverty. The concept was overestimated and has passed its generation. Now it is the perfect time to start 'Modern Microcredit' and let Bangladesh be its birthplace again. At the event, the participants also took part in the open discussion session.

National Seminar on “Multiple Memberships (Overlapping) in Microcredit Markets of Bangladesh”

InM and PKSf jointly organised a national seminar entitled “Multiple Memberships (Overlapping) in Microcredit Markets of Bangladesh” at PKSf Auditorium (PKSF Bhaban, Agargaon, Dhaka) on 18 December 2011.

The seminar was aimed at addressing and disseminating the findings from a joint study of InM and PKSf entitled “Multiple Memberships (Overlapping) in Microcredit Programmes” regarding the nature, causes and impact of multiple memberships (overlapping) in the microcredit markets of Bangladesh.



Dr. Qazi Kholiquzzaman Ahmad, Chairman, PKSf graced the event as the Chief Guest, and the seminar was chaired by Dr. Quazi Mesbahuddin Ahmed, Managing Director, PKSf. Mr. Khondkar Ibrahim Khaled, Chairman, Bangladesh Krishi Bank was present as the Special Guest. Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM introduced the Institute to the participants at the seminar.



The keynote speaker of the seminar was Professor M. A. Baqui Khalily, Department of Finance, University of Dhaka, and Team Leader, Multiple Memberships (Overlapping) Study, InM. The national survey of the study was conducted over randomly selected 4143 households from 118 villages in 17 upazilas of randomly selected 12 districts of 6 divisions. The survey provided the trend in individual membership by overlapping household memberships over the past ten (10) years. However, the study mainly focussed on household membership overlapping.

The study revealed that, overall there is positive impact of overlapping in the microcredit markets of Bangladesh. There is no evidence of growing indebtedness for the overlapping households. It is found that overlapping households are better-off in terms of total assets, net worth, savings, consumption, employment days, and non-food expenditures, than the non-overlapping households.

Professor Khalily pointed out that overlapping itself is not a problem; it is how the borrowers use money. Poor households are vulnerable and whatever gains they derive from microcredit are lost, in many cases, because of high intensity of idiosyncratic and co-variate shocks.

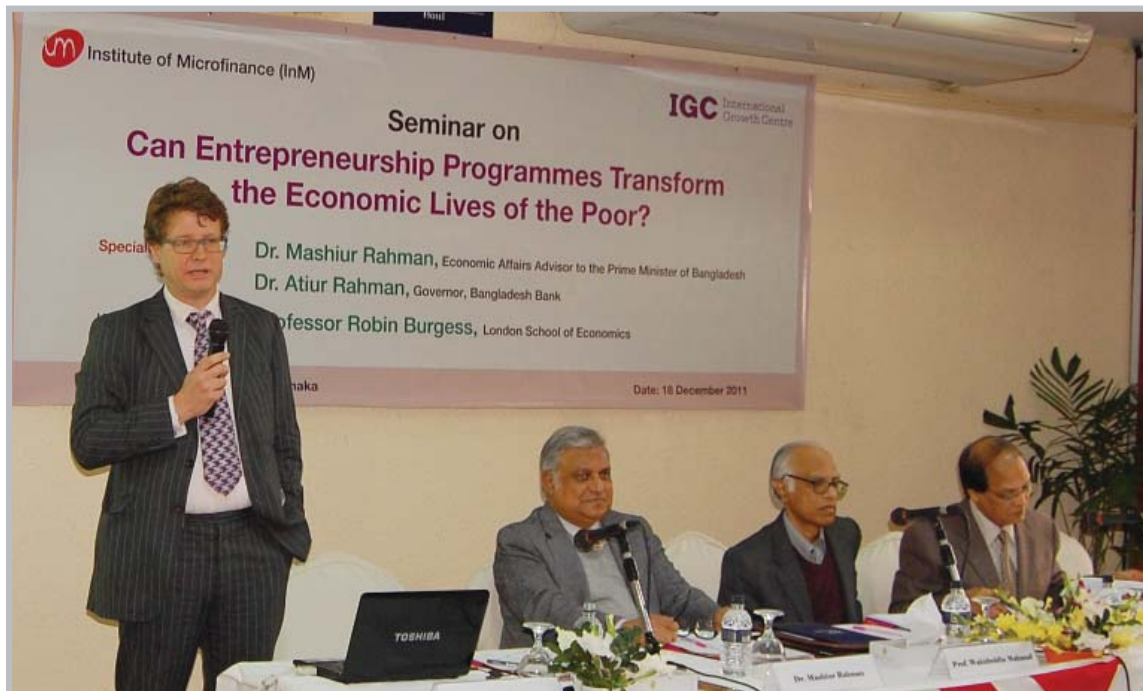
At the open floor (question-answer) discussion session, various queries came up from the participants, and Professor Khalily replied to the questions and clarified the outcomes of the research study. The findings of such a study are expected to help policymakers understand the reality regarding overlapping which deserves special attention in alleviating poverty.





Seminar on “Can Entrepreneurship Programmes Transform the Economic Lives of the Poor?”

InM and International Growth Centre (IGC) jointly organised a seminar entitled “Can Entrepreneurship Programmes Transform the Economic Lives of the Poor?” at Ruposhi Bangla Hotel, Dhaka on 18 December 2011. The seminar was based on the findings of an experimental impact evaluation of the ‘Specially Targeted Ultra Poor’ programme (STUP) of BRAC that provided asset transfer, enterprise training and lessons in microfinance aiming to create a graduation pathway for the ultra poor.



Professor Robin Burgess of London School of Economics (LSE) was the keynote speaker of the seminar. Dr. Mashiur Rahman, Economic Affairs Adviser to the Honourable Prime Minister of the People’s Republic of Bangladesh and Dr. Atiur Rahman, Governor, Bangladesh Bank graced the event as the Special Guests. Professor Wahiduddin Mahmud, Chairman, InM, chaired the seminar.

Professor Wahiduddin Mahmud pointed out that empowering poor women through enlarging their entrepreneurial ability is the front year research topic. With the entrepreneurial ability, poor people become capable in terms of managing their asset and loans. He also said that poor people have diversified needs, where asset transfer can supplement microcredit as a way of promoting entrepreneurship to poor women.

Professor Robin Burgess, the keynote speaker of the seminar informed that the major distinctive characteristic of this evaluation was to examine the impact of the entrepreneurship programme ‘STUP’ of BRAC on various communities of Bangladesh. He said the ultra poor are trapped below subsistence level from which it is difficult for them to come out using available resources and mechanisms. In rural South Asia, poorest are mainly illiterate and have limited demand for capital (e.g. microfinance). Usually they are considered as

incapable of running their own business. But unskilled wage labour occupations like agricultural labourer or domestic servants shift towards self-employment as they receive benefits by ways of asset transfer.

Professor Burgess identified a number of key implications of the programme. He mentioned that the poorest are capable of running small businesses and there is a large increase in hours worked towards self-employment (running livestock business). Poor become more like middle class in the programme area in terms of occupational choice and welfare, and ultra poor households have started to invest in other non-programme productive assets. It can be considered from the evaluation that the ultra poor have taken a significant step up the ladder out of poverty.

Dr. Atiur Rahman, Governor, Bangladesh Bank, thanked Professor Burgess for presenting such a rich evaluation study and providing some concrete results. He mentioned, this is a policy relevant study based on a very good sample which may help the government in implementing lots of vital decisions.

Dr. Mashiur Rahman, Adviser to the Honourable Prime Minister of Bangladesh, also appreciated the presentation from Professor Burgess. He said the ultra poor who do not have resources must be provided with some basic supports like asset transfer or training, so that they become eligible for utilising their potentials and thus raising overall economic growth. At the open floor (question-answer) discussion session, various queries came up from eminent research scholars and academicians, and Professor Burgess replied to the questions from the participants.



Dialogues

Regional Dialogue with the Microfinance Institutions of Barisal Division

InM organised a Regional Dialogue with the MFIs at BRAC Training and Research Centre (TARC) in Barisal on 25 May 2011.

The Regional Dialogue was aimed to understand the needs, problems and challenges being experienced by the MFIs operating in Barisal division and to strengthen interactions and collaborations with the MFI practitioners and stakeholders at the regional level throughout the country. Senior officials of 114 MFIs were present at the dialogue.

Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM; addressed the welcome speech to the representatives of the MFIs at the dialogue. InM Visiting Fellow Dr. Rashid Faruquee chaired the dialogue, and described the purpose and importance of the regional dialogue and expected outcomes to build a strong network of relationships among MFIs.

At the event, Professor M. A. Baqui Khalily, Department of Finance, University of Dhaka, provided a brief description about the role of InM in the microfinance sector and its research and training activities at national and international levels.

Mr. Md. Abdul Hye Mridha, Sr. Deputy Director (Training & Admin), InM, provided a short description about the training activities of InM. Mr. Touhid Uz Zaman, Sr. Deputy Director (R & KnM), InM, and Mr. Mohammad Yakub Hossain, Deputy Director, Microcredit Regulatory Authority (MRA), provided answers to the queries of the participants.



International Collaborations

InM has been developing close relationships with renowned international organisations and institutions to emerge as a leading institute for knowledge creation and dissemination on microfinance, poverty alleviation and social development. InM has collaborations with the organisations as follows:

- United Nations Development Programme (UNDP)
- Asian Institute of Technology (AIT), Thailand
- The World Bank
- Japan International Cooperation Agency (JICA)
- Microfinance Transparency, USA
- Save the Children UK
- International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B)
- International Growth Centre (IGC), UK
- Rural Microfinance Development Centre (RMDC), Nepal
- China International Centre for Economic and Technical Exchanges (CICETE), China
- China Association of Microfinance (CAM), China
- DAIBANG, China
- GOPE Organisation of Training and Consultation, China
- LangFang, China
- World Vision
- Plan International
- Muslim Aid - UK, etc.

Library

To strengthen knowledge management in the microfinance sector, InM strives to build a comprehensive library for researchers, practitioners and academicians. In designing a knowledge management information system, this library would be a potential element. InM library contains various books, journals, periodicals, reports, academic papers, etc. InM is collecting national and international publications further from different sources to enrich the physical library of the Institute.

InM is also collecting various reports and documents (annual reports, financial reports, brochures, other publications) from different MFIs working in Bangladesh to develop the archive of printed materials. In this regard, InM is communicating with the major MFIs of the country and gathering their printed materials. InM is going to maintain the archive as a time-series and further expand the collections with the information of other major MFIs as one of the on-going activities of the Institute. In addition, InM is collecting and archiving microfinance related news published on different daily newspapers for future use.

Access to Online Journals

InM offers exclusive online access to valuable online journals like JSTOR and other resourceful virtual library for its staff and researchers. These e-journal subscriptions have allowed the Institute to get access to a vast quantity of scholarly publications and education materials. Subscription of the PERI-INASP consortium programme enables each participating institution to access over 20,000 scholarly publications, including those from both general and highly subject specific journal providers.

Some currently available e-resources are:

- JSTOR
- Cambridge University Press (CUP)
- EBSCO Host
- Institute of IEEE
- Nature
- Oxford University Journals
- Royal Society
- Springer
- University of California Journals
- University of Chicago Press
- Wiley-Blackwell
- World Bank e-library, WDI, GDF

Networking

To emerge as a leading institute in creation and dissemination of knowledge on microfinance, poverty alleviation and social development, InM is collaborating with MFIs and sector stakeholders to establish a platform in the field of Microfinance in Bangladesh as well as in diverse areas of the world. In this purpose, InM is concentrating on building forums and networks to initiate this platform especially for microfinance practitioners, academicians, stakeholders and researchers.

Microfinance Database Development and Management

In terms of microfinance database development and management, InM is engaged in developing and managing database with different types of dataset containing “Primary Dataset of InM Research Studies”, Panel Data of MFIs (organisational statistics, outreach and financial information) and microfinance data bank of POs and Non-POs. With these statistics, InM intends to build up the most comprehensive data bank of MFIs in the country. The data bank will expand both horizontally and vertically which will hold both cross-section and time series data on different components of MFIs.

Media Relations and Advocacy

As a part of communication strategy, and to sensitise the people in the development sector, InM has been organising different TV programmes focussing on the development sector of Bangladesh on various television channels. 13 episodes of Talk Show have already been telecast on Channel-i through a programme named ‘Tritio Matra’ since February 2011. Renowned academicians and practitioners from various associated organisations and institutions participated at the programmes highlighting the microfinance sector as a tool for development. They expressed their valuable thoughts and ideas with the aim of building awareness on the objectives of microfinance, poverty alleviation strategies and development issues among the mass people of the country. Another programme has been telecast in the title of “Rupantar” through Baishakhi TV Channel. 13 episodes of this programme have already been telecast so far. Different development activities of Bangladesh Government and other organisations are being highlighted through this programme. InM intends to continue organising TV programmes further for building awareness on the objectives of microfinance, poverty alleviation strategies and development issues among the mass people of the country.

Disclosure in Microfinance Pricing

A project titled ‘Disclosure in Microfinance Pricing’ was launched with AIT, Thailand as a part of InM’s long-term intervention to facilitate Digitised Microfinance Sector. The ‘Disclosure in Microfinance Pricing’ project emphasises on creating a transparent environment in the sector so that everyone knows what interest rate the MFIs are charging, be nominal and/or effective. By doing so, it inherently will help the MFIs in building up their own database that in fact would facilitate the progress while developing a national database of MFIs. Finally a complete MIS for the MFIs will be developed in future to facilitate their timely decision making and designing of their strategic plan regarding branch expansion, fund management, new product development and so on.

Internship (National & International)

InM's internship programme offers an excellent opportunity for undergraduate and graduate students to work in the development sector and gather firsthand experience of working in an official environment. Bright students from different renowned universities in the country are enrolled every year at the Institute for this programme.

International interns from many reputed universities across the world are also regularly accommodated.

Total 106 national students and 8 foreign students from reputed universities/institutions worked as intern at InM so far. Among them, 27 are national students and 2 are international students worked at InM in the year 2011.

ICT Support to the Institute

Computers are now extensively used in research, training and other support services such as the Accounts, Administration, Publication and Library Section. For providing support to the research, training and knowledge management divisions, InM developed a physical network infrastructure which is managed by its MIS Unit. A Local Area Network (LAN) is developed in this purpose. To get access to the world of global knowledge repository, the LAN is connected to the internet through high speed dedicated connectivity. The whole Institute is covered by wireless networking system. Several software are being developed and currently being used by the admin, finance and library units of the Institute. The MIS Unit also manages the website (www.inm.org.bd) of the Institute.

MoU Signed between InM and World Vision Bangladesh

InM signed an MoU with World Vision Bangladesh (WVB) on 16 February 2011 to collaborate in the areas of training and research of both organisations.

The signing ceremony was arranged at a local hotel in Dhaka. Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM, signed the MoU on behalf of InM, and Mr. Jan De Waal, Executive Director, WVB, signed on behalf of WVB. Dr. Muhammad Abdul Latif, Director (R & KnM), InM and Mr. Stephen K. Halder, Director, Public Engagement Division, WVB, witnessed it on behalf of InM and WVB respectively.



It is pertinent to be mentioned that WVB has a two storied building with 50 decimal land located at the shore of Kalatali, Cox's Bazar, the longest sea beach of the world. According to the MoU, both parties agreed upon exchanging and sharing resources that InM would receive the building with 50 decimal of land.

Based on the prime objective of well-being of the poor people by both organisations, InM would develop the building as a "Training Centre" of international standard. InM would also make it available to WVB and its beneficiaries under the Area Development Programme (ADP) and would get priority access to the centre for community development.

Among others, Professor Wahiduddin Mahmud, Chairman, InM, and Professor Syed M. Ahsan, Visiting Fellow, InM, were also present on the occasion.

MoU Signed between InM and ICDDR,B on Micro Health Insurance

InM and ICDDR,B signed an MoU on mutual collaboration in research regarding piloting micro health insurance on 27 March 2011 at ICDDR,B office, Mohakhali, Dhaka.

Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM, signed the MoU on behalf of InM, and Dr. Alejandro Cravioto, Executive Director, ICDDR,B, signed the MoU on behalf of ICDDR,B. Dr. Abbas Uddin Bhuiya, Deputy Executive Director, ICDDR,B, and Professor Syed M. Ahsan, Visiting Fellow, InM, witnessed it on behalf of ICDDR,B and InM respectively.

The MoU provides a framework to facilitate and guide collaborative research and piloting microinsurance activities between InM and ICDDR,B. Under this MoU, the following primary public health issues will be focussed such as: widening access to quality health care, make treatment available at affordable costs to the insured, and improved health status. New areas of research are going to be identified and presented as per proposals before collaborative projects are initiated.

This MoU is expected to provide ample opportunities for future development in the field of micro health insurance. Dr. Sadeque also welcomed any such partnership between InM and other academic institutions and wished a lasting and successful endeavour.

Dr. Alejandro Cravioto also expressed his views regarding the collaboration that both parties would be benefited from this new partnership. He said collaboration between ICDDR,B and InM would help microinsurance activities for functioning effectively throughout the country.



InM and CHFB Signed MoU on Micro Health Insurance

Microinsurance Research Unit (MRU) of InM and CHFB signed an MoU for a pilot implementation of Micro Health Insurance (MHI) packages targeted at the poor which effects from 20 June 2011 and last until 30 June 2013, and may be extended by mutual agreement among both parties.

Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM, signed the MoU on behalf of InM, and Dr. K. M. Anwarul Haque, Executive President, CHFB, signed the MoU on behalf of CHFB. Professor Syed M. Ahsan, Visiting Fellow, InM, and Dr. Rasedul Huda, Deputy Director, CHFB, witnessed it on behalf of InM and CHFB respectively.

The MoU provides an outline to guide pilot implementation of MHI activities between CHFB and InM. Healthcare network will be made available through an association of 'MHI Hospitals'. Presently, it would include the Community Based Medical College Hospital, Mymensingh. The primary focus of the MoU is to make treatment available at an affordable cost to the insured, to seek collaboration of NGOs and other community based organisations, and to create proper marketing channel of the MHI products or packages developed by InM and CHFB jointly. The project would also seek additional partners (such as drug companies, insurance agencies, etc.) for providing complementary support and seek fund from outside for research and implementation activities.

Dr. Sadeque expressed that the MoU would facilitate health services to the insured people especially the poor at an affordable cost and emphasised on numerous opportunities for further development in the field of micro health insurance. Dr. K. M. Anwarul Haque also expressed his eagerness about this new partnership and said that collaboration between CHFB and InM would help implementing the microinsurance endeavour in the country.



InM Signed MoU with MRA

InM signed an MoU with Microcredit Regulatory Authority (MRA) on 22 December 2011 to collaborate in the areas related to microfinance research, training, and knowledge management.

According to the MoU, the areas of operation for both parties would be: exchanging and sharing resources, arranging training programmes, communication and information dissemination, and conducting research in relevant fields as agreed upon through mutual discussions.



The ceremony was arranged at MRA Head Office, Dhaka where Mr. Khandakar Muzharul Haque, Executive Vice Chairman, MRA and Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM represented their respective organisations.

Besides, Mr. Abu Farah Md. Nasser, Director, MRA, Ms. Fawzia Zafreen, Director, MRA, Mr. Md. Shazzad Hossein, Director, MRA, and Mr. Md. Abdul Hye Mridha, Sr. Deputy Director, InM, were present on the occasion.

Exposure Visit of Chinese Delegation

InM organised a one-week Exposure Visit Programme during 23-28 October 2011 for an eight-member Chinese Delegation Team comprising microfinance and development practitioners from both Mainland China and Hong Kong.

The main purpose of this programme was to let them aware of the contemporary issues of microfinance in Bangladesh. During their stay in Bangladesh, along with InM, they visited BRAC, Grameen Trust, and PKSF.



Another five-member team from DAIBANG, a growing MFI operating in China, visited InM for an eight-day exposure visit programme during 26 November – 3 December 2011. At that time, they met microfinance practitioners at ASA, BRAC, COAST TRUST, Grameen Trust, and PKSF.

The delegates showed their keen interest to the microfinance and development activities in the country. The delegation team felt the visit to be useful as they gathered knowledge and experiences on microfinance and would be beneficial for the microfinance practitioners and stakeholders in China.

InM Team Visits China and Signs MoUs with Two Chinese MFIs

A team from InM led by Dr. Md. Mosleh Uddin Sadeque, Interim Executive Director, InM; visited China during 21 February – 1 March 2011. During the visit, InM signed MoU with China International Centre for Economic and Technical Exchanges (CICETE), an entity governed directly under Ministry of Commerce, People's Republic of China for future collaborative efforts in the field of microfinance research, training, and knowledge management.



At that time, InM team also visited DAIBANG, a growing MFI in China at Changsha Province and signed an MoU thereof. Under the purview of the agreement, InM would extend its technical expertise to DAIBANG to streamline its operation and to design its future expansion plan. Further, InM would also assist DAIBANG to build up the capacity of its employees through conducting relevant training programmes.



Annual Retreat 2011

InM regularly organises yearly retreat to discuss about its achievement and its future endeavours. This year, the retreat was arranged at Proshika Human Resource Development Centre at Koitta, Savar during 29-30 December 2011. At this programme, a review is generally done on the last one year activities of the Institute through lively deliberations. Each individual division of InM discussed their present objectives, activities, performance and achievements in terms of its institutional mandates. The probable steps for future years were also discussed at the event. The management and senior officials of InM provided their valuable inputs and suggestions for the future endeavours of the Institute.



Notes

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