



Rationale:

Microfinance is considered the viable mean of poverty alleviation and underpins the achievement of several MDGs. It ensures nurturing of financially self-sufficient domestic private sectors and creates wealth for low income people. The statistics presented in *PMN Micro watch June 2008* record more than 30 Million potential beneficiaries in dire need of microfinance to acquire productive assets and move out of poverty trap. In more than 75% of remote rural union councils of Hazara, no formal Microfinance institution operates. In remaining 25% union councils where the other Microfinance institutions operate extremely vulnerable women are charged with exorbitant interest rate. MFIs don't intervene in these tough terrains for the risk to forgo profitability and therefore, financial and operational self sufficiency. Thus, the rural entrepreneurs are pushed to disadvantageous position and they cannot avail financial assistance. Above all, collateral requirements, guarantees and prolonged procedures of Banks also negatively affect the micro-entrepreneurs in Pakistan's rural areas.

It is worthwhile to mention that we find ultra poor, most disadvantageous, extremely secluded in remote rural areas.



Training On **Alternative Credit Systems** March 25-27, 2010

But we have observed that these people are much richer in terms of strength of their communities, social bonding, and richness in their traditions. Using the positive cultural and socio-economic attributes, Sungi has devised the means of providing low price financial products for micro-entrepreneurs of these areas. One cannot stay aside without appreciating the alternative credit systems that these people can build for their immediate and strategic financial needs.

This training aims to build the capacity of professionals working on microfinance so

as to make them efficient in assisting communities in their working areas to understand, implement and smoothly run the alternative credit systems, where the local people themselves accumulate the savings and carry internal lending and village banking etc.

Training Objectives

- Intended to impart the true sense and concept of Microfinance in the participants who are related or unrelated to Microfinance.
- To equip course participants with the Alternative credit systems operations so as to make them fulfill the financial needs of communities in remote rural areas.
- To provide hands-on training to participants about the real time implementation of alternative credit systems.
- To train the participants about financial and operations management of village banks and internal lending systems.

Expected Outcomes:

The training will result into increased capacity of participants in design and implementation of alternative credit systems. Having acquired the necessary knowledge about the afore stated subject, these participants will facilitate, guide, and monitor the community members in

shaping, implementation and running the alternative credit systems. Once, the alternative credit system is on wheel, it will ensure the provision of low cost financial assistance to local, remotely located, poor micro-entrepreneurs. Since, alternative credit system is locally devised mean of credit provision; therefore, it will also help communities get loans free of collateral and cumbersome procedures.

Beneficiaries:

a. Direct Beneficiaries:

Direct beneficiaries of the program shall be the participants in the training program, mostly Microfinance professionals.

b. Indirect Beneficiaries:

Indirectly, the project shall benefit thousands of community members. The planned training program shall help identify and practice the alternative credit systems that will make the micro-credit delivery swifter, easy approachable and of low cost.

Desired Participants:

Professionals with sufficient understanding of mathematics and Finance, along with adequate experience of managing field level activities

Training Duration:

Training shall be of three days with two days in door training and one day onsite hands on training. During the on-site visit, participants shall be exposed to practical operations of alternative credit systems.

Methodology:

The training will be interactive and participatory, including Class lectures, power point presentations, informal discussions, individual group exercises, games and experience sharing.

Medium of Instruction:

English and Urdu will be the medium of instruction for this training.

Contents:

- ❑ Current status and major players
- ❑ Lending Methodology(Tested Models)
 - ❑ Camilla Model
 - ❑ Solidarity Model
 - ❑ Individual Lending
 - ❑ Alternative Lending Methodology
- ❑ Alternative Lending Methodology
 - ❑ Community Owned Revolving Fund (CORF)
 - ❑ CORF- Saving Mobilization
 - ❑ CORF- Disbursement
- ❑ Loan Collaterals : Substitutes
- ❑ Pricing of Loans
 - ❑ Financial Costs
 - ❑ Operational Costs
 - ❑ Provisioning
- ❑ Pricing:
 - ❑ Value Based Pricing
 - ❑ Rate of Return Pricing
- ❑ Disbursement of Loans
- ❑ Recovery of Loans
- ❑ Cross Checks
- ❑ Financial Reporting

Resource Person Profile:

Mr. Khurram Shahzad has more than ten years of experience with exclusive practical understanding of working and supervising Financial Institutions particularly Microfinance and development Finance institutions in Pakistan. He specializes in the field of Financial Planning and Operations management of Microfinance institutions. As a Central Banker he has contributed widely in assessing and strengthening the financial institutions through carrying surveillance and financial analysis.

Khurram as an economic analyst has contributed as an author in several research reports prepared on the state of economy and banking sector of Pakistan.

He is an experienced trainer, having designed and conducted numerous trainings for national and international organizations.

Training Venue:

The training workshop will be held at Omar Asghar Khan Centre for Development (OAKCD), House NO: CB-186, Street No: 13, Jinnahabad, Abbottabad.

Time:

09:00a.m - 5:00 p.m

Registration Fee:

Rs. 8000 per person (to cover the cost of training material, stationary, certificates, Lunch and 2 teas, group photo)

Accommodation Charges:

Interested participants should tell in advance to reserve accommodation. The charges will be as follows:

- Single Occupancy charges: 1300 per head per day
- Double Occupancy Charges: 1600 per day

The charges include room rent, and breakfast.

Dinner will be charged @ Rs.350 per head

Cancellation and Postponement:

OAKCD reserves the right to cancel or postponed the course if circumstances require. In that case OAKCD will ensure that the registered participants are informed as soon as possible. OAKCD will also refund the registration fee.

Payment Mode:

Advance payment through cross cheque in favor of Sungi Development Foundation is accepted.

Registration of Participants:

Please return the attached registration form to the training coordinator, OAKCD by March 20, 2010 at the latest via email or fax. The institute will confirm the registration upon receipt of fee by a return fax or call. Seats are limited; the

applications will be registered on a first come, first served basis.

For Further Details Pls Contact:

Assistant Coordinator Training, Omar Asghar Khan Centre for Development (OAKCD)

H.NO CB-186, St.NO 13, Jinnahabad, Abbottabad.

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About us:



Omar Asghar Khan Centre for Development (OAKCD) was established in 1999 in Abbottabad as a subsidiary of Sungi Development Foundation with four pronged strategic thrust

- Helping Sungi Partners to build human capacity
- Training to enhance knowledge and skills of NGOs, community managers and development professionals
- Efficient and effective system development to support capacity building interventions

- Encouraging girls and boys from all over Pakistan to learn and broaden their knowledge base in different development disciplines

OAKCD emerged as a resource institute at provincial and national level and was awarded with ESCAP Award.

Training Facilities:

To ensure conducive learning environment for maximum learning; facilities ensured are:

- Two fully equipped Training Halls. Each one has the capacity to accommodate 30 participants at a time.
- Furnished guest house with capacity of accommodation 18 guests
- Resource Centre:
OAKCD Resource centre serves as a repository to information needs of grass root organizations, NGOs and international development organizations. The resource center provides the following facilities:
 - Library Services
 - AV Library
 - Internet