



PLANET FINANCE

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The Microfinance Platform

Increasing Financial Literacy in Low Literacy Communities

NEW YORK BRUXELLES BEIJING
MILANO
ABLANCA NEW DELHI

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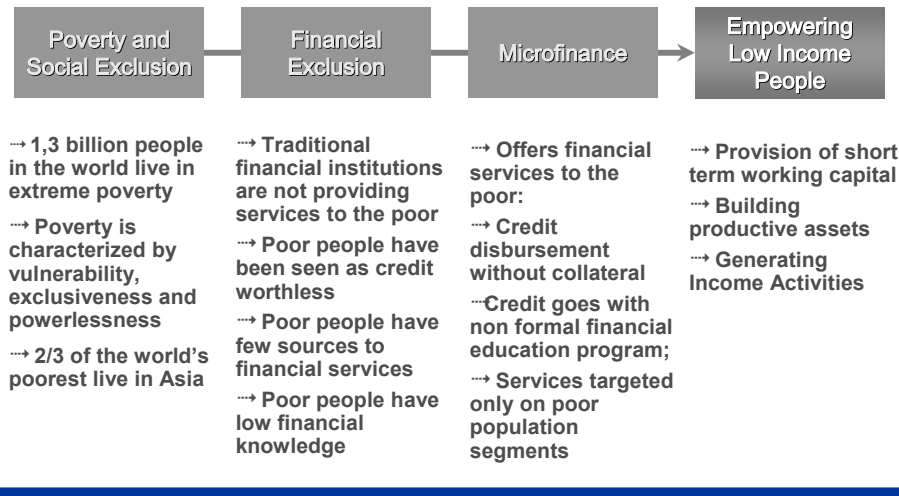
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Microfinance, an Effective Tool for Poverty Alleviation...





... But Limited by Financial Illiteracy

- ⇒ Even when possibilities to save and invest are existing, many low income families lack the basic knowledge to manage their income wisely, build wealth, and avoid excessive debt.
- ⇒ Low-income families are especially vulnerable to misinformation : they are excluded from the traditional financial system and lack such financial institutions as banks that encourage and facilitate sound financial management
- ⇒ Furthermore, people with low-incomes are less likely than their higher-income counterparts to have access to any financial education.
 - Low literacy communities need to assist financial trainings in order to enhance their money management skills and optimize the microfinance's opportunity



Benefits of Improving Financial Literacy

- ⇒ Financial literacy increases people's ability to make informed and responsible financial decisions.
- ⇒ Better awareness will improve their understanding of financial planning & business activities
- ⇒ It will improve their capacity to analyze and develop money management practices
- ⇒ People will then be able to recognize possible changes in their financial needs and identify future risks related to their business activities
- ⇒ Finally, they will be able to make financial plans for them, financial literacy should enhance asset building in low income populations



Economic and social Impacts of Financial Literacy Programs : Some Examples

⇒ Frequent seminars offered to lower-wage employees with retirement plans result in a participation rate that is 11.5% higher than for those plans without seminars. For highly compensated employees, there is a 6.4% difference. (The Urban Institute, September 2005)

→ Financial literacy programs contributes to a more rational use of finance which leads to improve microfinance's impact on both people way of living and, by extension, on the national economy



How to Increase Financial Literacy in Low Literacy Communities through Microfinance Program ?

Adapting Learning Principles and Practices to Everyone

- Incorporate local folk stories and proverbs
- Use illustrations and popular education techniques to demonstrate new or difficult concepts
- Utilize problem-solving scenarios
- Focus on having an impact on knowledge, skills and attitudes



Maximizing the Outreach

- In order to multiply the training's impact, Training of Trainers programs may be provided.
 - To face the huge amount of people lacking of financial literacy, a good way to multiply the number of reached people is to focus on building an effective Master Pool of Trainers designated to pass on the knowledge.





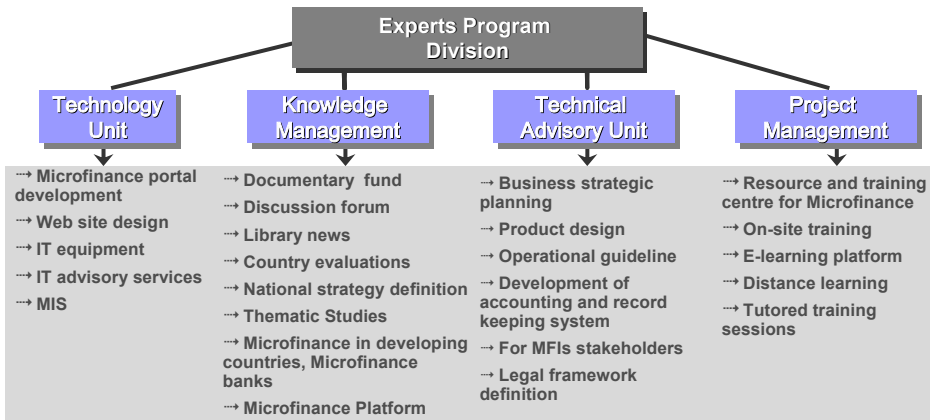
Part II

Presentation of Experts Program Division



Experts Program Major Activités

PlaNNet Finance's Experts Program Division contributes to increase the MFIs capacities through 4 major activities :





Reaching Micro Entrepreneurs by PlaNet Finance's Training and Technical Support Methodologies

On-site Training for Microfinance's Workers

Effective Microfinance Services

Microfinance institutions improve their Management Capacity by:

1. Following international best practices
2. Designing cost-effective & sustainable Management functions
3. Providing need based services



Better services for clients mean that MFI will be able to maximize their positive impact on micro entrepreneurs by:

1. Providing appropriate financial services
2. Offering support services in business management

Training of Trainers (TOT) for Micro Entrepreneurs

Maximizing Field Impact

Training of Trainers increases MFIs' capacity to provide supportive financial education for Micro entrepreneurs by :

- Enhancing MFIs' human resources capacity in micro entrepreneurship
2. Multiplying number of competent trainers



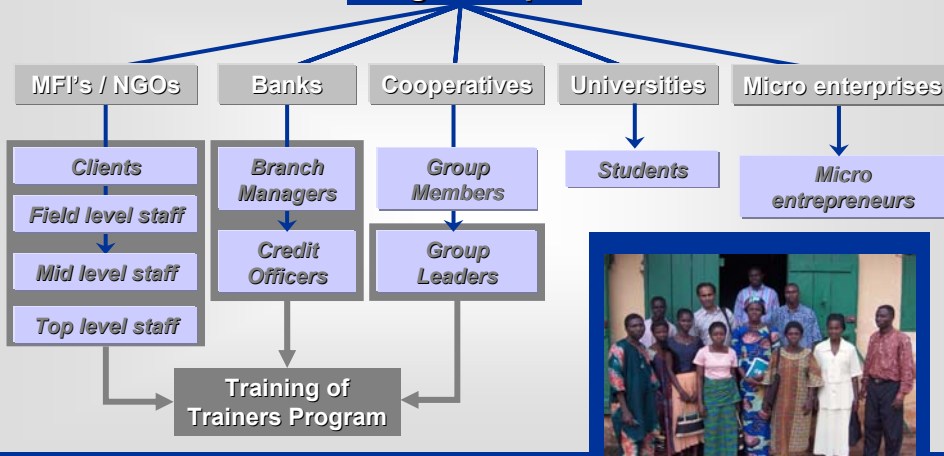
Training of Trainers maximizes the impact of financial education of micro entrepreneurs by:

1. Multiplying direct contact with micro entrepreneurs
2. Providing tailor made financial education directly to micro entrepreneurs
3. Answering to field level needs



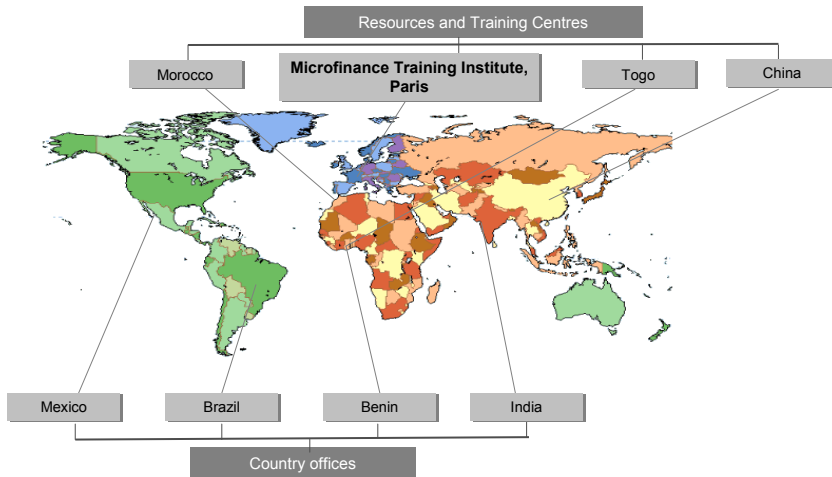
Maximizing the Outreach

Target People

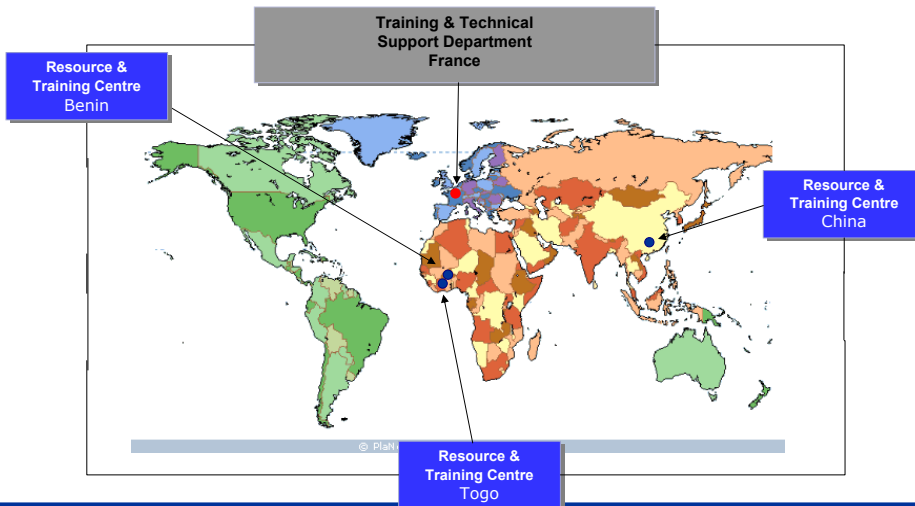




Training Network



Training & Technical Support Department's Global Presence





Fact and Figures of Training and Financial Education Program by Planet Finance

➤ Achievements

	France	Bangladesh	Argentina	Benin	China	Nigeria	Sri Lanka	Mexico	Ivory Coast	TOTAL
Nb of training sessions	10	3	2	21	1	1	1	1	1	41
Nb of person trained	103	210	76	548	31	30	26	15	14	1053

➤ Objectives

To empower the global impact of TTS Department, today's strategy is to enhance and generalize TOT program worldwide.



Training Courses

Human Resources and Development

Human Resource Planning and Development, Staff Training and Motivation, Good Governance, Self-help group methodology

Planning & Strategy

Business Strategy, Strategic Planning, Institutional Business, Planning, Financial Planning, Cost-effective Model, Increasing the Capacity of MFIs, Strategic Marketing, Fund Management, APEX funding body and intermediary

Products & Methodologies

Setting up microfinance program, Lending Methodology, Operation, Savings and Credit Management, Program Operational Policies and Procedures, Group Management, Decentralization, Designing and Developing Appropriate Savings Service for the Poor, Traditional and Non Traditional Microfinance Model, Capacity Building

Accounting & Record keeping

Non-Conventional Accounting, Record Keeping System, Accounting for MFIs, Cost control and financial sustainability

Management Information System

Audit Manual, Management Information System, Personnel Management System

Monitoring & Supervision

Detection of Fraud and Internal Control, Monitoring and Supervision System

Finance

Financial Analysis, Revolving Loan Fund, Delinquencies and default, Interest rate setting, Funding and Subsidy Dependence index

Impact

The Role of Microfinance in Developing Social Capital, Products and Client Satisfaction, Poverty alleviation

Information & Technologies

Communication with Internet, Searching for and saving information, Web site design for MFI



Case study I – Microfinance and Financial Education Program -Benin

Objectives

1. Give financial education awareness to MFI/ NGO members of PlaNet Finance Platform in Benin and thus contribute to the improvement of the business conditions of microfinance clients.
2. Implement a training of trainers to maximize the program's outreach





**Case study II – Microfinance and Financial Education Program –
Lome**



**Several Training Carried out on Project Management in Togo to Train Low Literacy
Members of Microfinance Institutions**



**Case study II – Microfinance and Financial Education Program –
Lome**





Case study III - Training of Trainers- Bangladesh

12 days intensive training programme was undertaken in Bangladesh during the 16-28 October 2005 period to build capacities for SME Effective Lending, including a 2 days training of trainers. *The programme was designed for 100 members and more than 150 members have finally been involved.*

Objectives

1. Providing training courses adapted to more than 100 people's specific requirements, in order to improve global SME lending program's effectiveness.



2. Widening the training contribution towards the establishment of skilled Trainers in the field of SME operation in the City Bank Limited through the 2 days TOT program

