



**MEKONG
INSTITUTE**

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Thailand International Cooperation Agency (TICA)

Organized by
Mekong Institute (MI)

Curriculum Design Statement (CDS)

International Training Course on Sufficiency Economy in Microfinance for SMEs Development

May 10 – 21, 2021 (Online)

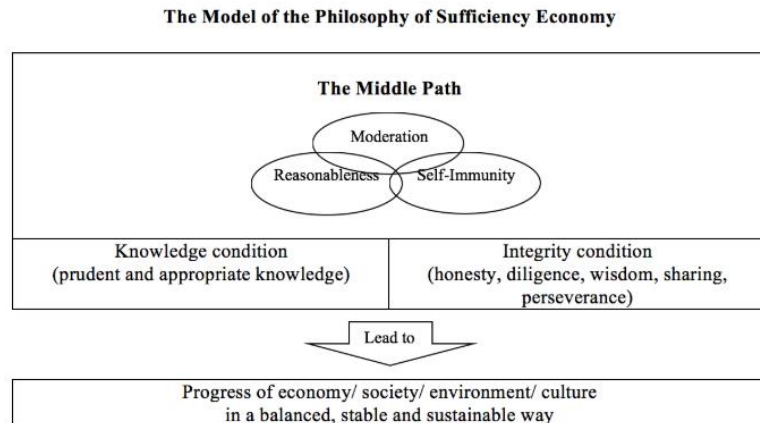
Mekong Institute (MI), Khon Kaen, Thailand



International Training Course on Sufficiency Economy in Microfinance for SMEs Development

1. Background

The Sufficiency Economy Philosophy (SEP) was introduced in 1974 by His Majesty the late King Bhumibol Adulyadej. The SEP is a framework that the His Majesty of Thailand guides people to live and execute in a suitable means to build a secured foundation. The philosophy consists of three attributes and two conditions that need to be implemented collectively at any time amidst the changing world in order to meet the requirements for sufficiency economy and to save and survive from crises. These interconnected and interdependent pillars, so-called “three rings – Moderation, Reasonableness and Self-Immunity” and the two conditions on knowledge and integrity which will lead to progress of economy / society / environment / culture in a balanced, stable and sustainable way.



Source: NESDB (2007)

The concept of SEP aligns with many goals and targets across the 2030 Agenda for Sustainable Development Goals - SDGs including poverty eradication, food security, sustainable economic growth, sustainable industrialization and sustainable consumption and production, sustainable community development, income generation for poor, microcredit and microfinance for Small and Medium-sized Enterprises (SMEs)¹.

In most of the countries, SMEs are the backbone of the country’s economic growth accounting for over 97 percent of the enterprises, with 20 percent to 50 percent of the GDP share. However, SMEs’ growth is often aggravated by factors such as limited access to business information, lack of finance and human capital, low capacity in production and inadequate knowledge in cross-border trade and investment. Among all these factors, SMEs are mostly trapped by the limits to access to credits.

Bank lending is always regarded as the most common source of external finance for many SMEs and entrepreneurs, leading to their heavy reliance on to run the enterprises, manage cash flow and meet investment needs. Based on the OECD’s findings², bank financing may be ill-suited at specific stages in the firm life cycle, particularly for the cases of start-ups and SMEs depend on intangibles business models. In some of the Colombo Plan developing member countries, SMEs’ struggle to finance is also conducive to the countries’ economic downturns, stagnant property, inventories and falling profits. In other words, they are more vulnerable to financial instability.

As a result of these capital gaps, SMEs are seeking more alternatives to meet their financial needs. One response is the development of microfinance. Rather than simply distributing charity funds, microfinance provides the poor individuals and SMEs with the opportunities to gain entrepreneurship, to alleviate poverty for economic growth. Dating back to the 1950s and with experiments in Bangladesh, Indonesia and other countries since 1970s, microfinance schemes have been proven to be effective to assist people in pursuing better living standards through producing self-employment and supporting SMEs. Nobel Peace Prize awardee-Muhammad Yunus of the Grameen Bank in Bangladesh has visibly demonstrated the emphasis given to this approach. Moreover, some

¹ <http://www.tica.thaigov.net/main/en/information>, searched date: March 25, 2019

² OECD, “New Approaches to SME and Entrepreneurship Financing: Broadening the Range of Instruments”, February 2015, pp. 11-12

developing countries in the Asia Pacific region like Thailand have already tapped the power of microfinance for SMEs by creating new type of financial licenses through specialized Microfinance Institutions (MFIs).

In this context, Mekong Institute (MI) will organize a two-week international training course on “Sufficiency Economy in Microfinance for SMEs Development” to introduce the concept and share information on Sufficiency Economy Philosophy (SEP) and latest developments in the field of microfinance program to bolster sustainable SME development.

2. Course Objectives

The training aims to equip the participants with the knowledge and skills on sufficiency economy and microfinance by enhancing their capacity development, fostering and sharing of relevant experience and information. Specific objectives of the trainings are:

- To understand the concept of Sufficiency Economy Philosophy (SEP) and its application in Microcredit program for community and economic development
- To enhance understanding on microfinance with particular focus in the operational aspects;
- To build and strengthen the connections among the participants through mutual-learning and collaborative actions on policy and technical aspects between SEP and microfinance development;
- To expose participants to the successful SEP through microfinance practices in Thailand to learn the best practices;
- To promote SME development and boost the inclusive growth in the member countries; and
- To introduce the SEP concept in their respective countries.

3. Course Outcomes

At the end of the course, the participants will be able to acquire knowledge and skills on different topics pertinent to the policy development and empirical use of SEP and microfinance, while acknowledging the significance of SEP towards microfinance in diversifying SME financing. More precisely, the participants are able to:

- Increase their understanding on SEP towards microfinance in both policy and practical-level;
- Transfer the gained knowledge and skills on SEP to the local private sectors by working as trainers and catalysts of microfinance;
- Build up networks with government agencies and their stakeholders while sharing the best practices in SEP for SME microfinance; and
- Design initiatives or collective proposals to vigorously promote the legal operations of SEP concept for MFIs all over the countries in the region.

4. Target Group

The direct beneficiaries of the training are senior and mid-level officials, academic institutions and members of financial business associations from South Asia, South East Asia, African States and countries of the Pacific Islands who are involved in microcredit / microfinance and banking sectors, namely;

- Government representatives (including Ministries/departments of Finance, Economic Affairs, Industry & Commerce, Trade, Community Development, and Bank),
- Private sector (financial business Associations, SME Cooperative and Banking Associations etc.)
- Universities and financial management institutes.

In general participants should;

- Have at least 3-5 years of experience in financial and microfinance sectors from Government, private and academe.
- Have a university degree in discipline directly related to accounting, finance, commerce sectors;
- Be able to communicate (speak, understand, read and write) at professional level in written and spoken English;
- Be able to attend the entire course.

In addition MI encourages;

- The participation of women and minorities;
- The participation of persons from border areas with other neighbouring target countries or those who may otherwise be engaged in regional trade and investment.

Important criteria for participant selection are English language proficiency and ability to commit full attendance and course requirements. Applications will be reviewed by MI in consultation with the Thailand International and Cooperation Agency (TICA).

5. Duration and Location

The International Training Course will be held online from May 10 - 21, 2021 spread over two weeks.

6. Course Contents

In the training, the participants will explore seven interrelated modules:

Module 1	Program Overview and Sufficiency Economy Philosophy (SEP)
Module 2	Definition of SME and Microfinance for SMEs Development
Module 3	Regulatory and Government Support for Microfinance Development
Module 4	Establishment of Community-based Microfinance
Module 5	Financial Inclusion and Poverty
Module 6	Sociological Framework of Rural Community-based Microfinance
Module 7	Sustainability and Depth of Outreach

Module 1 Program Overview and Sufficiency Economy Philosophy (SEP)

This module contains activities that are essential for enabling free and open participations from the start of the training program. It establishes the foundation and significance of the training course. The session will allow the trainers to prepare the groundwork, break the ice and give the overview of the training and adult learning principle.

Then, the second session will provide the overview of Sufficiency Economy Philosophy (SEP) and trends in community development policies and interventions in different contexts including national, regional and international levels. It highlights issues, challenges, and opportunities of different initiatives.

Topics

- Training objectives, coverage and approaches, norms, organizational arrangements, roles of the training team and the participants
- Concepts of Sufficiency Economy Philosophy (SEP)
- Sustainable Community Development and Trends
- Preventing factors to sustainable development implementation
- Issues and Challenges in Community Development Principles and Interventions

Learning Objectives

The participants will be able to

- Identify the training objectives, sequence of training sessions and strategic planning process and key concepts
- Explain Sufficiency Economy Philosophy (SEP) and its trends in different contexts
- Identify issues preventing sustainability of community development
- Recognize challenges and opportunities of different sustainable community development initiatives.

Module 2 Definition of SME and Microfinance for SMEs Development

This module will discuss the definition of SME, types of Microfinance Institutions (MFIs) and primary determinants of running, measuring and monitoring the MFIs. Overview on the importance of microfinance and its development will be introduced. The participants will also learn the development of MFIs in the Asia Pacific region through group discussions, case studies and country-wise presentations.

Topics

- Definition, concept and characteristics of SME and its development;
- SMEs Roles, SME promotion – its importance and strategy;
- Challenges and opportunities for the SMEs on financing;
- Concept of microfinance, MFIs and microfinance development;
- Types of MFIs;
- Measures of efficiency, productivity and profitability;
- Techniques for measuring and monitoring delinquency and benchmark levels of self-sufficiency;
- Entrepreneurship and microfinance in Asia Pacific Region.

Learning Objectives

The participants are able to:

- Identify SMEs roles, characteristics of SME and its development
- Define the microfinance and acknowledge its importance for SME development
- Examine and share the status of microfinance development in their respective countries;
- Differentiate the various types of MFIs in line with the national scenarios;
- Identify the primary determinants of income and expenses for MFIs;
- Find the appropriate measures to ensure the efficiency, productivity and profitability of different MFIs;
- Demonstrate competencies in measuring and monitoring the operation of an effective MFI.

Module 3 Regulatory and Government Support for Microfinance Development

This module will enhance the participant's understanding on the government roles in promoting microfinance development. The participants will also learn the regulatory development progress for microfinance development through case studies and the participant's country presentations.

Topics

- Role of government support for microfinance development;
- Regulatory changes to bolster microfinance development;
- Macro-factors (external factors, operating environment) for microfinance development;
- Micro-factors for microfinance development;
- Challenges and opportunities for microfinance development.

Learning Objectives

The participants are able to:

- Understand the government roles and regulatory impacts for microfinance development;
- Analyze information about the operating environment in order to make necessary adjustments during the program implementation process.

Module 4 Establishment of Community-based Microfinance

This module will focus on building skills and knowledge on community-based approaches in microfinance with emphases on savings-led models, such as village savings and loan associations, self-help groups and their federations, financial cooperatives and credit unions, and other member-owned models from across the world. The participants can learn the practical ways for resetting the agenda from micro-finance to financial inclusion. Case studies on establishing multi-tier institutions and networks, building linkages with private sector financial institutions, use of mobile banking, and opportunities and challenges of financial products delivered by agriculture coops will also be discussed.

Topics

- Role of community-based MFIs;
- Community-based microfinance models;
- Regulations, structures and practices;

Learning Objectives

The participants are able to:

- Articulate the role of community-based MFIs in enhancing financial inclusion by deepening understanding in the financial behavior of SMEs and low-income population groups;
- Obtain knowledge and information of different community-based microfinance models with differentiation of their structures and operations;
- Explore the real-world cases by acquiring knowledge of community-based MFIs and their linkages with SMEs, while referring to the national scenarios the participatory countries

Module 5 Financial Inclusion and Poverty

About 90% of the 180 million poor households in the region lack access to institutional financial services. Most formal financial institutions deny the poor their services because of perceived high

risks, the high costs involved in small transactions, and the poor's inability to provide marketable collateral for loans. Promotion of financial inclusion is a common developmental theme for most developing countries in Asia and the Pacific and is key to inclusive and balanced economic growth. Providing the poor with improved facilities to save and to have better access to credit and insurance helps them manage risk, build assets, increase income, and enjoy a better life.

In module 5, we address the following issues: identifying the role of Microfinance Institutions (MFIs) in financial inclusion; the institutional bottlenecks that may prevent financial inclusion; and possible solutions. We argue that instead of focusing on financial inclusion as a process, it is better to focus on instruments and institutions that will promote financial inclusion. In particular, we show that a movement towards a cashless economy will attain financial inclusion where the MFIs can be incentivised to develop and maintain the critical network of individuals who will transact cashless.

Furthermore, the participants will also have the opportunities to identify all kinds of networks and cooperation patterns currently in practical development of an inclusive microfinance sector.

Topics

- Financial Inclusion and Poverty
- Microsavings and Microinsurance
- Case Study: Thailand village funds and saving groups' financial performance.
- Network at the industry-level, NGO MFIs, commercial banks and companies;

Learning Objectives

The participants are able to:

- Identify the role of Microfinance Institutions (MFIs) in financial inclusion;
- Understand instruments and institutions that will promote financial inclusion;
- Explain the network at different levels in a country's microfinance development system;

Module 6 Sociological Framework of Rural Community-based Microfinance

This module will introduce Thailand's experience in rural community-based microfinance scheme. The scheme is with the aim of mobilizing local financial resources to help rural people especially small-holder farmers solve their problems and to serve as resource for their community's activities.

Topics

- Thailand's strategies for poverty reduction.
- Role of community-based microfinance schemes in poverty reduction and community self-reliance development.

Learning Objectives

The participants are able to:

- Identify best practices of Thailand in developing rural community-based initiatives under sociological framework.
- Provide inputs for policy makers to strengthen community-based microfinance scheme and initiate pilot programs by referring to Thailand's successful experience.

The issue of commercialization of microfinance services to the poor has attracted a lot of attention recently. Scaling up and mission drift are some of the accusations that are levelled against commercial microfinance institutions.

The question one may definitely ask is whether commercial MFIs will continue to have a focus on serving the economically active poor. It is no doubt that commercialization of microfinance services in developing countries specifically has in store a lot of promises such as access to quality and cheaper services by clients due to competition, greater outreach, and the mobilization of domestic savings on the part of the institution. Despite the benefits that a commercial MFI may deliver, there are several perils such as mission drift and scaling up that are associated with commercialization of microfinance that need to be critically considered and studied.

Module 7 explore and unveil the promises and the perils that are associated with the current trend of commercialization of microfinance services in developing countries to the poor and the MFI itself. The question of whether commercial microfinance is really promising to the poor and the very poor is studied. The effects of such commercialization on the poor reflects the mission drift of many MFIs. The module also compares the sustainability-outreach relationship between individual lending and group lending.

Topics

- Commercialisation of Microfinance
- Sustainability and Depth of Outreach of Microfinance Institutions
- Case Study: Impact of Microfinance on Indonesian Rural Households' Welfare

Learning Objectives

The participants are able to:

- Explore and unveil the promises and the perils that are associated with the current trend of commercialization of microfinance services
- Compare the sustainability-outreach relationship between individual lending and group lending.

7. Online Training Delivery Method

- The training will be held over two weeks with 35 hours of live online sessions delivered by the MI organizing Team and resource persons/experts with the aid of online power point presentations, videos, simulation techniques, whiteboards, survey techniques (for questionnaires and quizzes), role play etc. A suitable meeting application (such as Microsoft Teams or Zoom) will be chosen for conducting the live online sessions;
- Live online training sessions will be combined with self-paced learning – this will be off-line learning by the participants based on materials distributed by the MI Organizing Team (when the participants can devote the duration and time on materials as they wish, as per their convenience);
- In addition, the training sessions will include individual/group assignments, online group work and discussions, live online group presentations. More time will be given for group work and discussions (duration - half to full days) than that in onsite training, to accommodate the fact that participants will not be in the same physical location so will need more time to coordinate among themselves and carry out group work and discussions;
- Pre-training materials and, additional training materials and references while the online training sessions are in progress will be distributed by the MI Team;

- MI Organizing Team will conduct a pre-training survey, daily feedback of the participants on the live sessions, mid-term and final evaluation (or exams) through online survey methods (such as Survey Monkey). To ensure full participation and attention, the evaluations or exams will be graded by the MI Team;
- Well-equipped meeting rooms (including IT support) will be provided for conducting both live contact sessions and monitoring group work and discussions by the MI team;
- More man days will be needed for each consultant/expert and MI team for the online training than that in an onsite training as experts and MI team will be engaged for pre-training preparations, conducting live contact sessions for up to 3 hours a day, guidance and monitoring of group work and discussions for half to full day, arranging the logistics of the online sessions, coordination with the team and preparing the report of the training;
- At the end of the online training sessions, certificates of completion will be awarded to the training participants;
- Adjustments will be made within the broad methodology, as described above, depending on factors such as the quality of internet connections of participants, evolving situation of the pandemic etc.

8. Training Assignments

Training assignment will require participants to practice professional skills and integrate concepts of microfinance management in line with SEP for their own country linking to regional and international level. In addition, participants will work in groups, these activities will promote communication and promote national collaboration and foster a professional network of contacts among participants. Specific assignments will also be provided throughout the course.

The team of resource persons / instructors will comprise of international and national experts with significant experience on microfinance management in line with SEP in international level. The instructors are all experts in their respective areas of competency which will provide participants with significant opportunities for being exposed to international practice in microfinance for SME development from the region.

9. Country report guidance and preparation

Prior to the training, the participants are requested to prepare a country situation report on “Country’s microfinance for SME development situation”. Country-wise presentation will be made during the training. The country’s reporting guidelines is attached in the Annex 1 of this document.

Objectives

- To identify the development status of microfinance for SME development
- To understand microfinance in terms of promotion of SME through improved procedure management
- To propose feasible Action Plans on how to improve the development status of microfinance in line with each national / local development context

10. Curriculum Design and Methodology

The training design is drawn from capacity building needs and tailored to the South Asia, South East Asia, African States and countries of the Pacific Islands context. The training is designed to foster greater understanding of the training course contents, and to focus on practical knowledge, respect adult learning principles, use real case studies, adopt participative approaches, as well as stimulate

sharing and networking among the participants. Interactive experiential learning will be employed here. The training will be delivered in English and will adopt the following methods.

- Lectures and presentations
- Plenary discussions, case studies and group exercises
- Role plays and simulation games
- Filming/VDO related to Sufficiency Economy Community on microfinance and MFIs in Thailand

As required, all training modules are to be drawn from practical experiences and tailored to the needs of stakeholders involved on SME development. It would incorporate concrete actions for follow-up activities after training.

Each training module is designed and delivered using the “Integrated Curriculum” approach. The salient features of this integrated curriculum are that competencies are carefully selected, integration of theoretical concepts with skills practice and essential knowledge directed at enhanced performance, and above all, various implicit competencies (e.g. facilitation, presentation, and communication, negotiation, and leadership skills) are integrated across the curriculum.

11. Monitoring and Evaluation (M&E)

An effective monitoring and evaluation mechanism will be put in place to assess the progress and measure the results of the intervention. The M&E will be introduced in the pre, during and post stages of each modular training approach.

- 11.1 Pre-Training Program: at the selection of participants prior to the launch of the training program, relevant information on the prospective participants’ knowledge and experience level will be collected. The information will be used to assess and select the participants, monitor the progress, and assess results of the intervention.
- 11.2 During Online Training Program: A pre-training and post-training assessments will be conducted to assess their knowledge and competencies of the participants. Pre-assessment aims to gather information on the participants’ level of knowledge. The result will be compared to the post assessment in order to measure the improvement in knowledge and experience.
- 11.3 Daily Quiz: it will be employed to evaluate day-to-day learning progress. The result of daily quiz will be presented at the first session of the day.
- 11.4 Final course evaluation: the final evaluation form³ will be distributed to participants on the last day of the online training course through online assessment platform. The different components were rated on a scale of 1 to 5, where 1 is the lowest and 2 to 5 are based on specific definition of each question.
- 11.5 The participants who attain not less than 80% on real time online class (as appear on schedule) will receive E-certificate.

³ The final evaluation form is developed by Thailand International Cooperation Agency (TICA)

12. Online Training Facilities and Materials

12.1 Online Training Facilities



Mekong Institute (MI) is a **GMS** intergovernmental organization (IGO) working closely with the governments of six countries to promote regional development and cooperation through programs and projects in three thematic areas of agricultural development and commercialization, trade and investment facilitation, and innovation and technology connectivity.



The MI Residential Training Center is located at Khon Kaen University, one of the oldest and largest universities in Northeastern Thailand. It is situated in Khon Kaen city, the capital of Khon Kaen province, Thailand.

12.2 Course Materials

Prior to the E-training, all participants and resource persons will receive soft copies of

- 1) The Curriculum Design Statement (CDS) to help them understand the objectives and goals of the workshop,
- 2) Program schedule,
- 3) Directory and
- 4) Presentation on preparatory to the E-training.

During the virtual workshop, participants can access to Mekong Institute's E-learning in which all documents, including the Resource Person's Presentations and all of the participants' works including VDO Clips will be uploaded and available for download/viewing at followings

- E-learning at <https://elearn.mekonginstitute.org>
- Password for log in as guest is..... (*To be determined*)

13. About Thailand International Cooperation Agency (TICA)



TICA is a national focal point for Thailand’s international development cooperation. TICA was established in 2004 to realize Thailand’s aspiration to be a contributor of development cooperation. Believing that global challenges are best addressed by international cooperation and global partnership, today we continue to strengthen our contribution to achieve global development agenda through various capacity-building and human resources development programmes. In response to the recent changes in the global landscape of development cooperation, especially through the concept of South-South and Triangular Cooperation, TICA continues to realign our focuses in order to deliver Thailand’s commitment to be a relevant partner in global agendas including the 2030 Agenda for Sustainable Development.

14. Contacts

For details, please contact

Thailand International Cooperation Agency (TICA)	Mekong Institute’s Team
<ul style="list-style-type: none">▪ Bureau of International Cooperation on Human Resource Development Government Complex, Building B, 8th Floor, Chaengwattana Rd. Laksi District, Bangkok 10210 THAILAND Website: https://tica-thaigov.mfa.go.th/ Email: aitc@mfa.mail.go.th	<ul style="list-style-type: none">▪ Mr. Madhurjya Kumar Dutta Director, Trade and Investment Facilitation Department Tel: (+66) 43 202 411 ext. 2101 Fax: (+66) 43 203 656 Email: dutta@mekonginstitute.org Website: www.mekonginstitute.org▪ Mr. Sa-nga Sattanun Program Manager Trade and Investment Facilitation Department Tel: (+66) 43 202 411 ext. 2102 Fax: (+66) 43 203 656 Email: sa-nga@mekonginstitute.org Website: www.mekonginstitute.org

Annex 1

Country Report Guidelines –International Training Course on Sufficiency Economy in Microfinance for SMEs Development

The participants are requested to prepare a country situation report on “Country’s Microfinance for SMEs Development”. Country-wise presentation will be made during the training.

Objectives

- To identify the development status of Microfinance for SMEs Development
- To understand microfinance in terms of promotion for sustainable development through improved procedure management
- To propose feasible Action Plans on how to improve the development status of Microfinance for SMEs Development in line with each national / local development context

Each country-wise presentation covers the following:

1. Country information (1 slide)

- ⇒ Location, population, official language etc.
- ⇒ Economic indicators: GDP / GNP, GDP per capita, international trade, and investment environment
- ⇒ Natural resource
- ⇒ Economic sectors, i.e. primary and secondary and tertiary sectors
- ⇒ Key industries, including transport and logistics industry

2. Current development status of microfinance for SME development in the country (2 slides)

- ⇒ Current legal and regulatory environment on microfinance
- ⇒ Role of government in promoting sustainable business environment and support for microfinancing for SMEs.
- ⇒ Major issues (two or three) or challenges in microfinance for SMEs development.

3. Future project(s) / program(s) on microfinance for SME development (1-2 slides)

Note:

- ⇒ Time allotted for each country presentation is 7-10 minutes including questions and answers.
- ⇒ Total number of power points slides should be less than 5 slides.