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Course Outline

International Training Course on Sufficiency Economy in Microfinance for SMEs Development

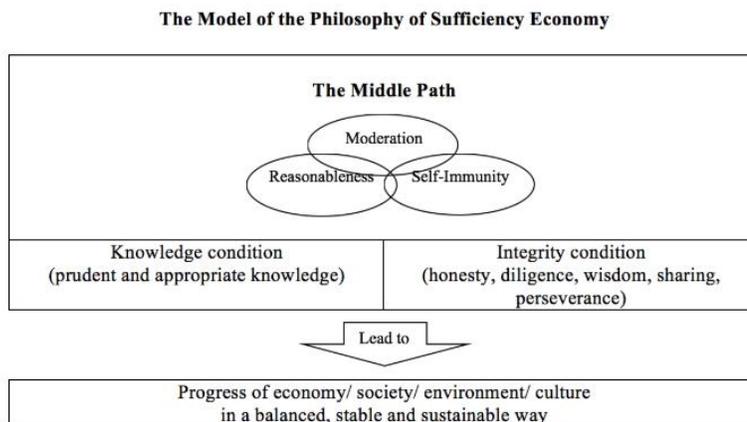
August 22 – September 2, 2022 (Online)

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

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

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 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), in collaboration with the Conference on Interaction and Confidence Building Measures in Asia (CICA) that is a multinational forum including 27 Member States, 8 Observer States, and 5 Observer Organizations for enhancing cooperation towards promoting peace, security and stability and mutually beneficial interaction of small and larger states in Asia, and Thailand International Cooperation Agency (TICA), 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 the Conference on Interaction and Confidence Building Measures in Asia (CICA) comprising of Afghanistan, Azerbaijan, Bahrain, Bangladesh, Cambodia, China, Egypt, India, Iran, Iraq, Israel, Jordan, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Palestine, Qatar, Russia, South

Korea, Sri Lanka, Tajikistan, Thailand, Turkey, United Arab Emirates, Uzbekistan, and Vietnam 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) and CICA.

5. Mode of Training

- i. Host/Organizing Country : Thailand by Mekong Institute (MI)
- ii. Mode of Training : Virtual Platform through Zoom Application
- iii. Date and Time : August 22 to September 2, 2022 at 13.50 pm to 17.15 pm. (Thailand Time GMT+7)

6. Course Contents

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

Module 1: Program Overview and Sufficiency Economy Philosophy (SEP)

Topics

- 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
- Linkage between Sufficiency Economy in Microfinance for SMEs Development with Economic Cooperation and Integration

Module 2 : Definition of SME and Microfinance for SMEs Development

Topics

- Definition, concept and characteristics of SME and its development;
- SMEs market linkages;
- 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.

Module 3 : Regulatory and Government Support for Microfinance Development

Topics

- Role of government support for microfinance development;
- Regulatory changes to bolster microfinance development;
- Unbankable – Who Are They?
- Women and Microfinance

Module 4 : Establishment of Community-based Microfinance

Topics

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

Module 5 : Financial Inclusion and Poverty

Topics

- Financial Inclusion and Poverty
- Microsavings and Microinsurance
- Case Study: Thailand village funds and saving groups' financial performance.
- Impact of Innovation on Microfinance.
- Managing microfinance during crises such as the global financial crisis, the COVID-19 crisis, based on world best practices in this important area.

Module 6 : Sociological Framework of Rural Community-based Microfinance

Topics

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

Module 7: Sustainability and Depth of Outreach

Topics

- Commercialisation of Microfinance
- Sustainability and Depth of Outreach of Microfinance Institutions
- Case Study: Impact of Microfinance on Indonesian Rural Households' Welfare
- From Sufficiency Economic Philosophy to Sustainable Development Goals

7. 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.

8. Curriculum Design and Methodology

The training design is drawn from capacity building needs and tailored to the CICA member States 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.

9. Resource Persons

The team of resource persons and instructors comprise international and national experts from Office of the National Economic and Social Development Council (NESDC), Office of the Royal Development Projects Board (ORDPB), Community Development Department, Agricultural and Food Marketing Association for Asia and the Pacific (AFMA), Asia Pacific Rural and Agricultural Credit Association (APRACA), Central Bank of Bangladesh, Lincoln University, New Zealand and Khon Kaen University with a profound knowledge and experience in microfinance. They will be responsible for delivering the module sessions together with the in-house resource persons of Trade and Investment Facilitation Department (TIF), MI.

10. 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.

- 10.1 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.

- 10.2 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.
- 10.3 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.
- 10.4 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.

11. Online Training Facilities and Materials

11.1 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 sustainable energy and environment.



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.

11.2 Course Materials

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

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

- 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)

12. Tentative Schedule

Week – I: Day I, Monday, August 22, 2022	
Mode: Online	
Time (Thailand Time GMT+7)	Contents / Sessions
13.30 pm - 14.00 pm	<ul style="list-style-type: none"> ▪ Guidance to the online training (e.g. presentations, reading materials, assignments, questionnaires, E-learning) ▪ Pre-training assignments, questionnaire, questions and discussion points ▪ Video Presentation of TICA and Mekong Institute
14.00 pm - 14.05 pm	<ul style="list-style-type: none"> ▪ Welcome remarks
14.05 pm - 14.10 pm	<ul style="list-style-type: none"> ▪ Opening remarks
14.10 pm - 14.15 pm	<ul style="list-style-type: none"> ▪ Introductory Remarks
14.15 pm - 14.30 pm	Setting the context <ul style="list-style-type: none"> - Expectations - Rules and norms of the online training ▪ Program overview
Module 1: Program Overview and Sufficiency Economy Philosophy (SEP)	
14.30 pm - 15.30 pm	<ul style="list-style-type: none"> ▪ 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
<i>Break for 10 minutes</i>	
15.40 pm - 17.00 pm	<ul style="list-style-type: none"> ▪ Linkage between Sufficiency Economy in Microfinance for SMEs Development with Economic Cooperation and Integration
17.00 pm - 17.15 pm	<ul style="list-style-type: none"> ▪ Evaluation of the session/feedback by the participants
Week – I: Day II, Tuesday, August 23, 2022	
Mode: Online	
Time (Thailand Time GMT+7)	Contents / Sessions
13.50 pm - 14.00 pm	<ul style="list-style-type: none"> ▪ Recapitulation and Introduction to the daily sessions

Module 2: Definition of SME and Microfinance for SMEs Development	
14.00 pm -15.25 pm	<ul style="list-style-type: none"> ▪ Definition, concept and characteristics of SME and its development
<i>Break for 10 minutes</i>	
15.35 pm - 17.00 pm	<ul style="list-style-type: none"> ▪ SMEs market linkages ▪ Challenges and opportunities for the SMEs on financing
17.00 pm - 17.15 pm	<ul style="list-style-type: none"> ▪ Evaluation of the session/feedback by the participants
Week – I: Day III, Wednesday, August 24, 2022	
Mode: Online	
Time (Thailand Time GMT+7)	Contents / Sessions
13.50 pm - 14.00 pm	<ul style="list-style-type: none"> ▪ Recapitulation and Introduction to the daily sessions
14.00 pm - 15.25 pm	<ul style="list-style-type: none"> ▪ Concept of microfinance, MFIs and microfinance development ▪ Types of MFIs
<i>Break for 10 minutes</i>	
15.35 pm - 17.00 pm	<ul style="list-style-type: none"> ▪ 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
17.00 pm - 17.15 pm	<ul style="list-style-type: none"> ▪ Evaluation of the session/feedback by the participants
Week – I: Day IV, Thursday, August 25, 2022	
Mode: Online	
Time (Thailand Time GMT+7)	Contents / Sessions
13.50 pm -14.00 pm	<ul style="list-style-type: none"> ▪ Recapitulation and Introduction to the daily sessions
Module 3 Regulatory and Government Support for Microfinance Development	
14.00 pm - 15.25 pm	<ul style="list-style-type: none"> ▪ Role of government support for microfinance development
<i>Break for 10 minutes</i>	
15.35 pm - 17.00 pm	<ul style="list-style-type: none"> ▪ Regulatory changes to bolster microfinance development
17.00 pm - 17.15 pm	<ul style="list-style-type: none"> ▪ Evaluation of the session/feedback by the participants
Week – I: Day V, Friday, August 26, 2022	
Mode: Online	
Time (Thailand Time GMT+7)	Contents / Sessions
14.15 pm - 14.30 pm	<ul style="list-style-type: none"> ▪ Recapitulation and Introduction to the daily sessions
14.30 pm - 15.45 pm	<ul style="list-style-type: none"> ▪ Unbankable – Who Are They?
<i>Break for 10 minutes</i>	
15.55 pm - 17.30 pm	<ul style="list-style-type: none"> ▪ Women and Microfinance ▪ Case Study: Microfinance Participation in Thailand
17.30 pm - 17.45 pm	<ul style="list-style-type: none"> ▪ Evaluation of the session/feedback by the participants
Week I: Saturday, August 27, 2022 and Sunday, August 28, 2022	
Free Day	

Week – II: Day I, Monday, August 29, 2022	
Mode: Online	
Time (Thailand Time GMT+7)	Contents / Sessions
13.50 pm - 14.00 pm	▪ Recapitulation and Introduction to the daily sessions
Module 4: Establishment of Community-base Microfinance	
14.00 pm - 15.25 pm	▪ Role of community-based ▪ MFIs Community-based microfinance models ▪ Regulations, structures and practices
<i>Break for 10 minutes</i>	
15.35 pm - 17.00 pm	▪ Rural E-commerce
17.00 pm - 17.15 pm	▪ Evaluation of the session/feedback by the participants
Week – II: Day II, Tuesday, August 30, 2022	
Mode: Online	
Time (Thailand Time GMT+7)	Contents / Sessions
14.15 pm - 14.30 pm	▪ Recapitulation and Introduction to the daily sessions
Module 5: Financial Inclusion and Poverty and Rural e-commerce	
14.30 pm - 15.45 pm	▪ Financial Inclusion and Poverty ▪ Microsavings ▪ Microinsurance
<i>Break for 10 minutes</i>	
15.55 pm - 17.30 pm	▪ Case Study: Thailand village funds and saving groups' financial performance
17.30 pm - 17.45 pm	▪ Evaluation of the session/feedback by the participants
Week – II: Day III, Wednesday, August 31, 2022	
Mode: Online	
Time (Thailand Time GMT+7)	Contents / Sessions
13.50 pm - 14.00 pm	▪ Recapitulation and Introduction to the daily sessions
14.00 pm - 16.00 pm	▪ Impact of Innovation on Microfinance ▪ Managing microfinance during crises such as the global financial crisis, the COVID-19 crisis, based on world best practices in this important area
<i>Break for 10 minutes</i>	
Module 6 Sociological Framework of Rural Community-based Microfinance	
16.10 pm - 17.00 pm	▪ Thailand's strategies for poverty reduction ▪ Role of community-based microfinance schemes in poverty reduction and community self-reliance development
17.00 pm - 17.15 pm	▪ Evaluation of the session/feedback by the participants
Week – II: Day IV, Thursday, September 1, 2022	
Mode: Online	

Time (Thailand Time GMT+7)	Contents / Sessions
14.15 pm - 14.30 pm	<ul style="list-style-type: none"> ▪ Recapitulation and Introduction to the daily sessions
Module 7: Sustainability and Depth of Outreach	
14.30 pm - 15.45 pm	<ul style="list-style-type: none"> ▪ Commercialisation of Microfinance ▪ Sustainability and Depth of Outreach of Microfinance Institutions
<i>Break for 10 minutes</i>	
15.55 pm - 17.30 pm	Case Study: Impact of Microfinance on Indonesian Rural Households' Welfare
17.30 pm - 17.45 pm	<ul style="list-style-type: none"> ▪ Evaluation of the session/feedback by the participants
Week – II: Day V, Friday, September 2, 2022	
Mode: Online	
Time (Thailand Time GMT+7)	Contents / Sessions
13.50 pm - 14.00 pm	<ul style="list-style-type: none"> ▪ Recapitulation and Introduction to the daily sessions
14.00 pm - 16.00 pm	<ul style="list-style-type: none"> ▪ From Sufficiency Economic Philosophy to Sustainable Development Goals <ul style="list-style-type: none"> - Positioning, Core competencies and Business Plan through New Theory Agricultural Approach - Financial/Social/Environmental Return on Investment - Unique Selling Proposition (USP) - Turing Intangible Value to Tangible Value - SDGs indicators - Social Collaboration and Market Differentiation - Point of Parity and Point of Difference - Sustainable Supply to Sustainable Demand
<i>Break for 5 minutes</i>	
16.05 pm - 16.10 pm	Alumni Database Presentation
16.10 pm - 17.30 pm	Closing Session <ul style="list-style-type: none"> ▪ Course Report ▪ Speech by Country Representatives ▪ Closing Remarks ▪ Congratulatory Remarks

14. Contacts

For details, please contact

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