

# RURAL DEVELOPMENT through DECENT WORK

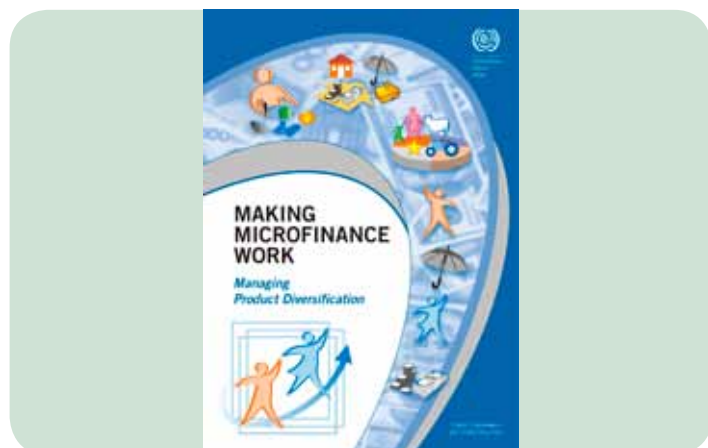
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International Labour Office

## Rural-Relevant Tools

## Rural Microfinance



### What is Rural Microfinance?

A chapter in the training curriculum *Making Microfinance Work: Managing Product Diversification*, published in 2011

### For whom?

- **Direct beneficiaries:** Funding agencies and technical assistance providers that intend to support microfinance institutions' (MFI) diversification efforts
- **Ultimate beneficiaries:** Middle and senior managers of MFIs in their work to help the poor access microfinance

### For what purpose?

The curriculum as a whole has four objectives:

- Raise awareness of the opportunities and risks that product diversification presents
- Explore options for improving MFI outreach through product diversification
- Provide tools and strategies for managing product diversification process successfully
- Encourage more proactive management of MFI product portfolios over time

The chapter on rural microfinance seeks to achieve these objectives in the specific context of rural areas

### How is it delivered?

- Training of trainers
- Training of managers who work in microfinance institutions
- Distribution of the accompanying course manual

### What are its components?

**Five sections:**

- 1: What is rural microfinance?
- 2: What are the challenges of rural financial service provision?
- 3: Who can provide rural financial services?
- 4: What product mix is appropriate for the rural market?
- 5: What strategies have MFIs used to meet the challenges of rural financial service provision?



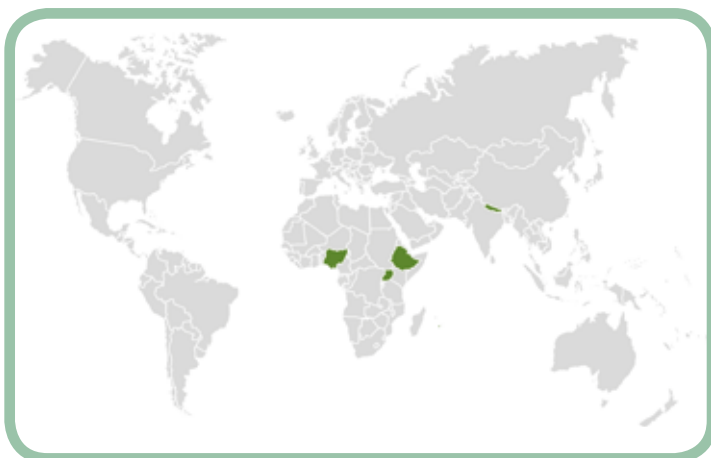
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### Which Technical areas are covered?

Microfinance

### Can it cover more technical areas?

No, it is a tool specifically focused on microfinance and financial services to the poor



### Where has it been used?

In 4 countries: Ethiopia, Nepal, Nigeria and Uganda (see map), for pilot testing before being rolled out through a network of 92 trainers worldwide



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## Which languages?

Available in 2 languages: English and French

Soon available in Arabic, Bahasa Indonesia, Portuguese, Russian, Spanish, and Vietnamese

## Is it suitable for rural areas?

Yes

## What are its strengths?

- Helping microfinance institutions identify how they might serve rural areas more effectively
- Dissemination through a certified trainer network
- Participatory training methodology
- Complements other training packages created by ILO's Social Finance Programme and ITC Turin, most notably on leasing, microinsurance and guarantee funds
- Collaborating with the ILO Microinsurance Innovation Facility and the Social Finance Team (see link below) to integrate over time lessons learned from their innovation grants

## Is there a training course in ITC-Turin?

Yes, it is part of the "Making Microfinance Work" training:  
[http://www.itcilo.org/en/flyers/2010/mmw/attachment\\_download/file](http://www.itcilo.org/en/flyers/2010/mmw/attachment_download/file)

## Where to find more information?

- Social Finance Webpage:  
[www.ilo.org/socialfinance](http://www.ilo.org/socialfinance)
- Microinsurance Innovation Facility:  
<http://www.ilo.org/public/english/employment/mifacility/>
- Making Microfinance Work: Managing for Improved Performance (Volume I):  
[http://www.ilo.org/public/libdoc/ilo/2006/106B09\\_313\\_engl.pdf](http://www.ilo.org/public/libdoc/ilo/2006/106B09_313_engl.pdf)
- Making Microfinance Work: Managing Product Diversification (Volume II):  
[http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS\\_095890/lang--en/index.htm](http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_095890/lang--en/index.htm)



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