

Trainer' Guide

Micro-Loan Focused Trainings

Related to Micro-Loan Funding for Disaster Risk Management¹

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I. Trainer's Guide Introduction

This **Trainer's Guide** covers three trainings related to the use of microloan organizations to fund disaster risk management at the sub-national level. The project involves providing loan capital to microloan organizations and the using the reflows (repayment of loan principal and interest) to fund disaster risk reduction and relief at the sub-District level. The project involves

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the establishment of Fund Administration Councils to administer the funds provided by the reflows from the loan funding.

The **Trainer's Guide** covers three trainings:

1. *Disaster and Micro-Loans Challenges and Options for Managers* – covering how microloan organizations can manage natural hazard-related risks.
2. *Microloan Funding for Disaster Risk Management: Guidance for Fund Administration Councils* – covering how the Fund Administration Councils should operate.
3. *Microloan DRR – Selecting and Funding DRR Mitigation Projects* – covering how a Fund Administration Council can select disaster risk reduction projects.

Each training module is covered separately. The training materials are presented in English while English and Russian versions of the actual trainings are available in PowerPoint™ from the Disaster Risk Management Program, UNDP Tajikistan [add general DRMP email address]. The **Trainer's Guide** and PowerPoint™ presentations are also available at [add web address].

II. Disaster and Micro-Loans Challenges and Options for Managers

A. Introduction

This section of the **Guide** provides information on the presentation of the module on *Disaster and Micro-Loans Challenges and Options for Managers*. The module covers how microloan organizations can manage natural hazard-related risks and is designed to take approximately 5 hours of presentation time if presented in one language with a translation into a second language. Presentations in a single language will be 20% to 50% shorter. The module is available in English and Russian.

A draft agenda for the training is available in **Annex A**. Note that the training is scheduled with one morning break and one lunch, with the sessions ending before a second break. If a second break is included, adjust the agenda accordingly.

Handouts for the training are available in **Annex B**. **Annex C** provides a list of materials which will be required for the training.

B. Preparation

A trainer is expected to have reviewed the training presentation, this **Guide**, be familiar with the Sustainable Livelihoods Framework² and the following documents:

- **Helping MFIs Overcome Disasters: Lessons and Strategies for Donors and Donor-Funded Projects**, John Magill, Development Alternatives, Inc.
- **Microfinance and Disaster Risk Management: Experiences and Lessons Learned**, Enrique Pantoja, 2002, ProVention Consortium.
- **Microfinance and Disaster Management**, Stuart Mathison, The Foundation for Development Cooperation (www.fdc.org.au), 2003, World Vision.
- **Pre-Disaster Planning to Protect Microfinance Institutions**, MBP Rapid-Onset Natural Disaster Brief No. 6, Microenterprise Best Practices, Development Alternatives Inc.

² **Sustainable Livelihoods Guidance Sheets**,
<http://www.eldis.org/vfile/upload/1/document/0901/section1.pdf>.

It would also be helpful for the trainer to review the project documents and reports related to the establishment and management of microloan-supported disaster risk reduction and disaster response activities.

C. Number of Participants and Backgrounds

The training should be limited to 20 participants. These participants should have experience in microfinance or disaster management or the implementation of projects in either of these areas.

D. Certificate of Participation

A Certificate of Participation can be provided to each participant who completed the full training.

E. Presentation Notes

The following notes refer to each of the presentation slides in the PowerPoint™ presentation.

Slide	Topic	Notes
1	Title Slide	Change the name of the sponsoring organization, but retain reference to UNDP as the developer of the training course.
2	Welcome	Recommended to have a senior person from the sponsoring organization make an opening statement. This statement should include an introduction of the trainer.
3	Administrative Issues	Review administrative issues. Change the last bullet point to indicate who is the point of contact for administrative issues.
4	Introductions	1. Number pieces of paper 1 to 10 (presuming 20 participants) twice. 2. Hand these out to the participants and have them follow the instructions. 3. Allow 10 minutes for people to find and speak to each other and then 10 minutes of the presentations.
5	Why are you here?	1. Collect the papers once the participants have written down why they are at the training. 2. Select two participants to read out the responses.
6	Training Objectives	1. Present the training objective and note how it relates to the reasons why participants have come to the training. 2. Review the reasons why disasters can impact microloan organizations. 3. Ask whether any of the participant's organizations have been affected by these problems.
7	What is a disaster?	1. Before presenting the full slide, ask participants for how they define a disaster. 2. Present the definition and discuss how it contrasts with the other definitions presented. 3. Note the main characteristics of a disaster: threat to life or livelihoods, often physical damage, a need for immediate response and delayed recovery. 4. Ask participants for examples of disasters.
8	Risk, Hazards and Vulnerability	1. Have the participants provide their own definitions of risk, hazard and vulnerability. 2. Discuss how these terms are used in microfinance.
9	(Disaster) Risk is...	1. Review the definitions provided and how they are similar for finance and disasters. 2. Note that disaster risk is really the same as other types of risk

		<p>faced when loaning funds.</p> <p>3. Briefly discuss the concept of resilience as used in disaster risk management (check for information on usage on the Web if needed).</p>
10	Hazards	<p>1. Divide participants into four equal groups and provide each with a flip chart pad and markers.</p> <p>2. Have them list hazards found in Tajikistan. Do not indicate that these hazards should be natural.</p> <p>3. Give the groups 10 minutes to make their lists on a flip chart and then ask them to briefly present their lists.</p> <p>4. Discuss how these hazards are different.</p> <p>5. Discuss how these hazards can be managed.</p>
11	Hazards in Tajikistan	<p>1. Review the list with the participants to verify that they know each of the types of natural hazards.</p> <p>2. Ask for examples of where these hazards have done damage.</p> <p>3. Ask which are most dangerous for a microloan organization.</p>
12	Hazards	<p>1. Have the groups select the hazards which are most dangerous to microloans, and have then identify ways to address these hazards.</p> <p>2. Use flip charts to present results.</p> <p>3. Discuss the results.</p> <p>4. Ask participants to identify how they would be information on these hazards. Note that the Committee of Emergency Situations is a good place to start to collect information on hazards and disasters.</p>
13	Considering Vulnerability	<p>1. This slide is used to guide a group exercise on defining structural vulnerability.</p> <p>2. Each group should</p> <ol style="list-style-type: none"> Select two types of structures, for instance a house and an irrigation system. Select several hazards which can affect the structures. Identify how the damage from the hazard can be reduced. <p>3. The results should be put on a flip chart.</p> <p>4. The results developed by each group should be discussed.</p> <p>5. The point of the exercise is that while structures are vulnerable to physical damage, this vulnerability can be reduced through assessment of the hazard and planning.</p>
14	Social Vulnerability	<p>This slide is used to present the Sustainable Livelihoods framework. The overall framework should be discussed briefly, with attention then focusing on the livelihoods assets section.</p>
15	What is Capital?	<p>1. Describe each type of capital listed and ensure that participants are clear on what each type of capital represents.</p> <p>2. Note that the smaller the capital the greater the vulnerability.</p> <p>3. Discuss with the participants on how these capitals are linked to their loan portfolios.</p>
16	Disaster Impact on Social Vulnerability	<p>1. Use this slide for an open discussion of how disasters can affect different types of capital and how these impacts can affect loans.</p> <p>2. It may be useful to have several examples of disasters and impacts on capitals prepared in advance.</p>
17	Social Vulnerability and Groups	<p>1. Use this slide to discuss how social vulnerability differs between different groups.</p> <p>2. Engage the participants in discussing how their clients fit into these groups, and how these clients are different in why they borrow</p>

		and how disasters can impact them. 3. It may be useful to develop examples in advance.
18	Knock-on Effects	1. Describe what is a ‘knock-on’ effect. 2. Discuss how impact on one type of capital can affect another type of capital. 3. Note that microloan organizations and loans are intended to increase financial capital. When loans are successful in increasing financial capital, the resulting income is often used to increase the other types of capital. 4. For an example of a negative impact, discuss how disasters can damage loan portfolios (e.g., a loss of animals), and cause borrowers to face problems in repaying.
19	Summary	Use this slide to review what has been discussed in the session. The review should be as a set of questions to the participants.
20	Break	Normally 15 minutes.
21	MLO Disaster Risk Screening	1. Provide Micro-Loan Organization Disaster Risk Review Questions handout. 2. Review instructions on slide. Note: Allow up to 30 minutes for this exercise. Note: This work is probably best done by each MLO and not in groups.
22	MLO Disaster Risk Screening	Review the process for answering and scoring each question.
23	The Screening Questions	Use this slide to review the questions, if needed.
24	[no title]	Use this slide to review the questions, if needed.
25	The Results	1. Clarify any questions about the questions. 2. Have each MLO representative report on their score and list the results on a flip chart. 3. Discuss the results, focusing on why the scorings were high or low. 4. Discuss how questions which have scored poorly for the group can be addressed. Note that the sessions following lunch will address some of the questions used in the assessment.
26	Lunch	Normally one hour.
27	Disaster Risk Management	Review the purpose of the session.
28	How do you manage risk?	1. Present instructions. 2. Review and discuss results. Note: You may need to reform the groups after lunch.
29	Common (<i>disaster</i>) risk management options	1. Review and discuss the options for managing risk. 2. Incorporate reference to previous discussions on risk management for loans and microloan organizations. Note: the words in brackets refer to the words used in disaster risk management.
30	Impacts of Disaster On Loan Portfolio	1. This slide focuses on loan portfolios. The first word in each bullet point indicates a way that a microloan organization can address the impacts of a disaster on loan portfolios. 2. Have participants discuss the consequences of each of the

		actions.
31	Impact of Disaster <i>On Operations</i>	<p>1. Discuss with the participants how each impact listed can affect the operations of microloan operations.</p> <p>2. Note that “Demand to funnel...” refers to using microloan organizations as channels for new loan funding at lower than normal interest rates, using the microloan organization to distribute payments to borrowers or to distribute relief good through the microloan organization’s network.</p>
32	Simplified Disaster Risk Assessment	<p>1. This and the following slide present a rapid method to assess disaster risk.</p> <p>2. Review the six steps, answering questions as needed.</p> <p>3. Note that information on hazards and disasters can be secured from the local Committee of Emergency Situations office.</p>
33	[no table]	<p>1. Review how to complete the form, noting that the source of information should be noted.</p> <p>2. Indicate that it is often better to first indentify where to get information before answering a question, which is why the “Where can you get information?” column is between the Question and the Response columns.</p> <p>3. Discuss options for using the form and that it can be updated regularly as risks can change.</p> <p>4. Note that the assessment can be completed by a consultant or by microloan staff and that more complete assessments can also be completed looking at specific sectors in which the microloan organization is active.</p>
34	Break	Use this slide if there is an afternoon break.
35	Summary – 1	<p>1. Review the objective and reasons for training.</p> <p>2. Verify whether the training met participant objectives.</p>
36	Summary - 2	Complete the questions with the participants and ask for any questions about the materials covered.
37	Summary – 3	Complete the questions with the participants and ask for any questions about the materials covered.
38	Feedback	Hand out the Feedback form (in Handouts) and allow 15 minutes to complete.
39	Closing Slide	<p>1. Use this slide to thank the participants and organizers, advise on how the certificates will be distributed and how the presentations will be made available to participants.</p> <p>2. Answer any outstanding questions and then end the training. (Change the name on the slide to the appropriate sponsoring organization.)</p>

III. Microloan Funding for Disaster Risk Management: Guidance for Fund Administration Councils

A. Introduction

This section of the Guide provides information useful in the presentation of the module on *Microloan Funding for Disaster Risk Management: Guidance for Fund Administration Councils*. The module covers basic instructions on the operation of the Fund Administration Council used for microloan-supported disaster risk management. The module should take no more than two hours. The module is available in English and Russian.

B. Preparation

A trainer is expected to have reviewed the training presentation, this **Guide**, and the agreement which has been signed setting up the Fund Administration Council.

C. Number of Participants

The training should be limited to 10 participants, basically the members of a Fund Administration Council.

D. Certificate of Participation

A Certificate of Participation is not necessary.

E. Presentation Notes

The following notes refer to each of the presentation slides in the PowerPoint™ presentation.

Slide	Topic	Notes
1	Title Slide	Change the name of the sponsoring organization, but retain reference to UNDP as the developer of the training course.
2	Objective	1. Review the objective with participants. 2. Where appropriate, provide a summary of the program under which the Council has been established.
3	DRR Fund Objectives	Review the objective of providing funds for disaster risk management (DRM).
4	Fund Generation	1. Review the process through which funds are generated to fund DRM projects. 2. Note that 40% of the loans should go to women.
5	Use of Funds	1. Note the use of the funds. 2. Explain the difference between relief and risk reduction. 3. Note that the Council can spend all the funds on risk reduction if it so decides.
6	DRM Administration Council	1. Review the composition of the Council. 2. Make specific note that a. 40% of the members should be women. b. How voting takes place.
7	DRM Administration Council	1. Review the tasks of the Council and confirm them with the participants. 2. Note need for an Annual Work Plan, risk profile and community consultations.
8	Specific Council Duties	Review in more detail the specific duties of the Council during normal times.
9	Council Duties -	1. Review in detail the specific duties of the Council during times

	Disaster	of disaster. 2. Note the need to react in 12 hours to a request for emergency assistance.
10	Spending Funds	1. Review the recommended procedures for deciding on how to spend funds. 2. Confirm the participants understand the process.
11	Reporting and Documentation	1. Review the reports and documents that the Council needs to develop. 2. A process for developing a risk profile is provided in the following slides.
12	Risk Profile	1. Present and discuss the two options listed, noting that they are preferred to the 3 rd option.
13	Quick Risk Profile	1. Describe the risk assessment process and answer any questions. 2. If possible, demonstrate the method using a map. 3. Note that the Committee of Emergency Situations can provide information on local disasters.
14	Risk Profile Table	Explain the table.
15	DRR Fund Process Overview	Use the diagram to review the process for funding DRR activities.
16	Sources of Information and Support	1. Review the sources of information and support. 2. Identify if any NGOs in the area are involved in DRR.
17	Closing slide	1. Ask for any questions or comments. 2. Discuss how the Council can get support from the Committee of Emergency Situations and UNDP. Note: Change the name of the sponsoring organization on the slide.

VI. Microloan DRR – Selecting and Funding DRR Mitigation Projects

A. Introduction

This section of the Guide provides information useful in the presentation of the module on *Microloan DRR – Selecting and Funding DRR Mitigation Projects*. This module focuses on DRR project selection using the simple risk assessment process described in the *Microloan Funding for Disaster Risk Management: Guidance for Fund Administration Councils* module. The modules can be combined if a Council is at the stage of selecting DRR projects.

The module takes no more than 45 minutes. The module is available in English and Russian.

B. Preparation

A trainer is expected to have reviewed the training presentation, this **Guide**, and the agreement which has been signed to set up the Fund Administration Council.

C. Number of Participants

The training should be limited to 10 participants, basically the members of a Fund Administration Council.

D. Certificate of Participation

A Certificate of Participation is not necessary.

E. Presentation Notes

The following notes refer to each of the presentation slides in the PowerPoint™ presentation.

Slide	Topic	Notes
1	Title Slide	Change the name of the sponsoring organization, but retain reference to UNDP as the developer of the training course.
2	[no title]	1. Review the flow chart to summarize the process the Fund Council should use to select and monitor a DRR project. 2. Note the importance of community consultation. 3. Ensure participants are clear on the process.
3	Quick Risk Profile	1. Describe the risk assessment process and answer any questions. 2. If possible, demonstrate the method using a map. 3. Note that the Committee of Emergency Situations can provide information on local disasters.
4	Risk Profile Table	Explain the table.
5	Developing Projects	1. Review the steps for developing DRR projects. 2. Focus on: a. The need to be pragmatic on what projects are selected. b. A need to avoid projects where the DRR funds are too small to make a difference in reducing the hazard. c. The decision on whether a contractor or <i>hasher</i> will be used. There is a need for community consultation on this decision. d. There is a need to ensure that the proper procedures are following in procuring services or materials.
6	Questions?	1. Answer any questions which may have come up. 2. Ask participants how they have selected projects in the past and see how this matches the process described in this presentation.

7	Closing slide	<p>1. Ask for any questions or comments.</p> <p>2. Discuss how the Council can get support from the Committee of Emergency Situations and UNDP.</p> <p>Note: Change the name of the sponsoring organization on the slide.</p>
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Annex A - Disaster and Micro-Loans – Agenda

Time	Topic
0830 - 0900	Registration
0900 -0910	Welcome
0910- 0915	Administrative Issues
0915- 0944	Introductions
0945 -1015	Training Objective and Justification
1015-1030	Break
1015- 1200	The Basic Elements of Disaster Risk
1200 – 1300	MLO Disaster Risk Review
1300 – 1400	Lunch
1400 - 1445	Risk Management Issues and Options
1445 -1515	Disaster Risk Assessment – Quick and Dirty
1515 -1530	Summation and Closing

Annex B - Disaster and Micro-Loans – Handouts

Micro-Loan Organization Disaster Risk Review Questions

The following questions help define the degree to which a micro-loan organization is incorporating disaster risk into operations management, loan portfolio planning, loan risk assessment and loan risk management.

#	Question	Response	Scoring	Score	Notes
1	Has a disaster risk assessment been completed for the area served by the MLO/MLA?	Yes, No	No = 1		
2	Has an assessment of possible disaster impacts on the loan portfolio been conducted?	Yes, No	No = 1		
3	Has an assessment of possible disaster impacts to MLO/MLA facilities (e.g., offices) been completed?	Yes, No	No = 1		
4	Have mitigation plans been implemented to address possible disaster impacts to MLO/MLA facilities?	Yes, No	No = 1		
5	Has an assessment of the impact of loss of service due to disaster been conducted?	Yes, No	No = 1		
6	Have mitigation plans for a loss of service due to disaster been implemented?	Yes, No	No = 1		
7	Has an assessment of loss of staff due to disaster been conducted?	Yes, No	No = 1		
8	Have mitigation plans for a loss of service due to disaster been implemented?	Yes, No	No = 1		
9	Has an assessment of loss of records due to disaster been conducted?	Yes, No	No = 1		
10	Have mitigation plans for a loss of records due to disaster been implemented?	Yes, No	No = 1		
11	Do the majority of clients have income that is \$US2 per person per day?	Yes, No	No = 1		
12	Has the rate of growth in the loan portfolio exceeded 10% per year?	Yes, No	Yes = 1		
13	Does the MLO/MLA have reserves that can cover more than an average of 30 days of loans provided?	Yes, No	No = 1		
14	Have any delays in repayment above normal levels been noted following severe winter weather, floods, drought or other similar events?	Yes, No	Yes = 1		
15	Does the MLA/MLO provide advice to borrowers on managing risks related to natural hazards?	Yes, No	No = 1		
16	Does the MLA/MLO have a written policy and procedures for managing loan payments after a disaster?	Yes, No	No = 1		
17	Does the MLA/MLO have a written policy and procedures for making new loans after a disaster?	Yes, No	No = 1		
	Total score (higher score means lower disaster risk management)				

Training Feedback Form

1. Please indicate one thing which went well with the training:

2. Please indicate one thing that could be improved with the training:

3. Was this training useful to your work in microloaning?

Annex C – Supplies and Equipment for Trainings

Based on 20 participants.

- Folders, 20
- Pens, 20
- Note pads/paper: 140 (7 sheets per participant)
- Flip chart pads – 4
- Marker pens – 10, various colors
- Tape (adhesive)
- Scissors
- Note cards – 20
- Computer (one for each language used in presentation)
- LCD projector (one for each language used in presentation)
- Cables and plug cords as needed.