



2019 Boulder Microfinance Training (MFT) Course Syllabus

Course Information

Course:	Reducing Vulnerability: Using Financial Services to Manage Client Risk
Faculty:	Craig Churchill
Dates:	Week 1 (July 22-26)
Time:	Afternoon (14:30-17:30)
Language:	English

Course Description

This course considers a set of client needs – to manage risks more effectively – and explores how financial institutions can respond by offering a menu of savings, credit and insurance services (and even risk prevention). It is important for financial service providers (FSPs) to understand how clients might use these products, singularly and together, and how to design and deliver them in ways that enhances their effectiveness. By helping clients to manage risks effectively, the FSPs are in turn managing their own risks. This course is particularly relevant today in light of climate change and other emerging risks, that heighten the potential demand; as well as by the emergence of digital technologies that enhance the business case.

Objectives

This course has two main objectives:

- a) To highlight the importance of managing risks for low-income households
- b) To illustrate how FSPs can design and deliver relevant products that will enable the working poor to manage risks more effectively, which includes
 - a. Preventing risks or reducing their severity
 - b. Providing emergency loans, targeted savings, insurance, and hybrid risk management solutions
 - c. Developing contingencies for disasters

Prerequisites

A passionate interest in strategies to reduce the vulnerability of the working poor



Audience / Participants

This course is relevant for all types of participants: practitioners, policymakers, funders and consultants

Methodology

This course is interactive and participatory, leveraging the diverse experiences of the participants in the classroom to discuss and work through challenging issues. The course relies heavily on case studies to illustrate opportunities and challenges. There is some homework to be done outside of the class.

Suggested Reading List

Churchill, Dalal and Ling (2012), "[Pathways towards greater impact: Better microinsurance models, products and processes for MFIs](#)", ILO Microinsurance Paper 18,

Frankiewicz and Churchill (2011), "[Managing product diversity](#)," Chapters 4 (Savings), 8 (Emergency and consumption loans), and 9 (Microinsurance).

Morgan and Churchill (2018), "[Financial inclusion and health: How the financial services industry is responding to health risks](#)," ILO Social Finance, Geneva

Sebstad and Cohen (2000), "[Microfinance, Risk Management, and Poverty](#)", USAID AIMS Project.

The World Bank (2015), "[Risk and opportunity: Managing risk for development](#)."



Outline

<p>Day 1 :</p>	<p>Introduction to the course, participants</p> <p>Understanding risks</p> <ul style="list-style-type: none"> - What risks are low-income households exposed to? - How do they cope or manage with such risks? - Idiosyncratic vs. covariant risks - Risk management framework - How to assess clients' priority risks? - Intro to risk-managing financial services
<p>Day 2 :</p>	<ul style="list-style-type: none"> - Which financial services are relevant for which risks? <p>Risk prevention</p> <ul style="list-style-type: none"> - What risks are preventable? - What can an FSP do to promote risk prevention? <p>Emergency loans</p> <ul style="list-style-type: none"> - Designing and delivering emergency loans - Consumption loans vs. emergency loans: is there really a difference? - Opportunities and risks: Case study
<p>Day 3 :</p>	<p>Savings</p> <ul style="list-style-type: none"> - Formal and informal savings - Savings product options - Designing savings products to manage risks <p>Insurance</p> <ul style="list-style-type: none"> - Product development pathway: Where to start and where to end up? - Case study: Win-win-win scenarios - What to avoid
<p>Day 4 :</p>	<p>Insurance (cont.)</p> <ul style="list-style-type: none"> - Case study: Win-win-win scenarios - Role of technology to enhance efficiencies <p>Natural disasters and MFIs</p> <ul style="list-style-type: none"> - What does a disaster preparation plan look like? - Pros and cons: Loan rescheduling and refinancing - Case study
<p>Day 5 :</p>	<p>Hybrid solutions: Combining savings, credit, insurance and prevention</p> <ul style="list-style-type: none"> - Savings and credit - Savings completion insurance - Combination health solutions <p>Wrap Up</p>