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Financial Access for Investing in the Development of Afghanistan (FAIDA)

Annual Report 2012

(L – R) Dr. S. Ken Yamashita, USAID Mission Director, H.E Noorullah Delawari, Da Afghanistan Bank Governor, H.E Anwar ul Haq Ahadi, Minister of Commerce and Industry, H.E Hazrat Omar Zakhilwal, Minister of Finance, and Mr. Khalil Sadiq, Afghanistan Banks Association Chairman, cut the ribbon during the inaugural ceremony of the Access to Finance (A2F) exhibition, on October 02, 2012 at Intercontinental Hotel in Kabul, Afghanistan.

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Financial Access for Investing in the Development of Afghanistan (FAIDA)

OVERVIEW

FAIDA assists the Government of the Islamic Republic of Afghanistan and the private sector in developing the financial sector. FAIDA helps USAID's Afghan partners in building capacity to deliver finance where it can be used most effectively, and in developing a legal framework and market infrastructure in which financial sector institutions and their business partners create value that provides growth and employment opportunities for all Afghans. FAIDA also directly assists Afghan women entrepreneurs providing specially targeted business development, training, and mobile money activities.

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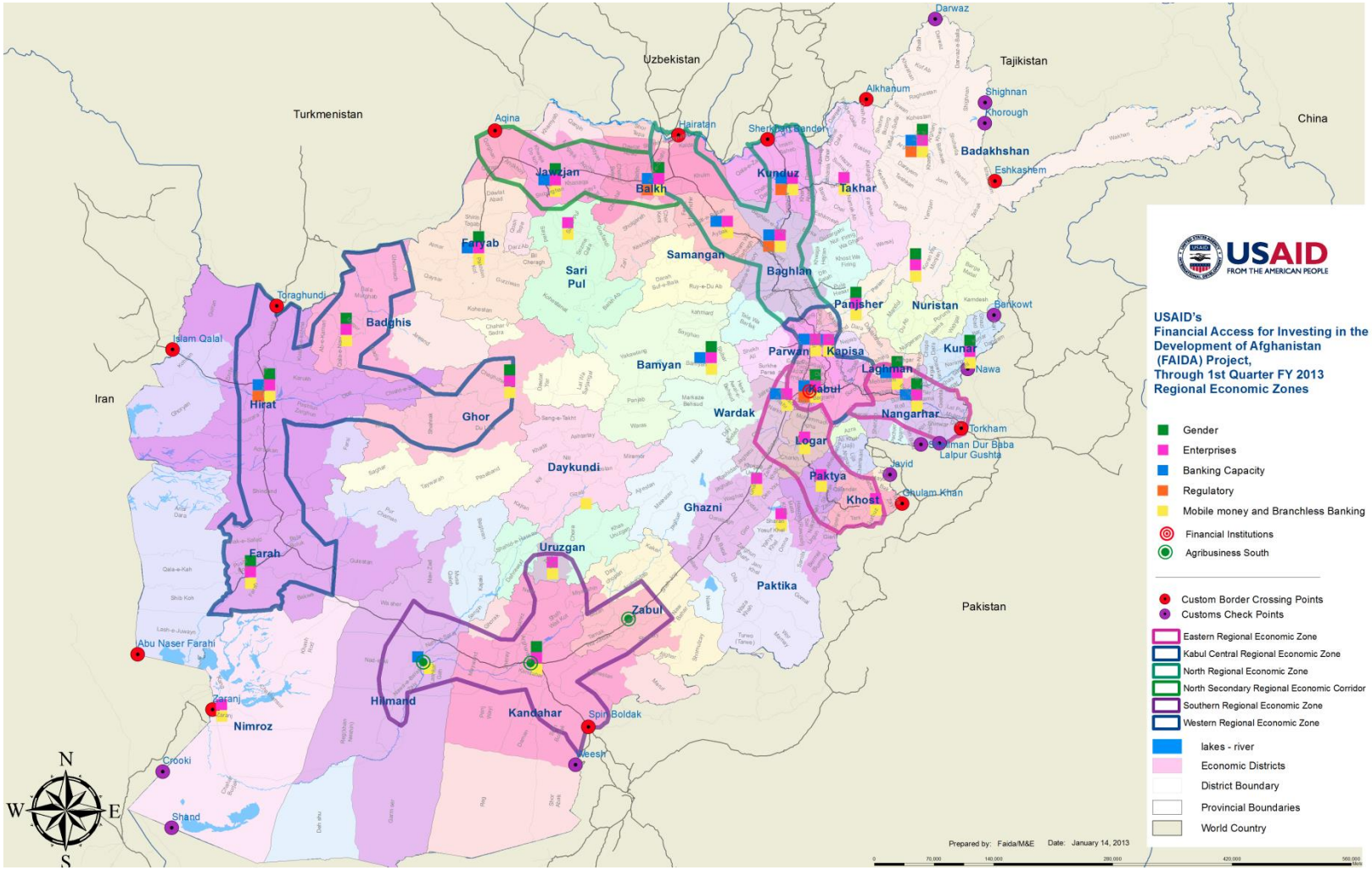
ACRONYMS

ABA	Afghanistan Banks Association
ABA	Afghanistan Builders' Association
ACAP	Afghan Citizens Assistance Program
ACCI	Afghanistan Chamber of Commerce and Industry
ACE	Agriculture Credit Enhancement
ADWSO	Afghanistan Development and Welfare Services Organization
AFAD	Afghans for Afghan's Development
AGF	Afghan Growth Finance
AIB	Afghanistan International Bank
AIBF	Afghanistan Institute of Banking and Finance
AIA	Afghanistan Insurance Authority
AMA	Afghanistan Microfinance Association
AMMOA	Association of Mobile Money Operators in Afghanistan
ANSOR	Afghan National Seed Organization
APS	Annual program statement
ASCP	Afghanistan Credit Support Program
A2F	Access to Finance
ARFC	Afghanistan Rural Finance Company
AUAF	American University of Afghanistan
AWBF	Afghanistan Women Business Federation
AWCC	Afghan Wireless Communication Company
CEO	Chief Executive Officer
CF	Contract farming
DAB	Da Afghanistan Bank
DABS	Da Afghanistan Breshna Sherkat
DDA	District Development Assembly
FAIDA	Financial Access for Investing in Development of Afghanistan
FFP	Firm Fixed Price
FMFB	First Micro Finance Bank
IIFC	Islamic Investment and Finance Cooperatives
KIU	Kampala International University
LDC	Leadership Development Conference
LFSC	Laghman Farm Service Center
MAIL	Ministry of Agriculture, irrigation and livestock
M&N	Murwarid and Nadima Marketing Consultancy
MCIT	Ministry of Communication and Information Technology
MFI	Micro Finance Institution
MISFA	Microfinance Investment Support Facility for Afghanistan
MoCI	Ministry of Commerce and Industry
MoF	Ministry of Finance
MOU	Memorandum of Understanding
MNO	Mobile Network Operators
MRRD	Ministry of Rural Rehabilitation and Development
NFC	Near-Field Communication
PDD	Product Design and Development
PRRD	Provincial Rural Rehabilitation and Development Department
RFA	Request for Application

RFP	Request for Proposal
SME	Small and medium sized enterprises
SVC	Strategic Value Creation
TNA	Training Needs Assessment
ToT	Training of Trainers
UNDP	United Nations Development Program
USAID	United States Agency for International Development
VFU	Veterinary Field Unit
WFP	World Food Program

FAIDA's Regional Presence



Executive Summary

In its second year of implementation, the Financial Access for Investing in the Development of Afghanistan (FAIDA) project has continued to make important progress in its mandate to support a more sustainable, diverse, and inclusive financial sector within Afghanistan.

The Enterprises Component works at the micro level with partner financial institutions to provide tailored financial solutions where access to capital will complete value chains and increase competitiveness. Linking lenders to businesses in need of financing, with a special focus on the agricultural sector and remote areas, FAIDA facilitated $ 9.86 million in loan applications in 2012,triple the amount of loans facilitated in the project's first year. Through its regional and provincial coordinators, FAIDA extended its reach to all 34 provinces of the country and has started conducting business roundtables across the country. FAIDA's business planning workshops for women entrepreneurs have earned kudos from governors, the Ministry of Women's Affairs, and the women beneficiaries themselves. In 2012, FAIDA developed 20 conventional and Islamic financial products, providing lenders with more market responsive services to offer and borrowers with greater financing options.

The Financial Institutions Component is a new project component launched in October 2012 to respond to the needs of individual financial institutions. This component aims to engage financial institutions directly, providing them with targeted assistance that enhances their capacity to lend, to be profitable, and to extend their services throughout the country. Designed as a consulting window for financial institutions, FAIDA's Financial Institution Component will deliver need-based technical assistance that included risk management, bank application process streamlining, loan monitoring and evaluation, collection advisory services for non-performing loans, technical assistance for enhanced Micro Finance Institution (MFI) profitability and operational sustainability. FAIDA is supporting MFIs such as Hope for Life, Shelter for Life, IIFC, UN-HABITAT, FMFB, ARFC, FINCA and OXUS.

The Banking Capacity Component enhances the capacity of financial sector associations, training providers and other financial sector infrastructure organizations to deliver the support that lenders require. After making significant strides in strengthening the institutional capacity of the Afghanistan Institute of Banking and Finance (AIBF) and Afghanistan Microfinance Association (AMA), FAIDA began to support the Afghanistan Banks Association (ABA) in its efforts to improve its effectiveness as an association. In October 2012, FAIDA supported ABA in organizing the landmark gathering of funding institutions and fund users, called the Access to Finance (A2F) Exhibition. A2F was the first event of its kind that directly where more than 2,000 business participants were able to interact face-to-face with all banking institutions in the country. In September 2012, FAIDA and the AIBF launched a *Women in Banking* internship program for recent graduates, which aims to train 300 interns over three 6-month cycles. Additionally, FAIDA supported AIBF and the Islamic Investment & Finance Cooperatives (IIFC) Group to develop and deliver eight customized microfinance courses for IIFC Group staff.

The Regulatory Component works to help Afghanistan create a lending environment that is characterized by reduced risk and increased predictability. FAIDA works with stakeholders to develop new or updated regulations across key sectors and institutions. In 2012, FAIDA lent its technical expertise in the drafting more than a dozen laws regulations, policies, or areas of commercial law that directly impact access to finance. FAIDA continued to work to improve the lending environment via public-private dialogue events, information exchange events, and assistance regarding the reforms necessary to improve Afghanistan's performance against the World Bank's Doing Business Indicators.

The Mobile Money and Branchless Banking Component provides technical assistance to Afghanistan's mobile network operators to introduce innovative new products and services and expand the use of mobile money. A milestone accomplishment in 2012 was the creation of the

Afghanistan Mobile Money Operators Association (AMMOA), which is comprised of the major mobile network operators in the country. Under the auspices of AMMOA, a series of mobile money contests in universities nationwide made big waves among students, and yielded novel mobile money applications, which will facilitate financial transactions by mobile phone users. In August 2012, AMMOA, with support from FAIDA, organized the Mobile Money Senior Executive Seminar for top officials and executives of government ministries, private institutions and mobile network operators, including donor organizations. International study tours, seminars and participation in global mobile money events contributed further to learning and training in Afghanistan's mobile money industry. In support of the AMMOA members, FAIDA organized roadshows to attract mobile money agents in strategic provinces of Afghanistan.

The Agribusiness South Component scales-up activities to support a sustainable, commercially viable, agribusiness-based economy as the best way to achieve long-term stability, security, and enduring peace in Southern Afghanistan. Officially launched in December, this component features specialized training and technical assistance for input supply system improvement, strengthening market intelligence systems, improving postharvest handling and integrating women more fully in agribusiness.

The Gender Mainstreaming is cross-cutting involving all the technical components of FAIDA. Access to finance has proven an important avenue for furthering Afghan women's economic and social empowerment. In July 2012 FAIDA sponsored 13 women to attend the Delhi International Investment Summit, which was an important opportunity for their businesses.. As a result of this intervention, the 13 businesswomen held 261 business meetings with potential investors, secured 31 business deals and signed four MOUs with partner businesses. To support this increased engagement of professional women in the financial sector, FAIDA partnered with the Afghanistan Institute of Banking and Finance (AIBF) to conduct a professional internship for women, targeting a total of 300 participants in three cycles. The first cycle was started in September 2012 and will be completed in February 2013.

The following report details FAIDA's activities and progress from January 2012 through December 2012. Organized by component, discussion of project achievements is juxtaposed with the associated indicators from FAIDA's Performance Management Plan (PMP).

Enterprises Component

FAIDA's second year proved a stimulating and productive period for the Enterprises Component. The Enterprises Component is comprised of the Strategic Value Creation (SVC) team and the Product Design & Development (PDD) teams. The Strategic Value Creation (SVC) team included four Regional Coordinators and recruited seven Provincial Coordinators during the year; this team's effort facilitated $9.86 million in 277 loans during the calendar year. The Product Design and Development (PDD) teams developed twenty products during the year 2012. In addition, the Enterprises Component continued its loan facilitation activities and launched various initiatives including a series of business to bank roundtables and the Access to Finance (A2F) exhibition.

During 2012, the Enterprises Component continued its work in all 34 provinces with close coordination from the USG representatives in the Provincial Reconstruction Teams and the Afghan stakeholders. FAIDA's regional and provincial coordinators engaged closely with private enterprises, industrial parks, private sector associations, commercial banks, women's business development organizations, and others to identify and engage Afghan firms with viable lending prospects. In consultation with aforementioned entities the Enterprises Component identified agriculture, construction, carpet industry, services, trade and small manufacturing as priority sectors for enterprise level lending.

"Once again, USAID came to my assistance by facilitating a one-year revolving overdraft [credit line] of $2.5 million from Azizi Bank, which I received in April 2012. The loan helped me establish another de-hairing facility in Faizabad, Badakhshan Province and purchase cashmere blending equipment for my cashmere plant in Herat."

Mr. Abdul Hotak,
President of Herat Skin and Cashmere Processing Plant

A worker monitoring machine in the Herat Skin and Cashmere Processing plant.

To help facilitate financing to the agriculture sector, FAIDA engaged the Farm Service Center Association (FSCA), Kabul Dry Fruits Association, Kabul Fresh Fruits Association, Kandahar Dry Fruits Association, Kandahar Fresh Fruits Association and other smaller associations and cooperatives.

To promote lending to Afghan agribusinesses, FAIDA worked closely with several financial institutions in Afghanistan. FAIDA partnered with Agriculture Credit Enhancement (ACE), a USAID funded program to facilitate loans in agriculture sector and developed loan applications for agro enterprises from different provinces, following ACE lending guidelines.

The Enterprises team assisted the US Department of Commerce, in organizing a Franchise Conference in Kabul that was attended by 80 Afghan businesses and four U.S. companies interested in franchising.. A separate matchmaking event was organized to connect each U.S. to the right Afghan partners.

FAIDA worked closely with Farm Service Center Association of Afghanistan (FSCAA) to build its capacity to provide association members access to loans and access to markets. FAIDA interfaced with ACE which provided FSCAA a credit line of $3 million for its members.

The Enterprises team worked closely with Afghan Builders' Association (ABA) to promote lending to construction sector and worked with carpet exporters' guild to provide access for finance to Afghan carpet producers and exporters.

Business to Bank Round Tables:

The Enterprises team organized 12 Business to Bank Roundtables in ten different provinces of Afghanistan in 2012. The primary objective of the Business to Bank roundtables is to link the enterprises with the financial institutions.

During the year a total of 672 businesses, including 122 women-owned businesses, participated in these roundtables. Representatives from 12 financial institutions presented their services and learned of the loan products needed by the cross section of Afghan businesses that participated. The enterprises learned about the specific requirements of different banks for processing of their loan applications. These roundtables were found very effective by both banks and businesses and helped in expediting the financing activities. FAIDA will organize at least 13 Business to Bank Roundtables in ten provinces in the next year to promote lending to Afghan businesses.

Participants in Herat 'Business to Bank Roundtable'.
Photo by Syed Basir Ali, FAIDA GIS Specialist

Haji Asadullah, Director of Shurandam Industrial Park, sharing his views during the Kandahar Business to Bank Roundtable.

Access to Finance (A2F) Exhibition

The Access to Finance exhibition's main objectives were to link businesses with financial institutions, make Afghan businesses aware of different financial products, and to identify the needs of the businesses to tailored financial products. FAIDA's Enterprises Component, in coordination with FAIDA Banking Capacity Component, supported the Afghanistan Banks Association (ABA) in organizing the first Access to Finance (A2F) Exhibition in Afghanistan on October 2 -3, 2012 in Kabul.

More than 2,000 business representatives and entrepreneurs from all regions of Afghanistan participated in the exhibition. Thirty-seven exhibitor booths, showcasing the financial products and services of financial institutions and mobile network operators, were visited by the participants. More than 1,600 participants attended nine different workshops relevant to their fields of activities and interests (*for further details refer to Banking Capacity section of the report*).

Contract Farming Initiative

FAIDA's Contract Farming activity started in March 2012, aimed at organizing the commercial agricultural production of both large-scale and small-scale farmers. It provides linkages between farmers, traders, processors and exporters to improve the reliable and safe supply of products to various local and international markets.

The contract farming agreement supports farmers, traders, processors and exporters to gain access to finance and credits which increases income for the farmers, especially in rural areas. FAIDA assisted several traders to draft contract farming agreements with small farmers and linked them with local and international markets, as well. The potential advantage of sound contractual practices is fostered by an adequate Afghan legal framework that supports the parties (farmers, traders, processors, exporters and bankers) in the proper implementation and enforcement of contracts – which helps parties to access finance and attract investment.

"This contract farming agreement will be very beneficial for me. Boustan-e-Sabz company will provide me with fertilizer, high-quality seeds and other inputs, teach me how to properly grow and harvest my crops, provide me capital if I need it, and buy all my produce at a pre-agreed price based on prevailing market prices. I am very pleased with this agreement and I thank USAID for making this happen. With this contract farming agreement in place, all I have to worry about is growing my crops because the market is already there."

Farmer Abdul Wahid,
Bodikow Village,
Parwan province

Fruit and vegetable farmers from Parwan province proudly display their contract farming agreements after the signing ceremony on July 18, 2012.

FAIDA organized three workshops on contract farming in 2012 resulting in the signing of contracts , the total value of which is $ 4,365,500.00. The following table summarizes the signed agreements:

Produce	Quantity (Metric Tons)	No. of Contract Farming Agreements signed	Estimated Value ($)
Fresh Fruits	8220	142	$ 3,970,000
Dry Fruits & Nuts	71	81	$ 215,500
Vegetables	40	94	$ 180000

The Product Design & Development (PDD) Activities:

During 2012 the Product Design & Development Team (PDD) has been responsive to the needs of the market and supported both financial institutions and businesses in identifying business needs, designing the solutions as well as helping the financial institutions in implementing the 20 financial products developed during the year.

PDD focused on extending technical assistance to the Insurance sector. This support included the development of the Takaful (Islamic Finance) Operating Model and assisted the Afghanistan Insurance Authority in developing the regulations to implement and govern the Takaful Operations.

Moreover, the team developed several products and credit schemes to enhance access to finance for the agriculture sector and the different value chains. The PDD team designed the Islamic Finance Window Operating Model to help banks and other financial institutions offer Sharia compliant services.

The PDD team achieved its primary objectives of developing new products for the financial institutions; 20 new products were developed during the year 2012. To ensure impact and further enhance access to finance, PDD helped the banks implement these products in 5 financial institutions and is supporting them in implementing the Islamic Finance window.

Several financial institutions including Afghan Growth Finance (AGF), Pashtany Bank, Ghazanfar Bank, Agriculture Development Fund (ACE Project), Afghan Rural Finance Company (ARFC) and

Afghanistan Insurance Authority (AIA) have adopted the Islamic Finance Window Operating Model. Moreover, the PDD team reviewed current Islamic operations for Islamic Investment and Finance Cooperatives (IIFC) and is working with IIFC to ensure operations comply with Shariah principles.

Also the team conducted many training sessions to promote the newly developed products including *Leasing, Islamic, Agriculture finance and credit schemes* and *Contract Farming & Value Chain Financing*.

The team coordinated with ABA in organizing the first *Bank & Insurance CEOs Retreat* in Kabul on December 04, 2012. The CEOs and senior executives of eight banks [Afghanistan International Bank (AIB), Bank Al Falah, Maiwand Bank, Azizi Bank, Habib Bank, ACB, Bakhtar Bank and Ghazanfar Bank], four insurance companies [Insurance Group of Afghanistan (IGA), Insurance Corporation of Afghanistan (ICA), Afghan National Insurance Company (ANIC) and Afghan Global Insurance Company (AGI)], representatives of Afghanistan Insurance Authority, ABA, USAID/ACE and USAID/FAIDA staff participated. The objective of the retreat was to discuss two major sectors in Afghanistan's economy (Banking & Insurance)and to exchange ideas and practices on how to strengthen and enhance access to credit as well discuss potential collaboration and joint products. The event resulted in greater collaboration between the industry players, collective effort to provide consumer education and capacity building in the insurance sector.

Moreover, the team managed several workshops during the Access to Finance Exhibition in October 2012, including *Financing the Construction Sector, Challenges & Opportunities Facing the Insurance Sector in Afghanistan,* and *Leasing.*

Enterprises Component's Indicators

The tables below and related narratives describe Enterprises Component's progress towards contractual indicators:

Code	Indicator	Total Achieved During Period			
		Q1	Q2	Q3	Q4
A	Number of full-time equivalent (FTE) jobs created	18	149	454	53

Loans made by financial institutions as a result of the Enterprises Component's loan facilitation activities permitted the expansion of businesses, generating new jobs helping to retain many more jobs not reflected by this indicator.

Code	Indicator	Total Achieved During Period			
		Q1	Q2	Q3	Q4
1.1	Number of families benefitted	1,338	1,113	826	2,978

Loans facilitated by the Enterprises Component and the trainings organized by the component benefitted a total of 6,255 Afghan families in different provinces of Afghanistan. It is worth mentioning that this indicator reflects the total number of families that have benefitted through all FAIDA components' intervention, including the Enterprises component.

Code	Indicator	Total Achieved During Period			
		Q1	Q2	Q3	Q4
1.2	Amount of private financing mobilized	$1,779,000	$5,220,000	$1,882,652	$983,000

The majority of the loans facilitated by FAIDA were with the following lenders or financial institutions: FMFB, ACE/ADF, Ghazanfar Bank and Afghanistan Rural Finance Company (ARFC). The loans received were mainly for: agribusiness, small manufacturing and trading activities.

Code	Indicator	Total Achieved During Period			
		Q1	Q2	Q3	Q4
1.3	Number of businesses supported with U.S. government assistance	1,071	410	358	1,101

The Enterprises Component organized a series of training programs and other events such as Business to Bank Roundtables, workshops and Access to Finance Exhibition to build the capacity of Afghan enterprises. Business counseling to individual enterprises was also key. The 1st quarter of 2012 reported high number, as mobile agent recruitment workshops took place during that period.

Code	Indicator	Total Achieved During Period			
		Q1	Q2	Q3	Q4
1.4	Number of new financial products developed by U.S. government-assisted financial institutions	1	5	6	8

The Product Design and Development (PDD) team developed 20 products during 2012 covering finance, banking and insurance for both conventional and Sharia compliant operations. Based on market need, the team developed Islamic Finance Window Operating Model which is being considered as the Road Map by financial institutions on how to develop, implement and offer Sharia compliant services. In addition, the PDD team developed several products to complement the implementation of the Islamic Finance window operating model, including Diminishing Musharakah, Mudarabah, Commodity Murabaha, Takaful (Islamic Insurance), Letters of Guarantee and Leasing, which is another key product, that was developed and implemented in 2012.

Financial Institutions Component

In October of 2012, FAIDA unveiled a new project component designed to engage financial institutions directly and thereby increase lending, increase efficiency, and bolster the institutions themselves through tailored technical assistance.

The component will conduct demand driven activities that exist along the critical path of lending and processes pertaining to lending at the financial institution level. Activities will answer an individualized need, be core to the individual competitiveness of the organization or relate to the acceleration or elaboration of lending activities.

The component will respond independently to demands of financial institutions on a case by case basis with careful coordination with Afghanistan Banks Association (ABA), Afghanistan Institute of Banking and Finance (AIBF), and Afghanistan Microfinance Association (AMA). Where activities are undertaken that overlap with AIBF, AMA or ABA, activities will be conducted under the heading of those organizations.

Key Activities

The Financial Institution Component is designed as a consulting window for financial institutions. As such, activities of individual need to financial institutions comprise the majority of the components function. Examples include: Risk management, bank application process streamlining, loan monitoring and evaluation, collection advisory services for non-performing loans, technical assistance for enhanced Micro Finance Institution (MFI) profitability and operational sustainability.

Mr. Bashir Khan (L), the acting CEO of IIFC group, and Mr. Anjaneyulu Ballem (R), the FAIDA IIFC Financial Advisor, discussing the IIFC operations layout.

Present activities include:

- Regular meetings and exploration of technical assistance with MFIs: Hope for Life, Shelter for Life, IIFC, UN-HABITAT, FMFB, ARFC, FINCA and OXUS. Present activities include:
    - First Micro Finance Bank (FMFB) – process mapping of customer interactions relating to modification of existing IT systems and human resources planning
    - Islamic Investment & Finance Cooperative (IIFC) – The Financial Institution Component has overseen the WOCCU-IIFC transition and presently provides full time technical assistance to IIFC in order to insure their operational strength and profitability. Commendations from IIFC have already been received for these efforts
    - UN-HABITAT – FAIDA has drafted a transition plan to aid UN-HABITAT as they discontinue their LCEP-2 program and seek to resolve lingering issues amid their system of more than 1500 community banks
    - Hope for Life – review of policy and procedures manual, exploration of mobile money technology opportunities, registration
    - Shelter for Life – exploration of mobile money technology opportunities and guidance on internal audit and compliance
    - ARFC – Promotion of bad debt recovery and guidance on loan rescheduling activities

- FINCA – Involvement in gender activities, financial education trainings and exploration of IT systems upgrade and related training
- OXUS – Analysis of Human Resources planning and possible assistance for senior technical positions

- Regular meetings and exploration of technical assistance with commercial finance institutions including: Maiwan, AIB, AUB, Azizi, Baktar, and Gazanfar bank, Afghan Growth Finance
  - AIB – Identification of training program for key female risk officer
  - Maiwan Bank – Promotion of women's banking
  - Afghan Growth Finance – Consultation on registration issues in conjunction with the Regulatory Component. Business referrals and consultation on leasing in conjunction with the Enterprises Component.
  - Baktar Bank – Strategic Planning, Risk consulting
  - Azizi -- Agriculture Credit promotion, SME financing, better than cash activities including mobile money, bill payment, internet banking, card management services

Indicators for this component relate to those already agreed upon for the Enterprises and Bank Capacity Components and will be tracked as such.

From: Bashir Khan [mailto:bashir.khan@iifcgroup.com]
Sent: Wednesday, December 26, 2012 8:42 AM
To: Anjaneyulu Ballem
Subject: Contribution to IIFC Group

Dear Anjan,

I appreciate your contribution to IIFC Group in a short time. It is about a month that you started supporting us, and we can already feel the benefit of your support.

I especially want to acknowledge your insights based on the visit to Kandahar IIFC. As per your advice, we have revised the loan sizes and the loan processing procedures. We realize the risks involved in the AFN 500,000 loans currently being disbursed without adequate processing.

We have therefore temporarily stopped these loans and look forward to your support in streamlining the loan process, so that we can start disbursing larger loans again.

Best Regards,

Bashir Khan
Acting Chief Executive Officer
Islamic Investment & Finance Cooperatives Group
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Banking Capacity Component

At the meso-level, covering financial market infrastructure, FAIDA builds the capacity of financial sector associations, training providers, and infrastructure organizations to deliver the support that lenders require. The Banking Capacity Component helps FAIDA's meso-level financial sector partners build their organizational and human capacity to provide training, advocacy, and other member services. FAIDA's meso-level counterparts include Afghanistan Institute of Banking and Finance (AIBF), Microfinance Investment Support Facility for Afghanistan (MISFA), Afghanistan Microfinance Association (AMA), Afghanistan Banks Association (ABA), American University of Afghanistan (AUAF), and Afghanistan Credit Support Program (ACSP).

Afghanistan Institute of Banking and Finance (AIBF)

Established in 2010, the Afghanistan Institute of Banking and Finance (AIBF) is working to strengthen the financial sector by providing training and capacity building programs to banks and microfinance institutions (MFIs). During the year, major achievements of AIBF include:

Afghanistan's first Distance Learning Diploma Program: In January 2012, AIBF started the Distance Learning Program – Diploma in Microfinance Management, Diploma in Human Resource Management and Diploma in Managerial Accounting – in collaboration with Kampala International University (KIU), Tanzania. Currently the fourth module of the one-year diploma program classes is in progress for the 41 students and will be completed by January 22, 2013.

training participant receives a CD of the Internal Controls and Audit Course from Michael Osegge, Head of Microfinance Department, AIBF
Photo by: Zia Shafaie, National Trainer AIBF

Afghan Women Internship Program: To strengthen Afghan women's capacity and expand women's employment in the financial sector, AIBF initiated a six-month internship program for recent women graduates in September 2012. Aside from basic banking skills, the interns will also be trained in speaking and writing in Business English. AIBF aims to train 300 interns in three cycles. The first cycle of the internship program is now in progress with 106 interns.

Customized Training: In July 2012, AIBF signed an agreement with the Islamic Investment & Finance Cooperatives (IIFC) Group to develop and deliver eight customized microfinance courses for staff of IIFCs and IIFC Group. By December 2012, all

"The trainings which we got from AIBF were very important because before these trainings we were not able to do our work well and advise staff on how to process the loans, but now we can differentiate and make the right decisions."

Muhammad Wasim Sadiqui
IIFC Loan Officer, Helmand

eight courses were developed and delivered to 394 participants from 14 provinces.

AIBF also delivered customized training to staff of Afghanistan International Bank (AIB), and discussions are underway for developing and delivering customized training for staff of MFI Mutahid and UN-Habitat.

Corporate Governance Workshop for Banks: In collaboration with Da Afghanistan Bank, AIBF organized a Corporate Governance workshop to discuss principles of good Corporate Governance, including the risk governance in banks. The workshop, facilitated by IMF advisor Dr. Nabil Hashad, reflected on the lessons learned from Afghanistan's financial crisis of 2010 and discussed international best practices and how they might be applied to banks in Afghanistan. Twenty-six representatives from banks including board members and senior management participated.

Microfinance Awareness Training for Government Officials: At the request of MISFA, AIBF developed a customized course in English and Dari for the employees of Ministry of Rural Rehabilitation and Development (MRRD). The key objective of this course was to increase awareness about microfinance among MRRD staff, as well as local leaders from various provinces. Thirty-two staff from Provincial Rural Rehabilitation and Development Department (PRRD) and District Development Assemblies (DDAs) representing eight provinces were trained in April 2012.

Afghanistan Microfinance Association (AMA)

Established in 2005, the Afghanistan Microfinance Association (AMA) is the national network of development finance institutions in Afghanistan. AMA aims to promote a sustainable development finance sector in Afghanistan. AMA was mostly dormant since its inception and was rejuvenated through FAIDA's support. During the year, major achievements of AMA include:

Increasing awareness among government and community leaders: In March 2012, AMA took the responsibility of coordination among Micro Finance Institutions (MFIs) and other local stakeholders such as local government departments and communities in Kabul and Parwan provinces, and organized four Program and Legal Awareness (PLA) meetings so far. The primary aim of these meetings is to educate government authorities and community leaders on the benefits of microfinance and enlist their support. As a result of this initiative, it has been noticed that MFIs are increasingly interacting with the local government officials and receiving assistance from the community leaders.

Sector Updates: As a new initiative, AMA started disseminating operational data from all microfinance organizations on a quarterly basis to prepare Sector Update Reports. The trend data allows for comparison between each quarter and highlights the direction in which the sector is moving. Four quarterly Sector Update Reports have been published so far.

Training Needs Assessment: AMA took on the mandate to systematically identify the capacity building needs through a sector-wide Training Needs Assessment (TNA). The findings of the TNA report, guided AIBF's training strategy and schedule for the year.

> *"AMA's work has become very handy and useful in terms of providing us with updates on the sector. The sector update reports in particular, has made my life easier since now I do not have to contact individual organizations for data collection upon data calls. The report is well organized and detailed."*
>
> *Abdullah Sawiz,*
> *USAID/EG*

As a follow-up to the TNA, AMA conducted a Training of Trainers (TOT) for 20 MFIs trainers including 9 women on adult learning methods and participatory learning approach. AMA also developed six Peer Learning Workshop Modules and organized 11 Peer Learning Workshops on

two modules – Internal Control & Audit, and Marketing & Client Selection, for 104 MFI staff (including 17 women) from 13 MFIs in 7 provinces.

Capacity building of Community Bank Leaders: At the request of United Nations Human Settlements Program (UN-Habitat), AMA developed two training courses on Delinquency Management, and Bookkeeping, Leadership & Governance to enhance the skills of Community Banks promoted by UN-Habitat. Seventeen trainings were delivered to 411 Community Bank leaders, including 180 women, from 12 provinces of Afghanistan.

Peer Learning Workshop for CEOs on Internal Control and Audit. (L-R) Mr. Peter Gillis, Community Development Advisor UN Habitat, Mr. Salim Khan COO FINCA, Dr. Hashmat Seyar CEO ARFC, Mr. Dan Mooney COP FAIDA participating in the discussions
Photo by Zabiullah AMA Finance Officer

AIBF – AMA Coordination meeting: (L-R) Mr. Maiwand Rohani, Acting Director AIBF, Mr Michael Osegge, Head of Microfinance Department AIBF, Mr. Najib Samim, Executive Director AMA, Mr. LB Prakash and Ms Pariwash Rustaqi, FAIDA
Photo by: Ms Patmana Kunary, FAIDA Member Services Specialist

AMA Grant Signing ceremony in FAIDA office on May 24, 2012.From left to right; Dr. Shah MahmoodMusakhai, Mr. Dan Mooney, Mr. Najibullah Samim, and Ms. ZarWardak.

ToT participants received training certificates during the TOT close out ceremony.

Afghanistan's Development Finance Sector first-ever Salary Survey: AMA conducted the first annual salary survey of Afghanistan's development finance sector. The salary survey results reflect data collected on 2,355 staff from 12 institutions which represent the biggest development finance institutions in the country. The salary survey report contains some illuminating findings regarding salaries, bonuses, short and long term benefits, and other measures taken by organizations to compensate their staff. The report was presented in the bi-monthly CEO coordination meeting of the MFIs. The impact of the survey report is already being felt. Guided by the salary survey, Mutahid in revising salary scales for its staff.

Afghanistan Banks Association (ABA)

The Afghanistan Banks Association (ABA) was established in 2004 to meet the need of the growing banking sector for a united body that will articulate their collective concerns in dialogues with the Da Afghanistan Bank (DAB), Government of the Islamic Republic of Afghanistan (GIRoA), and other

stakeholders. However the ABA had not been effective as an association, and was mostly dormant since its inception. Since May 2012, FAIDA has supported ABA to strengthen and increase its effectiveness. For this purpose, FAIDA has conducted the following activities in close coordination with ABA:

Strategic Plan: FAIDA supported ABA to develop its three year Strategic Plan (2012 – 2015) which assesses the status and potential of ABA and identifies the support needed to help ABA achieve its goals. FAIDA is currently considering supporting ABA in implementing its Strategic Plan.

Afghanistan's first Access to Finance Exhibition: Access to Finance (A2F) is the main enabler of growth of the private sector in developing countries. In order to stimulate the economic development of Afghanistan, FAIDA took the lead in ABA's initiative to organize Afghanistan's first A2F Exhibition with the aim to provide a leading venue where financial institutions and businesses can interact.

Thirty-seven booths were set up by banks, microfinance and other financial institutions, mobile network operations, technical support providers and other support institutions.

The event was attended by more than 2,000 visitors from more than 15 provinces during the two days.

During the A2F Exhibition, Banking Capacity team coordinated eight workshops covering Construction Sector, Insurance, Credit Guaranty Schemes and Credit Registries, Leasing, Mobile Money, Trade Finance, Access to Finance for Women Businesses and Capacity Building for the Afghanistan Financial Sector. Thirteen hundred participants participated in these workshops.

"Access to Finance exhibition has provided the banking sector with the opportunity to interact with potential clients at an individual level, and we were able to inform a huge number of business representatives from all over Afghanistan about the various financial products that our banks are providing."

Mr. Farid Khan Viar
Marketing Representative,
Pashtany Bank

A Bank to Business Interaction was also organized in which eight financial institutions each made a 10-minute presentation about their loan products and services, including their terms and conditions. Three hundred fifty (350) participants attended these presentations.

Microfinance Investment Support Facility for Afghanistan (MISFA)

FAIDA is coordinating with meetings between MISFA, AMA and AIBF to discuss the trainings that AIBF will conduct in the provinces for the MFI staff.

At the request of MISFA, FAIDA is supporting the development of its new two year strategic plan with a focus on reinventing the role of MISFA, including broadening the financial inclusion agenda in Afghanistan and transitioning certain roles to AMA.

Oxus MFI

Based on the institutional assessment of OXUS MFI and approval from USAID, FAIDA provided a financial grant of AFN 14,700,000 (equivalent to $ 300,000) to Oxus MFI in July 2012, to increase access to finance by expanding the funds available for microfinance lending. Specifically, it aimed to increase the number and amount of microfinance loans that Oxus can make to micro entrepreneurs in Oxus operational area.

Oxus Microfinance Institution used the FAIDA grant to increase access to finance by expanding the funds available to Oxus for on-lending. In total, 254 loans amounting to AFN 19,720,000

(equivalent to $402,0000) were disbursed, of which 92 loans (36%) were made to women, resulting in 343 jobs being created or sustained.

Banking Capacity Component's Indicators

The tables below and related narratives described above Banking Capacity Component's progress towards contractual indicators:

Code	Indicators	Total Achieved During Period			
		Q1	Q2	Q3	Q4
2.1	Number of financial sector training and/or certification programs established or supported that meet international standards	18	31	25	31
2.2	Number of financial sector employees trained with U.S. government assistance	154	350	328	446
2.3	Number of financial sector professionals/supervisors trained with U.S. government assistance	77	214	140	310
2.4	Number of financial institutions with enhanced capacity as a result of U.S. government assistance	7	2	0	0

Regulatory Component

The Regulatory Component works to help Afghanistan create a lending environment that is characterized by reduced risk and increased predictability. This Component works with stakeholders to develop new or updated regulations across key sectors and institutions. During 2012, the Component provided commentary or full-text drafts regarding more than one dozen laws, regulations, policies, or areas of commercial law that directly impact access to finance. In addition to these formal written submissions, the Component worked to improve the lending environment via public-private dialogue events, information exchange events, and assistance regarding the reforms necessary to improve Afghanistan's performance as to those "Doing Business" Indicators that impact access to finance.

Representatives from Da Afghanistan Bank's mobile money licensure team discussing regulatory issues with officials from Banko Sentral ng Pilipinas (Philippine Central Bank) during their study tour of March 2012 in Manila, Philippines.

Regulatory Component's Indicators

The tables below and related narratives describe Regulatory Component's progress toward contractual indicators:

Code	Indicator	Total Achieved During Period			
		Q1	Q2	Q3	Q4
3.1	Number of public-private dialogue mechanisms utilized as a result of U.S. government assistance.	4	3	4	6

The mechanisms that the Regulatory Component primarily engaged were (i.) public events, such as seminars, workshops, and conferences in which decision-making public officials participated; (ii.) meetings organized specifically to allow finance sector regulatees to undertake dialogue with regulators; and (iii.) support to the "Access to Finance Doing Business Indicators" initiative.

Quarter 1: Two seminars in Kabul on issues that impede trade finance, which seminars included targeted recommendations (each attended by competent government officials). Also, two meetings arranged between General Counsel of Central Bank and individual applicants for so-called "Electronic Money Institution" licenses.

Quarter 2: Three "exchange sessions" in Mazar-e-Sharif. One on loan agreements; two on trade finance issues (including cargo insurance).

Quarter 3: Large conference event on "Access to Finance" in general. Two "dialogue sessions" with banks on the feasibility of opening leasing companies in Afghanistan (with FAIDA Banking Capacity Component).

Quarter 4: Two meetings of the "Housing Finance" Working Group with government officials (including a Deputy Minister of Housing and Urban Affairs); Two information transfer sessions (in conjunction with the IFC) on the new secured transactions law and system; Four separate meetings arranged and prompted by and among (i.) the Central Bank's Financial Supervision Department; (ii.) FAIDA; and (iii.) each of the four Mobile Network Operators who are seeking licensure as Electronic Money Institutions.

Code	Indicator	Total Achieved During Period			
		Q1	Q2	Q3	Q4
3.2	Number of working groups established to address financial sector development issues as a result of U.S. Government assistance	1	0	1	1

1. Working Group on Housing Finance and development of "New Kabul" housing complex founded after the Regulatory Component's meeting with Deputy Minister of Housing and Urban Affairs and USAID representatives. FAIDA attended the working group sessions.

2. Working Group on "Access to Finance Doing Business Indicators." Members are relevant Ministry of Commerce and Industry officials, German Corporation for International Development (GiZ), as well as FAIDA. The purpose of the is multi-fold: (i.) to generate a systematized manner of private sector dialogue within the government; (ii.) to mobilize the Economic Committee such that it regularly considers the issues raised by the private sector, and such that it formally includes "Access to Finance" advice in its docket; (iii.) raise awareness regarding the progress that Afghanistan has made in the "Doing Business Indicators" areas that impact access to finance.

3. Working Group on implementation of the secured transactions law. Members are the Afghanistan Banks Association (ABA) and technical staff from the Central Bank that have been invited by ABA. The purpose of the group is to advocate reforms and improvements regarding the nascent collateral registry, as well as to ensure that related training is made a pre-requisite to continued licensure as a lawyer or judge (*n.b.*: This working group was begun in December 2012).

Code	Indicator	Total Achieved During Period			
		Q1	Q2	Q3	Q4
3.3	Number of comments provided on financial sector related laws and regulations as a result of U.S. government assistance	3	4	3	1

1. Draft law on "sukuk" bonds. This included a full analysis of the status of the market, as well as a realistic assessment of Afghanistan's ever issuing marketable, revenue-based debt instruments.

2. Law on Secured Transactions. Movable property secured transactions have been called the *sine qua non* of access to finance. The Regulatory Component produced a seminar, which included critical analysis of the new law.

3. Proposed regulations on "collateral registry." The law on secured transactions will never be effective unless the registry system becomes so. The Regulatory Component submitted draft regulations.

4. Draft Bankruptcy Law. Although the law was drafted with the assistance of non-USAID donor, the Regulatory Component provided commentary at the request of the technical staff of the Ministry of Commerce and Industry (MoCI).

5. Laws and conventions related to bills of lading and documents of title (*e.g.* 1924 Brussels Convention, and matters associated with accession thereto; Hamburg Rules; Hague-Visby Rules). Bills of Lading are an essential element to the generation of trade finance. Afghanistan must become a signatory to the relevant international convention.

6. The Institute of London Underwriters Cargo Clauses and War Clauses. Most trade financiers require that the shipper (or, in some cases the consignee), obtain cargo insurance coverage. The Regulatory Component's analysis of the most prevalent cargo insurance policy provisions is intended to simplify, for Afghan shippers/receivers/manufacturers/banks, this occasionally arcane subject.

7. Mortgage Law. Banks complain that the series of laws and customs that surround the collateralization of immovable property in Afghanistan are unworkable. The Regulatory Component provided analysis that attempts to make sense of what serves as the "system."

8. Analysis of worldwide housing finance policies. This is ongoing at press-time. It is prepared at the behest of the Housing Finance Working Group (see 3.2.1, *infra).*

9. Regulation on Money Service Providers. Numerous questions arose during the reporting period involving such matters as trading in air-time; the degree to which "stored value" card purveyors are subject to licensure; "point of sale" terminals as credit devices; and a plethora of questions involving mobile money. The Regulatory Component provided written responses to each.

10. Banking Law. Numerous questions were raised by different financial sector stakeholders regarding the degree to which certain financing activities are within the purview of the Central Bank. The Regulatory Component provided relevant guidance.

11. Law on Trademark Registration. Trade financers complain that shipments are often interrupted at the Afghan border by revenue agents who assert that the shipments violate a pre-registered "trademark assignment contract." The Regulatory Component provided, at the request of the technical staff of Ministry of Commerce and Industry, an analysis of the Trademark Registration Law (the memorandum concluded, with citation to relevant authority, that the afore-described practice is proscribed by both local and international law).

12. 1961 Hague Convention (matters associated with accession thereto). In response to the concerns of the ABA, the Regulatory Component drafted a guide that describes what Afghanistan must do to become a signatory to this essential Convention.

13. Question of public international law: State succession. Banks (acting through the ABA) made, at the end of the reporting period, an inquiry regarding the ownership of deposits generated during the reign of predecessor regimes. The Regulatory Component, at press-time, is preparing a related memorandum.

Mobile Money and Branchless Banking Component

FAIDA's mobile money and branchless banking component reached a number of milestones in 2012. The Association of Mobile Money Operators in Afghanistan (AMMOA) implemented a crowd-sourcing program through a nationwide university contest that encouraged the development of innovative mobile money applications. More than 5,000 university students took part in the contest, and eight innovative applications were selected by MNOs as winners. FAIDA also supported AMMOA to host several agent recruitment road shows in key cities to develop the Mobile Network Operators (MNOs) agent networks. With FAIDA support, AMMOA hosted the *Afghanistan Mobile Money Senior Executive Seminar* for senior Afghan government officials and top executives of MNOs and commercial banks.

289 attendees in Mazar-e-Sharif learn about mobile money agent network and credit systems development workshop during March 2012.

The Mobile Money team also sponsored a number of study tours to help enhance the capacity of our Afghan partners and to learn industry-wide best practices. Da Afghanistan Bank's (DAB) mobile money representatives, senior Ministry of Finance (MoF) officials, as well as Ministry of Communications and Information Officials were sent to the Philippines, Milan, and India to learn regulatory and compliance issues they will face when reviewing and issuing mobile money licenses.

Mr. Habibullah Safi, FAIDA Mobile Money Specialist, presents on mobile money initiatives to attendees of the workshop in Jalalabad City, Nangarhar province.

FAIDA supported the launch of several other mobile money and branchless banking activities such as utilizing mobile money for electricity payments, loans disbursements and repayments, and registration using Near-Field Communication (NFC) technology. Team members worked with international donors such as the World Bank, World Food Program (WFP) and UN HABITAT in order to promote the value and efficiency that mobile money services can contribute to remote Afghan communities. Additionally, FAIDA staff and counterparts participated in industry events such as the Access to Finance (A2F) Fair and Business to Bank Roundtable meetings.

Kabul University students writing concept notes for submission in 'University Mobile Money Contest'. *Photo by Mohabbat Ahmadi, FIADA Communications Assistant*

These initiatives have provided a solid foundation to promote the use of mobile money and branchless banking, and other financial services in Afghanistan during 2013. FAIDA's Mobile Money activities created the momentum for network operations, commercial banks, financial institutions, and government agencies to implement mobile money activities in order to promote efficiency and cost savings in the delivery of services to the Afghan population.

Minister of Communication and Information Technology Mr. Amirzai Sangin (R), at the Afghanistan Mobile Money Senior Executive Seminar, tries out the system to make financial transactions, such as bill payments, from a phone.

"Mobile money is a significant financial service, as the banking system is not fully established in Afghanistan. The network infrastructures are already in place with ninety percent of the population under mobile coverage. Nowadays mobile phones are commonplace even in remote and unsecured provinces."

Minister Amirzai Sangin
Ministry of Communications and Information Technology

Mobile Money & Branchless Banking Component's Indicators

Code	Indicator	Total Achieved During Period			
		Q1	Q2	Q3	Q4
4.1	Number of mobile money agents	0	0	0	270
4.2	Number of partner institutions using mobile money applications	0	0	0	0
4.3	Number of participating merchants	0	0	0	48
4.4	Number of GIRoA and local government employees who receive salaries through mobile money	0	0	0	0

For the first three quarters, Roshan M-Paisa was the only mobile network operator offering commercial mobile money services. Through FAIDA's *mMoney Innovation Grants Fund,* implementation has been accelerated in Q4 of 2012. Key milestones were reached such as the launch of Etisalat's mHawala mobile money service, which will allow customers to receive their electricity bills and make payments through their mobile device. Afghan Wireless Communication Company (AWCC) also launched its NFC biometric registration service in Q4 which introduced merchant payments via cell phone. The mobile money team anticipates this momentum to continue through 2013 to continually enhance and develop mobile money services for the Afghan population.

M-Paisa/Mutahid Debut Roadshow at Kabul Glass Market.
Photo by Mohabbat Ahmadi, FAIDA Communications Assistant

Launch of Da Afghanistan BreshnaSherkat Bill Payment Service

Agribusiness South Component

This is FAIDA's newest component having been added by modification to the contract on December 04, 2012. The goal of this component is to increase near-and medium-term economic growth in southern Afghanistan by focusing on market linkages that increase the production, processing, and marketing of high-value crop groups such as pomegranate, grapes and raisins, stone fruits (fresh/dry), almonds, melons and important vegetable crops. Activities are to be implemented in the three provinces of Kandahar (Arghandab, Dand, Daman, Zhari and Panjwai districts), Zabul (Qalat, Sha Joy and Tarnak Wa Jaldak districts), and Helmand (Lashkar Gah, Nahri Serraj (Gereshk), Nad Ali and Marja districts). The component consists of four primary elements.

Input Supply System Improved

The FAIDA Agribusiness South component spans 12 districts and potentially hundreds of village communities in the three provinces. Agriculture producers must understand that they should not attempt to push products into the market, but produce in response to demand. Agribusiness South will work with market buyers who require specific quantities of products and ensure that input suppliers provide the type of seeds, saplings, and other inputs that will enable producers to respond to market demands. The objectives of this pillar include expanding the size and reach of existing agro input suppliers, increasing the efficiency of agro input suppliers, improving the sourcing of quality products, and increasing the range of products offered by agro input suppliers.

Market Intelligence System Strengthened

FAIDA Agribusiness South will develop linkages between buyers and sellers by connecting them to each other and strengthening the flow of useful information (e.g., price of a specific commodity this week) between the groups that need it. When this happens, buyers in deficit districts can buy commodities from surplus districts on a regular basis. The objectives of this pillar include improving market information flows at the provincial and district levels, strengthening linkages between buyers and sellers by facilitating contact, and increasing cooperation between community-based producers and buyers such as through promotion of contract farming and collection centers.

Post Harvest Handling Improved

Through training and technical assistance FAIDA Agribusiness South will increase the quality of products to buyers, decrease postharvest losses from farm to FAIDA assisted buyers with efficient and appropriate technology such as reefer containers and cool storage and solar energy, decrease the total cost of agriculture products from farm to FAIDA assisted buyers and increase agriculture product quality differentiation in markets through improved grading and sorting activities. The objectives of this pillar include improving the quality of products reaching the buyers, decreasing post-harvest losses from farms to buyers, and increasing the qualitative differentiation of agriculture products to satisfy a range of markets.

Cross Cutting Activities

There are three main activities under this element: training, including training-of-trainers, gender integration, and working through lead agribusinesses. Agribusiness South has commenced work in colloboration with other FAIDA components. It's is coordinating with Enterprises Component in identifying agribusinesses which need support in accessing finance. Agribusiness South will integrate Afghan women into domestic agribusiness, postharvest and marketing activities. Women and men will be assisted to develop their agribusiness plans and skills through participation in a

comprehensive business planning training. Agribusiness South will focus on assisting lead firms to expand their sales and to purchase more and better quality local products.

Gender Mainstreaming

Gender mainstreaming is a cross-cutting effort involving all the technical components of FAIDA. Access to finance has proven a strong opportunity for Afghan females to increase their economic and social empowerment. All FAIDA activities collectively increase opportunities for the women's access to finance in the country.

To strengthen and better coordinate these efforts, the Gender Mainstreaming team was established during the year 2012. In this report each component section mentions the specific efforts and related results where women are beneficiaries. In addition, it is important to mention the direct efforts of this team which has supplemented and accelerated the positive impact on the women beneficiaries.

Delhi 13: Women face more barriers in starting or expanding their businesses compared to men in Afghanistan. There is need for a more concerted and direct effort to overcome these challenges of path dependency. In July 2012 FAIDA sponsored 13 women to attend the Delhi International Investment Summit which had tremendous impact on these women's business. As a result of this intervention, the 13 businesswomen held 261 business meetings with potential business counterparts.

"I feel an adrenaline rush, so many opportunities are available to me. For now, I would like to visit Indian plants and see the technology that I can bring back to Afghanistan."
Ms. Soraya Saifi,
President of Sha Saifi Corporation, which works in the construction, import, IT services and packaging sectors.

Ms. Soraya Saifi speaking with an Indian investor.

Developing of Businesswomen Directory: The Gender team observed the lack of a comprehensive database on women businesses in Afghanistan. In this regard, the team initiated the development of a comprehensive Businesswomen Directory in Afghanistan which will provide profiles of women businesses.

AIBF Internship: The objective of this internship program is to increase the participation of women in the financial sector of Afghanistan. The Gender team, in coordination with AIBF and the Banking Capacity Component, initiated an internship program in banking and finance for the recent female graduates. The program, encompassing six month training period, organized into three batches for a period of 18 months, will prepare 300 female graduates to be embedded in the finance sector. The first batch of female interns started their training in September 2012. The interns are being trained in the areas of, i) Human Resources Management, ii) Banking, iii) Microfinance

Management, and iv) Finance. The 100 interns of the first cycle will complete their internship progarmme on February 2013.

Gender Outreach Trainings: To develop the capacity of women in the areas of business and finance FAIDA's gender team has facilitated a series of workshops, called Women Access to Business Opportunities and Finance, in coordination with the Ministry of Women's Affairs (MOWA) in 15 provinces. Participants received training in mobile money, developing loan packages, finance and marketing. Feedback collected from the workshops indicated that participants' awareness and knowledge of business and finance increased. So far, 44 concept notes have developed as a result of these trainings and have been submitted to the banks for loans' approval.

Nasrin Rafiq (L) and Wahida Musleh (R), FAIDA Gender Mainstreaming Manager and FAIDA Mobile Money Admin Assistant respectively, answering questions during the Women Access to Business Opportunities and Finance workshop in Nangarhar province.

FAIDA has awarded grants to the Afghanistan Development and Welfare Services Organization (ADWSO), Afghanistan Women's Business Federation (AWBF), and Afghans for Afghanistan Development (AFAD), based on the recommendations of the gender team. The common objectives of these grants is to enhance women's business and finance skills as well as to increase their access to financial services (for further details please refer to the Grants and Subcontracts section of the report).

Grants and Subcontract Unit

Grants Report

Under *Annual Program System (APS) No2 – "Financial Associations and Enabling Organizations Grant Fund"* which was solicited on November 22, 2011, FAIDA awarded following three grants to Afghanistan Microfinance Association (AMA), Afghanistan Institute of Banking and Finance (AIBF) and Oxus Afghanistan:

1. On April 1, 2012- FAIDA awarded the 3rd standard grant to Afghanistan Microfinance Association (AMA). The amount of the grant is AFN 23,364,584.00 equivalent to $ 450,973.00. The grant end date is March 31, 2014 and the fund is obligated up to March 31, 2013. Based on the performance of the grantee, further fund will be obligated up to March 31, 2014.

The funding from the proposed grant is dedicated to initiate programs to strengthen AMA and develop a presence for AMA in the Afghanistan financial sector:

- Expand membership base to include more organizations working of microfinance in Afghanistan.
- Conduct Regional Coordination meetings in collaboration with Microfinance Investment Support Facility for Afghanistan (MISFA) in some regions and participate in some – to be ready to take over this activity from MISFA at a later date.
- Conduct Capacity Building activities – peer learning workshops/round tables, exposure visits, scholarship for international training etc.
- Conduct Studies as part of Research and Advocacy for strengthening the microfinance sector in Afghanistan.
- Offer Information Management services to members and disseminate information about the sector within and outside Afghanistan.

2. On April 1, 2012- FAIDA awarded the 2nd standard grant to Afghanistan Instituted of Banking and Finance (AIBF). The amount of the grant is AFN 47,954,300.00 equivalent to $ 925,223.00. The grant end date is December 31, 2013 and the fund was obligated up to December 31, 2012. Based on the performance of the grantee, further fund to be obligated up to December 31, 2013 is under the FAIDA consideration.

The grant objective is to augment professionalism in the Afghan financial sector by education, training, certificate courses, distance learning programs and enhanced opportunities for advocacy for international best practices and information sharing.

3. On June 1, 2012 - FAIDA awarded a Fixed Obligation Grant to Oxus Afghanistan. The amount of the grant is AFN 14,700,000.00 equivalent to $ 283,620.00. The grant was completed on August 31, 2012.

The objective of the proposed grant was to increase access to finance by expanding the funds available for microfinance lending. Specifically, it aims to increase the number and amount of microfinance loans that OXUS can make to micro entrepreneurs in the seven provinces of Afghanistan where OXUS works. The proposed grant also assisted in meeting part requirements for equity injection as required by the Microfinance Investment Support Facility for Afghanistan (MISFA) agreement with OXUS. Enhanced equity in OXUS result increased

financial support from MISFA to OXUS for meeting operational expenses and loan capital needs. Enhanced lending also helped OXUS in moving towards sustainability.

Following grant was awarded as unsolicited application received from Laghman Farm Service Center (LFSC):

On July 15, 2012 – FAIDA awarded a Fixed Obligation Grant to Laghman Farm Service Center (LFSC). The amount of the grant is AFN 720,000.00 equivalent to $ 13,892.00. The grant was completed on January 15, 2013.

The grant objective was to enhance the repayment capacity of final borrowers - farmers and small agro dealers by providing them trainings on use of livestock medicine and vaccination.

Under *APS No1 – "mMoney Innovation Grants Fund"* which was solicited on April 18, 2011, FAIDA awarded following grant to Afghan Wireless Communication Company (AWCC):

On September 1, 2012- FAIDA awarded a Standard Grant to AWCC. The amount of the grant is AFN 49,725,000.00 equivalent to $ 959,386.00. The grant end date is August 31, 2013.

The objective of this grant is to develop and deploy a customized mobile money service in Afghanistan that will promote uptake of mobile money and mobile banking services among Afghan citizens and businesses. The grant will also help demonstrate the use of an innovative, verifiable customer registration system and support broader initiatives to improve the payment of wages and salaries.

Under *Request for Application (RFA) No1 – "Access to Finance for Businesswomen in Afghanistan"* which was solicited on December 14, 2011, FAIDA awarded following three grants to Afghanistan Development and Welfare Services Organization (ADWSO), Afghanistan Women Business Federation (AWBF) and Afghans for Afghanistan's Development (AFAD):

1. On December 16, 2012- FAIDA awarded a Fixed Obligation Grant to ADWSO. The amount of the grant is AFN 10,260,636.00 equivalents to $ 197,967.00. The grant is for one year, starting on January 1, 2013 and ending on December 31, 2013.

   The objectives of the ADWSO grant are:

   - Introducing banks, financial institutions, and donors that provide easy-term financial services to support women-led businesses,
   - Developing a public women-owned business directory that microfinance institutions (MFIs) and banks can use for addressing the challenges faced by women-owned businesses.
   - Developing a banks, MFIs and donors directory which provides details about donors, banks, and financial institutions that support women-led businesses
   - Developing a website where women-owned businesses can advertise their products and services. This roll out will first begin with women-owned businesses in Rabia Balkhi market in Mazar-e-Sharif
   - Implementing a calling center where women-owned business can receive free financial consultations from experts.
   - Providing a business advisory services center for women-owned businesses. In addition to in-person consultations on banking and donor services, the Center will also provide on-demand and regular technical training for the targeted group women-owned businesses.

Major training subjects will include but not be limited to: Using banks and MFI services; business planning and management; accounting literacy, and marketing.

- Conducting regular and ad-hoc technical trainings on business planning, finance, management, marketing and sales promotion to support business operations
- Providing and supporting regular and ad-hoc marketing consultation through on the job training, and questionnaires
- Linking women-owned businesses to medium product lending businesses in order to expand business operations to new markets and to access new contracting opportunities. Examples include carpet weaving, agricultural products, tailoring, sewing, poultry farming, animal husbandry, broom making, and jewelry-making
- Issuing a brochure for products produced by women owned businesses in order to expand markets, and advertise sales.

2. On December 18, 2012- FAIDA awarded a Fixed Obligation Grant AWBF. The amount of the grant is AFN 668,6750.00 equivalents to $ 129,013.00. The grant is for 10 months period, starting on January 1, 2013 and will end on October 31, 2013.

The objectives of the AWBF grant are:

- To increase the flow of sustainable credit to women owned/managed small and medium-sized enterprises (SMEs) from financial institutions.
- To increase numbers of formal sector women owned/managed SMEs.
- Incremental employment generated.
- Incremental women owned SME revenue and assets generated.

3. On December 18, 2012- FAIDA awarded a Fixed Obligation Grant to AFAD. The amount of the grant is AFN 4,972,550.00 equivalent to $ 95,950.00. The grant is for six months period, starting on January 1, 2013 and will end on June 30, 2013.

The objectives of the grant are:

- Raise Afghan female entrepreneurs' awareness of the existing services to support the growth their enterprises.
- Increase business women access finance in Ghazni province.
- Link Afghan female entrepreneurs with financial institutions including Micro-Finance Institutions (MFIs) and banks, etc. to access capital for the expansion of their enterprises.
- Maximize the impact that the loans will have in their businesses.
- To build the capacity of female entrepreneurs in both loan management and business administration.

Subcontracts Report

The subcontracts section supported the operations department in the solicitation and selection/approval process of subcontracts throughout the year. The subcontracts department conducted several trainings on *Subcontracts and Procurement Manual* to guide FAIDA Staff, specifically team leaders, on procedures concerning solicitation, evaluation, selection, and oversight for subcontracts and procurement under FAIDA Subcontracting Manual.

During the course of 2012, FAIDA Subcontracts Department has issued five subcontracts, 47 Purchase Orders, four Blanket Purchase Agreements, eight Memoranda of Understanding (MOUs) and one Lease Agreement to support the programs.

Request for Proposals (RFP)

In the course of 2012, FAIDA issued two Request for Proposals (RFPs) for support of program activities through Firm Fixed Price (FFP) Subcontracts:

1. *RFP No 026- Market and Business Survey in Kandahar Zabul and Helmand*

The objectives of the Market and Business Survey in Kandahar, Zabul and Helmand provinces are as follows:

- To conduct Agricultural market and business surveys in the following 9 locations:

Kandahar Districts:	Zabul Districts:	Helmand South:
1. Panjwai 2. Zharay 3. Spin Boldak	1. Qalat 2. Jaldak 3. Sha Joy	1. Lashkar Gah 2. Nad Ali 3. Marja

- To conduct in-depth interviews in the following wholesale food markets:
  1) Grain
  2) Fruits and Vegetables
  3) Livestock

- Identify name, size, location, and contact information of:
  1) Farm Service Centers (FSCs)
  2) Agricultural Depots
  3) Veterinary Field Units (VFUs)
  4) Local small farm input supplies
  5) Seed Enterprises

Local small enterprises with allies in agriculture comprise tractor repair, generator sales, harvesting equipment and threshers outlets, and any local financial institutions (such as banks and Micro-Finance Institutions (MFIs).

On July 19, 2012, FAIDA awarded a Subcontract to Agile Consulting Services to implement *a Market and Business Survey in Kandahar, Zabul and Helmand provinces.*

2. *RFP No 043-Da Afghanistan Breshna Sherkat (DABS) Registration*

The objectives of DABS registration are as follows:

- This activity is in line with the Grant Agreement No: SPG-11-002-ETISALAT wherein Etisalat introduce a new mobile money product in Afghanistan that will streamline electricity bill payment of Da Afghanistan Breshna Sherkat (DABS).
- This activity will launch a massive registration campaign that would reach out to at least 100,000 DABS customers. This means DABS customers will be able to receive their

electricity bills electronically on their mobile phones, receive DABS "ID Cards" that will allow them to make bill payments at selected Etisalat's mHawala outlets whether they have their bill available or not, and eventually, will enable them to electronically pay their bills from their homes or businesses at their convenience via their mobile phones using the mHawala mobile money service of Etisalat.

On October 10, 2012, FAIDA awarded a firm fixed price subcontract to Murwarid and Nadima Marketing Consultancy (M&N) to implement registration campaign of 100,000 DABS customers.

Request for Quotation

Through the year 2012, FAIDA issued Request for Quotations (RFQs) for support of program activities through Firm Fixed Price (FFP) Purchase Orders:

1. *FAIDA-RFQ-12-23-Clamshell*

The objective of Clamshells procurement is as follows:

- To assist with market research relating to the export of mulberries from Afghanistan. With this in mind FAIDA procured a portion of packaging material required by Tak Dana (FAIDA's Partner) for their initial mulberry trials.

On June 7, 2012, FAIDA awarded a FFP purchase order with Hot Pack Packaging Industrial limited liability company *to provide 900 clamshells for 250 ml and 630 clamshells for 1,000ml.*

2. *FAIDA-RFQ -12-21 Booth Construction and Set-up (Access to Finance Event)*

The objective of Booth Construction and Set-up is as follow:

- Chemonics/FAIDA and the Afghanistan Banks Association (ABA) jointly organized the first Access to Finance (A2F) Fair held in Kabul at the Hotel Intercontinental Kabul on October 2, 3, 2012. The A2F Fair featured a number of banks, microfinance institutions, and other organizations as exhibitors. The total number of exhibitors was 40; therefore 40 booths were built and installed for A2F Event to provide spaces for exhibitors.

On July 30, 2012, FAIDA awarded a FFP Purchase Order to Nematullah Logistic Services to implement *construction of 40 booths (Type A, B and C).*

3. *FAIDA RFQ Number FAIDA-12-20- Communication Materials for A2F*

The objective of Communication Materials for Access to Finance are as follows:

- To print Invitation Cards for A2F,
- A2F Flyers,
- A2F Folders,
- Video Coverage and Editing,
- Banners

On August 7, 2012, FAIDA awarded a FFP Purchase Order to Aina Afghan Media and Culture to implement *the communication materials for Access to Finance Event.*

4. *FAIDA-RFQ-12-37-K9 (Canine)*

The objective of K9 (Canine) Support is as follow:

- To Sweep A2F area such as conference room, lobby, hotel grounds, and car park before the event and as needed during the event.
- Screen press cameras and bags before, during and after the event
- Screen vehicles accessing the Intercontinental hotel prior to and during the event

On September 30, 2012, FAIDA awarded a FFP Purchase Order to Vigilant Canine Services International to implement *a K9 (Dogs) support for A2F Event.*

5. *FAIDA-RFQ-12-38-Mail or Invitation Delivery*

The objective of Mail/Invitation delivery is as follow:

- To deliver the event invitation letters to home or office addresses of participants.

On September 26, 2012, FAIDA awarded a FFP Purchase Order to Top Vision Logistics *to deliver 596 invitation cards to recipients' addresses.*

6. *FAIDA-RFQ-12-40-Simultaenous Translation*

The objective of simultaneous translation services is as follow:

- To provide 620 simultaneous translation receivers, headsets,
- To provide translators to translate from Dari, Pashto to English and vice versa during A2F speeches in inauguration day and workshops as needed.

7. *FAIDA-RFQ-12-41-Medic for the Access to Finance event*

The objective of Medic support to A2F event is as follow:

- To provide medic support in cases of emergency such as but not limited to:
    - Ambulance fully equipped with fist aid kit, Extra vehicle for use of back-up transport for patients, stretchers, doctor, a male and female nurse.

On October 2, 2012, FAIDA awarded a FFP Purchase Order to Afghan Swiss Hospital *to provide medic support for Access to Finance Event.*

8. Venue for Access to Finance Fair:

Intercontinental Hotel Kabul

The objective of the venue is as follows:

- To provide conference halls for exhibitors and conference(s),
- To provide rooms for overnight stays for the invitees from provinces,
- To provide meals
- To provide seminar halls,

On October 2, 2012, FAIDA awarded a Blanket Purchase Agreement to Intercontinental Hotel Kabul *to provide the venue, meals, accommodation for Access to Finance Event.*

9. *FAIDA-RFQ-12-27-Dry Fruits Roundtable Meeting (Kabul & Kandahar)*

The objective of dry fruits roundtable meeting in Kabul and Kandahar is as follow:

- To conduct a brief survey and conduct a business round table meeting, which would facilitate making potential deals between financial institutions and large exports and would result in increase of export of fresh and dry fruits to UAE, India, Pakistan and other countries.

On July 25, 2012, FAIDA awarded a FFP Purchase Order to Agile Consulting Services to implement *two business roundtable meetings 1 in Kabul and 1 in Kandahar.*

Annex A. Year Two Results by Indicator

Code	Indicators	Jan-Dec ,2012 Target	Jan-Dec ,2012 Actual Result	Cumulative Actual Result up to 31 Dec, 2012
A	Number of Full-Time Equivalent (FTE) Jobs Created	1,770	674	724
1.1	Number of families benefitted	2,294	6,255	7,385
1.2	Amount of private financing mobilized	$6,730,000	$9,864,652	$ 10,164,652
1.3	Number Businesses supported with U.S. government assistance	983	2,940	3,011
1.4	Number of new financial products developed by U.S. government-assisted financial institutions	9	20	22
2.1	Number of financial sector training and/or certification programs established or supported that meet international standards	92	105	143
2.2	Number of financial sector employees trained with U.S. government assistance	1,266	1,278	1,614
2.3	Number of financial sector professionals/supervisors trained with U.S. government assistance	352	741	850
2.4	Number of financial institutions with enhanced capacity as result of U.S. government assistance	12	9	31
3.1	Number of public-private dialogue mechanisms utilized as a result of USG assistance	11	17	28
3.2	Number of working groups established to address financial sector development issues as a result of USG assistance	6	3	9
3.3	Number of comments provided on financial sector related laws and regulations as a result of U.S. government assistance	9	11	20
4.1	Number of mobile money agents	1,200	270	270
4.2	Number of partner institutions using mobile money applications	7	0	0
4.3	Number of participating merchants	60	48	48
4.4	Number of GIRoA and local government employees who receive salaries through mobile money	18,000	0	0

Annex B: Financial Sector Trainings conducted in the reporting period

No.	Topic	Date	Training Location	Number of Financial Sector Employees			Number of Financial Sector Professionals/ Supervisors
				Male	Female	Total	
1	Revaluation Reserves in accordance IFRS (IAS # 16) and fair value calculations	21-Jan-12	Kabul	2	0	2	2
2	Risk Management	14-Jan-12	Kabul	13	0	13	13
3	Internal control and audit course	21-Feb-12	Kabul	4	2	6	1
4	Branch management course	5-Feb-12	Kabul	2	3	5	3
5	Basic management skills	21-Feb-12	Kabul	10	0	10	8
6	DAB Reporting Framework	19-Feb-12	Kabul	4	2	6	6
7	Certificate in General Banking	5-Feb-12	Kabul	8	1	9	1
8	Certificate course and compliance	1-Jan-12	Kabul	8	1	9	9
9	Marketing & Client Selection	4-Jan-12	Herat	7	5	12	2
10	Marketing & Client Selection	11-Jan-12	Nangarhar	12	0	12	5
11	Internal Control & Audit	13-Feb-12	Kabul	12	2	14	5
12	Internal Control & Audit	14-Feb-12	Kabul	7	2	9	5
13	Marketing & Client Selection	28-Feb-12	Kabul	4	3	7	5
14	System based audit	14-Feb-12	Kabul	5	1	6	6
15	Marketing & Client Selection	29-Mar-12	Kunduz	6	2	8	2
16	Marketing & Client Selection	12-Mar-12	Balkh	7	2	9	4
17	Human capacity development in finance forum	17-Mar-12	Kabul	7	0	7	0
18	Financial Management[1]	11-Sep-11	Kabul	8	2	10	0
19	Challenges of Cash Officers	3-Apr-12	Kabul	9	1	10	0
20	Personal Grooming & Business Communication	4-Apr-12	Kabul	7	3	10	0
21	Branch Admin & HR Management	7-Apr-12	Kabul	11	0	11	5
22	Remittances/ Clearing & Collections - Batch I	8-Apr-12	Kabul	10	4	14	3

[1] We are reporting the Financial Management Training, conducted in September 2011, in this quarter because during the periodic data quality assessment and double checking of our backups, we found that we had skipped reporting this activity.

No.	Topic	Date	Training Location	Number of Financial Sector Employees			Number of Financial Sector Professionals/ Supervisors
				Male	Female	Total	
23	Remittances/ Clearing & Collections - Batch II	9-Apr-12	Kabul	11	1	12	1
24	Using and Analyzing Financial Statements	10-Apr-12	Kabul	9	3	12	5
25	Internal Audit Focus Fraud	18-Apr-12	Kabul	8	0	8	8
26	Corporate Governance in Banks	22-Apr-12	Kabul	25	1	26	26
27	Risk Measurement Modeling and Management	24-Apr-12	Kabul	3	0	3	3
28	Effective Leadership	24-Apr-12	Kabul	4	1	5	5
29	MRRD customized Course(Introduction to MF)	14-Apr-12	Kabul	36	2	38	32
30	Customer Care and Retention	9-Apr-12	Kabul	2	2	4	0
31	Branch Management	8-May-12	Kabul	13	0	13	13
32	Achieving Success in Marketing	19-May-12	Kabul	5	0	5	3
33	Credit Risk Management	20-May-12	Kabul	20	2	22	12
34	AML & CFT Workshop for Front Office employees	22-May-12	Kabul	1	1	2	0
35	Management of Non-Performing Loans and Recovery Strategies	29-May-12	Kabul	5	0	5	1
36	Internal Audit in risk Management form	30-May-12	Kabul	11	0	11	11
37	Loan Portfolio Management	27-May-12	Herat	5	1	6	0
38	Internal control and Audit	15-May-12	Parwan	8	1	9	4
39	Internal control and Audit	7-May-12	Herat	8	1	9	5
40	Internal control and Audit	21-May-12	Nangarhar	16	0	16	9
41	BASEL II Supervisory Review & Evaluation Process	5-Jun-12	Kabul	11	1	12	7
42	Operational Risk Management	9-Jun-12	Kabul	16	2	18	16

No.	Topic	Date	Training Location	Number of Financial Sector Employees			Number of Financial Sector Professionals/ Supervisors
				Male	Female	Total	
43	Risk Management	10-Jun-12	Kabul	6	0	6	3
44	Financial Management and Ratio Analysis	17-Jun-12	Kabul	3	1	4	3
45	IT Audit	26-Jun-12	Kabul	4	0	4	3
46	Teaser Event	4-Jun-12	Kabul	22	4	26	20
47	Trainers Adult Participatory Learning	4-Jun-12	Kabul	9	4	13	8
48	Internal control and Audit	20-Jun-12	Balkh	9	0	9	3
49	Loan Portfolio Management Courses	1-Apr-12	Kabul	3	4	7	5
50	Training of Trainer	1-Jul-12	Kabul	1	1	2	0
51	TAKAFULL/Islamic Insurance	4-Jul-12	Kabul	27	6	33	19
52	Business Continuity Planning	7-Jul-12	Kabul	2	0	2	2
53	Managing Change	10-Jul-12	Kabul	4	0	4	2
54	Asset Liability Management	15-Jul-12	Kabul	15	2	17	12
55	New Product Development	16-Jul-12	Kabul	5	1	6	6
56	Retaining Top Employees IN Bank	17-Jul-12	Kabul	4	1	5	5
57	Human Development Forum	30-Jul-12	Kabul	8	2	10	4
58	Practical SWIFT Training	5-Aug-12	Kabul	12	1	13	3
59	Islamic Finance	11-Aug-12	Kabul	6	0	6	6
60	Women Forum In Finance	15-Aug-12	Kabul	0	3	3	1
61	TAKAFULL/Operation Model	29-Aug-12	Kabul	11	2	13	11
62	Guidelines for Establishment of Regulatory framework for Takaful	3-Sep-12	Kabul	9	2	11	0

No.	Topic	Date	Training Location	Number of Financial Sector Employees			Number of Financial Sector Professionals/ Supervisors
				Male	Female	Total	
63	Quality Custom service Course	3-Sep-12	Kabul	6	0	6	4
64	Basic Management Course	8-Sep-12	Kabul	22	0	22	13
65	Marketing of Financial Service	9-Sep-12	Kabul	7	0	7	4
66	Branch Management Course	10-Sep-12	Kabul	19	0	19	13
67	General Banking Long Term Course	16-Sep-12	Kabul	6	2	8	2
68	Basic Management course	22-Sep-12	Kabul	14	0	14	13
69	Women Internship Course	23-Sep-12	Kabul	0	38	38	0
70	Branch Management Course	24-Sep-12	Balkh	14	0	14	13
71	Basics of Credit	24-Sep-12	Kabul	19	4	23	7
72	Women Internship Course	25-Sep-12	Kabul	0	24	24	0
73	Women Internship Course	26-Sep-12	Kabul	0	25	25	0
74	Time Management	29-Sep-12	Kabul	2	1	3	0
75	Delegation and Supervision	2-Oct-12	Kabul	6	2	8	5
76	Risk Management	6-Oct-12	Kabul	6	1	7	0
77	Effective Communication	7-Oct-12	Kabul	27	2	29	19
78	Corporate Governance	9-Oct-12	Kabul	22	0	22	16
79	Islamic Finance & Murabaha Finance	10-Oct-12	Kabul	11	3	14	4
80	Effective Communication	13-Oct-12	Kabul	12	0	12	11
81	Corporate Governance	15-Oct-12	Kabul	11	0	11	10
82	General Islamic Banking	20-Oct-12	Kabul	8	0	8	8
83	Leasing	21-Oct-12	Kabul	6	0	6	4

No.	Topic	Date	Training Location	Number of Financial Sector Employees			Number of Financial Sector Professionals/ Supervisors
				Male	Female	Total	
84	Islamic Finance & Specialized Islamic Products	3-Nov-12	Kabul	14	1	15	3
85	Risk Management	4-Nov-12	Kabul	38	0	38	10
86	Internal Controls and Audit	7-Nov-12	Kabul	39	0	39	10
87	Islamic Banking TOT	11-Nov-12	Kabul	8	1	9	7
88	Risk Management	17-Nov-12	Kabul	26	0	26	13
89	Risk Management	20-Nov-12	Kabul	36	2	38	21
90	Delinquency Management Training	2-Dec-12	Balkh	25	37	62	0
91	Islamic Finance Product Processes	2-Dec-12	Kabul	5	4	9	0
92	New Product Development Course	2-Dec-12	Kabul	35	0	35	0
93	Bank & Insurance CEOs Retreat	4-Dec-12	Kabul	21	0	21	19
94	Delinquency Management Training	4-Dec-12	Jawzjan	15	6	21	0
95	Operational Planning and Budgeting Course	4-Dec-12	Kabul	36	0	36	21
96	Delinquency Management Training	6-Dec-12	Saripul	9	8	17	0
97	Credit	8-Dec-12	Kabul	22	0	22	3
98	Effective Communication	8-Dec-12	Kabul	9	9	18	11
99	Secure Transaction and Credit Registration	10-Dec-12	Kabul	14	8	22	0
100	New Product Development Course	15-Dec-12	Kabul	25	0	25	12
101	Delinquency Management Training	16-Dec-12	Nangarhar	17	21	38	0
102	Financial Statement	17-Dec-12	Kabul	28	3	31	31
103	Operational Planning and Budgeting Course	17-Dec-12	Kabul	23	0	23	22
104	Delinquency Management Training	19-Dec-12	Nangarhar	20	0	20	0
105	Book Keeping, Government and Leadership Training	24-Dec-12	Laghman	5	10	15	0
Total				**1,228**	**301**	**1,529**	**691**

Annex C: Trainings conducted for non-financial sector audience during the reporting period

No.	Topic	Date	Training Location	Number of Non-Financial Sector Employees		
				Male	Female	Total
1	Elements of Business and Gender Workshop	21-Jan-12	Balkh	0	52	52
2	Elements of Business and Gender Workshop	28-Jan-12	Herat	0	72	72
3	Mobile Money Agent Network & Credit System Development	10-Mar-12	Kabul	177	0	177
4	Mobile Money Agent Network & Credit System Development	13-Mar-12	Balkh	269	20	289
5	Mobile Money Agent Network & Credit System Development	13-Mar-12	Nangarhar	90	0	90
6	Mobile Money Agent Network & Credit System Development	13-Mar-12	Herat	141	4	145
7	Mobile Money Agent Network & Credit System Development	29-Mar-12	Kandahar	133	0	133
8	Elements of Business and Gender Workshop	17-Mar-12	Nangarhar	0	53	53
9	Elements of Business and Gender Workshop	25-Mar-12	Kandahar	0	48	48
10	Islamic finance workshop	14-Mar-12	Herat	46	21	67
11	Women's Access to Business Opportunities and finance	15-Apr-12	Herat	0	49	49
12	Mobile Money & Credit System Development	3-Apr-12	Helmand	129	0	129
13	Women's Access to Business Opportunities and finance	13-May-12	Bamyan	0	46	46
14	Contract Farming Enterprise & Reliable Access to Finance and Market	22-May-12	Parwan	28	0	28
15	Islamic Finance workshop-B2B	9-May-12	Kandahar	43	15	58
16	Islamic Finance workshop-B2B	10-Apr-12	Nangarhar	64	23	87
17	Women's Access to Business Opportunities and finance	24-Jun-12	Balkh	0	64	64
18	Women's Access to Business Opportunities and finance	4-Jun-12	Badakhshan	0	64	64
19	Contract Farming Enterprise & Reliable Access to Finance and Market	9-Jun-12	Kabul	19	0	19
20	Contract Farming Enterprise & Reliable Access to Finance and Market	11-Jun-12	Kabul	0	12	12
21	Islamic Finance workshop-B2B	17-Jun-12	Balkh	73	15	88
22	International Sales of Goods & Trade Finance	17-Jun-12	Balkh	37	18	55
23	Businesses to Bank Roundtable (Dry and Fresh Fruits Traders and Exporters)	30-Jul-12	Kabul	18	1	19

No.	Topic	Date	Training Location	Number of Non-Financial Sector Employees		
				Male	Female	Total
24	Business Planning	14-Jul-12	Kabul	4	16	20
25	Mobile Money and Islamic Lending Workshop	24-Jul-12	Farah	48	7	55
26	Contract Farming & Reliable Access to Finance and Market	26-Aug-12	Herat	44	17	61
27	Business Training and Mobile Money	27-Aug-12	Kabul	1	14	15
28	Gender Strategy	30-Aug-12	Kabul	0	9	9
29	Business Round Table and Contract Forming	24-Sep-12	Kandahar	26	5	31
30	Animal MGT Training	1-Oct-12	Laghman	34	0	34
31	Women access to business opportunities and finance workshop	1-Oct-12	Kunduz	1	45	46
32	Honey Bees Keeping Training	2-Oct-12	Laghman	39	0	39
33	Capacity Building for the Afghanistan Financial Sector	2-Oct-12	Kabul	73	15	88
34	Financing the Construction Sector	2-Oct-12	Kabul	171	52	223
35	Leasing	3-Oct-12	Kabul	44	12	56
36	Access to Finance for Women Businesses: Opportunities and Challenges	3-Oct-12	Kabul	202	38	240
37	Bank to Business interaction	3-Oct-12	Kabul	267	46	313
38	Credit Guaranty Schemes and Credit Registries	3-Oct-12	Kabul	64	8	72
39	Mobile Money	3-Oct-12	Kabul	161	30	191
40	Opportunities and Challenges for Insurance in Afghanistan	3-Oct-12	Kabul	184	7	191
41	Trade Finance	3-Oct-12	Kabul	52	28	80
42	Health Hygiene training	5-Oct-12	Laghman	40	0	40
43	Business planning training for Business Women	7-Oct-12	Balkh	11	16	27
44	Knowledge Sharing Training	13-Oct-12	Laghman	40	0	40
45	Women access to business opportunities and finance workshop	21-Oct-12	Baghlan	0	43	43
46	Goat rising training	22-Oct-12	Laghman	40	0	40
47	Business to Bank Round table	3-Nov-12	Herat	27	9	36
48	Wool Collection Mg Training	3-Nov-12	Laghman	39	0	39
49	Business to Business Workshop	7-Nov-12	Kabul	82	2	84
50	Barn Improvement Training	12-Nov-12	Laghman	40	0	40
51	Women access to business opportunities and financing	12-Nov-12	Hilmand	0	64	64
52	Mobile Money Agent Recruitment	13-Nov-12	Balkh	200	16	216

No.	Topic	Date	Training Location	Number of Non-Financial Sector Employees		
				Male	Female	Total
53	Poultry and Mg Training	25-Nov-12	Laghman	40	0	40
54	Women access to business opportunities and financing	2-Dec-12	Ghazni	3	55	58
55	Business to Bank Round Table	3-Dec-12	Kunduz	88	14	102
56	US Afghanistan Franchising Trade Conference	4-Dec-12	Kabul	63	10	73
57	Animal Health Care Training	8-Dec-12	Laghman	39	1	40
58	Business to Bank Roundtable	9-Dec-12	Kabul	80	15	95
59	Business to Bank Roundtable	9-Dec-12	Kabul	1	0	1
60	Business to Bank Round Table	9-Dec-12	Nangarhar	84	4	88
61	Training on improved breeding	18-Dec-12	Laghman	39	0	39
62	Milk Production and Mg Training for women	25-Dec-12	Laghman	0	111	111
Total				**3,638**	**1,286**	**4,924**