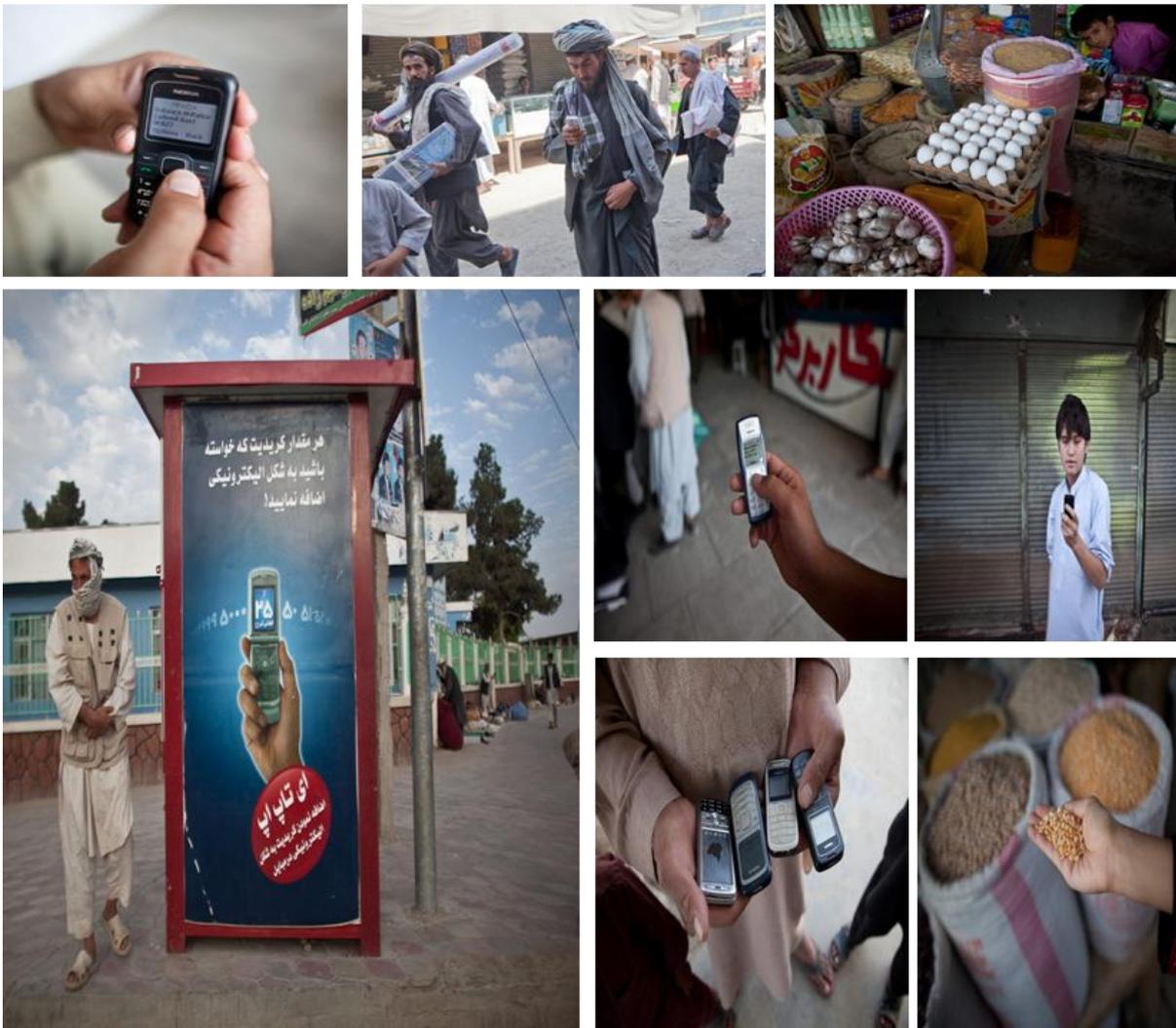




FINANCIAL ACCESS FOR INVESTING IN THE DEVELOPMENT OF AFGHANISTAN (FAIDA)

BASE PERIOD (18-MONTH) WORKPLAN – FEBRUARY 2011 – AUGUST 2012

AUGUST 10, 2011



FINANCIAL ACCESS FOR INVESTING IN THE DEVELOPMENT OF AFGHANISTAN

BASE PERIOD WORK PLAN – AUGUST 2012

Contract No.: 306-C-00-11-00531-00

Implemented by:

Chemonics International Inc.

In collaboration with:

AZMJ LLC
CNFA

This publication was produced for review by the United States Agency for International Development by Chemonics International Inc. The views expressed do not necessarily reflect the views of the United States Agency for International Development of the United States Government.

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ACRONYMS AND ABBREVIATIONS

ABA	Afghanistan Banks Association
ACE	Agriculture Credit Enhancement Program
ACSP	Afghanistan Credit Support Program
ADF	Agricultural Development fund
ADIC	Afghan Deposit Insurance Corporation
AIBF	Afghanistan Institute of Banking and Finance
ADFA	Afghanistan Development Finance Association (formerly Afghanistan Microfinance Association)
AREDP	Afghanistan Rural Enterprise Development Program
ARFC	Afghanistan Rural Finance Company
ASAP	Accelerating Sustainable Agriculture Program
ASMED	Afghanistan Small and Medium Enterprise Development
AUB	Afghanistan United Bank
AUA	American University of Afghanistan
AVIPA	Afghanistan Vouchers for Increase Production in Agriculture
CAMELS	Capital, Asset Quality, Management, Earnings, Liquidity, Sensitivity
CDC	Community Development Council
CERP	Commander's Emergency Response Program
DAB	Da Afghanistan Bank
DCA	Development Credit Authority
DEG	Deutsche Investitions
DoD	Department of Defense
EGGI	Economic Growth and Government Initiative
FAIDA	Financial Access for Investing in the Development of Afghanistan
FMFB	First Microfinance Bank
FSC	Farm Service Center
GIRoA	Government of the Islamic Republic of Afghanistan
M&E	Monitoring & Evaluation
MAIL	Ministry of Agriculture, Irrigation and Livestock
MEU	Monitoring and Evaluation Unit
MFI	Microfinance Institution
MIS	Management Information System
MISFA	Microfinance Investment Support Facility for Afghanistan
MOU	Memorandum of Understanding
MRRD	Ministry of Reconstruction and Rural Development
MSME	Micro, Small & Medium Enterprise
NBFI	Non-Bank Financial Institution
PMP	Performance Management Plan
PRT	Provincial Reconstruction Team

1. INTRODUCTION

1.1 CONTRACT BACKGROUND

USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project was awarded to Chemonics International Inc. under Contract Number 306-C-11-00531 in February 2011. FAIDA's core mission is to create jobs by developing a sustainable, diverse, and inclusive financial sector that will meet the needs of micro, small, and medium enterprises throughout the country, with a special focus on the agricultural sector and the southern and eastern regions of Afghanistan.

FAIDA will be implemented by a team including Chemonics, CNFA, and AZMJ, and an extensive roster of Afghan counterparts and partners, including the Da Afghanistan Bank (DAB), Microfinance Investment Support Facility for Afghanistan (MISFA), Afghanistan Banks Association (ABA), Afghanistan Institute of Banking and Finance (AIBF), Afghanistan Microfinance Association (AMA), Afghanistan Chamber of Commerce and Industry (ACCI), The American University of Afghanistan (AUA), microfinance institutions and commercial banks, and mobile network operators.

1.2 PROGRAM DESCRIPTION

FAIDA will develop a sustainable, diverse, and inclusive financial sector that meets the needs of MSMEs throughout the country, particularly in the agricultural sector and the South and East, by using a financial systems approach, working at the micro, meso, and macro levels of Afghanistan's financial services sector:

- At the micro level – covering retail financial institutions – the financial sector will see a dramatic expansion in financial sector outreach through the development of innovative, culturally appropriate, and demand-driven financial products and the expansion of financial services for underserved micro, small, and medium enterprises (MSMEs).
- At the meso level – covering financial market infrastructure – FAIDA will drive an aggressive program to enhance the capacity of financial system support institutions and market infrastructure with interventions to build human and organizational capacity, and promote development of innovative systems like mobile money.
- At the macro level – covering Afghanistan's financial sector regulatory and policy environment – FAIDA will support development of an improved enabling environment and better regulation through Afghan-led advocacy efforts and promoting policies that support the development of Afghanistan's financial sector.

USAID designed FAIDA as a nationwide financial sector development project that supports GIRA's stabilization priorities. To this end, in addition to supporting macro and meso level national institutions and policy reforms, FAIDA will develop regionally-based strategies to

meet local needs, with a focus on relatively less stable areas of southern and eastern Afghanistan.

1.3 ORGANIZATIONAL STRUCTURE

The FAIDA program is designed to transfer management responsibility to Afghan staff. Each of the three Result Leaders for FAIDA’s micro, meso, and macro level activities, and each of their operating teams, will have an Afghan Deputy. These Afghan leaders will be identified and selected within the first nine months of the project. These deputies will benefit from extensive capacity building opportunities and are expected to assume progressively greater management responsibilities. FAIDA’S Afghanization Plan, to be separately submitted, will explain how our Afghan colleagues will be groomed to assume project leadership.

FAIDA’s Chief of Party Olin McGill has overall responsibility for the project and directly directs and oversees all project activities. Result 2 Team Leader Phil Smith acts as Deputy Chief of Party Emeritus, contributing to the technical results of his own and other result teams.

The Result 1 team, led by Rick Pierce, is responsible for micro-level activities to expand the breadth, depth and reach of Afghanistan’s financial sector, particularly in the South and East, to agricultural value chains, and to underserved MSMEs. Result 1 has two operating units:

- The Strategic Value Creation team, using regional coordinators to network locally, and close relationships with USG, GIRoA, and other donors and projects, will identify strategic demand for finance that will complete value chains and provide market-based opportunities to bring added value to Afghan producers and entrepreneurs.
- The Product Design and Development team will develop innovative, culturally appropriate, and demand-driven financial products tailored to the opportunities identified by the Strategic Value Creation team.

Working with Result 2 colleagues, Result 1 team members will engage FAIDA’s partner financial institutions in all activities, both to ensure that their capacity is enhanced, and to make use of their liquidity to fund the strategic opportunities identified.

The Result 2 team, led by Phil Smith is responsible for meso-level activities to enhance the capacity of financial system support institutions and market infrastructure. Interventions will build human and organizational capacity, and promote development of innovative systems to support the strengthening and deepening of Afghanistan’s financial sector. Result 2 will have two operating units:

- The Sector Capacity Building Team will support FAIDA’s meso-level financial sector partners in building their organizational and human capacity to provide supporting services like training, advocacy, and member services. Partners include AIBF, MISFA, AMA, ABA, AUFA, and ACSP.
- The Training Team will lead delivery of FAIDA’s own trainings and build the training capacity of FAIDA partners.

As Result 2 builds the capacity of our partner organizations to solicit policy priorities from members and Result 3 reflects those priorities in the legal framework, Result 2 will take on additional responsibility for supporting development of particular market infrastructure, like credit bureaus, property and collateral registries, enforcement, etc.

The Result 3 team, led by John Corrigan, focuses on the macro-level financial sector regulatory and policy environment. The Result 3 team also supports DAB and FAIDA's Result 2 meso-level partners in enabling environment policy reforms that reduce risks and transaction costs for financial institutions and their borrowers.

The Result 4 Mobile Money/Branchless Banking team, led by Joey Mendoza, will provide technical assistance to Afghanistan's four mobile network operators and their government and private sector partners in introducing innovative new products and services, and support implementation of the Afghanistan Mobile Money Working Group Action Plan.

FAIDA's GIS unit, starting with data developed by others, will add additional layers that map financial sector reach, mobile phone coverage, and mobile money penetration. The GIS team is tasked to Result 4 to ensure that its work is rooted in and responsive to USAID's objective of expanding access to credit throughout Afghanistan. In addition to its key role in informing technical priorities and activities, the GIS team will also play an important role in FAIDA's monitoring and evaluation.

Teams from each of the four pillars collaborate on activities, working across the micro, meso, and macro levels in order to achieve results and leverage program resources. Each pillar will benefit from the extensive support of the communications, M&E, and grants/subcontracts teams. These interlocking layers of support and the ability to rapidly shift resources among the four pillars allow FAIDA to respond quickly and flexibly to changing needs and priorities.

A detailed Organization Chart is provided in Annex B.

2. FIRST OPTION PERIOD (18-MONTH) WORK PLAN

2.1 OUR APPROACH TO FINANCIAL SECTOR REFORM

Management Objective 4: Programmatic and Activity Flexibility of the contract requires FAIDA to ensure a program that is “geographically and programmatically flexible, adaptable and agile in the wake of dynamic political, military and socio-economic environment.” The First Option Period (18-month) work plan reflects the fact that there have been significant on-the-ground changes since USAID originally released the FAIDA Request for Proposals and the technical proposal and draft Year 1 work plan were submitted, and is intended to enable FAIDA to continue to be flexible and responsive. To assure that FAIDA stays focused on the changing realities and adapts as new opportunities are presented, we will conduct a formal mid-term review, in collaboration with USAID, of project progress and results as reported in our Performance Monitoring Plan, and of the continuing relevance of planned activities to the current political and economic landscape.

As noted, this First Option Period Work Plan reflects the fact that Afghanistan’s MSME finance sector has not stood still since FAIDA’s design was first conceived. Key changes include:

- The MFI sector is in a period of significant retrenchment and consolidation. The sector has built up a portfolio of underperforming and non-performing loans for a variety of reasons, including easy access to loan capital, poor risk management and internal controls, lack of human capacity, and supply side rather than demand-side lending. FAIDA’s Result 1 activities are designed to address these issues and get performing loans flowing to underserved MSMEs by creating a nationwide network of team members and partners that aggressively identifies strategic demand-side opportunities, develops innovative, tailored products to meet these needs, and identifies appropriate funding sources. Result 1 and 2 teams work together collaboratively to address the organization and human capacity issues.
- Partners such as MISFA are operationally and financially stronger than they were just a few months ago, and several technical interventions (such as improving MISFA’s monitoring and evaluation unit) have been reconsidered. FAIDA’s Result 2 team will support MISFA in building the capacity of its partner MFIs and implementing its strategy for enhancing the operational and human capacity of key meso-level financial sector organizations like AIBF, AMA, and ABA.
- The failure of Kabul Bank in late 2010 shook confidence of the Afghan people, the private sector, and international investors in Afghanistan’s formal financial system. Kabul Bank’s entry first into conservatorship and then into receivership served to reveal weaknesses in the commercial banking sector as a whole, as well as the need for increased regulatory independence and technical capacity at DAB. However, political discourse and criminal investigation of responsibility for Kabul Bank’s failure interferes

with FAIDA’s ability to provide the level of support that DAB needs. The work plan envisions significantly more support at the Result 3 macro-level than originally envisioned for strengthening the commercial banking sector, improving DAB regulatory autonomy and capacity, and improving the financial sector policy environment. However, FAIDA’s ability to provide such support will depend on the political environment, and will require cautious, incremental engagement that builds the confidence of our counterparts.

2.2 THE WORK PLANNING PROCESS

Project work planning began immediately following the arrival of FAIDA’s core technical team in Afghanistan in early March, beginning with initial meetings with partners and USAID to set expectations and address USG, GIROA, and financial sector partner priorities. Ongoing work plan development involved intensive meetings with individual partners to determine their priorities and regular technical meetings by FAIDA’s technical leadership in order to incorporate these priorities into a strong, comprehensive work plan. The result is a work plan that aggressively addresses shared priorities for financial sector development and the expansion of access to financial services.

2.3 TECHNICAL ACTIVITIES

FAIDA’s technical activities are designed to contribute to developing in Afghanistan “A Developed Business Climate that Enables Private Investment, Job Creation, and Financial Independence,” Assistance Objective 4 of the U.S. Mission in Afghanistan’s Post Performance Management Plan to achieve “Stable and Effective Afghan-led Development.” FAIDA’s systems approach to financial sector development at the micro, meso, and macro levels includes the following Year 1 activities:

2.3.1 RESULT 1 (MICRO-LEVEL): OUTREACH OF RETAIL FINANCIAL INSTITUTIONS ENHANCED

FAIDA will expand the market penetration of retail financial institutions, particularly in the agricultural and agribusiness sectors of the Afghan economy and in the southern and eastern region of the country, by identifying strategic, demand-based opportunities for lending to underserved MSMEs that accelerates Afghanistan’s economic development, and by supporting an increased range of client-responsive financial products and delivery mechanisms. Afghan retail financial institutions will be closely engaged in both processes, to increase their technical capacity and to divert underutilized liquidity to the funding opportunities.

2.3.1.1 Increase Lending Capital to Underserved MSMEs

Through FAIDA’s activities, loan capital to underserved MSMEs, particular in the agricultural and agribusiness sectors and the Afghanistan’s southern and eastern regions, will see a substantial increase. During this option period, FAIDA’s Strategic Value Creation team will be:

- Working with Afghan partner MFIs, banks, and associations to identify strategic lending opportunities strategies to reach underserved market, including leveraging existing networks such as AgDepots, Farms Service Centers, and implementing approaches to attract private capital into the market;
- Developing financial incentives and providing technical assistance to Afghan partner institutions to jumpstart both agricultural and non-farm lending;
- Leveraging GIRoA, USAID, and other donors’ agricultural and economic growth programs to accelerate “effective demand” for finance, thereby creating a growing market for Afghan MFIs and banks.

2.3.1.2 Range of Client Responsive Financial Products and Delivery Mechanisms Increased

Increasing the range of appropriate financial products, delivery mechanisms and market opportunities is central to expanding the disbursement of lending capital. To meet this need, FAIDA’s Product Design and Development unit will work with experts in rural agricultural and agribusiness finance, value chain specialists, and Islamic financial product development experts to support the creation of economically and culturally appropriate financial products and services tailored to the specific demand opportunities identified by the Strategic Value Creation team.

FAIDA’s grant funding and short-term technical assistance will be used to incentivize demand-driven product development and innovation efforts through technical assistance, research support, and direct support for pilot programs to test and adjust products, delivery mechanisms and marketing.

2.3.1.3 Enhanced Human and Institutional Capacity

Despite significant liquidity, Afghan retail financial institutions have not developed the capacity to identify good loans, develop appropriate financial products, and manage risk. To address these issues, FAIDA’s Result 2 team will operate at the meso-level to improve organizational and human capacity development of sector institutions and their retail members, including MFIs and commercial banks. Result 1 team members will cooperate in this effort by networking with retail financial institutions, identifying training and capacity building needs, and assisting Result 2 team members in responding. In addition, Result 1 will partner with retail financial institutions in identifying strategic lending and marketing opportunities and developing tailored financial products to build their capacity to make and manage good loans.

2.3.2 RESULT 2 (MESO-LEVEL): CAPACITY OF FINANCIAL SYSTEM SUPPORT SERVICES AND INFRASTRUCTURE ENHANCED

In expanding MSME access to capital, FAIDA must simultaneously help build the financial infrastructure and support services needed to strengthen the financial sector. The First Option Period work plan incorporates targeted activities in two areas in order to achieve this result:

- Strengthen FAIDA’s meso-level partners like AIBF, MISFA, AMA, ABA, AUFA, and ACSP by building their organizational, human and financial capacity to provide financial sector support services like training, advocacy, member services, and loan guarantees. FAIDA activities will help our partners develop and begin to implement long-term

strategic plans to achieve sustainability and emerge as valued service providers for their members.

- Develop a strong, integrated system for educating Afghan professionals in all aspects of the financial sector, including microfinance and commercial banking. Interventions will include expanding and updating financial sector curricula at AIBF and AUFA, introducing specialized certificate programs in finance and lending, providing training of trainers, scholarship programs, distance learning and regional training, and targeted technical and procurement assistance.

2.3.3 RESULT 3 (MACRO-LEVEL) AFGHANISTAN'S FINANCIAL SECTOR WILL BENEFIT FROM AN IMPROVED ENABLING ENVIRONMENT

FAIDA's Year 1 work plan includes activities that are designed to promote an improved enabling environment for policy, legal, and regulatory matters that enhance transparency and promote financial sector expansion. Many of these activities are tailored to support Afghan-led advocacy for and implementation of effective government policies, laws, and regulations. Our macro-level activities are designed to achieve two key results:

- Legal framework and supervisory capacity of DAB strengthened. FAIDA's life-of-project support for DAB will be designed based on rapid assessments of the DAB's autonomy, technical capacity, and human resources, particularly in the Financial Supervision Department; and the adequacy of the financial sector regulatory framework. When circumstances permit, FAIDA will support ADIC in rolling out deposit insurance to increase confidence in the commercial banking sector. At present, FAIDA's ability to offer robust support to DAB is handicapped by the fallout surrounding the failure of Kabul Bank, including pending investigations by the Attorney General, and appointment of a new Governor General. Accordingly, FAIDA is supporting the DAB on specific regulatory issues, and offering specific training as requested. Long-term technical assistance may include internal audit, risk management, payments systems, and conversion of commercial banks to International Financial Reporting Standards.
- Financial sector enabling environment strengthened. FAIDA will take a two-pronged approach to improving the financial sector enabling environment. Beginning immediately, priority framework legislation identified during work planning will be reviewed and recommendations provided. Initial areas of activity include DAB framework legislation mobile money regulation, authority for MFIs to transition into deposit taking institutions, and regulation of Islamic financial products and services. In the longer term, FAIDA will build on Result 2 initiatives to establish consultative systems for meso-level financial institutions to gather feedback from member institutions about enabling environment priorities, and advocate effectively for reforms with Government, Parliament, and Donors. As priorities emerge from the financial sector itself, FAIDA will support measures to redress identified problems and improve the enabling environment to reduce transaction costs and risks.

2.3.4 RESULT 4 (MOBILE MONEY/BRANCHLESS BANKING) : CAPACITY OF MOBILE BANKING SERVICES AND INFRASTRUCTURE ENHANCED

FAIDA will harness the power of mobile money and branchless banking as a delivery mechanism for services through partnerships with and between mobile network operators (MNOs), MFIs, and banks. FAIDA is already providing technical assistance to Afghan MNOs in developing mobile money products, and is funding a \$5 million Mobile Money Innovation Grant Fund to foster introduction of new mMoney products and services. FAIDA will work with MNOs to organize an industry association that can speak with a united voice on regulatory issues and consider development of industry standards that increase interoperability and speed uptake of mobile money and branchless banking goods and services.

FAIDA's GIS unit is tasked to Result 4 to ensure that its work is rooted in and responsive to USAID's objective of expanding access to credit throughout Afghanistan. Starting with data developed by others, the GIS unit will add additional layers that map financial sector reach, mobile phone coverage, and mobile money penetration. FAIDA's objective is to create a robust web-based GIS system that is easily accessible to public and private sector counterparts, allowing them to freely tailor maps to their particular needs. FAIDA will work to ensure that the GIS system it develops finds a home where it can continue to be maintained and developed after the project closes.

2.4 SUPPORT ACTIVITIES

The FAIDA project is large and incorporates an aggressive work plan that is designed to deliver significant development impact in a limited amount of time. Project support activities are integral to FAIDA's success as they allow for the program's efficient operations. Four project support functions form the foundation for FAIDA's success: project finance and administration, grants and subcontracts, communications, and monitoring and evaluations.

2.4.1 PROJECT ADMINISTRATION

Key activities during the project's first months are to finalize policies and procedures manuals, incorporating feedback mechanism to ensure continuous improvements. Project staff will work with subcontractors to ensure coordination of project policies with their own, review existing Chemonics field office policies in Afghanistan, and adapt existing manuals to fit the FAIDA project.

Ongoing training for project administrative and technical staff will be incorporated into Year 1 activities, with tasks that include identifying training needs and delivering appropriate training on topics such as USAID regulations, accounting procedures, and procurement.

2.4.2 STRATEGIC ACTIVITIES FUND

Working with and through local partners is a central tenant of our technical approach to achieve quick impact and sustained results. FAIDA's Year 1 work plan emphasizes significant investments in new product development and delivery technologies, specialized training to speed up loan origination and maintain high repayment rates, and build human and institutional capacity within partner Afghan institutions to ensure local ownership and

permanence. The SAF is intended to be flexible to use for quick impacts and respond to targets of opportunity in different forms. Subject to USAID approval, the SAF might be used to promote lending or support grants, provide letters of credit, or supplemental funds for credit guarantee facilities, or finance the expansion of credit in priority areas, notably the agricultural sector and the southern and eastern regions. FAIDA's SAF First Option Period activities include:

- Develop SAF policy and procedures manuals, which will establish the process for making awards and lay out guidelines that will govern the program.
- Implementing a \$5 million Mobile Money Innovation Grant Fund to support the development of responsive, market-driven mobile money products and services.
- Design an Innovation Grant Fund to provide broad support to banks and MFIs interested in developing new and innovative financial products, particularly for MSMEs in the agricultural sector and in the South and East, and for branch and service expansion into underserved areas.
- Develop scholarship funds to support human capacity building for FAIDA's meso-level partner institutions' staff.

2.4.3 PROJECT COMMUNICATIONS

Project communications are integral to FAIDA's success, and will be designed to reach three target audiences: potential and actively participating Afghan financial sector clients, financial institutions including MFIs and commercial banks, and USAID/Afghanistan. Each audience will be purposefully addressed by the project.

The project team will collaborate on a constant basis, facilitated by shared office spaces and an open door policy with each of the Result Leaders, the Deputy Chief of Party, and the Chief of Party. Weekly meetings, which will include participation by USAID, GIROA, and Afghan partners, allow the FAIDA team to openly discuss activities, share knowledge, and ensure cooperation.

Afghan audiences include active and potential financial sector clients, banks, MFIs, associations, and other Afghan partners. Effective communications will incorporate a range of media, such as personal contact, point-of-contact materials (brochures, best practices fact sheets, and posters), information technology (web sites, text messaging, and information clearinghouses), and mass media (TV, radio, and newspaper). Short-term communications experts and Afghan media and communications organizations will help to refine our communication objectives, define FAIDA's audience and their information needs, craft core messages, and develop communications tools. Cultural and gender sensitivities will be carefully considered in the design of all communications products to ensure maximum project impact.

Ongoing and strategic communications with USAID/Afghanistan is essential. To balance and manage time demands with the need to inform and share, the COP is our principal communications channel between the project and USAID. We will invite our COTR to weekly staff meetings and seek out regular and meaningful engagement with USAID in order for USAID to remain engaged in project activities and facilitate timely input for efficient project implementation. In addition to weekly reports, we will submit quarterly and annual

progress reports and regular success stories to provide updates on our accomplishments and FAIDA's overall progress.

2.4.4 MONITORING AND EVALUATION UNIT (MEU)

The Monitoring and Evaluation Unit (MEU) collects data and verifies and generates reports to measure FAIDA's results in terms of indicators. The PMP indicators track FAIDA's progress in reaching the main objectives. FAIDA's MEU organizes the back-up documentation and enters the data into a centralized database and analyzes and reports results. Data generated by the MEU are used in decision-making at the managerial level.

2.5 RELATIONSHIP WITH OUR PARTNERS

2.5.1 LINKAGES WITH AFGHAN PARTNERS

Afghan partners include DAB, GIROA ministries, associations such as MSIFA, ABA, AIBF, and AMA, commercial banks and MFIs, and universities. FAIDA's First Option Period work plan calls for developing work plans with our Afghan partners that commit them to making meaningful contributions of time and resources in order to ensure that they are fully committed to achieving mutually agreed results. In turn, FAIDA will provide support in the form of grants and technical assistance as appropriate. Other partners, such as banks, MFIs, and telecommunications firms, will play a key role in developing financial products and services, and will receive targeted technical assistance and other support. FAIDA will also actively engage with DAB, the Ministry of Finance, MRRD, and other government ministries, in order to gauge and address GIROA priorities.

2.5.2 RELATIONSHIPS WITH OTHER USAID PROJECES

FAIDA First Option Period work plan lays out a set of activities to establish relationships with other USAID programs whose activities complement our own. The FAIDA team has already begun consulting with USAID programs, including ACE, AFSA, ASAP, EGGI, and TAFSA. We will seek to maintain open and transparent relationships with all USAID partner projects, and will share work plans and involve other programs in planning technical activities when appropriate. This will ensure the optimal use of each projects' resources and avoid the replication of activities.

2.5.3 LINKAGES WITH OTHER DONORS

Several other donors and GIROA are implementing programs that seek to address financial sector development in Afghanistan. Examples include the Afghan Rural Enterprise Development Program (AREDP), implemented by the Ministry of Rural Rehabilitation and Development (MRRD) and the Afghanistan Financial Sector Strengthening Project, implemented by the World Bank. During its first year, FAIDA will establish linkages to these projects to ensure that activities are mutually reinforcing and do not replicate work already being implemented.

ANNEX A – WORK PLAN IMPLEMENTATION CHART

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
1. Enhance Outreach of Retail Financial Institutions																			
1.1. Increase Lending to Underserved MSMEs																			
1.1.0. With MISFA, develop a targeted expansion strategy for MFIs to reach underserved markets																			
1.1.1. Support structured strategies to attract private capital from strong regional network																			
1.1.1.01. Kickoff meeting with MISFA, MRRD, MAIL, and selected donors and stakeholders																			Kickoff meeting with selected partners held by Month 4
1.1.1.02. Establish relationships between FAIDA regional coordinators and partner banks, MFIs, and local ACCI offices.																			Regional coordinators meet with MFIs and banks in South and East by Month 7 and with MFIs and banks in North and West by Month 6
1.1.1.03. Develop relationships with Afghanistan Chamber of Commerce and Industry, Peace Dividend Trust, and other funds/business associations to identify collaboration and financing opportunities																			Financing and collaboration opportunities identified with four partners by Month 6; Four follow-on meetings held with partner organization by Month 12
1.1.1.04. Develop and structure alliances and loan guarantees with commercial banks and public/private investment funds to expand lending to microfinance and SME sector, e.g., support to ACSP, ACE/ADF.																			Alliances with select commercial banks established by Month 7; Loan guarantee agreements executed with two commercial banks by Month 10

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
1.1.1.05. Develop and continuously update regional action plans to expand outreach and social impact																			Regional action plan for South and East developed by Month 9; Regional action plan for North and West developed by Month 8
1.1.2. Leverage existing networks as part of a national expansion strategy for MSME finance, with emphasis on the South and East																			
1.1.2.01. Conduct initial strategy sessions with CNFA farm service centers, national associations representing AgDepots, VFUs and selected GIROA stakeholders, including MAIL and MRRD.																			Strategy sessions organized and carried out by Month 4
1.1.2.02. Visit each of the five USAID RC, PRTs and ADTs to determine economic growth priorities																			Regionally-based strategies to address priorities developed for all 5 RCs
1.1.2.03. Develop and conduct a training program for the regional coordinators																			Training program delivered by Month 7
1.1.2.04. Co-locate office space for regional coordinators with ACCI or other partner in five regions																			Functional office space available for regional coordinators at ACCI or other partner facilities in all five regions
1.1.2.05. Identify opportunities to provide MSME finance by wholesale lending to entities that can manage risk -- i.e., input suppliers, business associations, etc.																			Pilot program designed and implemented by Month 10; review and adjustments made by Month 12
1.1.2.06. Develop sequenced, prioritized regional work plans to tap FSCs, VFUs, and AgDepots																			Regional work plans developed by Month 8
1.1.2.07. Develop individual enterprises /																			At least 3 plans developed in East

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
value chain business plans to address highest priority business opportunities																			and South
1.1.2.08. Conduct outreach efforts to link financial institutions with enterprises within agricultural networks																			Outreach strategy developed by Month 8; One regional outreach event held in each region by Month 12
1.1.3. Leverage USAID's agriculture and economic growth programs to increase "effective demand" for finance within value chains and networks																			
1.1.3.01. Hold consultations with potential USAID partner programs and identify areas for collaboration to increase demand and supply of MSME finance																			Identify USAID partner programs by Month 3
1.1.3.02. Coordinate with selected USAID projects and local business development services (BDS) firms																			Hold quarterly USAID partner coordination meetings
1.1.4. Provide financial incentives and TA to Afghan institutions to jumpstart agricultural and non-farm lending																			
1.1.4.01. In collaboration with USAID, MISFA, ACSP and other stakeholders select partners																			3 partners selected by Month 7
1.1.4.02. Work Plans agreed with select partners																			Work plans agreed with 3 partners by Month 8
1.1.4.03. Provide grants to enhance commercial banks and MFIs credit facilities, and TA programs as needed, per work plans																			Grants awarded starting Month 10
1.1.4.04. Support hiring and/or training for new loan officers, including grant for salaries, per work plans																			TBD

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
1.1.5. Coordinate efforts with other donors and Afghan government to build regional/community support for financial services																			
1.1.5.01. Support development of a shared Web-based GIS mapping page (through FAIDA or USAID OEG or other project site) to coordinate activities in real time; leverage existing MISFA GIS mapping facility																			Collect layers from others, including MSFA by month 5; Month 5; Web-based GIS facility implemented by Month 9
1.1.5.02. Design/Support gender-specific community outreach and finance program																			TBD
1.2. Enhance Human and Institutional Capacity																			
1.3. Range of client-responsive financial products and delivery mechanisms increased																			
1.3.1. Incentivize demand-driven product development and innovation efforts through an Innovations Grant Fund and TA																			
1.3.1.01. Innovations grant fund announced to support financial product research development																			Innovation Fund designed and announced by Month 5. Grants issued on an ongoing basis through Month 12.
1.3.1.02. Engage short-term TA for market research and product development and innovation as needed																			2 new products developed as a result of short-term TA
1.3.1.03. Support market research efforts to design / adapt loan products that meet the needs of rural and agricultural MSMEs;																			
1.3.1.04. Pilot products in select regions (with FSCs, VFUs, and AgDepots)																			At least two product pilots completed by Month 12

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
1.3.1.05. Design and develop agricultural credit, leasing, finance for housing/infrastructure and support savings product development																			
1.3.1.06. Integrate Sharia compliance in product development																			
1.3.1.07. Integrate gender analysis in product development																			
1.3.1.08. Develop communications and outreach strategies to accompany product roll out																			Communications and outreach strategy designed by Month 8; ongoing outreach activities through Month 12
1.3.2. Product Design and Development Team provides tailored financial solutions for strategic lending opportunities identified by Strategic Valuation Creation Team under Work Plan Item 1.1.																			
2. Capacity of financial system support services and infrastructure enhanced (meso level)																			
2.1. Strengthen institutional capacity of meso-level financial sector organizations																			
2.1.1. Support implementation of MISFA Strategic Plan and long-term strategy																			
2.1.1.01. Review MISFA Strategic Plan																			Strategic Plan Review submitted to MISFA management
2.1.1.02. Develop Option Year work plan with MISFA																			Work plan with MISFA

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
2.1.1.03. Review MISFA's technical services division; identify functions to transfer to AMA																			
2.1.1.04. Support MISFA and partner institutions in implementing Strategic Plan and long-term strategy, as reflected in FAIDA Results 2 work plan with AMA, ABA, and AIBF and below.																			
2.1.1.04.1. Support meso-level partners in Client centered public awareness campaigns for financial services																			
2.1.1.04.2. Support MISFA in monitoring of Economic and Social Impact indicators by providing grant funding for database development (software, hardware, training).																			
2.1.1.04.3. Support MISFA's capacity to review MFI Audit Reports and strengthen off-site and on-site Audit functions																			Develop and deliver capacity building program
2.1.2. Strengthen institutional capacity of the AIBF																			
2.1.2.01. Develop a Option Year work plan with AIBF, including milestones, and targets, and covering both operational and training capacity development																			Work plan with AIBF
2.1.2.02. Conduct institutional and grant eligibility assessment with AIBF																			Institutional and grant eligibility assessment submitted to AIBF management
2.1.2.03. Provide technical assistance for operational review and organizational																			Organizational strategy/sustainability plan

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
strategy development, including path to financial sustainability, and separation between commercial banking and microfinance training.																			approved by management and board
2.1.2.04. Support development of organizational policies and procedures in finance and HR																			Finance and HR Policy Manuals approved by management and Board
2.1.2.05. Establish internal audit and control systems																			Internal audit and controls approved by board and management
2.1.2.06. Subject to USAID approval and results of organizational capacity assessment, endow a qualified finance professional/manager to establish appropriate controls, tracking, and reporting mechanisms within AIBF's finance department																			Finance professional/ manager hired
2.1.2.07. Develop/Revise toolkits for microfinance and update them after the first delivery based on feedback, as part of microfinance Certificate Courses																			Certificate Courses developed for Loan Officers, Branch Managers and Internal Auditors
2.1.2.08. Develop AML and CFT Certification courses and implement/deliver																			AML & CFT courses developed and delivered
2.1.2.09. Develop Risk Management Certification course and implement/deliver																			Risk Management course developed and delivered
2.1.2.10. Support AIBF in identifying options for national / international programs																			
2.1.3. Support institutional development of ABA																			

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
2.1.3.01. Conduct Institutional and Grant Eligibility Assessment of ABA																			Institutional and Grant Eligibility Assessment submitted to ABA management
2.1.3.02. Option Year work plan finalized																			Option Year work plan approved by ABA management
2.1.3.03. Strategic business plan developed																			Strategic Business plan approved by ABA management and board
2.1.3.03.1. Quantify costs and identify funding for urgent infrastructure needs -- offices, computers, projector, chairs, air conditioners , TV for conference hall, etc.																			Procurement plan for organizational facilities completed
2.1.3.04. Communication plan to raise awareness of financial sector issues and best practices developed and implemented.																			Communications plan approved by ABA board
2.1.3.04.1. Publications developed -- quarterly news letter, Case Studies, Good Practices documentation.																			Quarterly news letters
2.1.3.04.2. Organize quarterly get-togethers of Banks, MFIs, BDS providers and SME representatives.																			Three quarterly events
2.1.3.04.3. Support ABA in organizing National and Regional Round Tables on Rural Finance in collaboration with DAB, MISFA, Banks and MFIs.																			National roundtables
2.1.3.04.4. Deliver workshops and seminars on relevant issues -- Access to Credit & Business Plan, Public Awareness on Islamic																			Three seminars / workshops / trainings on selected topics delivered

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
Banking, Workshop to investors on Banking services & products																			
2.1.3.04.5. Establish scholarship / Study loan program to upgrade academic and professional qualifications of Afghan nationals working in the banking sector. This will directly support human capacity development in the sector.																			Scholarships/Study Loans provided
2.1.3.04.6. Support ABA in its work to improve Corporate Governance in Banks through training of Board Members, Discussions and Workshops.																			Workshops on Corporate Governance
2.1.3.05. Advocacy agenda developed and implemented including Templates to Track Laws and Policies and One Page Policy Briefs.																			Advocacy agenda approved by ABA board and management
2.1.3.05.1. Quarterly Round Table in collaboration with ACCI.																			Roundtables
2.1.3.05.2. Advocacy workshops to enhance awareness / understanding among Opinion Leaders e.g. legal fraternity and Economic Committee of Parliament.																			Three advocacy workshops held by Month 18
2.1.3.06. Research Agenda developed and implemented to reflect the needs of the Banking Sector and to expand reach in the Rural finance and SME Finance Sectors.																			Research agenda approved by ABA management
2.1.3.06.1. Establish small Library consisting of around 300-500 collected books for ABA on All Afghan Laws, regional Laws and																			Library established.

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
banking.																			
2.1.3.06.2. Subject to USAID approval, endow Legal Support for review of existing and proposed legislations, and support for research and advocacy strategy																			Legislative endowment in place
2.1.3.06.3. Conduct research in the field of banking and finance, especially for product development, Islamic banking, etc																			
2.1.4. Support ACSP (DEG) in transitioning from donor project to Afghan financial sector loan guarantee facility																			
2.1.4.01. Subject to USAID approval, Increase Capital Base, Outreach and Operational Efficiency																			If warranted by further investigation, develop proposal to increase ACSP capital base for submission to USAID and other donors
2.1.4.02. New Product Development in Trade Finance such as Letters of Credit and Guarantees for Post Import Finance, Supply Chain Finance, Islamic Finance																			TBD
2.1.4.03. Strategize for development of other SME lending products E.g. start-ups, renewable energies, women borrowers, housing / mortgage finance																			TBD
2.1.4.04. Improve Risk Management Practices, e.g., Credit Risk Toolkit, Delinquency Management Toolkit, Credit Rating and Scoring System, MIS (with ABA and AIBF)																			TBD

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
2.1.4.05. Monitor the SME Sector development through collection and analysis of select indicators																			SME sector development reporting, perhaps through ABA
2.1.5. Strengthen institutional development of the AMA																			
2.1.5.01. Perform institutional and grant eligibility assessment																			Institutional and grant eligibility assessment submitted to AMA management
2.1.5.02. Develop and finalize one year work plan																			One year work plan approved by management and board
2.1.5.03. Support development of strategic business plan, covering vision, mission, and financial sustainability, that is approved by management and the board and implemented																			Strategic Business Plan approved by management and Board
2.1.5.04. Assist AMA in developing TORs for staff recruitment, finalizing new internal policies and procedures, and training new staff																			TORs, Internal policies
2.1.5.05. Assist AMA in organizing quarterly coordination meetings with MFI CEOs and other stakeholders																			Quarterly coordination meetings
2.1.5.06. Develop and implement a public outreach, communications, and publications program, including an annual "State of the Sector" report																			Communications program approved by management
2.1.5.07. Plan and implement peer learning workshops																			Program design and first pilot peer exchange completed

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
2.1.5.08. Support AMA in developing mechanisms for sector information (i.e. market research, product usage, client growth rates) gathering, analysis and dissemination in the form of reports.																			Information gathering and reporting protocols established and approved by management
2.1.5.09. Increase AMA's membership base in order to improve sustainability																			Baseline membership survey completed by Month 6; 50% (TBC) increase over baseline membership by Month 10
2.1.5.10. Assist AMA in utilizing the FAIDA scholarship/study loan program for selected staff from MFIs and AMA																			AMA and MFI staff receive scholarships/ study loan for professional development training
2.1.5.11. Support AMA to work with AIBF in designing and organizing regular forums on topics of interest to member MFI staff (e.g. Delinquency Management, Internal Controls, enabling environment issues, etc.)																			Six forums held by Month 18
2.1.5.12. Develop newsletters in English, Dari, and Pashto to share sector information, client success stories, etc.																			Two semi-annual sector reports published by Month 18
2.1.5.13. Establish and pilot a program in one region to link Enterprise Groups with MFIs and banks																			Pilot program established by Month 12
2.1.5.14. Support AMA's representation at national events and the upcoming global micro credit summit in Spain in November 2011																			
2.1.5.15. Support web page design and																			New AMA website design and

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
development and provide follow-on training and financial support for website maintenance and content management																			deployed
2.1.5.16. Form partnership with CGAP and MIX Market																			Partnership with CGAP and MIX Market by Month 10
2.2. Human and institutional capacity enhanced																			
2.2.1. Develop tiered delivery channels for financial sector training at the meso level																			
2.2.1.1. Identify Training Needs of Commercial Banks and MFIs																			
2.2.1.1.1. Support AIBF and ABA in assisting in DAB, the Ministry of Finance and other financial regulators in conducting a Rapid Assessment of Commercial Banks in Afghanistan.																			Rapid assessment report completed
2.2.1.1.2. In collaboration with AIBF and ABA, conduct a training needs assessment of the commercial banking sector, based on results of Commercial Banking Sector Assessment.																			Training needs assessment completed
2.2.1.1.3. In collaboration with AMA, AIBF and MISFA, conduct a training needs assessment of all MFIs.																			Completed MFI training needs assessment
2.2.1.1.4. In collaboration with DAB, MISFA, ABA, AMA, ACSP and USAID, review and propose enhancement of AIBF training curriculum.																			

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
2.2.1.1.5. Support collaboration among AIBF and AMA and MISFA to expand curricula to address needs of MFIs																			Four key microfinance courses added
2.2.1.2. Enhance Financial Sector Training Delivery Capacity																			
2.2.1.2.01. Revise AIBF curricula for commercial banks and MFI's, including new course materials, based on training needs assessments																			New course materials introduced
2.2.1.2.02. Support AMA/AIBF in developing curricula and training materials/modules to address the needs of MFIs																			MFI training curriculum and modules developed and adopted by AIBF
2.2.1.2.03. Conduct specific trainings to AIBF Trainers as part of AIBF staff Capacity Building.																			AIBF trainers undergo TOT in the modules developed
2.2.1.2.04. Translate AIBF training courses into Dari and/or Pashto for trainings to be delivered in the local language.																			Course materials translated into Dari and/or Pashto
2.2.1.2.05. Develop a Banking and Finance certificate program, using a model such as Harvard banking and finance summer program, using existing classes/curriculum at Kabul-based universities																			MSME finance certification program developed with AIBF
2.2.1.2.06. With USAID approval, endow a dedicated project manager to oversee AIBF's microfinance operations																			Project manager hired
2.2.1.2.07. Develop and deliver an executive																			Executive development program

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
education program for select bank and MFI functions.																			developed and delivered
2.2.1.2.08. Design and implement program to train AMA regional trainers to deliver AIBF MFI courses																			AMA Regional Trainers trained to deliver the AIBF MFI courses
2.2.1.2.09. Organize classroom trainings on a regional level for MFIs in partnership with MISFA, AMA, and AIBF																			10 regional trainings delivered
2.2.1.2.10. Provide technical support to AIBF to institutionalize a Distance Learning Program.																			Distance learning program developed and delivered
2.2.1.2.11. Subject to USAID approval, provide procurement support to establish AIBF reference and training library																			Library operational
2.2.1.2.12. Subject to USAID approval, provide procurement support and technical assistance to set up AIBF computer lab for training purposes																			Computer lab operational
2.2.1.2.13. Organize scholarship / study loan program for AIBF, AUAF and other institutes' course offerings																			Scholarship / study loan program implemented
2.2.1.2.14. Arrange two regional study tours (e.g., Pakistan, Kazakhstan, India) with senior managers at select financial institutions																			Two study tours
2.2.1.2.15. Develop and implement "Best Business Plan" competition for SME entrepreneurs, in partnership with select																			Business plan competition conducted

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable	
bank(s) and media.																				
2.2.1.2.16. Support AIBF in organizing periodic forums on topics of interest to constituents, such as "Building Bankable Businesses".																				
2.2.1.3. Strengthen contribution of AUAF and other universities to financial sector education																				
2.2.1.3.01. Design and implement a Scholarship Program for professional certification e.g., Accounting, Internal Audit and Certified Islamic Professional Accountant (CIPA) and other training courses for banks and MFIs																				Scholarship program designed and implemented
2.2.1.3.02. Determine criteria for potential scholarship / study loan beneficiaries																				
2.2.1.3.03. Launch Scholarship / Study Loan Program, including pre-launch outreach to partner MFIs and banks																				Outreach campaign launched
2.2.2. Enhance capacity of partner financial sector institutions at the micro level																				
3. Afghanistan's financial sector will benefit from an improved enabling environment																				
3.1. Supervisory capacity of DAB strengthened – <i>Delayed pending resolution of responsibility for Kabul Bank collapse</i>																				
3.1.1. Rapid assessment of DAB/FSD capacity, needs, and legislative framework																				<i>Rapid assessment report delivered</i>
3.1.1.1. Obtain senior-level updates on Kabul Bank and Azizi Bank																				

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
3.1.1.2. Review credentials of all key DAB personnel associated with Financial Supervision Department																			
3.1.1.3. Review all current CAMELS ratings																			
3.1.1.4. Review comprehensive summary update on DAB Licensing Department																			
3.1.1.5. Obtain USAID assistance in organizing high-level meeting with USAID, DAB officials, FSD personnel, and senior representatives of IMF, WB, U.S. Treasury, ADB, and others.																			
3.1.1.6. Through ABA, meet senior Afghan bankers and initiate the design of an Afghan Bankers Outreach Program. Details to be included in the FSD Strategic Plan.																			
3.1.1.7. Design DAB/FSD Strategic Plan.																			DAB/FSD Strategic Plan
3.1.2. Rapid assessment of DAB needs for technical assistance in Kabul Bank resolution																			
3.1.3. Rapid assessment of the Commercial Banking Sector																			Rapid assessment report delivered
3.1.4. Work plans agreed with DAB and USAID, including LT consultants required																			Agreed work plans
3.1.4.1. FAIDA support for Kabul Bank resolution agreed with DAB and USAID and																			

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
implementation begins																			
3.1.4.2. FAIDA support for DAB/FSD legal framework and capacity development agreed, including LT consultants required, and implementation begins																			
3.1.4.3. Priority areas for FAIDA support in strengthening and deepening financial sector agreed with DAB and USAID, based on commercial banking sector assessment, and implementation begins																			
3.1.5. Provide technical assistance and training as requested																			
3.2. Financial sector enabling environment strengthened																			
3.2.1. Priority framework legislation identified during work planning reviewed and recommendations provided (DAB framework legislation; mobile money regulation; regulation for MFIs to transition into deposit taking institutions; Islamic finance regulation; expansion of Point of Service, ATM, and other retail infrastructure to integrate the MSME sector and with pending Verified Payroll Plan legislation)																			
3.2.1.1. Legislation reviewed																			
3.2.1.2. Recommendations submitted to USAID																			
3.2.1.3. Draft amendments submitted to																			Draft amendments

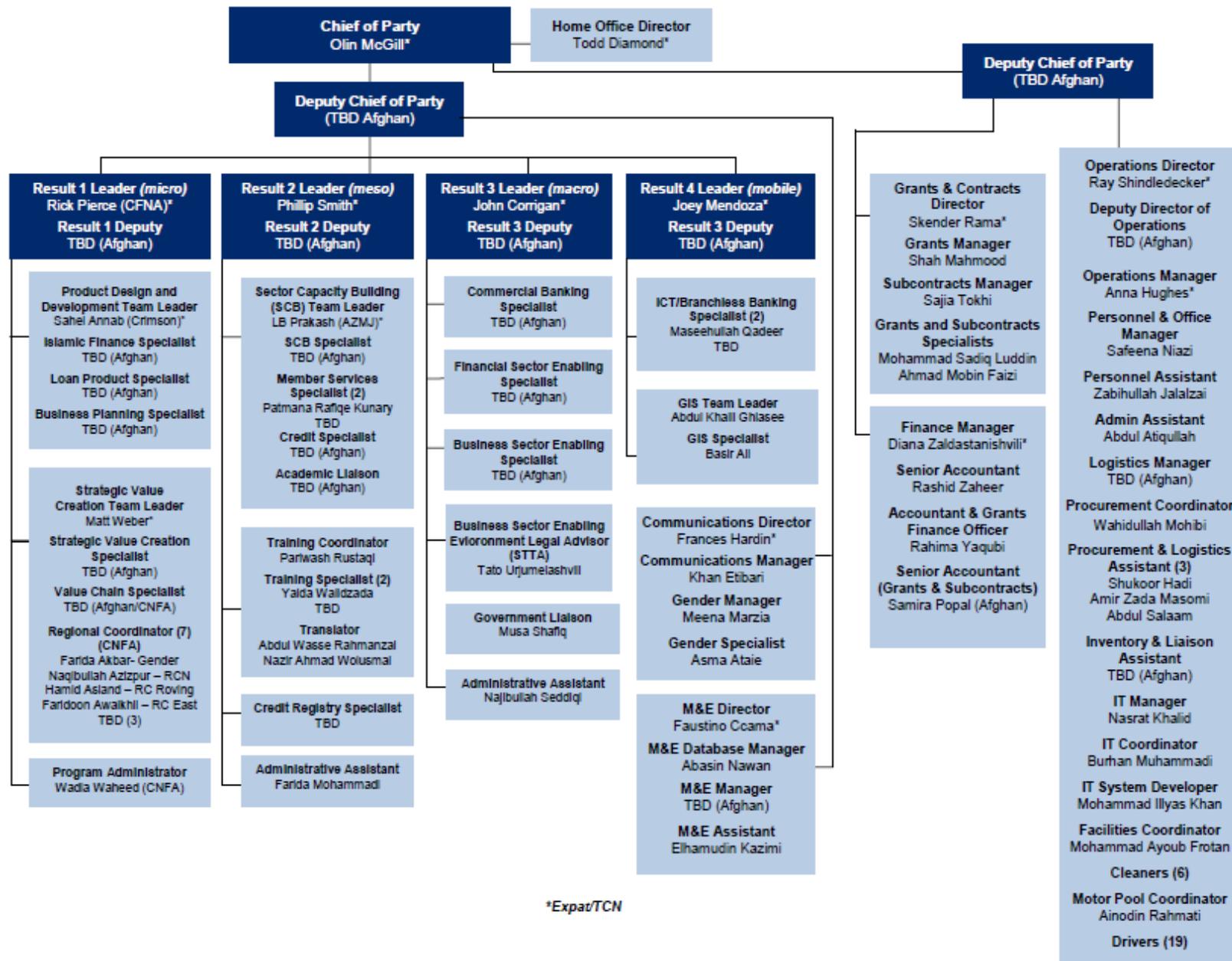
Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
DAB																			
3.2.1.4. Legislative action plan agreed with DAB and USAID and implementation begins																			Legislative Action Plan
3.2.2. Consultative system established for meso level financial institutions to gather feedback from member institutions about enabling environment priorities, and advocate effectively for reforms with Government, Parliament, and Donors.																			
3.2.2.1. Complete World Bank Doing Business initiative "Getting Credit" survey with ABA																			Completed survey submitted to EGGI
3.2.2.2. Identify priority legislation with meso level financial institutions, review and facilitate dialogue on modifications as appropriate																			Priority legislation identified in and regularly updated
3.2.2.3. Develop policy agenda with meso level financial sector institutions (could include credit bureaus, property and collateral registries, enforcement, bankruptcy, etc.)																			Policy agenda for Period Option Year with extensive stakeholder participation developed
3.2.2.4. Establish and implement systematic, recurring public-private dialogue mechanisms																			Four public-private dialogues
3.2.2.5. Develop one-page policy briefings and disseminate																			Policy briefings developed for all relevant legislation.
3.2.2.6. Work with AMA, MISFA and other industry associations to conduct a NBF																			NBF assessment submitted to DAB

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
assessment to help DAB determine the financial, management and governance conditions of microfinance institutions.																			
3.2.3. Develop partnerships and alliances																			
3.2.3.1. Facilitate the establishment of collaborative relationships between the ABA, AMA, AIBF, MISFA, and other industry associations and DAB and GIRoA (e.g. with the Ministry of Parliamentary Affairs, Ministry of Justice, Ministry of Finance, Ministry of Commerce and Industry) and Parliament.																			
3.2.3.2. Partner with local and international institutions to facilitate access to information and resources																			
3.2.3.3. Coordinate efforts and cooperate with other USAID programs such as ACSP, ACE, ASAP, EGGI, TAFA, etc.																			
3.2.3.4. Coordinate efforts and cooperate with the WB Afghanistan Financial Sector Strengthening Project to support DAB in the areas of accounting and auditing, information technology systems, human resources and training; in establishing a credit information bureau and a collateral registry.																			
4. Harness and Innovate the power of Technology -Branchless Banking and ICT																			
4.1. Support USAID and FS Share project in																			

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
delivering mMoney Summit																			
4.2. Develop Innovation Grant Fund Mechanism																			Announce APS at Summit and publish on website
4.3. Review Banking and Legal Regulatory Framework on mMoney/EMI License																			New EMI Regulation
4.4. Study tour for DAB, MoF, MCIT to Mobile Money Summit in Singapore (27-30 June 2011)																			Participants to mMoney Summit Report
4.5. Set up the Association of Mobile Money Operators of Afghanistan (AMMOA)																			Charter and By-laws approved GA
4.6. Conduct Monthly Meetings of AMMOA on regulatory, commercial, operational issues																			Monthly Meeting
4.7. Review Market Demand for Electronic Voucher Transfer (EVT)																			Report and Analysis
4.8. Review with MNOs their mMoney strategies and roll out plans and how these affect FAIDA's objectives																			MNOs strategies and Implementation Plans
4.9. Develop ecosystem approaches and strategies for mMoney for MNOs using best practices from Philippines, Kenya, and South Africa																			Recommendations to MNOs
4.10. Identify Key mMoney pilot projects for MNOs and MFIs and roll out these projects over 12 months																			MNOs Pilot Plans

Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Deliverable
4.11. Review Status of MNOs' Pilot projects on mMoney																			Conduct regular review - Reports
4.12. Implement salary payments applications for GIRoA employees using mMoney																			mMoney Application Report
4.13. Provide Grants Fund for mMoney applications of MNOs such as bills payment on utilities, tuition fees, taxes, etc.																			mMoney Applications - Reports
4.14. Monitor results of mMoney pilots, facilitate funding and TA Support through Innovation Grant Fund as needed																			Monthly Reports
4.15. Implement an mMoney contest for university students nationwide through AMMOA																			8 Top Entries on mMoney for MNO implementation
4.16. Review and implement ICT requirements of GIRoA such as internet connectivity for Distance Learning of major schools across Afghanistan																			School Connectivity on Internet
4.17. Write and Publish a book on success of mMoney in Afghanistan using the Afghanistan Model on mMoney																			Book on mMoney in Afghanistan

ANNEX B – ORGANIZATIONAL CHART



*Expat/TCN

