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

ANNUAL WORKPLAN

AUGUST 2012 - JULY 2013



FINANCIAL ACCESS FOR INVESTING IN THE DEVELOPMENT OF AFGHANISTAN

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

Implemented by:

Chemonics International Inc.

In collaboration with:

AZMJ LLC

Crimson Capital Corp.

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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
AMA	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
AUA	American University of Afghanistan
AVIPA	Afghanistan Vouchers for Increase Production in Agriculture
CAMELS	Capital, Asset Quality, Management, Earnings, Liquidity, Sensitivity
DAB	Da Afghanistan Bank
DCA	Development Credit Authority
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
MISFA	Microfinance Investment Support Facility for Afghanistan
MOU	Memorandum of Understanding
MSME	Micro, Small & Medium Enterprise
PMP	Performance Management Plan

1. INTRODUCTION

A. PROGRAM DESCRIPTION

USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project, under Contract Number 306-C-11-00531, 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 provides technical assistance to Afghanistan's mobile network operators to introduce innovative mobile money products and services. It supports initiatives designed 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. FAIDA also directly assists Afghan women entrepreneurs by providing specially targeted business development trainings to enable them to gain access to financing and opportunities for economic and professional growth.

- **Enterprises Component:** Works with partner institutions to provide tailored financial solutions where access to capital will complete value chains and increase competitiveness. Links lenders to businesses in need of financing, with a special focus on the agricultural sector and remote areas. Provides Islamic and conventional financial products to lenders and the private sector.
- **Banking Capacity Component:** Enhances the capacity of financial professionals, and infrastructure organizations with assistance to build human and organizational capacity to strengthen Afghanistan's financial sector.
- **Regulatory Component:** Creates an enabling lending environment that reduces risk and increases certainty. Develops new or updated regulations across all financial sectors and key institutions.
- **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.
- **Gender Mainstreaming Unit:** Ensures that women are integrated in financial sector activities and are provided access to financing and opportunities for economic and professional growth.

FAIDA is being implemented by a team including Chemonics, Crimson Capital Corp and AZMJ, and an extensive roster of Afghan counterparts and partners, including the Microfinance Investment Support Facility for Afghanistan (MISFA), Afghanistan Banks Association (ABA), Afghanistan Institute of Banking and Finance (AIBF), Afghanistan Microfinance Association (AMA), The American University of Afghanistan (AUAF), microfinance institutions and commercial banks, and mobile network operators.

B. REVIEW OF FAIDA'S BASE PERIOD

The FAIDA contract was signed in February 2011, with an initial 18-month base period through August 2, 2012. Almost immediately, USAID informed FAIDA that the mission was facing budget reductions and that FAIDA's budget would be reduced. In November 2011, modification no. 7 to the FAIDA contract reduced the project budget from \$151 million to \$75 million. With the budget outlook now clarified, FAIDA welcomed new Chief of Party Joseph Daniel Mooney in December 2011 to lead the project in a period of accelerated implementation.

During the base period, FAIDA launched a mobile money innovation grant fund and entered into grant agreements with 3 major mobile network operators in the country to launch mobile money applications in accordance with their corporate strategies. FAIDA also supported the formation of the Association of Mobile Money Operators of Afghanistan (AMMOA), the first mobile money operator association in the world. FAIDA also worked to develop Afghanistan's key Electronic Money Institution (EMI) law. Furthermore, FAIDA provided key institutional development and capacity building support to the Afghanistan Banks Association (ABA) and Afghanistan Microfinance Association (AMA), and helped expand the Afghanistan Institute of Banking and Finance's (AIBF) training programs and helped strengthen its position as the country's financial sector training hub. Additionally, FAIDA built and trained a team of regional coordinators who identify businesses with financing opportunities and work with them to secure financing by submitting quality loan applications or concept notes. Progress was slow at first, as the regional coordinators established relationships and trust with businesses and built their capacity to develop quality concept notes. But by March 2012, we saw significant amounts of loans mobilized with FAIDA assistance.

In June 2012, USAID exercised FAIDA's option period, extending the contract until August 2, 2014. The initial approved work plan covered the 18-month base period of the FAIDA contract. The current work plan will cover the 12-month period from August 2012 – July 2013, during which FAIDA is expected to reach its peak levels of implementation. At the end of this 12-month period, there will be exactly one year remaining in FAIDA's period of performance.

C. PRIORITIES AND NEW INITIATIVES FOR AUGUST 2012-JULY 2013

New Financial Institutions Component: FAIDA's Enterprise component will continue and expand its successful loan facilitation efforts by engaging businesses (borrowers) and assisting them with the process of developing solid applications and concept notes. However, FAIDA has also seen the need for engaging lenders directly in order to increase lending by improving their processes and efficiency and strengthening their capacity. Thus, FAIDA is creating a new component by Q4 2012 to provide tailored technical assistance to individual financial institutions. The current work plan does not include detailed plans for this new, proposed component. FAIDA will submit a more detailed concept paper and preliminary work plan for the proposed Financial Institutions component for COR approval by the end of Q3 2012, prior to hiring staff or formally launching the new component.

Gender: FAIDA is currently planning to prepare its formal gender strategy to capture and give focus to what up until now have been initiatives of each individual technical component. We plan to bring a short-term gender specialist from Chemonics home office to work with FAIDA's technical staff and partners to develop and concretize a sensible gender strategy to

ensure meaningful integration of gender in all project activities. FAIDA also plans to elevate the status of gender integration efforts by creating a Gender Unit to be led by an Afghan Gender Team Leader. In Q3 2012 FAIDA will recruit a qualified Afghan professional to lead the new Gender Unit to continue and expand FAIDA's gender mainstreaming efforts currently spearheaded by short-term Gender Training Advisor, Mina Sherzoy.

Southern Agriculture Activity: In June 2012, USAID approached FAIDA about expanding agricultural value chain activities in southern Afghanistan, specifically in Kandahar, Zabul and Helmand provinces. This would be a new activity of limited duration, to serve as a bridge between the recently ended SRAD and AVIPA projects and USAID's new planned regional agricultural program. In response, Chemonics submitted a brief concept paper on/about July 1, 2012 which explored possible activities and how they relate to FAIDA's statement of work. Next, Chemonics fielded agriculture specialist Tom Fattori for one month to study the reality on the ground in Kandahar, Zabul and Helmand, identify opportunities and possible activities, and produce a consultant report that could serve as the scope of work or initial work plan for the new activity. That consultancy is ongoing. A more detailed work plan will be developed once the proposed activity becomes a reality and is formally added to the FAIDA contract.

Afghanization: FAIDA will continue to place greater emphasis on preparing Afghans to assume leadership roles. The project plans to designate Afghan deputies to report directly to the each result leader, with the ultimate objective of preparing these individuals to lead FAIDA objectives beyond the life of the project. By the end of August 2013, all FAIDA result leaders will have at least identified, if not named, Afghan deputies.

D. PERFORMANCE MONITORING

FAIDA's Monitoring and Evaluation Unit (MEU) collects data and verifies and generates reports to measure FAIDA's results in terms of indicators. FAIDA's approved 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. The MEU is also responsible for maintaining and uploading FAIDA's information in the Afghan Info and the TrainNet databases. FAIDA's MEU is completely staffed by Afghan professionals, since the departure of TCN M&E Director Faustino Ccama in December 2011. M&E Manager Abasin Nawan is an experienced M&E professional, with experience on previous USAID projects such as the ASAP project.

Over the next 3 – 6 months, FAIDA's MEU plans to hire additional field monitors to improve FAIDA's ability to conduct site visits, collect data, and verify results data on a regular basis.

Currently, short-term M&E specialist Sonnya Valencia is working with the MEU to review its processes, conduct and plan for data quality assessments, and create or improve systems to ensure that M&E indicators and responsibilities are clearly included in subawards (grants and subcontracts) from the beginning to ensure that results data provided match the project's parameters and standard definitions and are as accurate and reliable as possible.

E. THE WORK PLANNING PROCESS

Work plan development began in June 2012 and involved multiple sessions over several days with all of FAIDA's leadership and technical staff, as well as the Home Office Project Director. Prior to the formal work planning sessions, each technical team worked with its partners to develop their priorities and strategies for the year. During the formal group planning sessions, the team worked in both a large group and in small groups. At times, the individual technical component met separately to plan, and at other times small groups were mixed up to permit new blood and cross-pollination to inform and influence the planning process. The central theme of the work planning sessions was the opportunity to accelerate the volume and pace of implementation to what will be peak levels during the next 12 – 18 months. Up until now, FAIDA has not ramped up to expected levels of implementation. Budget uncertainty and a change in Chief of Party in year 1 kept the project from hitting its stride. Now we recognize that the foundation has been laid but that seizing the opportunity to ramp up effectively requires deliberate planning. The result is an aggressive work plan that addresses key priorities and multiple points of intervention aimed at further strengthening the financial sector development and expanding access to financial services.

F. MANAGEMENT AND ORGANIZATION

FAIDA's aggressive work plan requires the project to staff up accordingly, particularly in the category of local long-term professionals.

Management: By the end of Q3 2012 FAIDA plans to identify and name two Deputy Chiefs of Party, one technical DCOP and one administrative DCOP, which are currently listed as TBD on the project organizational chart. Preference will be given to qualified Afghan professionals with leadership potential.

As discussed above, over the next year FAIDA also plans to identify Afghan deputy team leaders for each technical component. The Afghan deputies will report directly to the each result leader, with the objective of preparing these Afghan professionals to assume greater leadership roles and lead FAIDA objectives beyond the life of the project. The aim is to identify Afghan deputies for each of FAIDA's technical components by August 2013. We hope and expect to identify and promote those Afghan professionals from within.

With the announced departure of Result 2 Team Leader Phil Smith in August 2012, FAIDA plans to elevate current Financial Sector Capacity Building leader L.B. Prakash to that role. Mr. Prakash has worked closely with Mr. Smith for the past year and a half and is more than qualified and capable to lead FAIDA's Result 2 Banking Capacity component. However, Mr. Smith's departure will leave FAIDA, a financial sector strengthening project, without a senior banking expert who can stay on top of the work of FAIDA's three banking-focused components and their inter-related issues. Therefore, FAIDA proposes the creation of a long-term Senior Financial Sector Advisor position as a technical specialist role coordinating the work of FAIDA's banking-related components: Banking Capacity, Regulatory, Product Design and development team, and the new Financial Institutions component. With COR approval of a SOW, FAIDA will plan to recruit for the Senior Financial Sector Advisor position in Q3 2012.

Financial Institutions: With COR approval to launch a new component focused on engaging lenders directly, FAIDA will recruit a team leader for the new Financial Institutions

component. The candidate may be selected and promoted from within, in which case FAIDA would need to backfill the position that he/she vacates.

Enterprise Component – Strategic Value Creation team: The Strategic Value Creation (SVC) team plans to expand its successful loan facilitation efforts working with enterprises all around the country to help them through the process of securing commercial financing. To do this, FAIDA plans to hire up to 17 additional Regional Coordinators (local long-term professionals) to expand the project's reach at the district level. Of the SVC team's nine current Regional Coordinators, several work almost exclusively in Kabul. The remaining Regional Coordinators are asked to cover multiple provinces that cannot realistically or effectively be covered by one person. To address this, FAIDA plans to name four Senior Regional Coordinators responsible for larger geographic areas, with additional Regional Coordinators working under them to expand the project's reach to more districts. The results will be greater number of businesses assisted and greater number of loan applications submitted, and consequently, greater amounts of financing mobilized.

The Enterprise Component also plans to hire 2 – 4 additional Business Planning Specialists (also Afghan professionals) by the end of 2012. The additional Business Planning Specialists are needed to work with businesses (borrowers) to improve their business planning and forecasting in order to obtain financing, as well as with lenders to improve their ability to review and evaluate business plans as part of the loan application review process.

Gender: During Q3 2012 FAIDA plans to recruit an Afghan Gender Team Leader to lead a newly created Gender Unit. The Gender Unit Team Leader will implement FAIDA's forthcoming gender strategy to support and coordinate the efforts of each technical team in order to ensure meaningful integration of gender into all of FAIDA's activities. In addition to the Team Leader and the current Gender Manager, there will be a need for a small staff of 2 – 3 Afghan professionals to plan events, coordinate with the other technical teams, etc.

2. ANNUAL WORKPLAN

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 enterprise, retail banking, financial sector association, and legal and regulatory levels includes the following activities:

A. ENTERPRISE COMPONENT: OUTREACH OF RETAIL FINANCIAL INSTITUTIONS ENHANCED

The Enterprise component currently consists of two operating units: The Strategic Value Creation (SVC) team and the Product Design and Development (PDD) team. The SVC team works to facilitate business loans for Afghan enterprises while the PDD team assists banks in developing, designing and rolling out loan and other financial products. As of July 2012, the SVC team has worked with enterprises in districts around the country to submit 125 concept notes (loan applications) seeking loans worth \$28.62 million to lenders. To date, 25 FAIDA-supported loans have been approved and mobilized. The PDD Team is currently working with 14 Afghan banks, the Afghanistan Growth Fund (AGF) and the Agriculture Development Fund (ADF) to assist them in developing Islamic Financial products such as Murabaha (Islamic loan), Ijara (Islamic leasing) etc. PDD is also assisting banks such as Pashtany Bank to develop an Islamic finance window.

During FAIDA's first year, the SVC team focused on the enterprise level and successfully facilitated loans worth \$7.3 million (through March 2012). Beginning in April 2012, the SVC team began to focus on associations such as the Farm Service Center Association who, because of their member networks, have the potential to magnify the number of businesses FAIDA can reach and thus the volume of financing that FAIDA can facilitate. For this reason, association lending will be a major focus for FAIDA going forward. FAIDA has also begun focusing on priority sectors such as agriculture, construction, and carpets, considering the supply base available in the country, domestic resource costs, market demand and need for commercial credit. In the coming year, the Enterprise Team will work with the Afghan Builder Association, Farmers Associations, agricultural cooperatives and other local associations.

A.1 DISBURSEMENT OF LENDING CAPITAL TO UNDERSERVED MSME'S INCREASED

Working Through Associations: During FAIDA's base period, the project worked at the enterprise level to identify and engage individual businesses. Going forward, FAIDA plans to focus much more on working with and through associations such as the Afghan Builders Association, Kabul Chamber of Commerce, and various agricultural cooperatives and associations to facilitate bank lending. The Enterprise component will also work to build the capacity of these associations so that they can serve as a resource to assist their members in securing needed financing.

Agricultural Sector: Agriculture is the largest sector of the national economy in terms of its contribution to GDP, employment and exports. According to some estimates, agriculture

makes up 45% of the Afghan GDP, and 85% of the population is reliant on the agricultural sector. Agriculture fuels Afghanistan's exports base, as it is the main supplier of raw materials to many industries' within the country, and supports nearly two thirds of exports. The Enterprise Component is working with Agriculture Development Fund (ADF) and agribusinesses to facilitate loans in this sector. PDD has assisted ADF in developing Islamic products. During this work plan period, the Enterprise Team will continue to facilitate lending to agribusinesses through ADF, and build the capacity of private financial service providers who can assist potential borrowers with presenting solid loan applications and developing financial statements and forecasts.

In March 2012, FAIDA began promoting contract farming as an alternative financing mechanism 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 or guarantee the reliable and safe supply of products to various local and international markets. To date, FAIDA helped Omaid Bahar juice processing company establish a contract farming arrangement for mulberries, apricots, sweet melons and pomegranates that benefitted more than 600 farmers. FAIDA also assisted Tak Dana trading company in establishing contract farming arrangements to source mulberries. Consultant Ajay Jha from Colorado State University led FAIDA's initial contract farming efforts, and FAIDA is now in the process of hiring an Afghan contract farming specialist to continue those efforts. Contract farming will continue to be a major focus of FAIDA's Enterprise component. During the coming year, FAIDA plans to work with more processors and expand activities to the south.

The Enterprise component will also work to identify and facilitate key agricultural value chain financing opportunities, including but not limited to those opportunities highlighted by consultant Gordon Bremer. Potential value chain financing opportunities identified to date include:

- Assist the Afghan National Seed Organization (ANSOR) to develop an Islamic loan product for its members who require Sharia compliant loans, as well as to increase the volume of its conventional loans.
- Assist seven womens' cooperatives that have been pre-selected by the MAIL, UNDP and ACE, as the most capable women's cooperatives, to develop their respective business plans and loan applications for expanding their existing enterprises, and to lease GIRoA owned land for their businesses.
- Examine the feasibility and facilitate lending for production and crushing of locally produced oil seeds and refining the oil to produce protein flour or meal and vegetable oil to substitute for imports of vegetable ghee and oil.
- Examine feasibility and facilitate lending for establishing grain storage facilities that utilize a warehouse receipt system and help to stabilize the supply and price of basic grain throughout the year.
- Provide Sharia compliant lending to poultry feed millers to purchase ingredients, manufacture feed and provide it on credit to broiler producers.

ABA's Access to Finance Exhibition: FAIDA plans to organize an Access to Finance Fair to help link Afghan businesses to lenders and provide increased access to finance for Afghan businesses. A large number of Afghan businesses will have the opportunity to meet with

financial institutions one-on-one in one place over a period of one or two days. Businesses will be able to compare products and services offered by different financial institutions, and identify and develop the best and most appropriate financing opportunity for their business. It will also be an opportunity for banks and MFIs to market themselves to potential customers in the most efficient way possible. FAIDA and ABA will closely work with different business associations such as Afghan Builders Association, Afghan Carpet Exporters Guild, Agriculture Associations, Heart Industrial Union, Nangarhar Industrial Association and various other associations to spread the word and extend invitations to their member businesses. This fair is expected to attract more than 1000 visitors.

The Afghan Banks Association (ABA) will take the visible lead in this event with FAIDA providing technical assistance and funding booth construction and promotional costs for the first ever Access to finance fair. The Access to Finance fair is expected to be an annual event. While FAIDA will do much of the heavy lifting this first time around, FAIDA will reduce its assistance and funding in subsequent years as ABA is able to handle more of the event organization and management on its own.

Promoting Fee-Based Business Consulting Services: Potential borrowers often find it difficult to prepare loan applications and develop business plans and financial statements. There is a need to promote and support Afghan business consulting companies that can help businesses prepare business plans, loan applications, and financial statements and forecasts. The Enterprise component plans to work with private BDS companies supported by the USAID-funded ASMED project to build their capacity to provide an array of consulting services to Afghan businesses while also promoting a fee-for-service or commission-based model so that customers see the value in their services and are willing to pay for them, rather than establishing a another free, subsidized service to compete with and crowd out the private sector. During this work plan period, FAIDA plans to identify and work with 3 - 5 business consulting companies, focusing initially on assisting firms with the process of applying for commercial credit and expanding the menu of services from there.

Engaging Lenders: FAIDA proposes the creation of a new technical component to engage financial institutions directly and thereby increase lending, increase efficiency, and bolster the institutions themselves through tailored technical assistance. This 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 ABA, AIBF, and AMA. Where activities are undertaken that overlap with AIBF, AMA or ABA, activities will be conducted under the heading of those organizations.

The new Financial Institution Component is envisioned as a consulting window for financial institutions. As such, activities of individual need to financial institutions will 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 MFI profitability and operational sustainability, and other interventions as requested by industry associations (ABA, AMA) and financial institutions themselves.

Conversations with financial institutions suggest that the level of expertise found in Afghanistan is not sufficient to make technical intervention within financial institutions meaningful and that an STTA approach, shadowed by local Afghans would be most advantageous. With this in mind, we envision the new component will be staffed by one expatriate team leader, two Afghan coordinators (one for MFIs and one for commercial banks), an Afghan deputy, a gender liaison, and an administrative assistant. STTA will be sought as specialized requests from industry associations and financial institutions dictate. FAIDA will submit a more detailed concept paper and preliminary work plan for the proposed Financial Institutions component for COR approval by the end of Q3 2012.

A.2. HUMAN AND INSTITUTIONAL CAPACITY INCREASED

Training and Access to Finance for Women Entrepreneurs: The Enterprise Component and Gender Unit would work together to roll out a business skills training program for potential and existing women businesses. A training program is being designed for women who have not completed high school to develop business skills. Afghan women will conduct the training. Potential women entrepreneurs will be connected with MFIs to start micro-businesses. FAIDA is working to support the Khadija Al Kubra Women's Business Center at the women's garden. This Women's Center will train Afghan women in business skills, financial literacy, legal rights, and mobile money, among other related topics.

Study tours: FAIDA's PDD team will continue to conduct study tours as a way to introduce Afghan financial institutions to new ideas and successful case studies and to build their capacity. For the coming year, FAIDA is planning a study tour to the Indian National Bank of Agriculture and Rural Finance, as well as additional study tours to focus on Islamic finance, insurance products, agricultural finance, and risk management.

Conferences and Training Workshops: FAIDA's PDD team will continue to organize and conduct periodic conferences and workshops on priority topics such as insurance, leasing, Islamic finance, and risk management.

A.3. RANGE OF CLIENT-RESPONSIVE FINANCIAL PRODUCTS INCREASED

FAIDA's Product Design & Development (PDD) team has been responsive to the needs of the market and has supported both financial institutions and businesses in identifying business needs and designing solutions, as well as helping financial institutions implement the new financial products.

During the coming year, the insurance sector will be a major area of focus for FAIDA. The PDD team will provide technical assistance to the insurance sector to develop and implement a *Takaful* (Islamic Finance) Operating Model and new products such as trade insurance and transportation and freight insurance. FAIDA will also assist the Afghanistan Insurance Authority in developing necessary regulations to implement and govern the Takaful Operations.

The PDD team will also focus on developing products and credit schemes to enhance access to finance in the agricultural sector and within various value chains. FAIDA plans to field short-term consultants to develop and implement Purchase Order Financing and other types of value chain finance.

FAIDA also plans to provide technical assistance to explore and develop leasing products, both conventional and *Sharia* compliant (*Ijara*). Additionally, FAIDA will provide technical assistance to develop and promote much needed trade finance products and construction finance products.

In addition to ensuring that new products are truly demand driven and profitable, FAIDA will continue to focus on helping lenders and other institutions implement and roll out newly designed products, utilizing short-term technical assistance when necessary, to make sure new products are used and made available to customers.

B. BANK CAPACITY COMPONENT: CAPACITY OF FINANCIAL SYSTEM SUPPORT SERVICES AND INFRASTRUCTURE ENHANCED

The Bank Capacity Component is responsible for 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. The Bank Capacity Component has 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 such as training, advocacy, and member services. Partners include Afghan Institute of Banking and Finance (AIBF), Microfinance Investment Support Facility for Afghanistan (MISFA), Afghanistan Microfinance Association (AMA) and Afghanistan Bank Association (ABA).
- The **Training Team** will lead delivery of FAIDA's own trainings and build the training capacity of FAIDA partners.

As the Financial Sector Capacity team builds the capacity of our partner organizations to solicit policy priorities from members and FAIDA's Regulatory Component reflects those priorities in the legal framework, the Financial Sector Capacity team will take on additional responsibility for supporting the development of market infrastructure, subject to regulatory framework.

B.1. STRENGTHEN INSTITUTIONAL CAPACITY OF MESO-LEVEL FINANCIAL SECTOR ORGANIZATIONS

While partners like MISFA are financially stronger today, they need support in developing their strategic priorities especially in cases where there is significant upheaval and a reduction in microfinance outreach is expected. MISFA needs to focus on sustainable growth and recast its priorities to expand its horizon beyond the current narrow focus of micro credit provision. FAIDA's Financial Sector Capacity team will support MISFA in developing its strategic plan for 2013-16 and implement it.

FAIDA's Financial Sector Capacity team will also work closely with MISFA in building the capacity of MISFA's partner MFIs and implementing its strategy for enhancing the operational and human capacity of key meso-level financial sector organizations such as AIBF, AMA, and ABA.

B.2. CAPACITY OF FINANCIAL INDUSTRY ASSOCIATIONS STRENGTHENING

FAIDA is supporting AMA in its revitalization and efforts to strengthen the microfinance sector in Afghanistan. AMA is not limiting its membership to MISFA partner MFIs, but expanding its outreach to include other MFIs and Community-based Savings Promoting Institutions (CSPIs).

FAIDA will support AMA in strengthening its institutional capacity for becoming a strong Microfinance Association. Such support will also include strengthening Community-based Savings Promoting Institutions (CSPIs) Forum through technical support and financial grants assistance to enhance outreach and/or sustainability, assisting AMA in refining and expanding its scholarship program and supporting AMA's representation at national events and the upcoming global micro finance and related events.

With support from FAIDA, ABA has recently finalized its Strategic Plan. Subject to USAID approval, FAIDA will support ABA to implement its Strategic Plan through financial (grant) and technical assistance. FAIDA intends to support ABA in achieving its vision of being a strong, credible, progressive organization that promotes best practices in Afghanistan's financial industry and sets standards for efficiency and excellence in the sector.

B.3. CAPACITY OF FINANCIAL INFRASTRUCTURE STRENGTHENED

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 Financial Sector Capacity 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. The Financial Sector Capacity team will coordinate with the Enterprise team members to identify training and capacity building needs, and assist institutions like AIBF in responding to these needs.

In expanding MSME access to capital, FAIDA will simultaneously help build the financial infrastructure and support services needed to strengthen the financial sector.

C. REGULATORY: ENABLING ENVIRONMENT FOR PRIVATE SECTOR-LED FINANCIAL SECTOR DEVELOPMENT IMPROVED

During FAIDA's base period, FAIDA compiled the only comprehensive inventory of progress made regarding the *Doing Business* Rankings in Afghanistan, and FAIDA provided targeted recommendations for improving Afghanistan's ranking. During the coming year, FAIDA intends to capitalize upon this work and upon the channels of dialogue that FAIDA has nurtured with the aforesaid GIROA officials to actually precipitate improvement in Afghanistan's overall *Doing Business* ranking, as well as to ensure that the private sector's participation in policy development is routinized, made meaningful, and is measurable.

FAIDA will perform an initial legal analysis, as well as a "canvass" of top Afghan banks to determine (i.) whether the regulatory and legal environment of Afghanistan could accommodate the issuance, purchase, and enforcement of bonds; and (ii.) whether the knowledge base of relevant personnel of Afghan banks would accommodate bond offerings. Additionally, FAIDA will examine the portfolio of large loan applications to identify possible companies, industries or regions that might potentially serve as pilot/demonstration projects for bond (or structured finance) offerings.

FAIDA seeks to improve private-sector-led financial sector development by building upon the relationships and the resultant insights that FAIDA nurtured to date. As such, FAIDA has prioritized the activities set forth below.

C.1. DAB'S LEGAL FRAMEWORK AND SUPERVISORY CAPACITY STRENGTHENED

At present, FAIDA's ability to support to DAB is limited by the fallout surrounding the failure of Kabul Bank, including pending investigations by the Attorney General, and appointment of a new Governor General. As a result, more robust support to DAB is suspended pending a US Government policy decision. 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.

If and when US Government policy permits more robust support, 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.

C.2. FINANCIAL SECTOR ENABLING ENVIRONMENT STRENGTHENED

Doing Business Rankings/Indicators and Public-Private Dialogue: GIROA has, at the highest levels (Office of the President, and Office of the Second Vice-President), asked that FAIDA prioritize this activity area, as it is perceived to be an important tool for mobilizing private investment capital. In FAIDA's Year 1, FAIDA compiled the only comprehensive inventory of progress made regarding the Doing Business Rankings in Afghanistan, and FAIDA provided targeted recommendations for improving Afghanistan's ranking. In the next year, FAIDA intends to capitalize upon this work and upon the channels of dialogue that FAIDA has nurtured with the aforesaid GIROA officials to actually precipitate improvement in Afghanistan's overall Doing Business ranking, as well as to ensure that the private sector's participation in policy development is routinized, made meaningful, and is measurable.

Securitization and Structured Finance: The issuance of bonds has become a preferred money-raising device in much of the developing world. As such, and after consultation with relevant Afghan counterparts and with USAID/Afghanistan, FAIDA will perform an initial legal analysis, as well as a "canvass" of top Afghan banks to determine (i.) whether the regulatory and legal environment of Afghanistan could accommodate the issuance, purchase, and enforcement of bonds; and (ii.) whether the knowledge base of relevant personnel of Afghan banks would accommodate bond offerings. Additionally, FAIDA will examine the portfolio of large loan applications to identify possible companies, industries or regions that might potentially serve as pilot/demonstration projects for bond (or structured finance) offerings.

Secured Transactions Law and Filing System: The IFC and Herakat have reached an advanced stage of the development of a law permitting the use of movable property as security for performance of obligations, and they are in the process of organizing the public notice filing system necessary to make the law workable. They have asked FAIDA to provide training regarding the law and the filing system for the judiciary, the bar, and for

bankers. FAIDA's initial inquiries reveal that there exists great demand among the bar and the judiciary for related training.

Trade Finance: It has become eminently evident that traders, freight forwarders, manufacturers, and agriculture professionals in Afghanistan lack an understanding of the world's "sale of goods" and "trade finance" regime, and that this operates to Afghanistan's competitive disadvantage. In FAIDA's Year 1, FAIDA conducted seminars in Kabul and in Mazar on Contracts for International Sale of Goods, Contracts of Carriage, Cargo Insurance, and Trade Finance. Each such seminar was significantly oversubscribed, and trade associations repeatedly request that FAIDA regularize the provision of these seminars.

Alternative Dispute Resolution/Arbitration: The underdevelopment and non-independence of the judiciary in Afghanistan is a serious impediment to lending and investing there. Whilst laudable efforts are ongoing to help create a professional, independent judiciary, progress remains slow, and it cannot be expected to keep pace with Afghanistan's need for finance and need for dispute resolution in the foreseeable future. As such, an arbitration law was drafted and enacted in 2009, but it does not appear to ever have been implemented, as Afghanistan, despite the existence of the law, still lacks an arbitration body, and it lacks related rules. In the next year, FAIDA will aim to eliminate those gaps. FAIDA will also endeavor to eliminate provisions of law regarding investor protection that operate to deny a foreign investor's right to arbitrate against the Afghan state.

D. Mobile money & branchless banking: Capacity of mobile banking Services and Infrastructure Enhanced

FAIDA works to 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 has worked 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.

For the coming year, FAIDA's Mobile Money and Branchless Banking component has prioritized the following activities:

D.1 INCREASE CAPACITY OF MNO'S TO DEVELOP NEW PRODUCTS AND SERVICES

A top priority for FAIDA during the upcoming year will be promoting mobile money agent network development. Developing agent networks is a key step toward expanding access to and use of mobile money across the country. FAIDA can facilitate opportunities for our partner MNOs to develop and grow their agent networks by organizing events and road shows and facilitating connections with other FAIDA partners such as the Farm Service Centers and AgDepots that have existing national networks of operating businesses with liquidity that would be natural fits as mobile money agents. FAIDA plans to play a role in identifying and filtering potential mobile money agents and in providing a basic level of orientation and training so that they are better equipped and prepared to partner with an MNO.

In Q3 2012 FAIDA plans to field short-term mobile money consultant Anthony Petalcorin focus on agent network development and to apply successful prior experience to the task .Mr. Petalcorin has worked to promote and improve mobile money on USAID’s successful Philippines MABS project for more than the last ten years. He is exceptionally well placed to guide FAIDA’s efforts to support agent network development and to inject some useful, outside expertise to the MNOs’ current efforts.

In addition to agent network development, FAIDA will also focus over the coming year on developing and expanding the merchant network as well. Additionally, FAIDA plans to continue the use of short-term mobile money project consultants who have been embedded with our partner MNOs since March-April 2012. These project management consultants have been invaluable in helping the MNOs to keep grant activities and their own implementation of mobile money activities on track.

Building on the experience of the embedded project management consultants, FAIDA also proposes to embed consultants within relevant GIRoA ministries, including New Kabul Bank, that are involved in the launch of mobile money applications. We envision embedding expatriate consultants for 3 – 4 months to be replaced by afghan professionals through the remainder of the project. FAIDA also proposes to hire an experienced bank integration project manager to serve as a resource to our partner MNOs and the banks in order to advance the development and launch of planned mMoney applications and build the capacity of our partners in the process.

FAIDA will also continue to use the mobile money innovation grant fund to support partner MNOs in launching new mMoney applications such as utility bill payment, public sector salary payments, etc., consistent with the MNOs’ corporate strategies and their agreements or partnerships with public sector partners.

D.2. INCREASE AMMOA’S TECHNICAL CAPACITY

The formation of AMMOA has been a key achievement. The first such association of mobile money operators in the world, it provides a space where competing MNOs can work together and advocate for their common interests. But while it currently serves a useful function, the association has not yet been formalized and depends on staff from each MNO to push issues forward rather than having its own independent capacity. Therefore, a key priority for the coming year is to get AMMOA formally registered as an official Afghan entity and to focus on building its organization capacity. The first step is to hire an Afghan executive director with experience leading and building a new industry association. FAIDA envisions that AMMOA executive director will be hired and paid fully by the project for the first year, after which the MNOs will have to contribute to these costs through their membership fees. By August 2014 or sooner, AMMOA will need to be fully sustainable through the membership fees it collects and any other revenue generating activities in which it may engage. FAIDA also plans to field an industry association or organizational capacity advisor to support the new AMMOA executive director during the first year.

Going forward, many FAIDA activities will be channeled through AMMOA, meaning that AMMOA will be out front as the visible sponsor instead of FAIDA. A key initiative over the next year is a multi-phase media campaign to raise awareness about mobile money, its benefits, how to use it, and business opportunities for agents and merchants. FAIDA will develop the SOW together with AMMOA member MNOs, and will manage the procurement

process to select a qualified vendor. The campaign will be national in scope, but may target specific geographic locations in different phases, and will utilize print media such as paid newspaper advertisements and billboards, as well as radio spots and possibly television ads to the extent they are cost effective. Prior to launching the media campaign, FAIDA will hire a vendor through a competitive bidding process to conduct market research to determine current knowledge, attitudes and practices among the Afghan population that will then inform the media awareness campaign.

Other activities to be channeled through AMMOA include study tours on agent networks and regulatory issues, mobile money conferences for large Afghan corporations, IT companies and Hawalas, and continued crowd sourcing efforts identify and develop new mobile money applications.

To the extent possible, integrated agent recruitment efforts and agent training, including training-of-trainers for mMoney agent training, will be channeled through AMMOA.

D.3. DEVELOP MOBILE MONEY POLICIES AND REGULATIONS DEVELOPED

There are multiple priorities in the area of mobile money policies and regulations. First, FAIDA will continue to support the EMI regulations and a holistic electronic money policy. FAIDA also plans to provide technical assistance to the central bank's Financial Supervision Department in the area of risk management and also plans to develop or promote a training or certification program for compliance officers. In a more recent development, FAIDA plans to provide technical assistance to the Deposit Insurance Corporation, including six weeks of LOE for an initial assessment to determine next steps. FAIDA is also involved in efforts to convert payment of customs fees from the central bank to commercial banks and to permit payment via mobile money. FAIDA envisions providing STTA of up to 90 days for this purpose.

E. GENDER INTEGRATION

FAIDA is currently planning to prepare a formal gender strategy to capture and give focus to FAIDA's gender integration and mainstreaming efforts. FAIDA will bring a short-term gender specialist from Chemonics home office to work with FAIDA's technical staff and partners to develop and concretize a gender strategy to ensure meaningful integration of gender in all project activities. FAIDA also plans to elevate the status of gender integration efforts by creating a Gender Unit to be led by an Afghan Gender Team Leader. During Q3 2012 FAIDA plans to recruit an Afghan Gender Team Leader to lead the newly created Gender Unit. The Gender Unit Team Leader will implement FAIDA's forthcoming gender strategy to support and coordinate the efforts of each technical team in order to ensure meaningful integration of gender into all of FAIDA's activities. In addition to the Team Leader and the current Gender Manager, there will be a need for a small staff of 2 – 3 Afghan professionals to plan events, coordinate with the other technical teams, network with women-owned businesses and women's organizations, etc.

F. GRANTS PROGRAM

FAIDA issued its Annual Program Statement No. 1, "mMoney Innovation Grant Fund" in April 2011. During FAIDA's first year, the project entered into grant agreements with Mobile

Network Operators Roshan, Etisalat, and MTN to implement their mobile money activities. In April 2012, FAIDA extended the end date of the Annual Program Statement so that additional grant applications could be submitted and considered. Currently, Mobile Network Operator Afghan Wireless Communication Company is preparing its grant application to develop and deploy a customized mobile money service in Afghanistan that will promote uptake of mobile money and mobile banking services and help demonstrate the use of an innovative, verifiable customer registration system.

FAIDA issued Annual Program Statement No. 2, “Financial Associations and Enabling Organizations Grant Fund”, in November 2011. This solicitation is still open and new grant applications will still be considered. In April 2012, FAIDA awarded a standard grant to the Afghanistan Microfinance Association (AMA) in the amount of \$450,000 for the purpose of strengthening the organization, expand its membership base, and improve the information management services it provides to its members and disseminates within and outside Afghanistan about the microfinance sector.

Also in April 2012, FAIDA awarded another standard grant to the Afghanistan Institute of Banking and Finance (AIBF) in the amount of \$925,000. The objective of the grant is to augment the professionalism within the Afghan financial sector through education, training, certificate courses, distance learning programs and enhanced opportunities for advocacy, adoption of international best practices, and information sharing.

In June 2012, FAIDA awarded a fixed obligation grant to microfinance institution Oxus Afghanistan in the amount of \$283,600 in order to increase access to finance by expanding the funds available for microfinance lending. The injection of grant funds also allows Oxus to leverage additional funds from MISFA for the purpose of onward lending as well as its own operational expenses.

FAIDA issues Request for Applications No. 1, “Access to Finance for Afghan Businesswomen”, in December 2011. FAIDA received 17 grant applications in response, and upon evaluating them decided to recommend three of them for award. In subsequent discussions with the COR, we decided to restructure those grant applications to include fee-for-service models or otherwise ensure grantee sustainability. At present, FAIDA is still working with these potential grantees and expects to award fixed obligation grants within the next quarter to Afghanistan Development and Welfare Services Organization (ADWSO), Afghanistan Women’s Business Federation (AWBF), and Afghans for Afghanistan’s Development (AFAD).

ANNEX A

WORK PLAN BUDGET – MONTHLY DETAIL

		2013												
Line Item	August	September	October	November	December	January	February	March	April	May	June	July	Annual total 8/2012-7/2013	
I. Salaries	\$349,999	\$394,416	\$394,416	\$395,000	\$349,999	\$395,000	\$395,000	\$434,000	\$443,000	\$434,000	\$434,000	\$443,000	\$4,861,829	
II. Fringe Benefits	\$173,731	\$102,674	\$112,702	\$126,601	\$124,278	\$124,002	\$181,023	\$159,327	\$154,880	\$156,814	\$155,883	\$151,422	\$1,723,337	
III. Overhead	\$273,472	\$249,230	\$258,783	\$291,063	\$280,233	\$280,300	\$280,300	\$291,050	\$291,050	\$291,050	\$291,050	\$291,050	\$3,368,631	
IV. Travel	\$28,961	\$46,545	\$35,720	\$48,747	\$33,185	\$25,971	\$21,536	\$26,828	\$37,857	\$35,112	\$28,857	\$30,777	\$400,096	
V. Allowances	\$194,245	\$195,863	\$201,087	\$278,030	\$275,139	\$169,562	\$214,032	\$246,235	\$179,527	\$175,507	\$201,087	\$215,235	\$2,545,548	
VI. ODCs	\$290,157	\$290,157	\$290,157	\$290,157	\$290,157	\$290,157	\$290,157	\$290,157	\$290,157	\$290,157	\$290,157	\$290,157	\$3,481,884	
VII. EVF	\$1,500	\$1,500	\$4,500	\$5,000	\$6,500	\$4,000	\$15,000	\$10,000	\$5,000	\$2,500	\$2,500	\$2,500	\$60,500	
VIII. Training	\$1,500	\$35,000	\$135,000	\$135,000	\$290,000	\$40,000	\$135,000	\$55,000	\$75,000	\$10,000	\$10,000	\$15,500	\$937,000	
IX. Subcontracts	\$556,000	\$533,000	\$490,000	\$350,000	\$170,000	\$745,000	\$535,500	\$486,000	\$550,000	\$540,000	\$530,000	\$530,000	\$6,015,500	
X. SAF - Innovation Fund	\$0	\$30,000	\$45,000	\$30,000	\$0	\$0	\$0	\$25,000	\$0	\$25,000	\$0	\$25,000	\$180,000	
XI. SAF - Grants	\$100,000	\$263,281	\$400,000	\$151,000	\$110,000	\$265,000	\$195,000	\$110,000	\$295,000	\$203,900	\$100,000	\$50,000	\$2,243,181	
Subtotal, Items I-XI	\$1,969,564	\$2,141,666	\$2,367,364	\$2,100,598	\$1,929,490	\$2,338,992	\$2,262,548	\$2,133,598	\$2,321,472	\$2,164,040	\$2,043,534	\$2,044,641	\$25,817,507	
XII. G&A	\$104,238	\$122,145	\$219,185	\$102,003	\$103,843	\$129,397	\$4,462	\$135,477	\$129,079	\$124,097	\$131,708	\$135,372	\$1,441,005	
Subtotal, Items, I-XII	\$104,238	\$122,145	\$219,185	\$102,003	\$103,843	\$129,397	\$4,462	\$135,477	\$129,079	\$124,097	\$131,708	\$135,372	\$1,441,005	
XIII. Fixed Fee	\$149,702	\$157,227	\$281,493	\$140,433	\$143,667	\$172,472	\$202,996	\$205,202	\$186,015	\$190,383	\$202,212	\$207,907	\$2,239,708	
Grand Total	\$2,223,503	\$2,421,038	\$2,868,042	\$2,343,034	\$2,177,000	\$2,640,861	\$2,470,005	\$2,474,276	\$2,636,566	\$2,478,520	\$2,377,453	\$2,387,921	\$29,498,220	

WORK PLAN BUDGET – SUMMARY

Line Item	Invoiced Through July2012	Annual Work Plan Budget Aug2012-Jul2013	Total through July 2013
I. Salaries	\$3,990,156	\$4,861,829	\$8,851,985
II. Fringe Benefits	\$1,386,000	\$1,723,337	\$3,109,337
III. Overhead	\$2,650,900	\$3,368,631	\$6,019,531
IV. Travel	\$435,080	\$400,096	\$835,176
V. Allowances	\$1,888,298	\$2,545,548	\$4,433,846
VI. ODCs	\$6,911,895	\$3,481,884	\$10,393,779
VII. EVF	\$248,850	\$60,500	\$309,350
VIII. Training	\$310,680	\$937,000	\$1,247,680
IX. Subcontracts	\$5,450,463	\$6,015,500	\$11,465,963
X. SAF - Innovation Fund	\$71,606	\$180,000	\$251,606
XI. SAF - Grants	\$840,655	\$2,243,181	\$3,083,836
Subtotal, Items I-XI	\$24,184,583	\$25,817,507	\$50,002,090
XII. G&A	\$1,327,435	\$1,441,005	\$2,768,440
Subtotal, Items, I-XII	\$1,327,435	\$1,441,005	\$2,768,440
XIII. Fixed Fee	\$1,879,875	\$2,239,708	\$4,119,583
Grand Total	\$27,391,893	\$29,498,220	\$56,890,113

ANNEX B – INDICATORS AND PERFORMANCE TARGETS

Code	Indicators	Annual Target Aug2012-Jul2013	Cumulative Target through July 2013
A	Number of Full-Time Equivalent (FTE) Jobs Created	1,200	1,446
1.1	Number of families benefitted	2,156	3,231
1.2	Amount of private financing mobilized	\$8,050,000	\$9,688,000
1.3	Number Businesses supported with U.S. government assistance	1,521	1,829
1.4	Number of new financial products developed by U.S. government-assisted financial institutions	10	15
2.1	Number of financial sector training and/or certification programs established or supported that meet international standards	123	165
2.2	Number of financial sector employees trained with U.S. government assistance	1,625	2,306
2.3	Number of financial sector professionals/supervisors trained with U.S. government assistance	496	605
2.4	Number of financial institutions with enhanced capacity as result of U.S. government assistance	17	40
3.1	Number of public-private dialogue mechanisms utilized as a result of USG assistance	10	22
3.2	Number of working groups established to address financial sector development issues as a result of USG assistance	6	13
3.3	Number of comments provided on financial sector related laws and regulations as a result of U.S. government assistance	8	19
4.1	Number of mobile money agents	1,680	2,000
4.2	Number of partner institutions using mobile money applications	10	14
4.3	Number of participating merchants	84	104
4.4	Number of GIROA and local government employees who receive salaries through mobile money	25,200	30,000

ANNEX C – IMPLEMENTATION PLAN

Description	2012					2013								Deliverable
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
4.2.5. AMMOA members funding staff salaries and other operational costs														
4.3. Mobile money policies and regulations developed														
4.3.1. STTA to support EMI regulations/ FSD (6 mo)														
4.3.3. Training/certification process for compliance officers														
4.3.6. STTA for Deposit Insurance Corporation, assessment and next steps. (6 week assessment + follow-on LOE)														
4.3.7. Customs payments: Convert from central bank to commercial bank(s). (possible STTA 45-90 days)														
5. Gender														
5.1. Grants to women's business and organizations														
5.2. Elements of Business Workshops & follow up workshops														
5.3. Access to credit for women participants in the Elements of Business Workshop														
5.4. Training of Trainers on Professional Development, Management and Leadership for FAIDA staff														
5.5. Training of Trainers on Professional Development, Management and Leadership for AIBF AND AMA staff														
5.6. Internship program for young women professionals and graduating students through AIBF														
5.7. Access to finance for women working on bankable cash crops: saffron, mulberry product, cashmere														
5.8. Afghanistan Business Hub in India														
5.9. Creation of a Women Center at the women's garden inside the Ministry of Women's Affairs (MoWA) compound in Kabul														
5.10. Microcredit cooperatives for women														
5.11. Women's Business Hotline														
5.12. Women's participation in the Afghanistan Trade and Investment Conference (ATIC)														
5.13. Women's participation in the Access to Finance (A2F) Fair														
5.14. Business mission to India														
5.15. Gender sensitization for all FAIDA staff														

\$500k in grant funds for Afghan organizations to implement innovative projects with the aim of increasing women's access to finance.