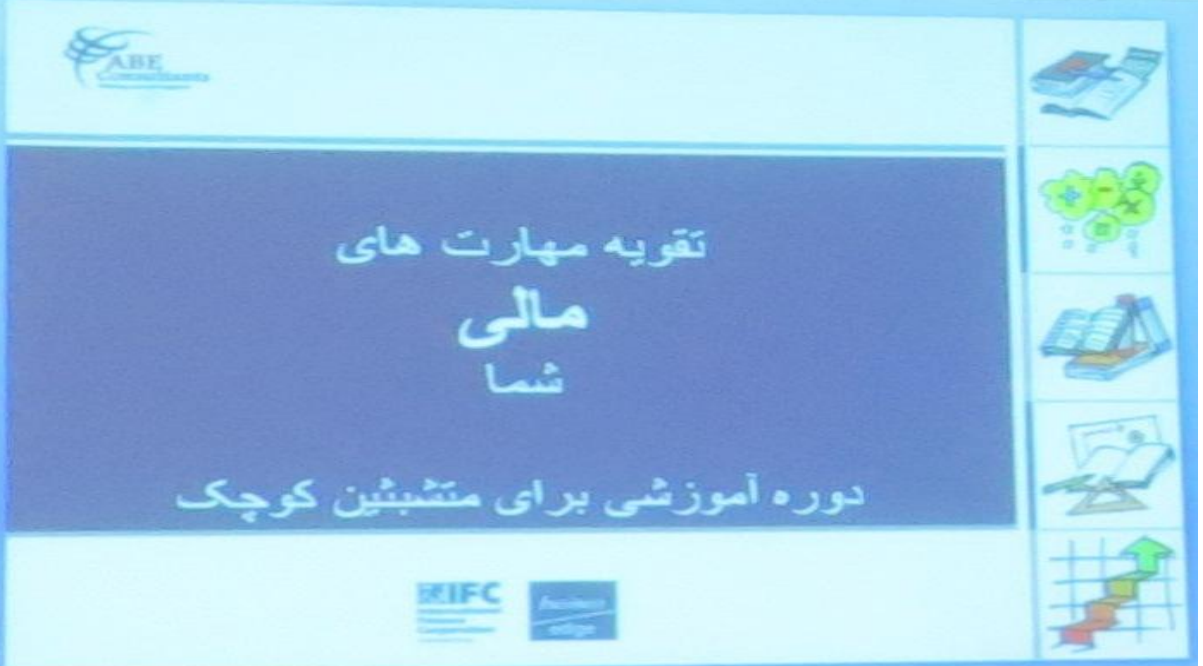


Microfinance Investment Support Facility for Afghanistan



April 2014

"This workshop was very useful for me; I learned how to develop and maintain a proper record keeping system, which is very important for any business."
– Azizullah, workshop participant.



The presentation from "Strengthening your Financial Skills," a two-day course developed by BE™ for MSMEs.

MISFA pilots clients' financial literacy program

The Microfinance Investment Support Facility for Afghanistan (MISFA), in coordination with the International Finance Corporation (IFC) recently piloted a financial literacy training of microfinance clients.

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries.

The financial literacy-training module, "Strengthening your financial skills" is a two-day (14 hours) course developed by Business Edge™ (BE).

BE, a world-class training system, strengthens the management skills of owners, managers and staff of small and medium-sized enterprises (SME's). Backed by IFC and delivered by certified local trainers, Business Edge™ sets a new standard for business training in developing countries. Together



Mr. Abdul Jalil Karimi, the trainer of ABEC facilitating the training

with the SME Toolkit, Business Edge provides a complete set of SME management solutions. Afghan Business Experts Consultants (ABEC), an Afghan consulting firm delivered the training.

The course is designed for semi-literate micro entrepreneurs, who are operating their own businesses and have a desire of expansion. Using simple book keeping tools, accurately calculating the cost of their products or services, and creating

a plan for business expansion, are the expected outcomes of the course.

The design of this course is based on the assumption that many micro and small entrepreneurs do not keep business records and do not prepare financial plans.

Ninety-six (96) out of 100 participants marked the course as satisfactory, while 100 percent of participants recommended the course for others.

“This workshop was very useful for me; I learned how to develop and maintain a proper record keeping system, which is important for any business.” says, Azizullah, a workshop participant.

MISFA and ADA are planning to conduct the second pilot of the same module in May 2014. The results

and evaluation of the pilot workshops will determine its scale up potential.



Ms. Ghutai Khuram, ABEC trainer, awarding the training certificate.

Central Bank gives DMFI Regulation the green light

Da Afghanistan Bank (The Central Bank of Afghanistan) recently approved in principle a statute on the licensing, regulation, and supervision of Depository Microfinance Institutions (DMFIs) during its Supreme Council Meeting on 16 March 2014.

The new version of the regulation allows the DMFIs to receive cash deposits, extend micro-credit, place funds with DAB or with other DAB-licensed banks, borrow money, avail of safekeeping and administration of valuables, provide financial information and credit reference services, and act as an agent in the sale of consumer and commercial insurance coverage.

Adding saving services to their portfolio has been one of the key interests of Microfinance Institutions (MFIs). *“It has always been MISFA’s mandate to increase access to appropriate savings*

products for microfinance clients in Afghanistan,” says Bahram Barzin, MISFA’s Interim Managing Director. *“The new regulation will encourage MFIs to apply for a DMFI license and add the savings products to the list of financial services they offer to clients.”*

The main goal of the regulation is to protect depositors and promote standardization of DMFIs with the aim of minimizing customer confusion.

The DMFI regulation was thoroughly reviewed and compared with those of several countries with situations similar to Afghanistan, in order to develop a workable regulation for Afghanistan.

The current regulation is a reflection of the unique characteristics of Afghanistan, almost a decade of experience with microfinance organizations, as well as generally agreed worldwide principles of best or good practices.

This is MISFA’s quarterly newsletter. MISFA is a Limited Liability Company (LLC) established in 2003 as a vehicle through which the Afghan government and international donors could channel technical assistance and funding to build and strengthen Afghanistan’s microfinance sector.

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