

AMFOT NEWSLETTER 02/2012

NEWS FROM THE MICROFINANCE SECTOR

VI National Microfinance Conference in September 2012

On September 27th, 2012, the Association of Microfinance Organizations of Tajikistan (AMFOT) and German International Cooperation GIZ held the VI National Microfinance Conference “Access to Financial Services - the basis for a sustainable long-term development”. The Conference was supported by the National Bank of Tajikistan (NBT) and the Center of Strategic Research under the President of the Republic of Tajikistan. Over 260 representatives of the microfinance sector, public authorities and international organizations took part in the event.

The conference covered four main topics: Tajikistan’s National Microfinance Development Strategy / Equity investment in MFIs as a long-term tool of refinancing / Innovative products and technologies *OR* adaptation of existing solutions? / Risk management in financial institutions.

As part of the conference, MFI Customers’ Fair also took place, where MFI representatives together with their customers demonstrated colorful arts and crafts and other products produced and grown by MFI clients.



National Microfinance Development Strategy 2013-2018

Together with GIZ and Center of Strategic Research under the President of the Republic of Tajikistan, AMFOT conducted a needs assessment on demand for a national strategy on the development of microfinancing in Tajikistan. It included a chapter on the consolidation of the MFO sector of Tajikistan. The results of the assessment were presented during the VI National Microfinance Conference on September 27th, 2012.

Working group on MFO consolidation

AMFOT created a working group on MFO consolidation, which primary task is to develop recommendations on possible options of merger and consolidation of Tajik MFOs. Among members of the working groups are representatives of the National Bank of Tajikistan, IFC, GIZ, ABD, EBRD and AMFOT. The regulative requirements to the financial operations of MFOs in Tajikistan are increasing. Therefore, the working group is taking into consideration the experience on liquidation or closure of small MFOs made in other countries and works on suggestions suitable for organizations in Tajikistan in order to avoid negative outcome of such procedures.

The establishment of the working group is caused by the fact of decreasing donor support of small and medium-sized Tajikistani MFOs. At the moment, the support of most investors targets large MFOs with the portfolio of 1.5 Million US Dollar and higher. In addition, small and medium-sized MFOs are not able to operate on the same level: They cannot attract and hold qualified staff and cannot develop the capacity of their employees. The additional important factor in favor of MFO consolidation is the development of social mission of Tajikistani MFOs, which can only be reached with high financial self-repayment rates.

AMFOT Handbooks on MFO taxation and bad loan management

With the technical support of the GIZ project “Financial framework for the development of the private sector in Tajikistan”, AMFOT developed two handbooks on the essential topics of MFO taxation and bad loan management. The handbook on MFO taxation was written in cooperation with the RT Tax Committee and addresses MFO accountants. The handbook on bad loan management was supported by the RT Jurisdiction Council and presents a working aid for practicing MFO lawyers.

Both handbooks are free of charge and can be obtained at AMFOT office in 14 Firuz Str., Dushanbe, Tajikistan.

Lawyer forums in Khatlon and Soghd regions

In the frame of its regional assemblies in Khatlon and Soghd regions in May and June 2012, AMFOT conducted lawyer forums for managers and lawyers of MFOs. AMFOT lawyers informed the participants about the association’s contribution to the improvement of the business environment for Tajik MFOs and alterations in the relevant laws of the Republic of Tajikistan, e.g. the RT new law on MFOs. Also, the participants were offered consultations on taxation and bad loans and received AMFOT handbooks on MFO taxation and bad loan management.

Working group on the improvement of statistical data analysis of AMFOT members

Together with representatives of Tajikistani MFOs, National Bank of Tajikistan and GIZ, AMFOT created and has been operating a working group on the improvement of statistical data analysis of AMFOT members. The recently established online data exchange instrument, the National Information Platform (NIP MFO), gives the Tajikistani MFO sector an opportunity to renew the structure of current statistical data analysis of AMFOT members. The statistical data analysis of AMFOT members is an important instrument for both local MFOs and financial investors in order to track the development of the financial sector of Tajikistan. The members of the working group have been discussing possible improvements of database structure and are also looking forward to suggestions from the involved MFOs and partners, which can be sent to info@amfot.tj.

LEGISLATION

New Tax Code of the Republic of Tajikistan

The State Commission on Tax Code at the RT Ministry of Finance has prepared the new version of the Tax Code of the Republic of Tajikistan. After its revision by the internal commission within the Presidential Administration, the new Tax Code has been adopted on September 17th, 2012 and will come into force on January 1st, 2013.

AMFOT is planning to conduct a series of information seminars for its members on the application of the new Tax Code in practice. The invitation to the seminars will be sent out per e-mail.

SOCIAL RESPONSIBILITY

AMFOT measures on promotion of socially responsible microfinancing

AMFOT applies a number of measures in order to develop social responsibility in the microfinance sector of Tajikistan. For instance, AMFOT supports the initiative on the enhancement of social responsibility in the microfinance sector of Tajikistan and regularly conducts events on informing Tajikistani MFOs on the client protection campaign SMART. The Association also trained several experts who can now conduct social audits in MFOs. In addition, AMFOT is a member of an international working group on social responsibility and takes part in its annual conferences in order to apply received knowledge and experience in the microfinance sector of Tajikistan.

Recently, AMFOT created a local working group with the goals of promoting the business codex for Tajikistani MFOs and of establishing the Committee on social responsibility. Among its members are the representatives of AMFOT, National Bank of Tajikistan, and of AMFOT member organizations MDO Arvand, MDO Matin and MLO Oxus. The Committee is envisioned to control the fulfillment of business codex by member MFOs and to provide advice and support for MFO clients.

SPTF Online training course “Essentials of social performance management”

Social Performance Task Force (SPTF), of which AMFOT is a member, offers online training courses on the Essentials of social performance management. The practical online course includes 9 video-sessions and is free of charge for registered participants. Each session consists of 1,5 hours. The participants can listen to sessions, watch presentations and take part in discussions with other course participants. Participants who take part in all 9 sessions will receive a SPTF certificate. The registration is administered online under info@sptf.info.



CENTER FOR TRAINING AND DEVELOPMENT OF MICROFINANCING OF TAJIKISTAN (CTMT)

International exam of the Program of Risk Certification GARP

CTMT continues the registration for the next round of international exams in the frame of the Program of Risk Certification GARP. The exam will take place online on November 24th, 2012 – interested candidates have to register themselves electronically on the GARP website. The exam registration closes on October 20th, 2012.

The Global Association of Risk Professionals (GARP) offers interested professionals worldwide the possibility of distant learning and qualifying for the international certificate of Risk Manager. CTMT is the partner institution of GARP Program in Tajikistan, and conducts local administration of GARP trainings and exams in Dushanbe, The examination results are assessed centrally by GARP. Candidates from Tajikistan who will have passed the exam successfully, will receive the international certificate of GARP Risk Certification Program.



CTMT also offers all candidates to prepare themselves for the GARP examination with the help of a GARP training module “Essentials of bank risks”. The training is conducted by local experts with GARP certification in Risk Management. They will systematically support the exam candidates during their preparation and will offer a one-day consultation prior to the exam.

Trainings on International Financial Reporting Standards

CTMT offers a series of trainings in the field of International Financial Reporting Standards (IFRS): The trainings “Fiscal Accounting I”, “Management Accounting I” and “Taxation and Law” teach the participants to understand how to conduct accounting and taxation according to the International Financial Reporting Standards. They also help to prepare for the international IFRS exam. The trainings will take place as evening courses three times per week on CTMT premises. After the course the participants will receive a CTMT certificate of participation. There is also an opportunity to pass the international IFRS exam and to receive an official IFRS certificate.

New CTMT training „Foreign Currency Operations in MDOs“

On September 18th and 19th, 2012, CTMT conducted a new training on foreign currency operations in micro-deposit organizations (MDO). The training was taught by Shulamo Khoshakova, Executive Director of MDO “Fin-Invest”.

The goals of the training were to teach the participants necessary skills to understand and act according to legal acts for implementation of different types of currency operations. Also, the training practiced the skills for assessment and management of foreign currency risks in MDOs. It was attended by managers and general staff of financial organizations, who have to deal with foreign currency operations at work.

Frankfurt School’s e-learning courses for finance experts

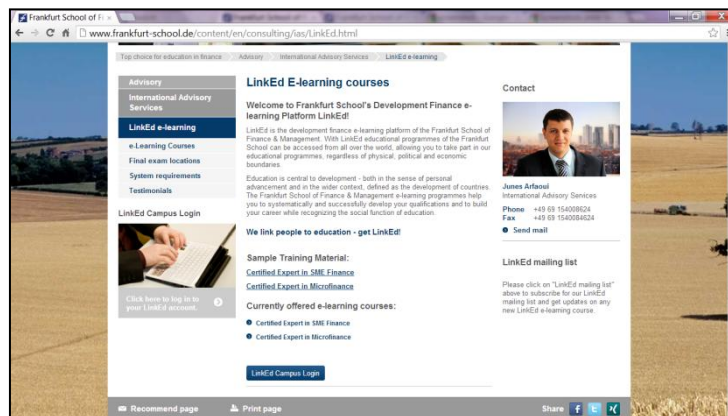
Frankfurt School of Finance & Management (FSFM) has set up an exclusive e-learning platform for financial online training courses in developing countries and emerging markets. In Tajikistan, the Center of Training and Development of Microfinancing of Tajikistan (CTMT) is Frankfurt School’s cooperation partner for the LinkedIn e-learning platform. It supports Frankfurt School in marketing the LinkedIn e-learning courses and hosts the final exam of the LinkedIn online courses.

For countries like Tajikistan where the offer of distance learning courses are scarce, the LinkedIn courses offer a great opportunity to improve skills and knowledge as well as to promote careers without the need to leave the country.

At the moment LinkedIn offers two 6-months certification e-learning courses in English language, which started on September 3, 2012: The well established course “Certified Expert in Microfinance” is tailor-made to suit Microfinance practitioners worldwide. It will start in September 2012 for the third time. The newly developed LinkedIn e-learning course “Certified

Expert in Small and Medium Enterprise Finance” will also start in September 2012 for the first time. This online course is tailor-made to suit the needs of mid-level managers and loan officers active or interested in SME Finance.

The participants have the possibility to receive a Frankfurt School certificate by taking the final exam. Opposite to online courses, this examination will be conducted offline as a classroom exam in selected venues all over the world. One of the venues is Dushanbe, Tajikistan, hosted by the Center of Training and Development of Microfinancing of Tajikistan. The next final examination will be conducted on March 6, 2013 on CTMT premises.



PUBLICATIONS

Analysis of statistical data of AMFOT members for the reporting period of April 1st, 2011 to June 30th, 2012.

2012 AMFOT Handbook on MFO taxation (in Russian).

2012 AMFOT Handbook on bad loan management (in Russian).