

AMFOT NEWSLETTER 01/2012

LEGISLATION

The new RT law “On MFOs” came into effect

The new RT law “On Microfinance Organizations” came into effect on April 20th, 2012 after being published in the official newspapers. The final version of the law was adopted at the Meeting of the RT Parliament on March 7th, 2012 and signed by the President of RT on April 16th, 2012.

AMFOT has taken an active part in the composition of the new law through its Working Group. One of its contributions is that for leading MFO staff, work experience in the bank and MFO sector will be equalized. Also, the activities of MFOs will be controlled and revised on the basis of NBT normative acts, as it already applies to banks.

AMFOT would like to kindly urge its member organizations to bring their activities in line with the new Law.

Revision of the RT Tax Code

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. This Commission was created in June 2011 and consists of heads of ministries and agencies as well as of representatives of business associations of Tajikistan. All suggestions on the new Tax Code can be also sent in online on the site created by the RT Ministry of Finance: www.loihaiqonun.gov.tj (see below).

At the 9th meeting of the Advisory Council on Investment Climate under the RT President on April 10th, 2012, Emomali Rakhmon ordered to finish the law project within 3 months under consideration of suggestions from the private sector of the country. At the moment, the new Tax Code is being reviewed by the internal commission within the Presidential Administration.



NEWS FROM THE MICROFINANCE SECTOR

6th National Microfinance Conference in October 2012

In October 2012, the Association of Microfinance Organizations of Tajikistan (AMFOT) and German International Cooperation Office GIZ will hold the 6th National Microfinance Conference. The Conference will take place in Dushanbe, Tajikistan.

As in previous years, the purpose of the Conference will be to determine major tools, mechanisms, methodologies and approaches in order to improve the overall access to adequate microfinance

products and services for the population of Tajikistan and to support the sustainable socio-economic development of the country.

AMFOT invites all interested colleagues and participants from the finance sector of the Republic of Tajikistan to take part in this event. The exact date of the Conference will be announced in a separate e-mail.

„One Window“ format for MFO reporting

The National Bank of Tajikistan (NBT) held the working group meeting on MFO reporting in “One Window” format on May 22nd, 2012. The “One Window” initiative aims at simplification of NBT reporting procedures for MFO staff. In “One Window”, MFO reports can be sent in via online regime, processed automatically and forwarded to the correspondent NBT departments. This project has been jointly implemented with support of the regional GIZ program “Support of Microfinancing in Central Asia”. The working group consists of the representatives of NBT, AMFOT and GIZ.

Election of Farkhod Akbarov as a member of Advisory Council on Investment Climate under the President of Tajikistan

The 9th meeting of Advisory Council on Investment Climate under the President of Tajikistan was held on April 10th, 2012. Some important topics discussed at the meeting were the new version of the RT Tax Code and the project Law “On Public-Private Partnership”.

Due to the expiration of the term of previous members, some local entrepreneurs and foreign investors were introduced as the new members of the Council. AMFOT’s Executive Director Farkhod Akbarov has also been elected as a new Council member. With the representative of the microfinance sector of Tajikistan in the Advisory Council, AMFOT will continue its task of further development of investment climate in the financial sector of the country and in improving the legislation policy in this area.

AMFOT regional assembly in Khatlon region

On May 25th, 2012 AMFOT conducted the regional assembly of Khatlon region member organizations in Kurgan-Tyube. Among participants were representatives of 11 member MFOs, NBT, GIZ as well as regional and city administration. The agenda included AMFOT and GIZ presentations on their current activities and discussion on the new version of the RT law “ON MFOs”. In the second half of the day the participants visited several MFO clients in Khatlon region.



AMFOT subcontracted by USAID Family Farming Program

AMFOT has been subcontracted by the USAID Family Farming Program (FFP) to provide assistance in the field of Microfinance Institutional Strengthening and Farmer Training. The estimated completion date of the project is October 30th, 2012. The USAID Family Farming Program is a four-year initiative to mitigate Tajikistan's food insecurity and increase the availability, access, and reliability of water by the country's small hold farmers and their families.

The activities of AMFOT will concentrate on Khatlon region and pursue several objectives: First of all, AMFOT will strive to strengthen the capacity of MFOs by providing training and technical assistance to MFOs. Secondly, the Association will provide training to farmers in FFP targeted locations in order to improve the trainees' financial literacy. Thirdly, AMFOT will provide research on relevant topics such as micro-leasing, credit unions, insurance and additional financial services and products that could be offered to farmers.

General Assembly of AMFOT members

General Assembly of AMFOT members took place in Dushanbe on January 24th, 2012. Prior to the meeting AMFOT held a Round Table on the cooperation between the microfinance sector of Tajikistan and state institutions. Among those present at the Round Table were the Member of Parliament Ismoil Talbakov, First Deputy Chairman of the National Bank Dzhamshed Yusufiyen and the Director of Tax Administration of the RT Tax Committee Davron Kurbonaliev.

During the General Assembly, AMFOT CEO Farkhod Akbarov and CTMT Director Zarina Rakhmatova reported on the activities of their organizations in 2011. The participants also listened to the presentations of representatives of AccessBank Tajikistan, Kazkommerzbank, Bovari va Khamkori, GIZ and USAID Family Farming Project. Two new organizations were accepted as new AMFOT members – JSC Sohibkorbank and Microloan Fund Tugarakiyen. As a further agenda point, the participants discussed and approved new annual AMFOT membership fees.

The AMFOT General Assembly was used as a venue to select the new AMFOT Board of Directors. Upon voting results, seven new Board members were elected: Rustam Baturov (Matin), Sarvar Kholikov (independent), Shulamo Khoshakova (Bunyedi Dzham), Sobir Rakhimov (Mekhnatobod), Firuza Saidfakirova (GIZ), Gulos Rakhmatshoev (Rushdi Pamir), Bakhrom Sharipov (Agroinvestbank). Mrs. Shulamo Khoshakova was reelected as the Chair of AMFOT's Board of Directors.



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

Survey on Mobile Money services in Tajikistan

Center of Development and Training of Microfinancing of Tajikistan (CTMT) has been assigned by the International Finance Corporation (IFC) with a task of conducting the Market Study to analyze the potential for Mobile Money services in Tajikistan. The overall goal of the study is to gain a better understanding about market possibilities and to attract investment and scale up commercially viable Mobile Money services in Tajikistan.

In the stage of field research, CTMT is working together with the local research company in order to obtain professional analysis of Mobile Money services in Tajikistan. It is envisioned to interview 30 businesses and 300 individuals on their financial situation, money flow as well as on usage and distribution of Mobile Money services. The survey will cover three of the four administrative districts of Tajikistan: District of Republican Administration (DRA), Soghd District and Khatlon District. The Gorno-Badakhshan Autonomous District (GBAO) will not be included into the survey due to its hard accessibility and low population density. It is however desired that the positive effects of the survey and the following investments into mobile money services in Tajikistan will as well contribute to the development of technical and financial infrastructure in this region.

The final report on Mobile Money services is expected in late summer 2012 and will be distributed in the financial sector of Tajikistan and among interested colleagues and partners of AMFOT.

Program on Professional Development of MFO Managers

Together with GIZ and NBT, CTMT developed the new training program aiming at the professional development of MFO managers (MFO Managers Program). Recently, the MFO Managers Program received the official approval of the RT Ministry of Education.

The MFO Managers Program consists of four components – “Banking”, “Management”, “Marketing” and “Strategic Planning”, which all consist of several two to three day trainings with end testing of the participants. The target audience of the Program is MFO managers and high level staff and professionals with work experience in banking and microfinancing sectors of the country.

The first training „Organizational processes of MFOs“ of the component „Banking“ has been conducted on May 16th-18th, 2012 in Dushanbe by CTMT trainer Rustam Boturov. The training included following topics: Essentials of banking, structure of credit organizations, use of communication methods, operational balance, accounting in credit organizations, management and optimization of correspondent relations, etc.

Next steps of the MFO Managers Program will include two more trainings in the “Banking” component, two in the “Management” component, as well as one in “Marketing” and one in “Strategic Planning” component. All components of the Program will be finished in the end of 2012. Participants that took part in all seven trainings of the Program, will be awarded an official certificate.

Program of Risk Certification GARP

On May 21st-23rd, 2012, CTMT conducted the training “Essentials of bank risk management”, offered in the frame of the GARP Program on Risk Certification. The training was lead by certified experts in the field of risk management.

The Global Association of Risk Professionals (GARP) offers interested professionals worldwide the possibility of distant learning and qualifying for the international certificate of Risk Certification Program. The trainings and exams are administrated locally in Tajikistan, and the results are assessed centrally by GARP.

The next GARP exam session was conducted at CTMT directly after the training on May 26th, 2012. Candidates from Tajikistan, who successfully passed the exam, will receive the international certificate of GARP Risk Certification Program.

Annual CTMT / GIZ Trainer Forum

On December 12th, 2011 Center of Training and Development of Microfinancing of Tajikistan (CTMT) and GIZ Project “Financial Sector Development” gathered their trainers in Dushanbe for a teambuilding Trainer Forum. The Trainer Forum has already become tradition for CTMT and takes place in the end of each calendar year. The goal of the Forum is to analyze CTMT activities in 2011, to discuss the conducted trainings as well as to plan further perspectives of CTMT development. During the first session of the Forum the participants and organizers discussed CTMT activities and trainings in 2011. They also defined potential new training topics for 2012. The second session was fully devoted to the process of CTMT quality management and to its new structure Quality Management Committee. After being informed about new standards of training module preparation, the trainers developed a standard training module session in a practical exercise. In the last point of the agenda the participants discussed the CTMT system of trainer ranking and trainer remuneration, which was developed by the CTMT Quality Management Committee in order to introduce standard classification criteria for all CTMT trainers and their remuneration.

PUBLICATIONS

Analysis of statistical data of AMFOT members for the reporting period of April 1st, 2012 to March 31st, 2012.