



Farima's beauty parlor signboard outside her house, where she serves clients. Someday she hopes to be able to afford opening a separate shop in the city.



The Microfinance Investment Support Facility for Afghanistan (MISFA) was set up in 2003 at the invitation of the Afghan government — to get donor coordination right from the start and avoid the counter-productive efforts that have emerged from conflicting donor objectives in other post-conflict situations. It was established as a vehicle through which the Afghan Government and international donors could channel technical assistance and funding to build microfinance in Afghanistan.

In March 2006, MISFA was registered as a limited liability non-profit company whose sole shareholder is the Ministry of Finance of the Islamic Republic of Afghanistan. MISFA Ltd is an independent apex organization with a select group of implementing partners on the ground.

A Microfinance Client Story

A widow transforms brides and also her life

By Matin Ezidyar

The story of 35-year old Farima is a reflection of the challenges and hardships of thousands of Afghan women.

Farima was married off as a young girl—while she was a seventh-grade student—and had to stop going to school right after the wedding.

She became a beautician during the Taliban regime by attending a three-month course held secretly from the Taliban. Women were banned then to work or go to school, but Farima was determined, even finding a way to advertise her business.

Farima's destiny changed ten years ago when her husband, a soldier in the National Directorate of Security (NDS), was killed, and the young widow had to head a family of six, four daughters and one son.

Since then, Farima, a resident of District One in Herat province, had been running a beauty salon inside her house and renting brides dresses to make ends meet.



The First MicroFinanceBank Afghanistan (FMFB-A) has been a MISFA partner since 2007. It is currently the largest microfinance institution in Afghanistan in terms of scope and outstanding portfolio size. The bank has a network of 45 branches, 17 of which are in rural areas, covering 14 provinces. Being a bank, FMFB-A is able to offer not only microfinance loans, but also deposit/savings services, SME loans as well as other commercial banking services. FMFB-A has also proven to be innovative, introducing client-demanded products: Housing Improvement Loan and an agricultural-based loan facility.

Thanks to Farima's first loan from FMFB-A, she's doubled her monthly income to AFN 15,000.

Although she managed to feed her five children and send them to school all these years with only her beauty parlor as their one source of income, it had been quite a challenge for Farima to expand her business. The cost of raising a large family on her own prevented her from raising her income, let alone saving enough capital to purchase more cosmetics and wedding merchandise, or pay rent to open a shop in Herat City.

About a year ago, Farima heard about microfinance services in the city from a friend. She applied for a loan of AFN 100,000 with FMFB-A.

Although it is the first ever loan for Farima, its impact on her family life was almost immediate. Her income almost doubled and she has more customers and brides to style from head to toe because she has a wider variety of materials and merchandise to offer clients.

Farima's net income has increased from AFN 7,000 a month to AFN 15,000. This is more than she has ever earned and she is

no longer worried that she wouldn't be able to afford her children's education. Farima's eldest daughter is a student of Fine Arts in Herat University and is learning painting professionally. The other four children are attending public schools.

"The microcredit worked well for me; it was just the break that I needed to expand my business," said Farima. Another beautician benefited from a loan after Farima introduced her to microfinance. "I'm not done yet," Farima said, referring to her future plans. "I will apply again for a bigger loan after I fully pay the first one. I intend to rent a shop in the city where I'm sure the visibility would bring me more clients."

Currently, Farima's daughters are helping their mother to run the business as apprentices, acquiring cosmetology skills along the way. Farima, it seems, is well on her way to fulfilling her biggest dream of all: for her daughters to have the education and freedom she did not have.