

Microfinance Investment Support Facility for Afghanistan



JULY 2017



"MISFA will continue supporting OXUS-Afghanistan to effectively contribute to the achievement of an inclusive development finance sector in Afghanistan." - Bahram Barzin, Managing Director of MISFA.

MISFA funds OXUS-Afghanistan expansion

MISFA signed a funding agreement worth AFN 62 million with OXUS-Afghanistan to support the Microfinance Institution's (MFI's) portfolio growth in 2017.

The funding will help OXUS provide Afghan entrepreneurs access to financial services intended to generate sustainable livelihoods and economic growth.

"Entrepreneurs need access to finance to succeed," said Bahram Barzin, MISFA's Managing Director. "MISFA will continue supporting OXUS-Afghanistan

Afghanistan to effectively contribute to the achievement of an inclusive development finance sector in Afghanistan."

For his part, OXUS-Afghanistan CEO, Salim Khan, expressed gratitude to MISFA and pledged: "We will play our role and contribute to the reduction of poverty in the country by providing credit to unbanked entrepreneurs."

OXUS-Afghanistan projects 14 percent portfolio growth during the year. As of May 2017, OXUS'

outstanding portfolio exceeds AFN 899 million, which indicates a six percent growth comparing to about AFN 842 million outstanding portfolio in December 2016.

OXUS Afghanistan was created in 2007. OXUS Afghanistan is a part of the OXUS Development Network, a global network of MFIs created

by ACTED, a leading international NGO operating in 25 countries with headquarters in France. OXUS Afghanistan began operations in January 2007 and currently has an outreach of more than 22,000 customers managed through 19 branches in 10 provinces.

Mutahid DFI gearing up to operate as independent entity



MISFA signed several agreements worth a total of AFN 712 million (over US\$ 10 million) with Mutahid DFI to help the institution transition into an independent entity, while providing access to financial services to Micro, Small and Medium enterprises (MSMEs).

The funding will help entrepreneurs start or expand their businesses and create thousands of jobs. “Financial services also help the youth say No to violence and insurgency, as they will be enjoying employment opportunities and

job security,” said MISFA Managing Director, Bahram Barzin. “MISFA will work with the institution to provide efficient and effective services to customers,” Mutahid is registered as an independent, not-for profit company with AISA.

“I want to assure the MISFA team that Mutahid will continue to work hard and make a meaningful contribution to the economic development of the country,” said Madhavan Ati, CEO of Mutahid.



Mr. Douglas Onyango, The IT Consultant presenting his findings to the sector stakeholders

Technology can be catalyst for financial inclusion

MISFA commissioned a study on the use of technology within the microfinance sector.

The study found that despite some ecosystem challenges, technology remains to be a viable option for reducing risk and operating costs for microfinance institutions, as well as advancing efficiency and financial inclusion overall.

Additionally, the study showed that building on the foundation of 89% of mobile phone coverage and other available technologies, alternative delivery channels can drive financial inclusion in Afghanistan if issues of literacy, trust, and partnerships are tackled.

Some of the foundational activities recommended by the study include: defragmentation of the ecosystem, introduction of regulatory reforms, and raising sector level awareness among clients.

The purpose of the assignment was to undertake an assessment of the state of technology in the microfinance sector in Afghanistan, review literature on global best practices in the application of ICT solutions in microfinance, and analyze the possible use of ICT solutions for expanding microfinance services in Afghanistan taking into account context.

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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