

# Microfinance Investment Support Facility for Afghanistan



JUNE 2016



*MISFA's MD, Bahram Barzin and OXUS's CEO, Salim Khan, signing the funding agreement.*

## **MISFA pledges support to OXUS**

MISFA and OXUS-Afghanistan recently signed a new funding agreement worth more than AFN 130 million in loan funds. The loan will support OXUS' portfolio growth and business expansion.

OXUS-Afghanistan is projecting a 25 percent increase in its outstanding

portfolio if it goes ahead with its plan of opening four new branches in Balkh and Kabul, two of the more secure provinces of Afghanistan.

Around 80 percent of the contract value will be covered from MISFA's funding, while the remaining 20 percent will be financed through funds received from

the International Fund for Agriculture Development (IFAD), to be used solely for financing loans invested in agriculture and agriculture value-chain businesses.

The Sharia-compliant product (murabaha) of Mutahid DFI, Agriculture loan product of FMFB-A and TUP projects in Bamyan and Badakhshan provinces were also

piloted with funding from IFAD and in partnership with the Ministry of Agriculture, Irrigation and Livestock (MAIL).

OXUS-Afghanistan was created in 2007 and currently serves more than 21,000 microfinance clients through 20 service outlets in ten provinces across the country.



*Ahmed Rostom, Senior Financial Sector Specialist of World Bank distributing the products asset to a TUP beneficiaries in Balkh province.*

## TUP beneficiaries receive input package

More than 4,000 beneficiaries of the Targeting the Ultra Poor project in five provinces have recently received their productive assets, following their completion of a comprehensive animal husbandry training. In this input package distribution phase, which will be completed by mid-July 2016, TUP participants get the livestock of their choice. MISFA started the multi-province scale-up of its landmark Targeting the Ultra-Poor (TUP) project in mid-2015 in Takhar, Balkh, Laghman, Kunar and Herat provinces. It was piloted successfully in succession in 2010-2012 —first in Bamyan then in Badakhshan. The TUP expansion aims to target 6,725 households to benefit more than 47,000 Afghans across the five provinces.

TUP is a grant based, comprehensive

two-year intervention tailor-made to facilitate the escape of ultra-poor households from poverty by providing them a package of inputs, including livestock, animal husbandry training, subsistence support, basic health and hygiene care, and access to finance.

The successful implementation of the TUP project has encouraged donors to support the program scale-up as a viable path to poverty reduction and national economic recovery in Afghanistan. The project scale-up will soon cover 2,500 more eligible households in Kabul and Kandahar.

The TUP expansion is funded by the IDA/World Bank, while the expansion in Herat is supported by the Italian Development Cooperation Office (IDCO).

*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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