

# Microfinance Investment Support Facility for Afghanistan



September 2017



*MISFA's MD, Mr. Bahram Barzin and OXUS's CFO, Mr. Nizamuddin Amiry signing the funding agreements.*

## MISFA invests in partners' capacity building strategies

MISFA recently signed a grant agreement totaling AFN 65.3 million with its MFI partners: FINCA, FMFB, MUTAHID, and OXUS.

As part of its capacity building budget and in line with its mandate to contribute to strengthening the financial sector of Afghanistan, MISFA is committing this fund to support its partners' capacity to develop and implement new and innovative products, and to strengthen their systems and IT infrastructures.

This support also includes continued assistance to MFI partners in their efforts to keep improving/upgrading the terms of their policies

and regulations and other aspects of administration and governance, as well as their advocacy to increase access to financial services, to micro, small and medium enterprises.

"The funding will help MFIs to provide Afghan entrepreneurs access to financial services intended to generate sustainable livelihoods and economic growth," said Bahram Barzin, Managing Director of MISFA.

The grant to FMFB-A is for expanding the scope of its existing Housing Technical Advisory Program. In order to meet program objective,

FMFB-A will need to hire Technical Officers and construct more demo rooms to showcase best construction practices to customers. Similarly, it needs to step up public awareness about safe construction techniques, thermal and energy efficiency, as well as basic standards for sanitation, expansion, renovation and repair.

Similarly, FINCA Afghanistan received a grant for a feasibility study to assess its transformation into a Deposit-taking Microfinance Institution (DMFI). This transformation will enable FINCA to mobilize deposits from the public in the future, which will reduce the organization's dependence on donor funding.

At the same time, the transformation could help FINCA Afghanistan to provide savings for non-banking customers. MISFA also signed two grant agreements with MUTAHID. As part of this agreement, MUTAHID will launch Sharia-compliant products, such as: mudaraba, musharaka, ijarah and salam. After successfully piloting its murabaha product in Herat and subsequently in other provinces in the country, MUTAHID now aims to introduce these new Islamic products to expand its services throughout Afghanistan. Mutahid will also strengthen its IT Infrastructure, risk management and internal audit review processes.



MISFA's MD, Mr. Bahram Barzin and FINCA's CEO, Mr. Deepak Shrivastava signing the funding agreements.

*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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