

Microfinance Investment Support Facility for Afghanistan



February 2013



MISFA's Managing Director, Katrin Fakiri, speaking at AIBF's DLP opening

Testimonial

"I highly recommend the microfinance diploma degree offered by KIU," said Mr. Shafiq Saddiqi one of the 2012 scholars. "The courses were adapted to the Afghan context and as such, they were productive and practical."

MISFA, AIBF TO EXPAND SCHOLARSHIP FOR DEVELOPMENT FINANCE PRACTITIONERS

MISFA and the Afghanistan Institute of Banking and Finance (AIBF) are collaborating once again this year to provide scholarships to more Afghans working in the fields of banking and development finance.

For 2013, MISFA and AIBF are considering two ways of expanding the scholarship:

1. To include Certified Expert courses from the Frankfurt School of Finance and Management. FSFM is offering the following courses:
 - Certified Expert in Microfinance
 - Certified Expert in SME Finance
 - Certified Expert in Risk Management
2. To continue extending it to employees of the financial sector in provinces outside Kabul.

Since 2011, MISFA and AIBF have committed to providing international quality learning and educational opportunities for Afghans in the banking and development finance fields. This is part of MISFA's mission to strengthen the sector through capacity building.

In Dec. 2011, MISFA provided scholarship grants to AIBF, which teamed up with the Kampala International University (KIU) Dar-es-Salaam College in Tanzania, to offer Distance Learning Programs (DLPs) to Afghans. KIU (established in 2001) is a private university with more than 8,000 students and 400 teaching staff.

In 2012, four staff of development finance institutions benefited from the MISFA scholarships, obtaining diplomas in HR Management, Managerial Accounting and Microfinance. Two staff of First Microfinance Bank (FMFB), one staff each of FAIDA and MISFA were the recipients of the scholarships and the degrees.

The scholarships are targeted to microfinance professionals and banking staff, who either couldn't participate in trainings or attend classes because they are too busy, or they work and reside in remote areas.



DLP Module 2 exam at AIBF premises



A female microfinance client, who participated in the survey

MICROFINANCE CLIENTS: LOOKING BEYOND CREDIT

In mid-2012, the Microfinance Investment Support Facility for Afghanistan (MISFA) conducted a qualitative survey of microfinance clients across nine provinces, designed to understand them better, as well as their needs for their businesses, and how they perceive the existing credit-oriented set of services offered.

The surveyors met 260 clients (44 percent female, 56 percent male) individually, or in focus group discussions across Afghanistan and asked them for their feedback on current loan products; do they want any changes in currently offered products and what else can microfinance do to bring a positive change in their lives and businesses?

Overall the clients were happy with the current products/services offered to them. More than 85 percent of the clients surveyed in Parwan and Kapisa strongly acknowledged the positive impact of MF services on their lives and living standards.

The survey also suggests strong demand for a variety of services and loans, such as housing, Shariah compliant, and agriculture loans.

An overwhelming majority of the clients surveyed in Nangarhar, Laghman and Herat provinces asked for Shariah compliant products.

The clients also pointed out that MISFA and partner MFIs could contribute to poverty alleviation in the country by playing a wider role and introducing new initiatives consistent with the needs of Afghans, other than distributing and collecting loans. Some 50 percent of the clients surveyed in the Parwan-Kapisa region recommended promoting handicrafts like sewing, weaving and poultry as the key areas in which MISFA can help women increase their income and improve their living standards.

More than 50 percent of the clients surveyed in Parwan and Kapisa believe that vocational trainings and post-training support could be effective ways toward increasing employment and helping the youth become entrepreneurs. A similar suggestion is made by most of the 80 clients surveyed in Takhar, Kunduz and Badakhshan provinces.

MISFA is now analyzing the survey report microscopically to check the feasibility of the suggestions made and will formulate a strategy to address the suggestions with sound practical intervention.



A baker, a microfinance client, and survey respondent

This is MISFA's e-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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