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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

# Agriculture loan helps change norms and mindsets

By Matin Ezidyar

At only 40 years old, Elaha bears an older woman's wrinkled face, which betrays the hardships she had endured for many years. But life for this mother of nine children, who had suffered from domestic violence, is finally turning around; thanks to the income she has been bringing to the family as a microfinance client.

*“My life was very bad and full of violence,”* said Elaha, describing her situation since she married in her early 20s. *“My in-laws, except my father in-law who was a good man, used to beat me up and talk ill of me to my husband. My husband would take his family's side and he used to beat me up too that our neighbors advised me to lock myself up in a room to avoid getting hurt.”*



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.

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Living in extended family households are a common practice in Afghanistan and it includes the parents, sons and their wives, as well as unmarried and widowed daughters living together. This tends to contribute to domestic violence, which remains a pervasive problem in Afghanistan. Many young Afghan women today are still subject to forced marriages that often lead to domestic conflicts. Elaha’s is one among a multitude of stories of abuse, but also of overcoming adversity through active participation in livelihoods and income generation for the family.

It was almost a year ago now when Elaha, who resides with her family in Turkan village in Faizabad, Badakhshan, learnt that her neighbors had received agriculture loans from First Microfinance Bank of Afghanistan (FMFB-A). She had seen how the loan helped her neighbours’ farming or livestock businesses thrive.

Elaha herself was encouraged to apply for a loan worth AFN 100,000, which she used to purchase a few productive livestock (two cows, three goats and two sheep)

assets to start her dairy production business.

“Before, it was only my husband’s salary the entire family relied on. With nine children, it could hardly meet our household expenses,” said Elaha.

Now with her business, Elaha contributes her monthly earnings of AFN 5,000 every month to cover much of the household expenses. In addition, she doesn’t need to panic over how she could afford to send her children to school. Three of them are now attending public schools, with each child requiring an average of AFN 500 per month. Two of them have already completed their studies up to high school level.

***“The behavior of my husband towards me has changed a lot since I began earning income for the family,”*** said Elaha. ***“He doesn’t beat me up anymore.”***

Following the successful repayment of the first loan, Elaha plans to opt for a larger one to expand the business because it serves her more than an economic activity.