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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

# A Loan Officer Becomes the Borrower

By Matin Ezidyar

Three years ago, Mastoora was working as a Loan Officer for a microfinance institution (MFI), helping Afghan women with microenterprises take a loan to start or expand their businesses. While she was earning a decent living, her income was still not enough to augment the earnings of her husband, a civil servant, and older children.

Their large family of nine children lives in Jadda-e Majidiya in Herat City. Five children are still of school age and the couple was scrambling to pay for educational expenses that cost as much as AFN 60,000 per year, on top of the high costs of living for such a big family in a city like Herat.

OXUS Afghanistan was created in 2007 with funding from the Microfinance Investment Support Facility for Afghanistan (MISFA).

OXUS Afghanistan is a part of the OXUS Development Network, a global network of Microfinance Institutions 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 a portfolio of over US\$ 10.8 million with an outreach of more than 13,500 customers managed through 13 branches in 10 provinces.

*“Finally, I made the decision,” said Mastoora recalling the moment it became clear to her that she had to take a risk, quit her job and pursue her passion for sewing and designing clothes. Using her knowledge of how microfinance works, she prepared a business plan for a tailoring shop.*

As a Loan Officer, Mastoora had disbursed loans to many women clients, who followed their dreams and turned them into businesses that prospered over time. She couldn't help but think, “Why can't I be one of them and have my own business?”

“Finally, I made the decision,” said Mastoora recalling the moment it became clear to her that she had to take a risk, quit her job and pursue her passion for sewing and designing clothes. Using her knowledge of how microfinance works, she prepared a business plan for a tailoring shop.

She knew that to make such a shop functional, she needed sewing, tailoring, embroidery machines, a power generator, and several other equipment and supplies, plus the manpower. Mastoora took out her first loan worth AFN 45,000 from OXUS.

As the business started growing, she

followed up her first loan with two more consecutive loans each worth AFN 50,000. Today, Mastoora's business is no longer the small start-up tailoring shop she started with. It is a thriving enterprise with separate sections for male and female clients.

The shop produces five to six elaborate gowns and dresses per day with the help of 10 student employees, paid based on performance. The numbers speak for themselves: the total capital invested on her business is AFN 600,000 and today, it's returning a net profit exceeding AFN 80,000 per month.

“I am one of the lucky ones,” said Mastoora, a former schoolteacher, whose career shift to Loan Officer turned her life around. “My family fully supports me and I got a rare opportunity to fully support them.”