

# Microfinance Investment Support Facility for Afghanistan



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- Mr. Bahram Barzin, MISFA's Managing Director.

## MISFA supports innovations and capacity development

MISFA signed a number of grant agreements funding the innovations and capacity building efforts of partner institutions namely, FINCA-Afghanistan and OXUS-Afghanistan.

"The funding would improve the quality of financial services and increase the MSMEs' access to finance helping them to expand their enterprises" said Bahram Barzin, MISFA's Managing Director. "Financial institutions could expect more MISFA requests for proposals for innovations and capacity development in the future." The proposals were submitted in response to the fourth round of call for proposals by MISFA.

The grant agreements signed with FINCA-AFG amounts to AFN 30 million in support of: (i) opening a branch in Islam Qala of Herat; (ii) transforming the core banking system of the institution, which would respond to the emerging needs of clients; (iii) purchasing an audit software; and capacity building for the audit team.

The Islam Qala branch will provide access to finance to the MSMEs in order to boost their business activities. Islam Qala is an emerging trade hub as it is bordering with Iran and trade with Iran passes through this district. The audit software will automate the audit process and increase the



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productivity and effectiveness of the audit function. . It would also accommodate several types of audit in a single platform. Moreover, the audit team will also acquire the skills and knowledge of policies and procedures of the Global Corporate Audit (GCA).

MISFA signed two more agreements with OXUS-AFG worth AFN 3.6 million to help the institution modify its existing products based on the customers' needs and requirements

and would provide answer to the very key question of "What does the customer need?" through a market assessment. Part of the fund would be committed to strengthening the systems, policies and procedures according to the best practices of the industry.

The grants to partner institutions are part of MISFA's Access to Finance (A2F) project funded by IDA/World Bank.



*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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