

# Microfinance Investment Support Facility for Afghanistan



August 2019



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## MISFA's Targeting the Ultra-Poor (TUP) project to lift thousands of ultra-poor families out of poverty in Parwan and Nangarhar

Around 4,000 Afghan families in abject poverty will get much needed help to escape poverty as MISFA continues the scale-up of its landmark Targeting the Ultra Poor (TUP) project to two more provinces: Parwan and Nangarhar.

MISFA signed two grant agreements worth a total of AFN 530 million with two implementing partners, Coordination of Afghan Relief (CoAR) and Welfare Association for the Development of Afghanistan (WADAN) to implement the project in Parwan and Nangarhar provinces. The projects are funded by the IDA/World Bank.

Following the successful pilot of the TUP project in Bamyan and Badakhshan provinces in 2010- 2013, MISFA expanded the project to seven more provinces across Afghanistan targeting around 9,000 ultra-poor households in 2015-2018.

TUP is a grant based, comprehensive two-year intervention tailor-made to facilitate the escape of ultra-poor households from poverty by providing them a package of inputs, including livestock, animal- husbandry training, subsistence support, basic health and hygiene care, linkages to public institutions, markets and financial institutions for access to finance.

## No Household Left Behind:

### Afghanistan Targeting the Ultra Poor Impact Evaluation

In coordination with MISFA, the World Bank's Evaluation team (DIME) conducted a thorough impact evaluation study of the TUP project in Balkh province. The research indicates significant improvements in the lives of the beneficiaries.

We find that the TUP program causes significant and meaningful improvements in the well-being of ultra-poor households in the study villages across multiple dimensions. One year after the end of the program, labor choices of ultra-poor women have expanded, and the well-being of recipient households and their members has improved. Per capita monthly consumption increases by 30% or USD 24 PPP (USD 7 nominal) with respect to the control group, resulting in significant improvements in an index of food security (0.49 SD). Psychological well-being improves for both the primary man and primary woman (0.26 SD and 0.58 SD, respectively). The share of households below the national poverty line decreases by 20 percentage points from 82% in the control group. Household savings increase by 2,195% (USD 106 PPP; USD 31 nominal), and indebtedness decreases by 53% (USD 733 PPP; USD 211 nominal). Impacts are driven by an increase in income from livestock, due to the asset transfer, and a concomitant increase in women's labor participation by 22 percentage points. The intervention increases time in income-generating activities for both the primary woman and man: The total time spent working of the primary woman increases by 55%, driven predominantly by more time on livestock-related self-employment activities. (Bedoya Arguelles, Coville, Haushofer, Isaqzadeh, & Shapiro, 2019)

The DIME team published the impact evaluation report and presented their key findings in World Bank's Head Quarter (HQ) office in Washington DC and World Bank's office in Kabul. Both meetings were attended by donor agencies, government officials and other development organizations.

To measure the impact of the intervention, the survey firm and the third party monitoring agency collected the baseline and end-line data from around 3,000 participants including the project beneficiaries, and the households in the control. This study would be among the most in-depth, comprehensive and scientific studies ever conducted in Afghanistan and the only project DIME is evaluating in the country at the moment. To read the full report, please [click here](#).

The Ministry of Economy of Afghanistan also conducted an independent study on the economic impacts of the TUP project in Bamyan province, which was completed in mid 2013.

The study finds that the average gross income that the project has generated for 400 households is AFN 239.15 million through the production and sale of dairy and animal products over a period of five years (after project completion from 2013 to 2018). The project generates an annual net income of AFN 47.83 million compared to the total invested amount of AFN 43.90 million. To read the report, please [click here](#).



*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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