

Microfinance Investment Support Facility for Afghanistan



MISFA and OXUS officials signing the partnership agreement.

MISFA pledges continued support to OXUS-Afghanistan

The Microfinance Investment Support Facility for Afghanistan (MISFA) and OXUS-Afghanistan recently signed an agreement that ensures substantial funding for ongoing, as well as expansion of OXUS operations in Afghanistan.

OXUS-Afghanistan was created in 2007 with funding from MISFA and currently serves more than 12,000 microfinance clients through 13 service outlets in ten provinces across the country.

According to its Four-year Business Plan (2015-2018), OXUS will increase its efforts to provide a greater number of poor Afghans access to finance, by focusing on product diversification, expansion of

outreach, and strengthening its internal systems.

OXUS plans to develop new financial products that cater to the needs of different demographics, including women and the youth.

A preliminary study carried out by OXUS recommends that the institution should increase its outreach in the central and northern regions.

To further ensure that the above expansion plans are achieved with due diligence, OXUS will strengthen its Risk Management, Internal Audit, Information Technology (IT) departments and will continue to develop the capacity of its staff.

Agricultural clients to receive services beyond credit

The Microfinance Investment Support Facility for Afghanistan (MISFA), through its partner MFI, The First Microfinance Bank-Afghanistan (FMFB-A), will extend its support to agricultural clients beyond credit by providing them continuous advisory support.

MISFA recently agreed to fund a proposal submitted by FMFB to hire 16 agriculture experts (agronomists) to provide advisory and consultation services to clients, as well as the bank. The key objectives of the initiative are to improve the living quality of clients' and mitigate risk.

The experts will provide the following services to around 8,000 clients:

- Theoretical and practical trainings to farmer clients on the use of new technology, improved seeds, appropriate inputs, and any other activity that reduce cost or increase profits;
- Trainings on better processing, packaging, sorting, grading, storing, and marketing;

- Regular on-call advisory services to clients based on request;
- Linking of clients with the respective department of MAIL and NGOs working on agriculture sector (such as AKF, GIZ, Mercy Corps, ACTED, etc.);
- Analysis of the credit worthiness of agriculture loan clients; and
- Monitoring of the impact of loans on the clients' quality of life.

The First Microfinance Bank (FMFB) piloted its rural agriculture product in Badakhshan, Takhar, Kunduz and Baghlan provinces on October 2012.

With funding from MISFA, the loan product was developed based on an agriculture product demand survey conducted in the targeted provinces. The uptake of this agriculture product has been impressive. As of 31 March 2015, a total number of 21,000 agriculture loans worth AFN 1.3 billion have been disbursed.



Sayed Mohammad Wali, Agriculture product client in Badakhshan province is optimistic about the services.

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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