



*"I may go for larger loans, if there is a scope for expansion."-Zahra*



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 childhood memory inspires an idea**

### **A Microfinance Client Story**

It was a memory from her childhood, a sweet moment of her as a young girl playing grown-up with her mother's sewing machine, that gave Zahra the idea and the hope for a better future.

Now a grown-up, Zahra, 35 years old, lives in the Hala Chapan village of Mazar-e-Sharif in Balkh with her husband and her own three children. Not too long ago, she and her family were in dire conditions and her sweet childhood memories had been buried underneath hardships.

Zahra's husband, a daily wage worker with irregular income, was bringing home very little earnings that were insufficient to cover even their basic needs. As a coping strategy, Zahra and her husband were forced to make the tough decision of pulling the children out of

school, including their eldest daughter, who had already reached 11<sup>th</sup> grade.

Amidst the sorrow and feeling of helplessness that she had let her children down, Zahra's sweet childhood memory with her mother and her sewing machine came flooding back. It was a eureka moment. Zahra resolved there and then to turn her sweet childhood memory into an inspiration and an income-earning skill. Zahra neither had the skills nor the capital to invest in a sewing machine at that time. All she had was the will to stitch the pieces of her and family's life back together.

It took Zahra and her daughter eight months to learn tailoring skills from Zahra's niece, who lived in the other part of the city. To start the business, she took a loan worth AFN 20,000 from Mutahid DFI. Zahra is grateful to Ms. Laila, the Mutahid staff, who approached her and guided her along the loan application process.

With her capital, Zahra bought three sewing machines, the regular one, a zigzag, and another one for button threading. She had the machines modified so she can operate them with electricity, which would enable her to

Mutahid Development Finance Institution was established in 2011. Its creation facilitated the smooth consolidation of the best clients, staff, and resources of microfinance institutions, which exited the sector. As such, it is well placed to incorporate best practices and lessons learned from the past. MISFA provides significant support to Mutahid and believes that with its strong management and core principles of ethics, ideas and hard work, it could be a sustainable, model entity, contributing to the growth of development finance in Afghanistan.

produce work faster.

Although her business is seasonal, Zahra now enjoys receiving 2-3 customers on average every day. The charges for each order differ depending on the design and materials used, but it is in the range of AFN 150-400. During the Eid holidays and other festivals, workload gets much heavier than normal times.

At the moment, Zahra has employed two other women to assist her in running the business.

" I am happy with the services provided by Mutahid DFI," said Zahra. "I may go for larger loans, if there is a scope for expansion."