



A total of 2,500 Targeting the Ultra-Poor(TUP) beneficiaries in Kabul and Kandahar provinces received productive livestock.

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 widow overcomes the odds

Story of Bibi Arefa

Arefa, 55, is a widow from Shinwari village in the Sayed Khail district of Parwan province. Since the death of her husband and the marriage of her three sons, who now have families of their own, Arefa had struggled, being the primary caretaker of her old mother, plus a nephew who had lost both of his parents.

“I was lost and wondering what to do,” said Arefa. “I was just a housewife with no business experience.”



The First Microfinance Bank Afghanistan (FMFB-A) has been a MISFA partner since 2007. It is currently the largest microfinance institution in Afghanistan in terms of scope and outstanding portfolio size. The bank has a network of 45 branches, 17 of which are in rural areas, covering 14 provinces. Being a bank, FMFB-A is able to offer not only microfinance loans, but also deposit/savings services, SME loans as well as other commercial banking services. FMFB-A has also proven to be innovative, introducing client-demanded products: Housing Improvement Loan and an agricultural-based

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Arefa heard about First Microfinance Bank (FMFB) from her neighbor. After getting approved for a loan of AFN 60,000, Arefa purchased a cow and 20 chickens to start her dairy and poultry business. Arefa gradually expanded it her asset base and currently owns two calves in addition to the cow from which she gets an average AFN 150-200 per day. In addition to the family consumption of dairy and offering it to relatives and neighbors, Arefa sells 4-5 kg of homemade yogurt per day, at the rate of AFN 40/kg.; plus a dozen of eggs. "These cows and chickens have been very

useful to me." said Arefa. "Whenever I have guests and no food at home than i give them milk and cook eggs for them."

Talking about her expansion plans, Arefa wants to purchase one more cow but for the time being may not opt for another loan. She wants to take her second loan when she feels she is ready to have more cows and expand her dairy production business.

For now, Arefa is making succession plans, teaching her nephew basic livestock rearing in the hopes that someday, Arefa could retire and her nephew takes over.