



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.

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## The story of Mauladad

### After two loan cycles, a Mutahid client sees his metalworks business expand

Mauladad, a resident of Kabul province, is a metal smith, who puts his creativity into making electric appliances, such as cooler, boiler, fans, heater and many other metal products. Mauladad's business is growing steadily now, thanks to the help of Mutahid DFI, a development financing institution.

"The loans have helped me a lot, I have taken loans to expand my business and manufacture the products according to orders we get," said Mauladad, who manufactures necessary electric appliances for winter and summer, ensuring that he has business throughout the year. marketplace. He was already experienced in metal works,



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.

*"The growing use of MFIs not only helps improve people's living standards and helps reduce poverty but also provides thousands of jobs for citizen"*

but he still did not have the prerequisites to borrow capital for expansion from banks. He heard about microfinance from a neighbor and found Mutahid. Since then, his business has grown. He is now on his third loan cycle. He started with AFN 60,000. After he completed repayment, he borrowed another AFN 80,000. He is on his current loan of AFN 100,000.

With these loans, Mauladad has been able to keep expanding his business, manufacturing metal appliances for retail, but also taking in made-to-order requests from customers; for example, Turkish heaters have been in demand. His third son helps him in the business, while his other two sons work in a construction company. His three other children go to school and his wish is for them to complete their higher education. "My children couldn't study

before due to the financial troubles we were facing," he said. "Education needs a stable economy, which we did not have but my younger children will now be able to study and I will be able to support them with all the expenses until university."

He wishes to expand his business more as he wants SME loans to purchase industry machinery, which will help him manufacture products more quickly. He has a worker and his son who helps him in his work. His worker usually has visits in other provinces to purchase the raw materials.

"I intend to borrow for my fourth cycle, I am a trustworthy Mutahid client, I pay my loan on time."

"The growing use of MFIs not only helps improve people's living standards and helps reduce poverty but also provides thousands of jobs for citizens every year".