



An apprentice of Fraidon snipping a cloth to tailor it for a customer.



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.

Starting all over through microfinance

The story of Fraidon Ahmadi

Fraidon Ahmadi was not new to business when he applied for his very first micro credit from Mutahid Development Finance Institution. In fact, he was once a wealthy business owner of several famous stores in Kabul until he went bankrupt eight years ago.

Applying to borrow AFN 20,000 from Mutahid was a humbling experience for Fraidon, who used to own a house along with a chain of businesses, which he had to sell. But when his loan application got approved, it was a lifeline for the 35-year old and his family.

“That very small loan gave me hope; it was really helpful at a time when I needed it the most,” said Fraidon, the breadwinner for his wife, his mother and three young children, who all live in a rented house in Qala-e-Fathullah area of Kabul.

With his first loan, Fraidon purchased a sewing machine and



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.

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began a small tailoring business. He gradually expanded his business and subsequently applied for larger loans, which he had been able to repay. His latest loan from Mutahid is worth AFN 70,000 and was borrowed specifically to enable Fraidon to maximize his and his business potentials and transform from a small to medium enterprise.

This recent loan was to help boost his own capital—worth AFN 230,000—which he invested in a job-generating tailoring firm two months ago. From a small tailoring shop, Fraidon’s enterprise has grown into a company employing more than 20 skilled women, looking to fulfill bulk orders for uniforms from private schools, military academies, and others. He has also employed five apprentices in his shop, who

earn either one-third or half of the tailoring fee for every completed order, depending on their level of expertise.

“At peak times, my monthly gross income from the shop exceeds AFN 60,000,” estimated Fraidon, father to a daughter-and-son pair of twins, who are six years old; and an infant son. By next year, he is planning to enroll his twins to a private school.

While Fraidon is not yet back to the level of success he had already reached before bankruptcy, Mutahid’s investment in him is already paying off. Not only is Fraidon and his family back on their feet and safely out of the poverty zone, but through the jobs his tailoring company has generated, more women and young Afghans are employed and have a steady source of income.