



A dream come true for Mariam: Nilufar Beauty Salon



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's Journey

Finding hope in a hobby: A woman transforms her clients, and her life

By Matin Ezidyar

As a cultural practice and as a coping mechanism, Afghan families, especially those with very limited resources, betroth and marry off their young daughters to gain social capital. Like many young Afghan women, Mariam married right after graduating from high school, but marriage and starting her own family only pushed her household even deeper into poverty.

Mariam, now 25 years old and mother to a four-year old son, had to find a way to contribute to the meager household income. That's when she turned to her hobby as a young child. Mariam inherited her mother's interest and talent for beauty transformation and as a young girl, she honed her skills by offering free beauty services to family members, friends and relatives.

Hope for Life (HFL) has been a MISFA partner since 2010. HFL targets both female and male clients in urban communities with sufficient economic activity and potential. At present, HFL offers two core loan products, the Group Loan for female and male clients, and the Individual Loan for male and female clients. HFL operates in Kabul city.

Four years ago, Mariam established her beauty parlor, Nilufar Beauty Salon, renting a shop near her house in the Doghabad area of Kabul for AFN 3,000 per month.

The business did not do well in the first year; the salon could not compete with others outfitted with modern equipment and high quality products. Mariam's salon also had outdated furniture and accessories, but because there were no profits and she was unable to save any capital, she couldn't afford to make any changes. Mariam was losing hope.

Thanks to a Hope for Life (HFL) staff, who approached Mariam one day, she gained access to credit, which she would not have otherwise known was possible. Mariam received her first loan worth AFN 20,000 and spent it on purchasing the items, which she needed the most. Upon successful repayment of the full amount of the first loan, Mariam had built a good credit history for herself and her business that HFL continued lending her progressively larger loans. Mariam is now repaying her fourth cycle valued at AFN 165,000.

Using the loans wisely, Nilufar Beauty Salon prospered gradually and turned Mariam into a successful entrepreneur. Although seasonal and peaking only during spring and summer when many weddings are scheduled, Mariam's

business would average a net monthly income exceeding AFN 15,000.

Mariam has achieved her objective of contributing income to meet household expenses. Today, her salon's earnings even surpass those of her husband's, who runs a small grocery shop in the same area.

"Loans have been very helpful to my situation. I would apply for larger loans for future expansion, but I don't know exactly how much," said Mariam, who said her business had no chance of thriving the way it is doing now, had it not been for that first loan from HFL, which saved her salon from closing down.

Success has given Mariam the courage and confidence to set bigger objectives of expanding the enterprise and turning it into a leading beauty salon franchise in West of Kabul.

Mariam has realized that her business and economic activity has raised her social status and recognition. "I am fully respected by my husband, in-laws and the whole society," said Mariam. "I can decide on major family events. Whom to invite? What to buy? "

Mariam said she is grateful to microfinance for giving her the opportunity, not only to transform her clients into the beautiful women on their special days, but also to transform her own life.