

Microfinance Investment Support Facility for Afghanistan



Microfinance clients participating in Access to Finance exhibition.

Microfinance sector remains stable despite recession: Microfinance outreach in 2014

Although it did not enjoy a high growth, the microfinance sector remains stable, despite a recession that was crippling for many other sectors in 2014.

MISFA's partner MFIs disbursed a total number of 106,790 loans worth more than AFN 7.5 billion (US\$ 130 million) during 2014. This is equivalent to 8,900 loans worth AFN 629 million (around US\$ 11 million) per month.

The year 2014 found the fragile economy of Afghanistan tethering at the edges of collapse as unemployment, inflation, investment rate and other economic performance indices were at their lowest

since 2001.

The withdrawal of foreign troops, drastic cut in donor funding, and the Presidential election crisis all took the aid-dependent economy of Afghanistan down to a recession

Currently, MISFA's partner institutions offer a diversified and tailor-made set of loan products namely group, individual, Agricultural, SME and Sharia-compliant (murabaha) products.

MISFA partners have disbursed more than 2.2 million loans worth more than AFN 77 billion (US\$ 1.4 billion) since inception.

MISFA pledges continued support to AMA

The Microfinance Investment Support Facility for Afghanistan (MISFA) and the Afghanistan Microfinance Association (AMA) recently signed a partnership agreement that ensures substantial funding for AMA to carry out its activities for the year 2015.

Under the new agreement, MISFA will fund AMA's networking and coordination activities such as program & legal awareness meetings, general assembly meetings, and CEOs coordination meetings.

The coordination and networking activities of AMA have been effective to reduce the counter-productive efforts among microfinance stakeholders.

AMA will also receive funding for its research and

communication activities including annual report, microfinance magazine, Microview report, research studies and radio campaigns. The responsibility of radio campaigns is handed over from MISFA to AMA in early 2015.

AMA is the national network of Development Finance Institutions (DFIs) in Afghanistan established in 2005 by MISFA, microfinance practitioners and other stakeholders. AMA was registered with Afghanistan's Ministry of Justice in 2007.

Currently, AMA has 14 full-time members, including microfinance Institutions (MFIs), Community-based Savings Promoting Institutions (CSPIs), and other financial institutions; it has one associate member, the Afghanistan Institute of Banking and Finance (AIBF).



MISFA and AMA officials signing the partnership agreement.

This is MISFA's bi-monthly e-newsletter. MISFA is a Limited Liability Company (LLC) established in 2003 as a vehicle through which the Afghan government and international donors could channel technical assistance and funding to build and strengthen Afghanistan's microfinance sector.

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