

Microfinance Investment Support Facility for Afghanistan



October 2015



MISFA's Managing Director, Bahram Barzin and OXUS CFO, Nizamuddin Amiry, signing the funding agreement.

MISFA supports OXUS-Afghanistan to expand access to finance in Herat

MISFA and OXUS Afghanistan signed a funding agreement through which OXUS will receive AFN 70.8 million as loan and AFN 3 million in grant funds to expand microfinance operations in Herat, Afghanistan.

The project duration is 18 months and its key objectives are to: (i) scale up microfinance operations in the Province; (ii) enhance the capacity of current staff, while stepping up recruitment of new staff; (iii) implement anti-fraud measures; and (iv) improve the current infrastructure of OXUS branch in Herat.

OXUS started its operations in Herat in 2011 and to date has served more than 3,000 clients with a portfolio worth AFN 266 million. Despite the political unrest and economic recession experienced

nationwide in the last few years, the branch has achieved significant growth in the first half of 2015.

OXUS is optimistic about the opportunity to maximize the potential benefits of microfinance services in the western part of the country, a major commercial and trade hub. Currently, the branch serves more than 800 active clients with an outstanding portfolio of AFN 47 million.

OXUS Afghanistan was created in 2007 with funding from MISFA. OXUS Afghanistan was able to build on ACTED's experience and past programs in the country, in particular a micro-loan initiative to provide farmers with seeds and tools for sowing.

The funding to OXUS will be covered through funds received from the Italian Support to Afghan Microfinance and Enterprise (ISAME) project, financed by the Italian Government.

This is MISFA's bi-monthly 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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