



Jahangir managed to incorporate his own artistry into the family vocation, turning it to a profitable business



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 Story

Weaving out of poverty and into prosperity

Carpet weaving is a traditional vocation in Afghanistan, but for Jahangir, it means much more than that. It presented him a unique opportunity to ride on the skills he inherited from his ancestors and take his family on a flight out of poverty. Moreover, he managed to incorporate his own artistry into the family vocation, turning it into a profitable business and a sustainable source of income for multiple households.

“Weaving a silk carpet is very laborious and time consuming,” said Jahangir. “But when I see my work at the end of the process, it puts a smile on my face.”

Jahangir has received two Murabaha loans each worth AFN 50,000 from Mutahid DFI to expand his business. “Before being introduced to Mutahid, we had only one carpet weaving set,” he



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.

Jahangir makes more money by portraying elites on his silk carpets.

recalled. “But now, we have four.”

Jahangir, himself uses one set to weave his silk carpets and leases the remaining sets to three different people. He also provides them the required raw material and map as model to help them replicate Jahangir’s distinct pattern. The lessees are paid per meter square (m²) of the carpet they weave.

Microfinance has helped Jahangir multiply his income by leasing equipment and outsourcing the carpet weaving. One piece of carpet, two square meters in size ,could be weaved between one to two months, and could have a return of AFN 40,000 (about USD 600). Jahangir typically produces four pieces within a couple of months. Besides meeting the household expenses, Jahangir is able to invest on his education and also that of his siblings. Jahangir is now pursuing

his Bachelor's degree in Economics in a private university and also pays for the education expenses of his five siblings (two brothers and three sisters).

“My siblings are fortunate; they can study without any financial concerns,” said Jahangir. “My brothers and sisters don’t have to bear the hardships I went through.”

He is grateful to Mutahid for loaning him the capital and trusting his business sense. Jahangir is now dreaming of becoming a prominent businessman by combining his education, skills and experience. “ Mutahid helped me expand my business and continue my education,” said Jahangir “I am confident that I would further scale up my business and become popular all around.”