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A Microfinance Client S

Breaking boundaries: An Afghan woman in shoe-making

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.

Like many Afghans, Habiba, 30, was seeking relief from poverty. The mother of four was struggling to make ends meet. The remittance of Habiba’s husband from Iran, where he scrapes by on migrant labor work was the only income of the family. Thus, Habiba was in constant search for income generating opportunities.

“It was not easy for me to see my family suffering and not do anything,” said Habiba, who values her children’s education and longs for the day when she could take her family out of the slums of Kabul, an area called Dast-e Barchi, where they currently live. Her eldest daughter is 12, studying in 7th standard; her sons are 10 and 8 years old respectively, in grade 5 and 4; and the youngest is her

OXUS Afghanistan was created in 2007 with funding from the Microfinance Investment Support Facility for Afghanistan (MISFA).

OXUS Afghanistan is a part of the OXUS Development Network, a global network of Microfinance Institutions created by ACTED, a leading international NGO operating in 25 countries with headquarters in France. OXUS Afghanistan began operations in January 2007 and currently has a portfolio of over US\$ 13 million with an outreach of more than 22,700 customers managed through 23 branches in 10 provinces.

Habiba is now the proud owner of a small company, which pays eight employees to help her in producing 36 pairs of shoes in one day. Every pair of shoes costs her AFN 250 to produce and on a daily basis her average net income is AFN 1,000.

When Habiba found out about OXUS, she applied successfully and took out a loan of AFN 50,000. She used this money for sewing clothes, but her return on investment was insufficient that she had to look for other opportunities.

Then her neighbor invited Habiba to join her in the shoe-making profession. She entered into a joint venture with her neighbor about three years ago and applied for a second loan from OXUS worth AFN 100,000 to start up the new business partnership.

As it turned out, Habiba discovered she had what it takes to compete in the shoe-making business, an industry associated mostly with men. After only one year in the business partnership, she launched her own company, supported by a loan of AFN 150,000, which she used to purchase machinery and raw materials. Her daily earnings have grown steadily since

then.

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Although her business is in sustainable condition, Habiba is always in search of ways to expand. She is now on her fourth cycle of loans worth AFN 200,000. “The loans have helped me significantly; they have motivated me to work harder and to think bigger,” said Habiba, adding she never dreamed that she could be self-sufficient. “Thanks to the OXUS loans, today people respect me and my family and for this and many other benefits, our family is truly grateful.”