

## SUCCESS STORIES



Microfinance  
Clients  
in  
Afghanistan



## Story of Zahra Niazi



Zahra Niazi is a 32-year old married woman living with her husband and three children in Kabul province. Her husband is a doctor and two of her children are school-aged.

Zahra has been a tailor for 13 years. She wanted to expand her business but she did not have enough capital to invest so she was looking for financial assistance. She applied for a loan from The First Microfinance Bank (FMFB) and got approved for AFN 150,000 credit.

She used the money to purchase necessary raw materials, such as silk fabric, and machinery and started designing new handmade dresses that she later on sold at a good price. When her business grew, Zahra trained and hired 11 women to keep up with the demand and expansion.

She has now been a client of FMFB for the past three years. She received three loan cycles of AFN 150,000, AFN 250,000, and AFN 500,000 in succession. The first two loans were invested in expanding the business through purchasing tailoring machines and raw materials, and the third loan was used to fulfill orders from an Indian company.

Zahra has three handicraft and clothes shops in different areas in Kabul. She has a contract with an Indian company to design and export her Afghan-designed products.

Before receiving her loans, Zahra had been earning around AFN 15,000 monthly. Now, after the expansion she was able to undertake with the loans, her monthly income increased to AFN 45,000. Their household expenses doubled from AFN 10,000 to AFN 21,000. At her current income level, she is able to cover household expenses as well as invest in her children's education. In addition, she is able to save AFN 13,000 every month.

Zahra's successful business has had a positive impact on her neighbors and friends.

She is planning to open two more shops in Kabul and Kandahar provinces. She will hire four more employees and expand her business beyond Kabul.

*In recognition of her business acumen and her inspiring story, Zahra received an award from the Afghanistan Microfinance Association (AMA) in April 2018.*

Eid Mohammad is a 25-year old single man living with his family in Herat province. He has two sisters and a brother. His sisters and brother are school students.

Eid Mohammad started his tailoring business six years ago in Herat province. At that time, he only had a tailoring machine and few customers. He worked alone but he could not afford his family expenses. When he heard about financial assistance through microfinance institutions, he saw an opportunity to grow his business. He submitted a loan application to FINCA Afghanistan and got approved for a AFN 50,000 loan. He used the loan to purchase necessary items, such as cloths and machinery, as well as to hire employees for his tailoring business. He continued to repay and borrow from FINCA Afghanistan as he saw the benefits of taking loan for business expansion.

Upon completion of the first cycle loan, he applied for AFN 50,000 in the second cycle. He used the money to purchase two tailoring machines and hired three employees. After six months, and with some savings, he opened a small shop particularly to sell his products in the market. He hired four female employees too for producing and selling the products.

So far, Eid Mohammad received five loan cycles from FINCA Afghanistan. After six years, Eid Mohammad separated his production center from his shop. He opened two more shops in the Jebraeil area of Herat and started selling his products in his new shops.

Eid Mohammad started his business with AFN 14,000, and now he has a production center and a couple of shops. His capital is around AFN 1,000,000.

Eid Mohammad is very grateful to the financial assistance of microfinance institutions, as he could use the loans and his perseverance to bring remarkable changes into his business. He believes that taking loans gave him the opportunity to improve his personal and professional life.

In the future, Eid Mohammad plans to increase his production and export his products out of Herat to other provinces.

*In April 2018, Afghanistan Microfinance Association (AMA) in recognition of his business acumen and his inspiring story, awarded Eid Mohammad for being one of the most successful entrepreneurs.*



Allah Bakhsh is 47 years old, married, and living in District 13 of Kabul city. He has two daughters and four sons. He is supporting his family through his own income.

A few years ago, Allah Bakhsh was living in Bamyan province and due to economic issues, he migrated to Iran and stayed there for almost five years. After the fall of the Taliban regime, he returned to his country and resided in Kabul. He started working as a car mechanic for five years and then changed his occupation to cast iron tools production, which has been his business for ten years now.

When he changed his occupation, so he felt that he needs capital to purchase some machinery for his business and thus he was looking for financial support. He heard about loan facility of The First Microfinance Bank (FMFB) from one of his friends and applied for his first loan of USD 700. With this amount, he could purchase the required machinery for his business.

In total, he got three loan cycles from FMFB that helped him expand his small enterprise. When he started the business, he had only three employees and as his business grew, he hired another three.

Allah Bakhsh's monthly income increased from AFN 12,000 to AFN 100,000. His family expenses also increased from AFN 10,000 to AFN 25,000 monthly. With his income now, he is able to put away savings for a more secured future for his children.

*"I am now more respected than before and people are looking at me as a successful business person," said Allah Bakhsh. "People ask me about the secret of my success and my response to them is to take a loan, utilize it for business, either for a startup or business expansion".*

In the future, Allah Bakhsh wants to further expand his business and invest on producing cables and other tools needed to build electrical junction boxes.

Allah Bakhsh received an award from Afghanistan Microfinance Association (AMA) in May 2017 for his inspiring story and business acumen.

Story of Allah Bakhsh





## Story of Momena



Momena is a 25-year old woman living with her husband and sister in the Dasht Barchi area of Kabul city. Her husband is a shopkeeper with a monthly income of AFN 9,000.

With the support of an OXUS Afghanistan loan, Momena increased her monthly income by three times from AFN 5,000 to AFN 15,000. She did some tailoring and since her monthly income was low, she applied for a loan from OXUS Afghanistan to expand her business and increase her monthly income.

The first loan cycle Momena received was AFN 50,000 and she used that amount to purchase a couple of tailoring machines and some raw material.

She has received three loan cycles from OXUS Afghanistan valued at AFN 50,000, AFN 30,000 and AFN 50,000. By utilizing the three loans effectively for her business, Momena's capital increased to AFN 110,000.

Currently Momena has eight employees; she pays each of her employees a salary of AFN 3,000 on a monthly basis.

Momena also exports her tailoring products to Bamyan province, where her products are popular among locals.

With the increase in her income, her household expense also increased by AFN 4,000 in a month, but she's able to deposit the excess amount of her income in a bank.

*"My business has been praised by the people and my customers are increasing day by day".* said Momena, who thinks that a woman should either be literate to find a job, or learn an occupation to start a small business. Microfinance loans are there to support women like Momena with ideas for a small business.

Momena is optimistic about expanding her business and increasing the number of her employees to 25. She wants to open a shop in Bamyan and sell her products directly to customers in the markets.

*Momena received an award from Afghanistan Microfinance Association (AMA) in May 2017 for her inspiring story and business acumen.*



## Story of Mohd Qasim



Mohammad Qasim is 36 years old, a father of five kids, and living in Tajik Elatan village in the Sholgara district of Balkh province.

He was a farmer and used to work very hard, but his life was not changing for the better because he was not able to earn enough. He was always worried about the future of his family, as he did not know any other skills and his earnings were insufficient. As he watched his children grow up, the more he felt lost and helpless in building their future.

Mohammad Qasim joined a self-help group mobilized by Hand in Hand Afghanistan in his home village three years ago. *“I joined the group to learn a new skill and build my own business,”* he recalled. *“I learned several vocational trainings, including beekeeping. I chose it because it requires few tools and manpower and I could have a beekeeping enterprise simultaneously with my agricultural activities.”*

Mohammad Qasim started his beekeeping livelihood with a bee hive received from Hand in Hand Afghanistan as an enterprise startup kit, and then purchased two boxes of bees from his own money.

In the first year, he collected 17 kg of honey and sold each kg for AFN 1,000. With this money, he purchased five more boxes of bees and in the following year, he was able to increase the number of bee boxes he owned to 21, producing 85 kg of honey.

Mohammad Qasim can now earn AFN 85,000 a year by selling honey, and now he is a famous honey producer at the district level.

*“Beekeeping not only increased my income, but also helped me become famous. People from the town come to buy honey from me.”*

Mohammad Qasim is considered a role model for beekeeping entrepreneurs in neighboring districts. *“It makes me feel proud when people come here to visit my farm and learn from me”.*

He is planning to buy a honey extraction machine as well as expand his business with more bee hives in the coming years to increase his business income.





Zarnegar, mother of three kids, is a 34-year-old woman, who lives with her husband's parents in Elderaz village of Balkhab district in Sar-e-pul province.

Five years ago, her husband, who used to be a farmer, was paralyzed and could not continue to work. After he fell sick, Zarnegar had to sell most of their assets to feed the family.

Zarnegar has lived a very difficult life, and explains the past with sorrow. She has experienced tough jobs such as doing laundry and washing dishes for neighbors. *"I was not lucky enough to find a job every day,"* she said. *"When I found work to do, I was worried about the kids at home".*

Zarnegar joined a self-help group mobilized by Hand in Hand Afghanistan. She attended regular group meetings, and received Group Management, Microfinance, and Business Development Services (BDS) training.

She was very interested to have a business and generate income in order to help her family. She chose to join handicraft vocational skills training and received an enterprise startup kit upon successful completion of the training.

She now has a regular income on a monthly basis. *"I am very proud and happy to be able to help my family. I am running my business from home, which enables me to take care of my husband and children".*

She adds: *"My customers are mostly neighbors and relatives but I also have customers coming from other villages, which encourages me to do better work and creates confidence in me."* Zarnegar knits children's and women's dresses based on customer order.

She also attended Life Skills training for entrepreneurs conducted by Hand in Hand Afghanistan. Through this training, she has learnt the basics of reading, writing and arithmetic calculations.

Zarnegar says: *"Hand in Hand Afghanistan has built my skills and supported me with tools that enabled me to generate income and have a job".*

Zarnegar has saved AFN 12,000 and plans to save more money for her husband's treatment. She also plans to expand her enterprise and attract more customers from other villages for her products.



Zahra, 50 years old and mother of six kids, lives in Mir Qasim Jan village in the Chintal district of Balkh province. Her husband used to be a farmer, but since five years ago, he has been struggling to work in farms due to old age. His family's life has not been easy since then, and they were living on neighbors' and relatives' donation.

Zahra has four daughters and two sons. Two of her daughters are married, and the two others are living with her.

*“Life was becoming difficult everyday as my husband fell sick and we didn't have money to pay for his treatment,”* said Zahra.

She joined a self-help group of Hand in Hand Afghanistan when it started mobilization in her community for a project called “Socio-Economic Empowerment of Women and Men”. She attended group management, microfinance, business development services, vocational skills, and marketing and value addition trainings.

Upon completion of these trainings, Zahra decided to train in tailoring and received an enterprise startup kit. With the support in place, Zahra is now running her tailoring business.

*“Now I can cover my family expenses, I have my own savings, and my kids are not worried about their education,”* she said.

Zahra has recruited a young woman for apprenticeship, who has just completed high school and wants to learn tailoring from Zahra. *“Through my business, I earn income for my family and create job opportunity for others. These women need to learn skills to overcome financial challenges and become independent.”* Zahra said.

Zahra has now been able to pay for the treatment of her husband, school expenses of her kids, and plans to take five more women for apprenticeship. She said: *“They will learn tailoring from me and will assist me in expanding my business at the same time”.*



Story of Zahra





## Story of Dawood

Dawood is 40 years old, married, living in District 13 of Kabul city. He has four sons and two daughters. He is a tailor and learned tailoring in Iran.

In order to expand his tailoring business, Dawood required more capital. He was referred to Mutahid Development Finance Institution and received his first loan of AFN 40,000. He invested this amount in the same business to purchase raw material, a new tailoring machine, a table and an iron.

He got seven loan cycles from Mutahid. The first loan cycle was worth AFN 40,000 while the last one was valued at AFN 150,000.

He has three employees in his tailoring shop and four other employees that are sewing clothes at home and get paid per finished clothing.

With the investments he made and the expansion he brought to his business, he increased his income from AFN

10,000 to AFN 110,000 in a month. Similarly his household expense increased from AFN 10,000 to AFN 35,000 monthly.

He is now able to afford his son's education in a private school. With the excess amount from the income, he was able to repair his house, as well as put some money away, maintaining a AFN 50,000 savings deposit in a bank.

*"I am now a well known person in the community and among my customers," said Dawood. "They respect me and my occupation. I am in contact with more people than ever before and have more customers."*

Dawood wants to expand his business further and is looking for a place with enough space to bring together all his seven employees to work for him on site.

*In May 2017, Afghanistan Microfinance Association (AMA) in recognition of his business acumen and his inspiring story, awarded Dawood for being one of the most successful entrepreneurs.*



## Story of Mohd Ali

Since returning from Iran after the collapse of the Taliban regime, Mohammad Ali has been trying his hand at various businesses to support his family. As a migrant in Iran for 20 years, Ali gained skills and knowledge in various forms of trade and farming.

After quitting his trade business last year, Mohammad Ali started a poultry and farming business on a piece of land he leased for AFN 170,000 per year in the Dasht-e-Barchi area of Kabul. Ali dedicates a small part of the land for rearing chickens, while most of the land is allotted to farming vegetables. He grows onion, spinach, radish, cabbage and many other vegetables.

Ali realized that to make his farming business a success, he would require a cost-efficient irrigation system. On the other hand, his chicken coop was not fully utilized and it could accommodate more chickens, which could help him reach economy of scale. At the advice of friends, he decided to apply for a loan from FINCA Afghanistan to install a solar-powered irrigation system and also to purchase more chickens.

FINCA Afghanistan has recently approved Ali's first loan at AFN 200,000. This loan allowed Ali to install the planned solar watering system and purchase 5,000 chicks. Although it is still early to calculate the financial returns to his investments, Ali is confident that he would recover the cost and earn a profit margin in due course.

When asked about his future plans, Ali confirmed that he is planning to borrow larger loan amounts in the future to further expand his poultry business and also to purchase cleaning machinery for vegetables. Ali plans to supply hygienic and clean vegetables to hotels, and restaurants in town.

*"The microfinance loan helped my business survive and thrive," said Ali. "Without the loan, I would have had no choice but to close the business and return to Iran."*

Nowadays, Ali, whose school-aged children are now able to attend school, is happy to be able to support his family with his own business in his own country.

*This story was developed by Microfinance Investment Support Facility for Afghanistan (MISFA).*





Nazima Safi, 20 years old, lives with her mother, three brothers, and one sister in the fourth district of Mazar-e-Sharif city, Balkh province. Nazima is on 11th grade and she, along with her sister and brother are enrolled in school, while another brother is in university.

Six years ago, due to economic constraints, Nazima left school. That time, she was on 8th grade. She had a dream to complete her education but due to lack of enough financial support, she left her school and started tailoring.

She started tailoring women's dresses at home. In the beginning, due to lack of capital, she was not able to buy the necessary production material she needed. She only had an old sewing machine to sew dresses with and it was her ambition to have new sewing machines.

She was able to sew clothes that were attractive to women, but she was not able to create them because she did not have the right working facility. Apart from family expenses, Nazima is also responsible for covering her sister and brother's educational costs.

Nazima applied for a loan from Mutahid Development Finance Institution. She was approved to receive a loan of AFN 50,000 and used it to buy the equipment she needed, including one embroidery machine, a sewing machine, and raw material.

When Nazima saw growth in her business, she decided to take two more loan cycles of AFN 80,000 each time.

She also hired three students for her business, who are learning tailoring from Nazima as well as helping her in her daily work.

By offering discounts and quality products, Nazima keeps her customers satisfied and that is the reason she attracted more customers to her business.

Her monthly income increased from AFN 2,500 to AFN 10,000 and her total business capital is AFN 50,000. She did not have any savings in the past, but now she is able to save money for her education in the university.

In the future, Nazima wants to expand her business by hiring more employees and purchasing more machinery to make women clothing.

Nazima Safi said: *"I am positive for the future and looking forward to expanding my business. I am also looking forward to completing my education at university level."*

Abdul Latif Bahrami is a 42-year old man living with his wife and five children in the darwaza-Khosh area of Herat city. All of his children are going to school and his wife is a homemaker.

He has a bakery and confectionery business. Four years ago, he wanted to expand his business by purchasing confectionery machines, but he did not have enough capital to do so.

Abdul Latif heard about microfinance services through the Marketers and applied to Muthahid branch in Herat city. He received his first loan of AFN 200,000 and with that, he purchased a confectionery machinery, which increased his production and secured a few contracts with retailers in the markets.

Initially, Abdul Latif had a partner in the business but after he received the loan and improved his business, he terminated the contract with his partner and continued his business alone.

Abdul Latif received three more loan cycles worth AFN 200,000, and twice at AFN 500,000.

Four years ago, Abul Latif had a small bakery through which he was baking cookies for several contractors. Now he has a bigger bakery and a confectionery.

He hired 14 employees for his bakery and bakes cookies for many other retailers/confectionaries in Herat. With the business expansion, Abdul Latif was able to pay back the AFN 500,000 mortgage of his house.

His monthly income increased from AFN 20,000 to AFN 80,000 and his household expenses also increased from AFN 4,000 to AFN 15,000. He is able to save up to AFN 45,000 per month.

Abdul Latif has AFN 1,500,000 capital invested in his bakery and confectionery and wants further expansion.

He wants to buy a piece of land and build a bigger bakery and confectionery. He is also looking to hire more employees for his business.

Story of Abdul Latif







Mohammad Ayoub is the head of a large family of eight members and the only income earner for his family. He lives in Khawaja village of Zindajan District of Herat. He has a dairy farm that helps him earn income, but it can hardly cover his household expenses.

Mohammad Ayoub attended a technical training conducted by FINCA Afghanistan in their village in 2017. Two weeks later, Mohammad Ayoub met the FINCA Afghanistan Agronomist and complained about the low productivity of the cows that he has in the farm, and that the income he earns is not sufficient to fulfill his livelihood gaps.

*"I was previously a farmer working on my land, but the income I was getting was not sufficient to cover my household expenses, hence I sold one acre of my land,*

*purchased three cows, and opened a farm hoping that my income level would increase."* said Mohammad Ayoub.

To Mohammad Ayoub's surprise, each cow was producing 10 kg of milk daily that he was able to sell at AFN 25 per kg, earning him AFN 750 per day. Still, when family expenditure is deducted from this amount, Mohammad Ayoub would be left with only AFN 500 per day, which is insufficient to meet household needs.

Mohammad Ayoub said: *"My daughter who was in 4th grade at school had to discontinue education because we could not afford the required school supplies. I was also unable to contribute any amount to the village community council and the mosque,"* lamented the farmer.

FINCA Afghanistan's Agronomist visited Mohammad Ayoub's farm to find out the reason for low productivity.



The Agronomist attributed the low production to Mohammad Ayoub's milking cows, which were sourced locally; the capacity of such livestock to produce milk is known to be low.

He told Mohammad Ayoub to change his cows' variety and include a couple of Swiss brand cows in his farm. The Agronomist encouraged him to apply for a loan from FINCA Afghanistan in order to purchase the cows.

Mohammad Ayoub's loan application from the nearest branch of FINCA Afghanistan worth AFN 200,000 was approved. The loan amount, combined with his earnings from selling his local cows, Mohammad Ayoub could afford to purchase three Swiss brand cows.

The FINCA Afghanistan Agronomist continued providing technical assistance to Mohammad Ayoub, guiding him on proper farm maintenance, animal husbandry, feeding, hygiene, sanitation and animal health care affairs.

Mohammad Ayoub said his life has changed remarkably. He said that the productivity of his cows is visible; each cow produces 40-60 kg of milk on a daily basis. Usually he uses 5 kg of milk for his family and sells the rest in the market at AFN 25 per kg. His daily income reached AFN 3,600.

The Agronomist continued helping Mohammad Ayoub on developing a business plan, and analyzing his business cost and benefits.

Mohammad Ayoub is now able to send his children back to school and bear the costs of their education. Moreover, he is able to contribute some amount to the village community council and the mosque.





Sayed Maqsood Ahmadi is a 22-year old man living with his family in the Pol-e-Rangina area of Herat city. He is supporting a large family of 16 including brothers, sisters, parents, and nephews.

Sayed Maqsood is a grocery store owner. He started with a small grocery shop that was not earning sufficiently to meet his family expenses.

Sayed Maqsood wanted to expand his business but required more capital to do so. He decided to take a loan from a financial institution to implement his plan. He approached Mutahid's branch in Herat city two years ago and received his first loan of AFN 250,000.

With this first loan, he was able to increase his client base and boost sales by moving the location of his store to a more densely populated area, and by expanding his grocery store's inventory and stocking capacity.

Realizing the benefits of the first loan cycle, he applied for a second, larger loan of AFN 500,000. He used this amount to upgrade his business from retail to wholesale. His current capital reaches AFN 600,000.

With the improvements in his business, Sayed Maqsood's monthly income increased from AFN 10,000 to AFN 80,000 and his household expenses increased from AFN 8,000 to AFN 20,000.

Sayed Maqsood is looking forward to opening a chain of grocery stores in crowded parts of the city in the future, and is expected to rely on his good credit record.

Ghulam Aziz is a 40-year old man living with his wife, and five children in the Khairkhana area of Kabul City. All his children are attending school. Beside his own family, he also supports his parents, who are living separately.

Gulam Aziz is from the Khan Abad District of Kunduz province. Due to lack of opportunities, he shifted to a nearby province, Takhar, with the hope of finding better job and educational opportunities. Ghulam Aziz subsequently moved his family to the capital, Kabul.

In Kabul, he heard about microfinance and with the first loan of AFN 50,000 that he received from Kabul Islamic Investment & Finance Cooperative (IIFC), and AFN 100,000 of his own savings, he was able to open a small restaurant serving cooked fish.

In the past six years, Gulam Aziz benefitted from ten loan cycles that helped him expand his business. The minimum loan size he received was AFN 50,000 and the maximum, AFN 250,000. Aside from fish, he is also cooking and selling Jalebi, a popular dessert among Afghans.

Gulam Aziz has five employees that help him in his business.

Initially, when he first arrived in Kabul, he lived in a rental house, but with the expansion of his business and growth of income, he was able to buy his own house.

His current business generates a net income of AFN 30,000. Ghulam Aziz has plans to diversify into other types of food and hopes to be able to borrow in the future to open a fresh fruits shop.

Ghulam Aziz believes that he played a key role in launching the IIFC branch in the Taimani area, where he currently has his business, by recommending and persuading numerous clients to approach this branch for loans and financial needs.

Story of Ghulam Aziz







With eight children, Saleha, 34, and her husband were struggling to make ends meet with his meager daily wage income. *“My husband worked as a farm hand and his income was simply not enough; we couldn't even afford to buy milk,”* said Saleha.

Saleha, whose family was assessed to be among the poorest households in her village in the QaraBagh district of Kabul province, was selected to participate in the Targeting the Ultra-Poor (TUP) project in mid-2017.

TUP is a grant based, two-year intervention that grants beneficiaries a holistic and comprehensive package of inputs, including productive livestock, monthly stipend for daily consumption, skills trainings, such as financial literacy and livestock rearing, and market linkages.

Saleha was provided with a cow and a calf but the cow had to be replaced soon after distribution due to its low

capacity to produce milk. Although the replacement cow could fulfill the requirements of the project, Saleha was not satisfied. She decided to sell the second cow, with the intention of buying a hybrid cow; except the earnings from the sale of the cow was not enough. This prompted Saleha to apply for a loan of AFN 17,000 from The First Microfinance Bank (FMFB). With the loan, she was able to buy the hybrid cow estimated to be able to produce five liters of milk per day.

Saleha's returns from selling milk, combined with the monthly stipend she is receiving through TUP have enabled her to start repaying her loan from FMFB. At the same time, she is able to save a portion of her earnings.

Just a few months after the purchase of the hybrid cow, Saleha managed to buy a pregnant goat. The goat now produces three liters of milk. With the milk her animals



produce, Saleha's husband and children not only benefit from consuming fresh milk on a daily basis, but also from the additional household income of AFN 200 per day.

Saleha is committed to further expanding her livestock asset and has started saving to buy a second cow. Her husband also appreciates what the TUP intervention and the FMFB loan have both done to their lives and is not taking things for granted. *"I help take care of this livestock and get busy with them all day long,"* said Saleha's husband. *"I am thankful for having them and I am sure they will help change our lives."*

The objective of the TUP intervention came early for Saleha and her family. She is already linked up as an active borrower with a financial institution and is already saving. This has only encouraged her to dream bigger.

The house that Saleha and her family currently occupy is owned by her sister, who is living in Iran. With her business expansion plans, Saleha is confident that someday, she will be able to afford to rent, if not own, a place of their own, especially if her sister decides to return to Afghanistan and reclaim her house.

*"At last, I am no longer concerned about where to get our next food,"* Saleha said. *"Now it feels good... it's a dream come true: that I have already bought new clothes for my kids before the coming Eid celebrations; I have new pillows and mattresses for our home for the big day."*

*This story was developed by Microfinance Investment Support Facility for Afghanistan (MISFA).*





Safia Mohiti is a 47-year old married woman living with her husband and a school aged daughter in Herat city. She is one of the more active women of Herat province. She has worked for 30 years in various organizations related to women affairs. Safia is originally from Kunduz province, but moved to Herat province after marriage.

Safia started her business in 2016 by opening a restaurant for women in Herat. She employed two of her relatives, who lost their husbands to violence in Kunduz. In the restaurant, Heratis can find all-time food favorites.

Opening a restaurant was just an idea in the beginning. Safia did not have enough capital to start the business. She and her two partners sold their jewelry and rented a place for their business. To begin cooking and selling food, she needed some tools, so she used what she had in her house.

With a lot of passion and determination, Safia managed to grow her business and attract loyal customers, but she knew that she could do so much more if she had some capital for expansion.

Safia participated in one of the Afghanistan Microfinance Association's round tables in March 2017 and learned about various loan opportunities in Herat. She applied for a loan and received AFN 300,000 from The First Microfinance Bank (FMFB) Afghanistan.

She spent part of the money on purchasing kitchen tools, and part of the money on registering and receiving a license for her business from the Government. The remaining amount was spent on advertisement and promotion.

In the beginning, Safia was able to take orders from customers by phone and deliver the food to their doorstep. Now she is able to serve the customers inside the restaurant too and have a female friendly place.

Her business growth was remarkable that it attracted media attention. Safia spent part of her business profit on leasing a house and buying new furniture and other necessities.

In addition to the restaurant, through financial assistance from a project of USAID, Safia added embroidery and tailoring to her business portfolio. Currently there are 11 women working across her business ventures.

Safia is not finished with her expansion plans. She wants to keep expanding her restaurant by opening branches in various parts of Herat City and providing work opportunities for more women.

Latifa Azimi, a 35-year old married woman lives with her seven children and husband in the Badmorghan area of Herat city. Two of her daughters are married and others are school students. Her husband is a mechanic.

Latifa established her fitness club in 2013 in her home basement, with the initial capital of AFN 200,000.

With this initial capital, Latifa was only able to purchase some basic equipment and furnish the basement. Latifa's fitness club was the only club in the area, however, after some time, two new fitness clubs started to operate with more equipment and better facilities in the vicinity of her fitness club. These two competitors started to absorb Latifa's customers.

Latifa felt that she could strongly compete in the market, but she needed financial assistance to put up the capital she needed in order to improve her business and compete in the market.

In March 2017, Latifa participated in a roundtable discussion conducted by the Afghanistan Microfinance Association (AMA) in Herat. She learned about different types of loans and loan providers in Herat and eventually applied for credit from The First Microfinance Bank (FMFB) Afghanistan. She received AFN 70,000 for her first loan cycle. With this money and the savings she had, Latifa purchased second hand equipment for her fitness club and focused on providing services designed to retain her customers to stay ahead of the competition.

Latifa extended her club's working hours so that working women can come to the club after office hours. This gave Latifa the opportunity to attract employed females as new customers. Latifa's fitness club is the only female club in Herat providing exercise sessions for both employed and unemployed women.

To attract more customers, she invested some money on advertisement and promotion of the fitness club. She hired eight female employees to support her business.

Latifa currently has 200 customers who can benefit from eight sessions of exercise from 6:00am to 6:00pm.

With the increase in her income, Latifa could take some initiatives, such as creating a special exercise session for children from 5 to 15 years old, establishing a small beauty salon, a skin cleaning service with natural ingredients, a physiotherapy section, and massage and exercise regimen for pregnant women.

*"I could use small loans and bring big changes to my life and business," said Latifa. "When I compare myself now to my past status, I see lots of things have changed for good that are beyond my expectations."*



Story of Latifa Azimi



## Story of Aqila



Aqila is a 40-year old woman living with her husband, four daughters, and a son in the Dasht-e-Barchi area of Kabul. Her eldest daughter is a university student, and the rest of her children are school-aged. Her husband earns some money as a driver.

For nearly 12 years now, Aqila has been earning a living as a silk carpet weaver. Through her work, she tries to cover half of her family's expenses and cost of education. Before she got in the silk carpet weaving business, she was earning some income doing home-based sewing and tailoring work.

Aqila submitted a loan application to OXUS Afghanistan and received her first loan cycle of AFN 50,000. She used the loan to purchase necessary items, such as silk yarn and machinery for weaving carpets, which she could sell at a good price. She continued to repay and borrow from OXUS Afghanistan as she saw the benefits of taking loan for business expansion.

She received AFN 30,000, AFN 50,000, and AFN 20,000 in her second, third, and fourth loan cycles. Through the loans, she was able to invest more into the business, produce and sell more carpets, and sell directly in the market.

Aqila's business is a family business; her son and daughters are helping her in purchasing raw materials as well as in weaving carpets.

Since accessing credit to expand her enterprise, her monthly income has increased from AFN 5,000 to AFN 15,000; while her household expenses also increased from AFN 7,000 to AFN 13,000. The increment in monthly income allowed her to pay for school fees and other expenses and improve their quality of life overall.

Aqila, so far, has five students she is training in silk carpet weaving. Now her students are able to weave carpets on their own, sell them in the market place, and generate income for themselves.

In the future, Aqila wants to have a carpet-producing center in Bamyan province that would allow her to sell her carpets and other products all over Afghanistan.

*In recognition of her business acumen and her inspiring story, Aqila received an award from the Afghanistan Microfinance Association (AMA) in April 2018.*

**Afghanistan Microfinance Association**

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