Microfinance & employment support of persons with disabilities

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Microfinance Investment Support Facility for Afghanistan MISFA

- MISFA is registered with AISA as Not-for-profit organizations.
- Goal: is to ensure that marginalized groups — poor households and individuals, including women and those who live in the rural areas — are not left out and have access to financial services because they are the ones who are most in need.
- “In Afghanistan, market-based arrangements for social protection are dominated by microfinance schemes. These will be further developed and strengthened. “ ANDS
Livelihood and employment support by providing loan through Disability NGOs

Disability NGOs and microfinance

• ICRC
• SCA
• AABRAR
• CCD
• SERVE
Objectives and criteria

• To provide money for persons with disabilities to either start new business or to strengthen and expand the current business

• Criteria: The persons with disabilities to be at least 18 years old

• The loan receiver to complete vocational training or skill training or having such skills and experiences

• To be guaranteed by two persons or the villagers

• Should have returned the past loans on time

• The amount of Loan from 12000 to 40000 Afs

• Payment of installment between 12 to 24 months
## Comparison between NGOs and banks loans

<table>
<thead>
<tr>
<th>NGOs periodic loan</th>
<th>Bank Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without interest</td>
<td>With interest</td>
</tr>
<tr>
<td>Flexibility in case of failing or</td>
<td>No Flexibility</td>
</tr>
<tr>
<td>natural disaster</td>
<td></td>
</tr>
<tr>
<td>Likely long term (2 years)</td>
<td>Short term loan (6 months, one year)</td>
</tr>
</tbody>
</table>
Impact assessment of SCA/RAD Loan Programme

Objectives of the Study and Survey

Objectives:
1) To see if the loan makes a difference in the socio-economic status of the recipient
2) To see if the loan makes the recipient economically self reliant
3) To see which types of business are more successful?

Survey:
• The survey was conducted in many villages of 30 districts in 10 provinces using random sampling
• The survey was focused on those individuals who completed their loan installment during the year 2005, 2006 and 2007
<table>
<thead>
<tr>
<th>Province</th>
<th>Number of respondent</th>
<th>Frequency distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Badakshan</td>
<td>6</td>
<td>5.2%</td>
</tr>
<tr>
<td>2 Balkh</td>
<td>55</td>
<td>47.4%</td>
</tr>
<tr>
<td>3 Jozjan</td>
<td>5</td>
<td>4.3%</td>
</tr>
<tr>
<td>4 Kunar</td>
<td>2</td>
<td>1.7%</td>
</tr>
<tr>
<td>5 Laghman</td>
<td>5</td>
<td>4.3%</td>
</tr>
<tr>
<td>6 Logar</td>
<td>10</td>
<td>8.6%</td>
</tr>
<tr>
<td>7 Nangarhar</td>
<td>5</td>
<td>4.3%</td>
</tr>
<tr>
<td>8 Samangan</td>
<td>9</td>
<td>7.8%</td>
</tr>
<tr>
<td>9 Takhar</td>
<td>15</td>
<td>12.9%</td>
</tr>
<tr>
<td>10 Wardak</td>
<td>4</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Percentage of Respondents in Age Rank

- 45% respondents fall in age rank 25-45 years
- 39% respondent fall in age rank of 15-25 years
- Only 16% loan recipients are aged above 45 years
Province wise distribution of respondent by Occupation

- 29% involved as shopkeeper
- 19% engaged in tailoring
- Remaining (retail seller, hotel, watch maker, radio maker, carpenter, bag maker, crop and walnut seller etc.

Frequency distribution of number of loan

Out of total sample
- 50% received 1st loan
- 47% received 2nd loan
- 3% received 3rd loan
Impact of SCA’s Loan on the Household Income of Loan-Recipients

- Development of existing loan
  - Before loan average monthly income Afs 2195
  - Post loan average monthly income Afs 4118
  - Per month income increase is Afs 1923
- New business started
  - Monthly Average income from new business is Afs 2,595

Level of satisfaction from loan

- 66% completely satisfied
- 22% satisfied
- 9% slightly satisfied
- 3% not satisfied
Conclusions

• The study shows that SCA’s loan has helped the recipients to find employment
• 100% of those who received loans started/developed their business
• In general term, the vocational training and loans have a positive impact on the economic level of the majority of the respondents
• Majority of respondent is now using vocational training for some kind of revenue generation

Thanks a lot for your attention

Questions

Soft copy of the report is available upon request
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