



ECONOMIC GROWTH UPDATES

6 – 11 October, 2009

New Loan Product Creates Employment Opportunities in Samangan: Twenty-five unemployed members of the USAID-funded Islamic Investment and Finance Cooperative (IIFC) received US\$28,000 in loans to purchase tricycles – a common means of transportation in the northern province of Samangan. IIFCs are community-based, member-owned institutions founded by the World Council of Credit Unions (WOCCU). They provide a range of *Sharia*-compliant financial services to their members. A new loan product was developed at the request of the IIFC board of directors to address the needs of unemployed members of the Samangan community. Recent studies indicate that a lack of jobs has been cited by Afghans as the most significant problem facing the country after security. Providing access to financial services through IIFCs is only one of the several activities funded through the Agriculture, Rural Investment and Enterprise Strengthening (ARIES) Program. As of March 2009, the ARIES Program has created over 174,000 jobs in the Alternative Development Program (ADP) regions of Afghanistan. As a key development Program in the country, ARIES is playing a significant role in achieving the USAID/Afghanistan's strategic objective "*A Thriving Licit Economy Led by the Private Sector*".



Tricycles Purchased by IIFC, Samangan Province
Photo by: WOCCU

Over 300 Financial Service Outlets Provide Microfinance Loans in Afghanistan: The Microfinance Investment Support Facility for Afghanistan (MISFA) reported an outstanding portfolio of nearly US\$110 million and over 440,000 active clients in the Afghanistan microfinance sector. MISFA is an apex organization pooling diverse donor funding mechanisms and converting them into streamlined flexible support to microfinance institutions in Afghanistan. Since its inception in 2003, MISFA has been reporting on behalf of the entire microfinance sector. The sector has over 300 outlets and lends in 130 districts of 26 provinces. The USAID-funded ARIES Program has provided US\$9 million to support MISFA's microfinance activities and US\$15 million to capitalize its newly established Small and Medium Enterprise (SME) department. MISFA's ARIES portfolio is being leveraged in 15 provinces, directly contributing to the Program's overall activity result "*Growth in Rural Economy through Financial Services*".



A MISFA Microfinance Client, Faryab Province
Photo by: OXUS