



ECONOMIC GROWTH UPDATES

8 – 14 September, 2009

New Loan Product Reaches Farmers in North of Afghanistan: Sixty farmers in Aqcha district of Jawzjan province received financial services from the USAID-supported Islamic Investment and Finance Cooperative (IIFC) to purchase four tractors. Afs1.2 million (US\$24,000) was made available to the farmers through a Cooperative Group Loan Agriculture Account (CGL-AA), a *Sharia*-compliant financial product recently developed at the request of the communities in Aqcha district. Thirty-two percent of the cumulative amount of US\$14.1 million disbursed by IIFCs in the north supports the agriculture sector. Farmers' access to new products like CGL-AA will further increase the IIFCs' agriculture portfolios. 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. Under the Agriculture, Rural Investment and Enterprise Strengthening (ARIES) Program, USAID/Afghanistan supports 11 IIFCs and points of service in the north, providing access to over 26,000 active clients (savers and borrowers). The IIFC activities have a significant impact on achieving the overall activity result of the ARIES Program "*Growth in Rural Economy through Financial Services*".



IIFC Providing Tractors to Farmers of Aqcha
Photo by: WOCCU

Thousands of Farmers Received Alfalfa Seeds through the USAID-funded Financial Services: Distribution of alfalfa seeds to 12,000 farmers in the south-eastern provinces of Paktia, Paktika, and Khost was completed through the financial support of the AED-managed ARIES Program. US\$432,600 was provided in loans to 12 farm stores for purchase of alfalfa seeds by the ARIES partner, Afghan Rural Finance Company (ARFC). The farm store system was designed to provide a business and technical linkage with the rural communities and ARFC's financial support will further build on this objective. The loans to farm stores were made in August and are expected to be paid in full by October 2009. ARFC was established under the ARIES Program to create commercial opportunities for agricultural and other rural enterprises in Afghanistan. Over 55% of the cumulative amount of US\$16.7 million disbursed by ARFC supports agriculture and agriculture related businesses in the country's Alternative Development Program (ADP) regions.



An ARFC-funded Tomato Paste Production Company, Mazar, Balkh Province
Photo by: ACDI/VOCA