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AFGHANISTAN

SUCCESS STORY

Dark Nights No Longer Exist

Financial services helped rural Afghans generate hydroelectric power in their village.



Photo: The World Council of Credit Unions

WITH US\$1,800 LOAN JUMA GUL AND DAWA JAN PURCHASED MACHINERY AND BECAME THE ONLY PROVIDERS OF HYDROELECTRIC POWER IN THE VILLAGE.

- More than 27,000 citizens joined the USAID-supported network of IIFCs in Afghanistan.
- IIFCs have mobilized over US\$1.2 million in shares and deposits from local Afghans.
- ARIES is one of the largest rural finance projects of USAID in the world. It has provided US\$82 million in loan to over 70,000 borrowers in Afghanistan.

Juma Gul and Dawa Jan, the two brothers from Nazarabad village of Shurkh-Rood district in Nangarhar Province managed to bring light to the dark nights of their neighborhoods. The brothers had the knowledge of hydroelectricity but never had the financial means to use it in their real life.

To produce hydro power, it is necessary to utilize the movement of significant amounts of water. It is on this light that the brothers thought of having one in their village as water is abundantly flowing from a higher ground near their house. It was a brilliant idea but access to financial resources to put it into actions was always a major issue until they heard about the USAID-funded Islamic Investment and Finance Cooperative (IIFC) in Nangarhar.

An IIFC is a member-owned organization that is governed by a set of bi-laws and has its own elected board of directors. Members purchase shares and are paid a share of the IIFC profit. All members can enjoy from a range of financial services offered by their respective IIFC.

The brothers joined the Nangarhar IIFC and got their first loan in the amount of US\$1,800. Soon after the receipt of the loan, they purchased the machineries and completed their installation within 15 working days. Now, they are the only providers of hydroelectric power in the village servicing their neighborhood villagers with a much cheaper cost comparing to the Diesel Generators that was common in the village. They have already repaid their loan and are currently running a profitable hydroelectric power distribution business.

This is only one example of the 19,000 loans disbursed by IIFCs supported by the USAID Afghanistan's Agriculture, Rural Investment and Enterprise Strengthening (ARIES) Program in the country's Alternative Development Program (ADP) regions.