



Afghan Small Business Development Institute, Inc.



2009 Accomplishments

OCTOBER 2009

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NEWSLETTER

Afghanistan's Environment

2009 proved to be a tough year, which limited our ability to reach as many people as planned. The political and security environment of Afghanistan has turned bad from several years ago. Many people feel insecure; there is an increase in drug trafficking, robberies, kidnappings leading to ransom and sometimes death, and an increasing dissatisfaction with the existing government and corruption leading to armed resistance, commonly referred to in the U.S. as the "Taliban insurgency". In addition, there is external interference from the neighboring countries and from radicals who have their own agendas. We hope a political solution can be developed by the new Obama administration because it is the very poor who suffer the most in the current climate.

Thanks Again to All Our Generous Donors

During 2009 the Afghan Small Business Development Institute, Inc. (ASBDI) continued its support of micro-financing to the very poor in Afghanistan, especially women. **100%** of donor funds (*tax-exempt charitable contributions*) were provided to recipients; all ASBDI administrative expenses were covered by the founders' personal funds. Our thanks go to all our donors for their generous contributions and their consideration to help poor people in great need.

A Nice Success Story

The success of a micro-credit/micro-finance program is truly remarkable. This is evident by one of our own success stories.

Background: If you recall, in 2005 ASBDI provided micro-financing to one family consisting of a widowed mother-in-law ("Maryam" = Mary), her two sons, two "brides" (daughters-in-law), her daughter and a number of grandchildren. The women in the family worked mostly as servants and day-to-day laborers at various village homes. The family rented their home and they all lived together in a single compound. The family's income was sufficient for living from day-to-day but was not enough to save for the future or a catastrophic event, such as an illness. The two sons worked as daily, low-skill construction laborers and tended to various landowners' farms i.e., planting, watering, feeding and upkeep of animals. The entire family was illiterate; they used their thumb print to sign any official documents.

Financing Provided: ASBDI provided \$100 of micro-grants per loom (2 looms existed in the home), operated by 2 groups of 2 women, totaling \$200 or 10,000 Afghani for the 4 women. [$\$1 \approx 50$ Afghani]

Progress to Date: Maryam and her family took the funds given to them and made lots of small rugs for sale to local people. Through the sale of these rugs, the family was able to save enough money to send the two sons to Iran for better paying jobs. The sons worked in Iran for about two years and returned back with lots of extra/saved money. The family was able to combine the profits from the sale of the rugs with funds from the sons coming back from Iran to purchase a small plot of land. As shown in the pictures below, they are about half-way complete in building a home. In addition, to the right, they have a guest room that has six small rugs, which are used as inventory for future sales, if need be. Maryam indicated that their lives have improved and it all started when they got the micro-grants for weaving rugs. They stopped borrowing money from local money lenders at exorbitant rates and pocketed all the savings.



Above, mother-in-law, "Maryam" (right) sits with one of her daughters in law (left), working on a newly started rug on a fully threaded loom.



Above, Maryam's home - several rugs in a guest room, are used as inventory for later sale, if needed.



Above from left to right, side view of Maryam's new home under construction, next, what will become the front door to the home and finally, a second loom fully threaded with the start of a woven rug. Also, Maryam's family has a cow for milking and a sheep, which they will dry the meat like Jerky for the winter.

Some New Donations

- **Applicant Qualification:** Poor women, landless, total property or net worth value less than \$1,000, possessing an existing trade or skill - rug weaving.
- **Goals:** Increase family income: (1) Establish an income generated activity managed solely by the **women** of the household since the husbands are **disabled**. (2) Eliminate dependence on money lenders who take ~ **50%** of post-sale profits. (3) Provide enough funding to put into operation looms and purchase threads which are ~ **45%** of rug sale prices.
- **Financing Provided:** \$100 per person to establish two looms and \$100 per loom to purchase the necessary threads. Total of \$200 per woman = 10,000 Afghani [*\$1 ≈ 50 Afghani*]
- **Current Output:** 0 carpets per year
- **Expected Future Output:** 5 carpets per year
- **Weaving Time:** 3.0 months
- **Rug Dimensions:** 2 meters length by 1 meter wide [*1 meter = 1.094 yard*]
- **Sale Price of Rug:** 5,500 Afghani (\$110 - rug prices have gone up due to thread costs)
- **Cotton Thread Expenses:** 2,250+ Afghani (\$45 - thread costs have gone up by \$10)

Description: ASBDI provided micro-financing to several families consisting of very poor women who lived in extremely delicate circumstances. For instance, one woman washed clothes for local wealthy homes and another was a servant in one of their homes. Both women were the bread winners for their families, consisting of a disabled husband and five and six children. Most of their children being girls made life even more difficult because boys could be sent out to work as laborers, but girls had less opportunities. Both women wanted to setup an alternate income generating activity that could better support their families - they were skilled in carpet/rug weaving.



Bee-bee Ghul, sitting with three of five children in the only room they have to live.



Bee-bee Parween, sitting with her only son, planning to start a loom and start weaving rugs.

Our Future Objectives

ASBDI is committed to continuing our micro-financing efforts in Afghanistan to help the poor, especially women, widows and orphans.

ASBDI's web site: www.afghansmallbus.org

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To donate online: [DONATE NOW THROUGH Network for Good](#)

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