

Innovative practice 2017 on employment, work, and vocational education and training: 2568

TITLE

Government supporting community-led micro-enterprises

Afghanistan: Ministry of Rural Rehabilitation and Development – Afghanistan Rural Enterprise Development Programme (AREDP)

PROJECT SUMMARY

The Afghanistan Rural Enterprise Development Programme (AREDP) was established by the Ministry of Rural Rehabilitation and Development in 2010 as a community-led micro-enterprise development project. Specifically, it was designed to support village inhabitants to create village-based micro-enterprises and to facilitate their access to finance as well as technical and marketing service. During the period 2010–2016, 143 enterprises have been established, creating 143 direct employment opportunities and 456 indirect ones.

FACTS & FIGURES

- Jobs created in 2014: 100
- Jobs created in 2015: 43
- Jobs created in 2016: 60

Since its start, the programme has established more than 5,200 “saving groups” in five provinces, with nearly 70,000 members. AREDP has also supported the establishment of over 1,300 “enterprise groups”; supported 674 small and medium enterprises; and established more than 500 village saving and loan associations.

PROBLEMS TARGETED

Due to decades of warfare in Afghanistan, the number of people with disabilities has continued to increase, and as such, the government and local actors have had a hard time providing for the growing number of people requiring special support, specifically people with disabilities living in rural settings.

SOLUTION & METHODOLOGY

AREDP supports people with disabilities from rural environments to establish micro-enterprises, such as mechanic workshops, beauty parlours, carpentry, transportation services, embroidery, poultry, shop keeping, and tailoring. After establishing the micro-enterprise, the entrepreneurs receive technical and

soft-skills training on marketing, costing and pricing, selling, feasibility and business plan development, business promotion, simple bookkeeping, etc. Moreover, AREDP engages in community-based enterprise development, including:

- Saving groups (SGs): An SG consists of eight to ten community members who conduct regular meetings and each saves 30 AFS (about EUR 0.50) on a weekly basis.
- Village saving and loan associations (VSLA): The purpose of the VSLA is to provide larger loans for commercial and entrepreneurial activities, such as agriculture, handicraft, livestock, poultry, food processing, etc.
- Enterprise groups (EGs): An EG consists of three to five rural entrepreneurs who run small-scale businesses at the community level.

OUTLOOK & TRANSFERABILITY

The project was funded with US\$200,000 from the World Bank's International Development Association, which covered the costs of employee salaries, trainings, toolkits, and business incubation and monitoring. Currently, the Ministry of Rural Rehabilitation and Development is conducting random monitoring of the project.

QUOTE

“Before joining an AREDP saving group, I was jobless and had serious economic problems. AREDP helped me to establish a grocery shop in my village, and today I earn enough to support my family.”

— Mr. Abdul Bashir, programme recipient with a physical disability

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