

Faces of *change*

Empowerment Through Microfinance

Since its establishment in 2005, the Aga Khan Agency for Microfinance (AKAM) has taken over 25 years of microfinance activities, programs and banks that were administered by sister agencies within the Aga Khan Development Network. This amounts to a portfolio at the end of 2006 of over \$109 million in microloans serving 150,000 beneficiaries in 12 countries.

BETTER, STRONGER, MORE SECURE LIVES

When Gul Mohammad, a farmer in Northern Afghanistan, developed a severe health problem that obliged him to consult doctors in the regional capital, he was unable to keep a job that paid him a small wage. Lacking savings, he was forced to mortgage the small patch of land that supported his family for \$120 and beg for loans from neighbors and the local grocery merchant. The treatments worked, and after two months he was once again in good health. But the mortgage and the other loans left him deep in debt. He had little means of generating the surplus income needed to pay off his debts while supporting his family.

Gul Mohammad then heard of AKAM. He applied, and after a screening process, received a loan of \$220. He was able to pay off his mortgage and some of his other debts. He has returned to farming his land and has found daily wage labor to supplement his income. He has already paid off half of the AKAM loan. Yet he is still vulnerable to the next emergency. For this reason, another Aga Khan Development Network (AKDN) program is assisting him with better seed and fertilizer that will allow him to grow two or three times as much wheat as before.



For a quarter century, Aga Khan Foundation U.S.A. (AKF USA) has been investing in people, extending a helping hand to communities and individuals so they may live with dignity and hope.

A LOFTY DREAM

In the difficult transition from a centrally planned economy to a free market, Risbay Jolonov's prospects seemed dim. Mr. Jolonov of the Kyrgyz Republic had no horses of his own; instead, he bought milk from farmers and sold it on the side of the Alay-Osh road to passing motorists. Revenue from sales barely covered the costs of food for his family. He was never able to move above subsistence, yet his ambitions included a university education for his children.

He had experience in the market but, in the judgment of the AKAM loan officer, he also had a great deal of entrepreneurial potential. With a six-month loan of 5,000 Kyrgyz soms (\$120), he was able to purchase a horse. Along with the loan came a training course in the rudiments of running a business, a feature of all AKAM credits. Within three months, he had paid off the loan and generated a profit of \$300. With these profits, he bought another horse, two sheep and two goats. He has also built a yurt for his family and opened a small roadside café, with dishes prepared for the passing trade. To tide his family over during the winter months, when few travelers stop for horse milk, he operates a small trading business. He can proudly announce that he now sends his children to a university in Osh.



AGA KHAN FOUNDATION U.S.A.

An agency of the Aga Khan Development Network

1825 K STREET, NW, SUITE 901 • WASHINGTON, DC 20006
TEL: 202-293-2537 • FAX: 202-785-1752 • E-MAIL: info@akfusa.org

www.akdn.org