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UN
DP

Women Economic Empowerment through Local
Enterprise Development

WE-LEAD





Background

75% of Afghans are subsistence-insecure, 88% of female-headed households are deprived of basic needs.

Just 7% of women are employed outside of the home, compared to 84% of men.

Only 11.8% of adults had bank accounts pre-2024; formal credit access for women-led MSMEs is extremely limited.

Source: UNDP Afghanistan Socio-Economic Report, 2025

In response to these urgent needs, the European Union funded the WE-LEAD project for 2024-2025. Implemented across six provinces, this support enabled UNDP to deliver practical, community-rooted economic solutions for women at a time of rapidly shrinking opportunities for Afghan women. The project increased women's access to financial services, advanced savings groups into sharia-compliant Rotating Savings and Credit Associations (ROSCAs), supported local enterprise development, and expanded women-led MSMEs through matching grants-to-loans and market linkages.

WE-LEAD I achievements:

WE-LEAD Phase I contributed to the economic empowerment of Afghan women by improving their access to financial services and strengthening women-led local enterprises, resulting in enhanced financial inclusion, more resilient livelihoods, and sustained local business growth in a highly constrained environment.

- 2,500 community savings groups (SGs) were established and transformed into Sharia-compliant ROSCAs, with 16 members per group, reaching a total of 40,000 members, of whom 32,400 are female and 7,600 are male.
- All 40,000 SG members received training on group governance, record-keeping, and internal lending systems, and these systems are now fully operational.
- 2,500 digital mobile wallets and bank accounts were opened for the SGs, and seed capital was disbursed accordingly.
- Collectively, the SGs mobilized approximately AFN 37,500,000 in savings, of which around 50% has been borrowed by members through internal lending mechanisms.
- Sharia-compliant microloans were provided to 4,300 women-led MSMEs, supporting investments in equipment, inventory, and working capital.
- Matching grants (up to USD 10,000) were provided to 113 women-led SMEs to support business graduation and long-term sustainability.
- Beneficiary businesses received one-on-one business coaching and capacity-building support.
- Technical training was delivered on financial management, business planning, and market readiness.
- Four cross-border exhibitions were organized to facilitate market access and strengthen regional trade linkages.



Baharistan Tailoring & Handicraft Center, Doab Village

With support from WE-LEAD, the Baharistan Tailoring & Handicraft Center in Baharak, Badakshan, led by Forozan Sadeqi, employs 24 women.

Eight years ago, things were very different. When her husband died, Forozan suddenly became the sole provider for her five children.

“I had no income, and I was very depressed,” she recalls. “All I possessed was a simple sewing machine and the little sewing skill that I had.”

Forozan began sewing clothes to support her family. At first, she worked alone, but gradually built up her business and expanded her skills. In time, she bought additional machines and began training other women in her community.

Then, when her business needed to expand, she turned to UNDP and the WE-LEAD project. Through WE-LEAD’s partnership with the EU and FMFB, Forozan’s company received:

- A US\$10,000 matching grant + \$5,000 Islamic loan
- New sewing machines and tools
- Training in tailoring skills, financial literacy, and centre management
- Ongoing technical mentoring

Today, Forozan’s workshop serves as a centre for women's economic participation in Doab village, producing traditional and modern clothing, while providing training and income opportunities for the 24 women employees. Each woman supports a family, meaning the business indirectly supports up to 200 people.

“I’m thankful to God for this positive change,” she says. “I hope to grow the business further so more women can find work.”



Shadan Community-Based Savings Group

With a one-time US\$800 seed grant, and strong internal discipline, the Shadan CBSG has grown into a resilient women-led financial network, accumulating 125,200 AFN (around €1360) in savings and supporting 20 members. Through comprehensive training, ranging from bookkeeping and conflict resolution to Islamic banking and digital payments, the group now manages its capital through mobile wallets. Several women have already launched income-generating activities using internal loans, strengthening household resilience and extending benefits to more than 200 community members.





Ranar Community-Based Savings Group, Baharak District

For 22 years, Nasima Elham was a teacher of girls in her village. But as the economy weakened, and poverty increased, she witnessed heartbreaking consequences: underage marriages, girls dying in childbirth, and women with no financial independence.

“I saw that women in my community needed skills to become self-reliant, to depend on themselves, not on anyone else,” says Nasima.

Determined to confront these harmful cycles, Nasima formed a women-led savings group. What began with small contributions and the sale of eggs and dairy products soon grew into the Ranar CBSG, a fully-functioning financial ecosystem of women supporting women.

With 13 members, the group now saves 100 AFN per person monthly, accumulating 50,700 AFN (around €650) in savings and 18,000 AFN profit through internal lending. Seed funding of 56,000 AFN from WE-LEAD boosted their capital to 124,000 AFN (around €1590) and helped members launch small businesses.

Members received 11 trainings, from bookkeeping and leadership to Islamic banking and digital payments. The group now uses a digital wallet for safe transactions.

Nasima herself used a loan to buy a dairy cow for 70,000 AFN (around €900), repaying 1,000 AFN monthly from milk sales. “I want to expand this fund district-wide and create jobs for 100 more women,” she says. “Too many are unemployed and struggling. We must give them a chance.”





Freshta Sweets Group

With a US\$3,000 microfinance loan from WE-LEAD, this woman-led enterprise grew from a small home kitchen into a thriving confectionery business, expanding from 3 to 13 employees and supplying cookies and traditional products across five cities. Freshta Saidi is an agriculture graduate but was unable to work formally due to restrictions. Through her business, Freshta grew her income while training women, including two returnees from Iran. After equipping her kitchen with raw materials and machinery, Freshta generated rapid returns, earning the equivalent of €4,245 in the first month, maintaining a monthly net profit of 40,000 AFN (around €513), and was able to repay her 17,000 AFN monthly installments on time.

Ranar Community-Based Savings Group, Baharak District

Susan Nabizada, 17, is a trainee at the the Tolo-e-Omid Tailoring and Handicraft Centre. She joined the company three months ago when she returned from Iran. Before this opportunity, she was depressed at being unable to continue her studies.

In just a short period, Susan has learned to sew jackets, scarves, and traditional clothing. Currently unpaid, Susan will start to earn when she has completed her training: “Ever since I started coming here, I feel much better and happier. I’ve made friends, and I’m learning again. My dream is to become a skilled tailor, so I can serve my community and my country. My message to girls like me is: never stop trying. Life goes on.”

Not far from the trainees’ tables, Mrs. Shafiq, the founder of the company, stands proudly beside rows of newly finished garments. Her journey took a decisive turn when she received a soft Islamic loan of AFN 200,000 through the WE-LEAD programme.

The financing enabled her to purchase new tailoring machines, raw materials, and attend business management training. With this support, her production increased sharply, and so did the number of women she could employ.



Before the loan, she had eight trainees. Today, she trains 20 women, including five women from female-headed households, whom she now pays a monthly income.

This support changed everything. I can train more vulnerable women now, and our production has doubled. I hope the support continues.”

Through WE-LEAD support, skills lead to livelihoods, and livelihoods lead to economic and social independence. For Susan and dozens of girls like her, it is the beginning of possibility again.

Scaling Impact: What's Next?

Key pillars of WE-LEAD II








- 1,000 ROSCAs with digital wallets and internal social funds
- 50 SMEs accessing Sharia-compliant microfinance
- 1,000 microenterprises supported through blended finance (grant + Islamic loan)
- Social Enterprise Idea Challenge: 50 women-led social enterprises launched
- 500 MSMEs integrated into value chains using the Making Markets Work for the Poor approach

With the funding of \$11,723,054 for 2025-2027, this program will target 18,250 direct beneficiaries, with 50% of them being women

- 16,000 women and men in ROSCAs
- 250 women supported through social enterprises
- 500 MSMEs linked to markets
- 6 new provinces: Ghor, Daykundi, Bamyán, Wardak, Parwan, and Kabul



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