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ASSESSMENT

AGRICULTURAL POLICY CONSTRAINTS AND INSTITUTIONAL ARCHITECTURE ANALYSIS FOR AGRICULTURAL ENABLING ENVIRONMENT IN AFGHANISTAN

REGIONAL AGRICULTURE DEVELOPMENT PROGRAM- CENTRAL (RADP-C)

JUNE 2014

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Activity Signature Page

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ACRONYMS

| | |
|----------|--|
| AAIP | Afghanistan Agricultural Input Program |
| ACCI | Afghanistan Chamber of Commerce and Industries |
| AISA | Afghanistan Investment Support Agency |
| AKDN | Aga Khan Development Network |
| AKF | Aga Khan Foundation |
| ANDS | Afghanistan National Development Strategy |
| ANSA | Afghan National Standards Authority |
| AREDP | Afghanistan Rural Enterprise Development Program |
| AREU | Afghanistan Research and Evaluation Unit |
| CARD-F | Comprehensive Agriculture and Rural Development Facility |
| CBCMP | Capacity Building and Change Management Program |
| CHAMP | Commercial Horticulture and Agricultural Marketing Program |
| DAIL | Directorate of Agriculture, Irrigation, and Livestock |
| EPAA | Export Promotion Agency of Afghanistan |
| EU | European Union |
| FAO | Food and Agriculture Organization of the United Nations |
| FEWSNET | Famine Early Warning Systems Network |
| FGD | Focus Group Discussion |
| GIRoA | Government of the Islamic Republic of Afghanistan |
| HLP | Horticulture and Livestock Program |
| IDEA NEW | Incentives Driving Economic Alternatives for North, East, and West |
| IP | Implementing Partner |
| ISO | International Organization for Standardization |
| MAIL | Ministry of Agriculture, Irrigation, and Livestock |
| MoCI | Ministry of Commerce and Industry |
| MoF | Ministry of Finance |
| MoJ | Ministry of Justice |
| MRRD | Ministry of Rural Rehabilitation and Development |
| NADF | National Agricultural Development Framework |
| NEPA | National Environmental Protection Agency |
| NGO | Non-Governmental Organization |
| NPP2 | National Priority Program 2 |
| NRVA | National Risk and Vulnerability Assessment |
| OAG | Office of Agriculture |
| PALAD | Policy Analysis and Legal Affairs Department |
| PRT | Provincial Reconstruction Team |
| RADP | Regional Agriculture Development Program |
| RADP-C | Regional Agriculture Development Program-Central |
| RADP-N | Regional Agriculture Development Program-North |
| RADP-S | Regional Agriculture Development Program-South |
| REZ | Regional Economic Zone |
| SME | Small and Medium Enterprises |
| SOW | Statement of Work |
| USAID | United States Agency for International Development |
| VEGA | Volunteers for Economic Growth Alliance |

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I. Executive Summary

1. INTRODUCTION

This study was conducted to identify pressing gaps in agricultural policy and policy making in Afghanistan, and potential strategies to address these gaps. Findings of this study are intended to inform the ongoing programming of the United States Agency for International Development's (USAID) Office of Agriculture (OAG).

Together with the Government of the Islamic Republic of Afghanistan's (GIROA) Ministry of Agriculture, Irrigation, and Livestock (MAIL), the OAG is establishing Regional Agriculture Development Programs (RADP) within each of the Regional Economic Zones (REZ): Central, North, South, East, and West. The objective of the RADPs is to improve food and economic security for rural Afghans in targeted areas. RADP-Central (RADP-C) is envisaged to have a role in supporting policy processes country-wide. This study was designed to inform the conceptualization of RADP-C. The study focused on answering the following five questions:¹

1. What current policies, or absence of policies, (within the key issue of markets) appear to be most detrimental or limiting to Afghan farmers?
2. Do the challenges lie with the policies or the way they are implemented?
3. What structural and organizational factors currently shape (limit or enable) the creation and/or implementation of effective policies within this area?
4. What specific policies or policy areas offer the greatest potential for positive policy change and through what means does this potential exist?
5. What strategies and tools can RADP-C adopt to maximize the potential for a more enabling policy environment for agriculture in Afghanistan?

The study employed a qualitative research design broken into two phases. Phase One consisted of a scoping study, including 53 key informant interviews with those knowledgeable of and working with farmers in Kabul, Herat, Bamyan, Mazar, Helmand, and Kandahar (especially in non-governmental organizations [NGOs], implementing partners [IPs], and some producer associations), and a document review. This served to 1) identify issues of key concern facing Afghan farmers not adequately addressed by existing policy, and 2) identify the key institutional actors within the agricultural policy arena.

Phase Two consisted of a more in-depth investigation of policy gaps and linkages focusing on agricultural markets (an issue of key concern, as identified in Phase One) combined with a general review of MAIL's policy making and implementation capacity. Primary data sources included twelve focus group discussions (FGDs) in Herat and Mazar, 20 key informant

¹ The study questions were modified partway through the study to reflect the greater in-depth focus on markets with the intent to generalize and comment on other priority issues identified during Phase One (particularly inputs, water, and post-harvest storage), to the degree possible.

interviews with people involved in agricultural marketing policy issues (largely government staff), and a review of relevant policies and supporting literature.

The analysis presented in this report draws from both study phases.

2. FINDINGS

What current policies, or absence of policies, appear to be most detrimental or limiting to Afghan farmers?

Agricultural policies are generally not significantly impacting Afghan farmers, either positively or negatively, since the government is still perceived as largely absent.

According to key informants across Kabul, Herat, Bamyan, Mazar, and Helmand, the areas most urgently requiring policy attention were the following: water, inputs (especially seeds, planting material, and fertilizer), post-harvest handling and storage, and markets (market linkages and marketing). All of the issues the study team identified as critically affecting farmers are interlinked and are linked to other issues that were also mentioned (but not as highly prioritized overall), including credit.

The cumulative effect of these difficulties, combined with other sources of risk and uncertainty, is formidable. Food security remains a major concern, and many farmers can barely make a living through farming which creates dependence on other sources of income such as labor migration. While some policy focusing on agricultural markets acknowledges these challenges, most of the related strategy is oriented toward export markets, which have higher barriers to entry.

Do the challenges lie with the policies or the way they are implemented?

Formal agricultural policy exists for many but not all of the key issues identified in Phase One of the study. Where such policy exists, the team found it often of a good standard and with the potential to address many of the issues identified by the team. However, the creation of much of this policy has been donor-driven with limited ownership by the government, which weakens the chances of implementation. Much of the policy is also either very new or still in draft, so it is still too soon to comment on its effectiveness in practice. However, there is no clear mechanism for monitoring policy impact and revising policy in the face of evidence.

With regard to markets, existing formal policy (both passed and in draft) does not yet adequately address many of the issues raised by study respondents. However, the Small and Medium Enterprises (SME) Sector Action Plan for Agribusiness does address most of these issues, as described in Findings Section 3.

The greatest challenge, however, lies in policy implementation. This can be attributed to the way policy is made, with heavy donor intervention, and also to continued weak linkages between MAIL and the Directorates of Agriculture, Irrigation, and Livestock (DAILs), and limited budgetary and human resources in the latter.

What structural and organizational factors currently shape (limit or enable) the creation and/or implementation of effective policies?

Key structural and organizational factors that shape both the creation and implementation of effective policies include the following:

1. Policy often is not linked to implementation. While much of formal policy has not yet been passed, when it is, it is often lacking a clear implementation strategy. The most effective structures for policy implementation are still donor-funded projects, largely off-budget, with limited ownership and control by MAIL.
2. Policy is driven by international donors. Most of the policies currently being developed at MAIL have a major donor driving them. For example, the Horticulture Policy was an outcome of a European Union (EU) project, as noted by the program implementers. The World Bank is funding a project which is producing a policy and law on fertilizer. While there is coordination with MAIL, there is limited institutional buy-in to prioritize such policies from the GIROA side.
3. DAILs and district offices are not fully functional. The greatest weaknesses noted are lack of funding and trained personnel.
4. Communication and coordination between MAIL and the DAILs remain weak, which reduces the potential for effective provincial input or feedback on policies and for effective policy implementation through the DAILs.
5. Communication between DAILs, district extension workers, and farmers (individually or through associations) is extremely limited and ad hoc.
6. Efforts at capacity building within MAIL and DAIL so far have had limited effect on long-term institutional strength.
7. Much activity is only loosely tied to policy and is off budget. Off-budget programming tends to have limited duration and reach, weak prospects for long term sustainability, and is often poorly coordinated with other efforts, which greatly diminishes results.
8. Donor-driven efforts to set up structures do not always mesh with ground realities. Donor funding is often time-bound with pressure to produce results that may not be realistic and so spur decisions based on expediency rather than sound information and relationships.
9. These observations hold true for policy processes within MAIL, and to some extent, within GIROA more broadly. In addition, and specific to the issue of markets, there has also been very weak or no coordination between MAIL and the Department of Customs, and between MAIL and the Afghanistan Chamber of Commerce and Industries (ACCI). The overall weakness of the government extension service is

coupled with a lack of strategy to support farmers in better understanding how to meet market demands.

3. CONCLUSIONS

What specific policies or policy areas offer the greatest potential for positive policy change, and through what means?

Policymaking in Afghanistan has been donor driven with limited ownership from MAIL and other government agencies and, therefore, limited impetus to implement these policies. This overall dynamic has been unhealthy and has also perpetuated communication divisions between the central government and provincial offices. Thus, a healthier policy environment in the long term requires the broader enfranchisement of provincial government and its constituents.

Donors can support this by focusing as much on process outcomes as content outcomes and avoiding the temptation to use their leverage to impose their preferred policy solutions. They can support opportunities for dialogue between central and provincial government, support initiatives to improve information availability and dissemination to the public, and support initiatives to improve communication between relevant government agencies and agricultural producers and traders.

Agricultural markets are a key area where there are gaps in policy content as well as implementation. They represent a natural point of entry for RADP-C to engage in policy issues. Policy would respond better to the prevailing situation by focusing in a clear and sustained way on reducing the risk of agricultural markets to producers. Producers currently face such a great risk that they seek to diversify out of agriculture or leave it altogether. One related conclusion emerging from this study is that policy has neglected domestic agricultural markets, which are more accessible to producers than export markets but are awash with very cheap competing products from other countries.

For RADP-C, the optimal vehicle for engaging with policy actors on these issues would naturally appear to be the Agribusiness Taskforce (henceforth, the Taskforce), with some mechanism for extending its reach to the provinces. RADP-C could focus on implementing the suggested actions within the realm of agricultural market policy, taking an advocacy stance on key, evidence-based content issues, and also acting as a coordinating unit across the different RADPs. This role is further detailed through specific recommendations detailed below.

4. RECOMMENDATIONS

What strategies and tools can RADP-C adopt to maximize the potential for a more enabling policy environment for agriculture in Afghanistan?

Building the following recommendations into the design of RADP-C will provide a solid foundation for it to contribute to a more enabling environment for agriculture in Afghanistan:

1. Work with the Agribusiness Taskforce and consider supporting it to allow for provincial representation and engagement.
2. Manage a fund for targeted studies to meet informational needs and test assumptions driving policy decisions.
3. Coordinate the M&E systems of the regional RADPs so that they are compatible and can also be a source of information to other key stakeholders in the agricultural sector.
4. Make market information publicly available and share with key stakeholders, including MAIL's Directorate of Statistics and Market Information, DAILs, Ministry of Commerce and Industry (MoCI), etc.
5. Work with the regional RADPs to identify, share, and document emerging lessons from their work to inform policy.
6. Create a public knowledge resource on agriculture for Afghanistan to share with MAIL and host on RADP-C's website.
7. Work with RADPs to expand public dialogue and awareness of agricultural policy around key issues.
8. Work with RADPs to inventory existing producer and agribusiness associations and to connect and engage them in policy discussions.
9. Recognize RADP itself as a key player and ensure that its own practice supports an enabling environment for agriculture.
10. Advocate for more cohesive market policy focused on reducing the riskiness of agricultural markets for producers.
11. Advocate for inclusion of women in policy-making and the follow-through of gender related commitments in policy implementation.
12. Develop appropriate and realistic indicators for RADP-C's own monitoring system.
13. Allow for flexibility in RADP-C's approach.

II. Introduction

1. PROJECT BACKGROUND

United States Agency for International Development's (USAID) Office of Agriculture (OAG) is working with the Government of the Islamic Republic of Afghanistan's (GIROA) Ministry of Agriculture, Irrigation, and Livestock (MAIL) to support the goals of Afghanistan's agricultural policy framework by establishing Regional Agriculture Development Programs (RADP). In total, OAG and MAIL have planned for five RADPs, one within each of the Regional Economic Zones (REZ): Central, North, South, East, and West. The objective of the RADPs is to improve food and economic security for rural Afghans in targeted areas. RADPs will achieve this by promoting production of wheat, high-value crops, and livestock, based on the following theory of change:

1. While the economic returns to wheat are relatively low, particularly for irrigated land, Afghan households dedicate an excessive amount of land to wheat cultivation. This is because wheat is the primary source of caloric intake for Afghan households. Given uncertainties in the wheat market, rural households try to ensure that they have enough wheat to meet their consumption needs from their own production.
2. If the productivity of wheat per hectare can be increased for small farmers, agricultural households can meet their food security goals using less land. Farmers would, therefore, be more willing and able to convert land from wheat production to higher value crops, which would increase household incomes.
3. Thus, RADPs will focus on supporting farmers to increase wheat productivity with each RADP promoting the development of value chains for high-value crops and/or livestock (selected according to the region). Then, farmers can sell their high-value crops and generate income for their households, leading to improved economic well-being.

RADP's design also includes ambitious goals for the inclusion of women within its programs. At the time of reporting, RADP-South (RADP-S) is already in operation, RADP-North (RADP-N) has just been awarded, and the procurement for the other RADPs is in progress.

In addition to focusing on supporting value-chain development within its region, RADP-Central (RADP-C) is envisaged to support agricultural policy processes country wide. However, the precise nature of RADP-C's policy efforts remains to be determined. This study was commissioned to inform the project design process. Potentially, RADP-C could focus on improving MAIL's capacity to plan and implement policies that are responsive to the needs of rural Afghans and/or support coordination between the other RADPs, MAIL, and other donor-funded programs.

At the outset of the study, OAG was in the process of developing a detailed concept paper for RADP-C. The findings from this study were to aid further refinement of this concept paper.

During the course of the study, the OAG decided based in part on the midterm findings of this study not to proceed with RADP-C as a stand-alone policy project, as had been initially imagined. The initial conceptualization of RADP-C was as a central unit coordinating closely with the Policy Analysis and Legal Affairs Department (PALAD), a unit within MAIL. As findings from this study show, this approach would be unlikely to effectively address the major challenges in policy ownership and implementation within the agricultural sector.

The decision not to implement RADP-C as initially envisioned did not fundamentally change the design of the study, which was already near completion when OAG made this decision. This report and analysis follows the original statement of work (SOW) and a slightly revised set of study questions. The study's findings remain highly relevant to OAG's ongoing programming and also provide a clear foundation for the OAG and other stakeholders within the agricultural sector to understand the current status of agricultural policy issues in Afghanistan.

2. STUDY PURPOSE

The initial purpose of this study was to inform the design of RADP-C and to increase the likelihood that it will contribute to an enabling agricultural environment by addressing key gaps in the policy-making and implementation process. More broadly, this study serves to inform the OAG about the agricultural policy landscape and potential strategies to effectively engage as a donor.

3. STUDY QUESTIONS

This study was designed to answer the following questions:

1. What are the current pressing gaps in policy making and implementation with respect to creating an agricultural enabling environment in Afghanistan?
2. What role could RADP-C play in helping to address these gaps?

The first phase of the study provided an overall assessment of the agricultural sector. The second phase of the study focused on markets to allow for a more in-depth exploration of links and institutional relations on an identified issue of key importance. The study team then generalized insights from this in-depth research back to other key areas and to the overall agricultural sector as much as possible. Based on a request by OAG, the second phase of the study was focused on answering the following five questions:

1. What current policies or absence of policies within the key issue of markets appear to be most detrimental or limiting to Afghan farmers? To the extent possible, given the research design, the team will also attempt to answer this question in relation to other issues that come up during the first phase of the study, including inputs.
2. Do the challenges lie with the policies or the way they are implemented?
3. What structural and organizational factors currently shape (limit or enable) the creation and/or implementation of effective policies within this area?

4. What specific policies or policy areas offer the greatest potential for positive policy change and through what means does this potential exist?
5. What strategies and tools can RADP-C adopt to maximize the potential for a more enabling policy environment for agriculture in Afghanistan?

4. METHODS AND LIMITATIONS

OAG tasked the team with identifying priority gaps within any aspect of agricultural policy making and implementation. In weighing priorities, the team needed to review the content of policy as well as its formulation process and its execution, and the team also reviewed all the institutions involved and their relationships. The team had to weigh this against the actual situation facing farmers rather than to a predetermined set of criteria. Further, the study team also had to consider the planned strategy and design for RADP to-date so that ultimately it would result in specific, actionable recommendations to feed into the RADP-C concept note.

Given this, the team's approach is almost entirely qualitative in nature with the exception of the use of secondary statistical data where available. The overall design and approach of the study was informed by two key assumptions:

1. The overall goal of RADP is to support food security and economic growth, hence an 'enabling environment' is one in which agricultural policy contributes to these goals.
2. Policy gaps and constraints can only be assessed in relation to the ultimate needs that the policy seeks to address. In this case, these are food security and opportunities for economic growth available to farmers across Afghanistan. In other words, policy and policy making should never be ends in themselves.

Based on these assumptions, and in order to meet its purpose effectively, the study was designed in two phases, with the first phase informing the design of the second phase. A full description of the methodological approach is located in Annex VI: Methodology Description.

a. Phase One: Environmental Scan and Identification of Priority Needs

The first phase's primary purpose was to determine what key issues Afghan farmers were facing that most urgently required policy attention. Its secondary purpose was to provide an overall mapping of the policy arena for agriculture: the key institutions, relationships, and policies that govern this sector.

Methods for Phase One

Key Informant Interviews: The team visited Herat, Bamyan, and Mazar to conduct key informant interviews and also carried out in-person interviews in Kabul. The team also interviewed some key respondents working in Helmand and Kandahar by phone. The team selected key informants using a purposive sampling technique, which involves identifying knowledgeable people within NGOs as a proxy to speaking directly with farmers. In addition,

the team spoke to staff from other institutions and projects working directly with farmers, representatives from some farmer associations, and tradesmen and small business leaders.

Additionally, the team spoke with key informants at the DAILs, representatives of major agricultural programs, and some long-time sector experts and observers to get a general sense of the current status of the sector and to assist with the institutional mapping and initial policy links.

Selection of Locations: The study team traveled to Herat, Mazar, and Bamyan because each location is in a different agro-ecological region and all are in areas that would be covered by the proposed RADPs (with the exception of Bamyan).² To augment and extend the findings from these provincial visits, the team conducted a small number of phone interviews with key informants from the South (Helmand and Kandahar) and spoke with experts in Kabul who had a more national perspective and experience in various regions of the country. Table 10 in Annex VI indicates the locations and activities conducted in each location.

Market Visits: In Bamyan and Herat, the study team visited local markets (time limits prevented market visits in Mazar) to make general observations and to speak with traders to learn the origin and prices of the products being sold, and to ask how business was going. The team used an observational checklist in these visits, which is included in Annex VII.

Document Review: For Phase One, the team reviewed relevant studies on agriculture and rural livelihoods and policy making. The team also preliminarily collected and reviewed key policy documents at this stage.

Outcomes of Phase One: Phase One resulted in a short list of priority issues, the selection of one issue for further investigation (markets) in Phase Two, and a mapping of the policy arena. The documentation of these outcomes is in Annex VIII and Annex IX.

b. Phase Two: In-depth Investigation of Policy Response to a Key Priority Need

The purpose of Phase Two was to get a more in-depth understanding of how the GIRoA, and MAIL in particular, is responding to agricultural needs through its policies. This phase focused on issues within the general area of market linkages and marketing. The team selected markets for further study because many key informants identified this as the most critical of the three issue areas, and it seemed that RADP-C might be well positioned to provide support in this area based on the design and planned activities of RADP.

Methods for Phase Two

² The team's understanding at the time of selection is that RADP-C would encompass Bamyan, based on early project documents they had reviewed.

Focus Group Discussions (FGDs) with Farmers, Traders, Processors, and Associations:

The study team aimed to get a broad cross-section of participants, including rich and poor farmers, men and women, livestock herders and crop growers, producers, and agribusinesses (focused primarily on the post-harvest side, rather than the input side).

For this purpose in Phase Two, the team carried out 12 FGDs: six in Mazar and six in Herat. These two locations were chosen for the same reasons detailed in Methods for Phase One, and because the study team was able to mobilize quickly in these areas, which was necessary under the given time constraints.

Although the team did manage to include some small-scale farmers, who represent the vast majority of Afghan producers, the process led to selection bias that favored the wealthy and connected. Ultimately, secondary sources of information and the data from Phase One were used to triangulate and interpret the results from the FGDs. A summary of the 12 FGDs and their compositions are included in Table 11 in Annex VI.

Key Informant Interviews with Policy Actors: From Phase One findings, the team mapped out and spoke to representatives from the key institutions responsible for making and implementing government policy on this topic. In addition, the team conducted semi-structured key informant interviews with staff from some partner institutions to gain an informed outside perspective on the topic, using tailored guides on an interview-by-interview basis. The team conducted a total of 20 key informant interviews at this phase, and more information regarding sampling and the composition of key informant interviews is located in Annex VI.

Document and Policy Review: In Phase Two, the team reviewed reports and other documentation related to market-oriented policies, capacity-building efforts at MAIL, and some of the other key issues identified in Phase One. A full annotated bibliography of these documents is available at the end of this report in Annex IV.

Data Analysis: The team compiled all interview data into electronic format and coded using qualitative analysis software (Dedoose and Atlas.ti) to identify key themes. As much as possible, the study team triangulated and compared key informant interviews regarding policy implementation and institutional relations in the second phase of the study so that the resulting findings are reasonably robust.

Limitations of the Study: The study was subject to the following limitations:

- Security and time affected the selection process for key informants and focus groups, which prevented the study team from traveling far out of the cities. This added the greater potential for selection bias, as those who were relatively nearby, easy to contact and well-connected were more likely to be selected for inclusion by our referents, despite the team's requests for the inclusion of poorer individuals as well;
- Many respondents and interviewees knew about the RADP program (and the team did not hide its purpose), which created a risk of bias;

- Insofar as there seems to be a degree of dysfunction and obfuscation in some institutional dealings (for example, complaints about corruption and nepotism are fairly widespread) and a fair degree of complexity to inter- and intra-institutional relationships, it was beyond the scope of this study to fully investigate and assess these issues;
- As key informants were an important data source, and most were unable to provide the team with written documentation related to what they reported, it was sometimes hard to determine the factual basis for their claims; and
- The study team developed a robust methodology to address as many policy components as possible, but it is impossible to be completely exhaustive, especially when the situation is ever changing.

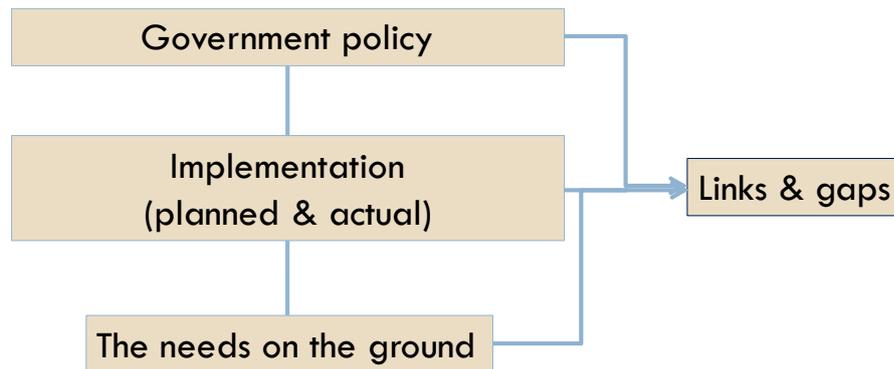
Management of Bias and Potential Sources of Error: The team used triangulation and data saturation to address bias and potential sources of error. The study team tried to sample in a way that would minimize potential bias by speaking to NGO representatives who worked directly with poorer people and by drawing on rigorous empirical studies and data sources, such as the National Risk and Vulnerability Assessment (NRVA). On specific details, there is likely to be a degree of error because the team may only have had one or two data points for these, and there were many sources of distortion and inaccuracy.

III. Findings

The findings section presents the answers to the first three revised questions: 1) What policies or absence of policies appear most detrimental or limiting to Afghan farmers? 2) Do the challenges lie with the policies or the way they are implemented? and 3) What structural or organizational factors currently shape (limit or enable) the creation and/or implementation of effective policies? The fourth and fifth questions are addressed in the conclusions and recommendations section of this report, respectively.

To answer the first question requires information regarding the needs on the ground, with respect to Afghan farmers and other key actors in the agricultural sector (agribusiness, NGOs, cooperatives, and associations, etc.). It then requires investigation into what government policy exists in response to those needs. To answer the second and third question requires investigation into what the government is doing to implement this policy, or what action it is taking that may, in fact, be different from formal policy but is *de facto* policy in practice. Finally, synthesizing and comparing the evidence from these three categories allows for an analysis and identification of existing links and gaps, providing more definitive answer to all these questions, and providing a foundation for robust conclusions. Figure 1 below summarizes this process.

Figure 1: Policy Process in Afghanistan



The findings are presented in three main sections below. Section one begins by providing direct, abbreviated answers to the first three study questions with references to the appropriate subsection containing a fuller, contextualized description and explanation. Section two describes the needs on the ground. Section three focuses on government policy and its implementation and considers how well these respond to the needs described in section two.

1. SUMMARY ANSWERS TO THE THREE QUESTIONS

a. What Current Policies or Absence of Policies Appear to be Most Detrimental or Limiting to Afghan Farmers?

All the data gathered from key informants and focus groups in both stages of the study show that the overall impact of agriculture-related policy is neither highly positive nor highly negative. This is because the government is still largely considered absent, and most policies do not seem to have reached the ground. This can be explained by the newness of many policies (with many still in draft), frequent revisions of existing agricultural policies, and foremost by the weakness in implementation mechanisms and the poor relationship between MAIL and the DAILs. DAILs and district extension offices are generally reported to be very weak. These issues are further described in Findings Section 3.

As a general point, it must also be noted that the impact of policy is varied depending on location: whether a specific DAIL is more active, a new road has been built, irrigation channels have been improved, or security is improving or worsening.³ In that sense, there is no universal answer to this question that applies uniformly across the country.

Despite the variations, there are issues that are clearly of priority concern across the country. Key areas where most pressing policy attention was seen as lacking were the following:

³ See for example, Fishstein's recent case study comparing Balkh and Badakhshan for examples of regional variation, or in even more specific detail at the village level, see Adam Pain. 2010. Understanding and Addressing Context in Afghanistan: How Villages Differ and Why [Kabul, AREU]. Available at: <http://www.areu.org.af/UpdateDownloadHits.aspx?EditionId=466&Pdf=1046E-Understanding%20and%20Addressing%20Context%20in%20Rural%20Afghanistan%20IP%202010%20web-1.pdf>.

water, inputs (especially seeds, planting material, and fertilizer), post-harvest handling and storage, and markets (market linkages and marketing). These are all seen as key problem areas for farmers, as identified by key informants in the first stage of this study.

Of these key areas, the study team picked markets for further investigation into specific policy gaps. This is because there appeared to be gaps both within formal policy and within implementation because it was reported as a relatively neglected area in terms of policy despite receiving programmatic attention, and finally, because it fit well with RADP's focus on facilitating value chain development.

All of the issues identified as critically affecting farmers are interlinked. Water (both its availability and its management) is a crucial issue that limits production and productivity more than any other single issue. Limited options in terms of post-harvest handling and storage are reported to impede producers' and traders' abilities to engage in the market in a strategic way and to capture more of the value chain. Likewise, high cost and poor quality inputs increase the costs and risks of production and reduce productivity and can often force farmers into suboptimal arrangements in which they must incur a large amount of debt or agree to sell their produce to input suppliers at a low price. There are policies that have been passed or are in draft addressing all of these issues, and yet these policies have so far not managed to adequately respond to the issues on the ground. A summary of the issues, their corresponding policies, and the degree to which the current policy appears to address these issues is provided in Annexes X, XI, XII, and XIII.

The cumulative effect of these difficulties, combined with other sources of risk and uncertainty, is formidable. Many farmers can barely make a living through farming and depend on other sources of income including labor migration. The livelihood context in which these issues are playing out is described in Findings section two.

Specific to the issue of markets, the responsibility for policies related to agricultural markets falls largely within the domain of the MoCI, although production for markets (including post-harvest storage and handling) and related extension efforts fall to MAIL, as does the setting of standards and testing for quality for agricultural inputs and products. There are gaps within existing policy on markets. There are no policies that address tariff controls and quality control for domestic markets, and no policies for developing and marketing Afghan brand recognition, either domestically or internationally, although both of these areas have been identified as areas of high need. MAIL has not yet developed an adequate policy and strategy for assisting farmers to understand how to produce for the market and particularly, how to harvest and grade their produce. Some of these latter issues are mentioned in draft policies, including the horticulture and livestock policies. More detail on issues and policy responses is presented in the latter parts of Findings Section 2 and Findings Section 3.

b. Do the Challenges Lie with the Policies or the Way they are Implemented?

Section 3 of these findings addresses this question in more detail by considering each of the policymaking, policy content, and policy implementation components distinctly. In fact, there are challenges in all of these areas. The biggest weakness, however, is in policy implementation.

The status of particular policies in response to specific market-related issues is described in Section 3 and, for the other priority issues, in Annexes X, XI, XII, and XIII. In many areas, policies are still being drafted, have not yet been passed, or have been passed so recently that it is too early to know if they will be effective in addressing issues. If these policies are to be effective in practice, it will be very important to have a mechanism to review and adjust them, as necessary. So far, such a mechanism does not exist.

In general, the content of the policies that have been drafted appears to be of a high standard and, with implementation and effective feedback mechanisms, could go far in addressing many of the issues that this study identified as critical. However, there are major issues with institutional ownership since the process of creating such policies has been largely ad hoc and heavily donor driven. Lack of ownership by the government has meant that following through on implementation has also been patchy and largely donor driven. Activity is primarily tied to projects: when projects end, activity dies down. Findings Section 3 addresses efforts to build capacity within MAIL and the DAILs. These efforts are noteworthy and have resulted in some administrative improvements, but the overall prognosis is that MAIL's capacity to make and implement policy remains very low.

With regard to markets, existing formal policy (both passed and in draft) does not yet adequately address all the issues raised. However, the SME Sector Action Plan for Agribusiness does address most of these issues, either through proposed additional institutions (such as a branding agency, for example) or through proposed additional or revised legislation. The main mechanism for achieving this is the Agribusiness Taskforce (coming May 2014) and coordinating across all key stakeholders. A more detailed description and analysis of this is given in Findings Section 3.

c. What Structural and Organizational Factors Currently Shape (limit or enable) the Creation and/or Implementation of Effective Policies?

Table 1 below lists eight key challenges related to policy implementation within MAIL. These challenges apply to all policies. Looking specifically at the issue of markets, there has also been very weak or no coordination between MAIL and the Department of Customs and between MAIL and ACCI. The overall weakness of the government extension service is coupled with a lack of strategy to support farmers in better understanding how to meet market demands. The challenges listed in this table are further described in Findings Section 3.

Table 1: Summary of Key Challenges in Policy Implementation (General)

| |
|---|
| 1) Policy is not linked to implementation. |
| 2) Policy is driven by donors and lacks MAIL ownership (efforts end when funding does). |
| 3) DAILs and district offices are not fully functional. |
| 4) Communication and coordination between MAIL and DAILs remain weak. |
| 5) Communication between DAILs, district extension workers, and farmers (individually or through associations) is extremely limited and ad hoc. |
| 6) Efforts at capacity building have so far had limited effect on long-term institutional strength. |
| 7) Much activity is only loosely tied to policy and is off-budget: coordination, reach, and sustainability are all concerns. |
| 8) Donor-driven efforts to set up structures do not always mesh with ground realities. |

A common denominator in these challenges is that efforts at policymaking, implementation and institutional reform have been donor-driven in large measure without sufficient ownership from the government side. The current Minister of Agriculture, who was appointed in late 2008, was welcomed by many as a strong, visionary manager who was able to work effectively with the donors to reform MAIL into a more effective institution.⁴ However, these efforts have stalled over the last few years, and key informants in MAIL, other parts of the government, NGOs, and implementing partners have expressed concern about the capacity of MAIL and about a high level of politicization that is undermining reform efforts and its overall effectiveness.

In absence of a fully effective partnership, attempted reforms have not fully meshed with or deeply penetrated the institutional realities of MAIL. In the meanwhile, most activity in this sector has been through off-budget programs that are only loosely linked to policy and which have limited reach and sustainability.

2. ON THE GROUND

This section describes the study team’s findings regarding the situation in the agricultural sector as it appears on the ground. It begins with some initial observations on farming as part of a broader livelihood strategy in rural Afghanistan, based on key informant interviews and a literature review. Then it explains the environmental scan that the team completed in the first phase of the study to identify priority issues discussed by study respondents as needing greater attention from policy. Finally, it presents a more in-depth analysis of key issues

⁴ See Annex IX for a more complete description of the policy arena for agriculture in Afghanistan.

requiring greater policy response on the topic of agricultural markets based primarily on data from 12 focus group interviews conducted in the second phase of this study.

a. The Farming Context: Tenuous Livelihoods⁵

In the first phase of the study, the team asked key informants from NGOs, program implementers, and DAIL offices if farmers, generally speaking, were better off, worse off, or in the same condition as they were five years ago, and about farmers' general ability to meet food security and economic needs.⁶

Responses revealed that despite noteworthy improvements in areas such as fruit crops and a wide variety of programs, farming in Afghanistan remains a tenuous way of making a living. On the positive side, infrastructure has improved in many areas, and there has been some new market development. Where people pointed to improvements, it was usually within specific programs and areas of intervention. Many programs claimed having a very positive effect on people's lives (claims that were not verified in this study). However, key informants also noted that those programs had limited reach, and the farmers outside the programs were no better off than before. Much of farmers' well-being is dependent on the weather. A good rain means a good harvest, but drought, a harsh winter, or an outbreak of disease within a key crop or livestock can be devastating. One key informant in Herat told the team he had observed that working more than 20 years in the sector, in drought years, violence increased as people turned to 'political ways' of making a living, joining up with government or insurgent forces.

Most of the key informants consulted in this study were in Herat and Balkh, areas that have received a relatively large amount of donor support, have relatively large and active DAILs, and reasonably good access to large domestic markets, as well as international border crossings. These are areas of the country with relatively good agricultural prospects. Nonetheless, some key informants noted that farming was getting harder for many people, especially the poor and those with small land holdings. Insecurity, decreasing land holdings, poor and uncertain agricultural markets, unpredictable climate, and a depth of poverty that makes recovery from shocks very difficult are all reasons cited.

The 2012 NRVA data confirms that 39 percent of the rural population is below the poverty line, and inequality levels have slightly increased. It also shows average land holdings are getting smaller.⁷

⁵ Please also see the contextual description of farming in Annex IX: Mapping the Policy Arena.

⁶ Because rural and remote households are difficult to reach, especially under the prevailing security conditions, the study team chose to speak with key informants who work with a broad range of farmers rather than attempting to select a 'convenience sample' of farmers to speak with directly.

⁷ Central Statistics Organization. 2014. *National Risk and Vulnerability Assessment 2011-12. Afghanistan Living Condition Survey*. Kabul: CSO.

A longitudinal study of rural households conducted by AREU likewise shows that poor households are extremely vulnerable to shocks and risks, and the majority of households in the study saw their livelihood security decrease over seven years (2002 to 2009).⁸ As a number of key informants emphasized to the study team, only the wealthiest households are in a position to treat farming as a commercial activity and have the capacity to take on full risks.

Key informant interviews corroborate NRVA data that shows food security is still a major concern for rural families. Many families are not able to meet their food security and economic needs through farming and must find other sources of income. The rural labor market and small enterprise are important, to the degree that opportunities exist. Many families also depend on labor migration: sending sons to the city or to Iran to work.

Families seek economic opportunities outside of agriculture largely because agriculture is risky and often has low returns. The AREU study, “Running Out of Options,” found that both households that had managed to improve their economic well-being and security and households that had not done so were employing economic diversification strategies that sought options other than agriculture. Findings from the Phase One Key Informant Interviews make it clear why households are doing this. One key informant recounted the experience of a sharecropper in Nangarhar who used the land to grow onions. On harvest, the man rented a truck and transported almost 250 bags of onions to sell at an auction in the Peshawar and Rawalpindi market. However, the final selling price for the onions did not even cover the transportation cost. The study team heard similar stories in Herat and in Kabul. Agricultural production costs in Afghanistan are often higher than market prices, both domestically and regionally, due to stiff competition from neighboring countries.

When returns on agriculture are so low and so uncertain, there is little incentive to invest, and those who can invest are diversifying out or leaving altogether. One key informant told the team, “Day by day, farmers come from districts to the city because agriculture is not cost effective. They want to change their profession because agriculture is not profitable for them.”

Despite this, there is plenty of evidence that farmers are responsive to market demand and market opportunities when they have enough information and judge the risk to be manageable. For example, farmers have taken up new crops such as saffron through programs but also individually and independently because it is profitable. In *Agricultural Rehabilitation in Afghanistan*, Ian Christoplos argues that this may be the best option for creating greater market growth:

⁸ Paula Kantor and Adam Pain. 2011. *Running out of Options: Tracing Rural Afghan Livelihoods*. [Kabul: AREU]

Many observers claim that dramatic growth in agricultural productivity is feasible because productivity is currently so low. This is blamed on ‘traditional’ subsistence farming, which uses techniques that have remained ‘unchanged for centuries’. Images such as these stem from undercapitalized production systems and the appearance of village life, and are not based on an understanding of the historical processes that have created the current system. For much of the past century, Afghanistan has had a strong, market-oriented agricultural system. Afghan farmers have been quick to adopt new varieties and, when weather conditions have been favorable, they have rapidly increased their production.⁹

This suggests that at a ‘big picture’ level the Afghan government and its partners need to develop effective long-term strategies to make the risk of Afghan markets manageable for Afghan farmers and agribusiness.

b. Scanning the Sector: Priority Concerns

The first phase of this study identified the key issues constraining Afghan farmers that deserved greater policy attention according to key informants.¹⁰ As a result, the study team generated a short list of five key issues according to the following criteria:

1. Appears to be countrywide rather than specific to a given region;
2. Falls within umbrella of overall RADP goal (food security and economic growth);
3. Is relevant to a broad spectrum of farmers (smallholders as well as larger farmers; women as well as men);
4. Appears that existing efforts to address it are inadequate;
5. Appears that RADP-C could have the potential to address it (whether through capacity building or other strategy);
6. Complements and leverages RADP’s other areas of focus – particularly the focus on promoting value chains.

Analysis of key informant responses resulted in this short list of five priority issues that were widely seen to require more effective policy attention:

1. Lack of identified markets and market information;
2. Post-harvest loss/storage;
3. Fertilizer and agrochemicals;
4. Seeds and planting material;
5. Water (including water management and dams).

Of these five issues, the team selected lack of markets and market information for further investigation in the second phase of the study, which delved more deeply into the policy gaps

⁹ Pp. 6-7, Ian Christoplos, 2004. *Agricultural Rehabilitation in Afghanistan*. London, UK: ODI

¹⁰ Please refer to the Annex VI Methodology Description for full details on the selection and analysis process for generating this list.

and institutional context around agricultural markets. See Annexes X, XI, XII, and XIII for further detail on the remaining four issues and why they were ranked as major concerns.

c. Agricultural Markets

Because the functioning of agricultural markets is such a crucial issue to the economic wellbeing of Afghan producers, and because the RADP program seeks specifically to develop value chains for high value crops and livestock products, the team selected the issue of markets for further investigation. The second phase of the study sought to understand what public policy makers and implementers are doing in this area, where the gaps exist in policy, and what role RADP-C might play in supporting more effective policy and implementation.

Twelve FGDs provide the main source for the in-depth component of the study on market issues (six in Balkh and six in Herat). In total, these FGDs consisted of 87 men and women involved in a variety of market-oriented activities including both crop and livestock production, processing, and trading. The total range of crops and livestock products that the different group members were engaged in is shown in the table below.

Table 2: Items Produced, Processed, and Traded by Focus Group Participants

| | Balkh | | Herat | |
|--------------------------------------|-------|-------|-------|-------|
| | Men | Women | Men | Women |
| <i>Crops</i> | | | | |
| Raisins and dried fruit | y | | y | |
| Fresh fruits | y | | | |
| Saffron | y | y | y | y |
| Licorice | y | | | |
| Pistachios | | | y | |
| Almonds | | | y | |
| Mung bean | | | y | |
| Soya bean | | y | | |
| Vegetables | y | y | y | y |
| Cumin | | | y | |
| Barley | | | y | |
| Wheat | y | | | |
| Cotton | y | | | |
| Rice | y | | | |
| Corn | y | | | |
| <i>Livestock and Animal Products</i> | | | | |
| Dairy | y | y | | y |
| Cashmere | | y | y | y |
| Hides | | y | y | y |
| Wool | | | y | |

| | | | | |
|--------------------------------|---|---|---|---|
| Poultry | | y | y | y |
| Honey | y | | | y |
| Silk (cocoons and weaving) | | y | | y |
| Fodder crop production | y | | | |
| Livestock (bulls, cows, sheep) | | y | | |

The study team asked FGD participants how they engaged in markets, how prices were determined, and difficulties they faced before asking about how government regulations and activities either positively or negatively influenced their work.

Despite the wide range of approaches and experiences in value chains (see Figure 2), some of the most pressing concerns amongst the participants cut across all of them. These included lack of competitiveness in domestic markets and in export markets and farmers’ lack of ability to influence market prices or take advantage of market opportunities. Figure 2 presents a full list of the concerns raised by FGDs, and these concerns are also discussed below.

Domestic Markets

By far the most common and pressing complaint from focus groups was the difficulty they face to compete even in domestic markets as they are faced with steep competition from competing imports. As a participant in one of the Herat FGDs explained, “These days it’s an open market, so even domestically there is much more competition from foreigners. Our production is poor and at low levels, and there is a lot of competition.”

The relatively high production costs that Afghans face means it is difficult for them to compete. These high costs are attributed largely to the use of low productivity techniques, high cost of inputs (often of low quality) and transport, lack of in-country storage and processing facilities, and the fact that almost all inputs, packaging, and processing equipment must be imported.

Another problem, according to some participants, is that no one has much information on domestic markets. If farmers find something that has demand and can fetch a decent price, such as garlic, others are fast to adopt, but this can lead to a glut in production and a fall in prices. This is exacerbated by the lack of storage and processing options. Traders are often able to take advantage of these gluts, but farmers lose out and may not even be able to recoup their costs.

Farmers further lose out on the full potential value of their produce because very few of them know about grading produce, so they mix low quality and high quality produce together. Also, for the most part, they are poorly organized and sell their products individually.

Figure 2: Agricultural Value Chains Box

While it is beyond the scope of this study to give a full detailing of each value chain (and much of these are documented in other studies), it is worth taking note of the diversity in approaches to building up agricultural value chains in Afghanistan. Here are three short examples.

Dairy: The Food and Agriculture Organization of the United Nations (FAO) has put a great emphasis on the development of dairy unions. The men's livestock focus groups in Herat reported that becoming a member of the dairy union was a rigorous process. The dairy union is growing and is essentially an organized and concerted effort to revive the dairy sector in the country. Dairy unions are established regionally, and each produces principally for its own region (i.e., Herat, Balkh, Kabul, etc.). Because the dairy unions have been able to organize producers to a great extent, they have also been able to set prices in reflection of the market taking into account production costs. While this study cannot claim to have done a thorough assessment of the approach, unionizing appeared to be one of the best examples of organizing producers so that they have some degree of control over the market.

Saffron: Saffron is another cash crop that donors and NGOs introduced relatively recently to farmers as an alternative to growing opium poppy, according to focus group members in Herat. Like opium, saffron does well in dry conditions, is labor intensive, and is potentially very lucrative as it targets export markets primarily. Further, women are largely involved in harvesting the crop. NGOs have set up saffron associations in both Herat and Balkh, including associations that include or are exclusive to women. They have provided corms, as well as training in growing saffron, and in some instances, grading and packaging. Because saffron has the potential to be so profitable, many people have also independently begun to grow it, and this has undercut the associations' efforts to maintain quality and prices. The team heard complaints from focus group members in both Balkh and Herat about less-informed people failing to grade and sort their saffron appropriately. They are selling at far below the going market rates because they were not fully aware of the going market rates, and because they were in need of cash. The price of saffron has gone down since it was first introduced to Afghan growers, in part because of overall global market fluctuations and in part because of increased competition.

Dried Fruit: In contrast, the market for dried fruit and nuts is filled with independent businessmen who, in some cases, are running businesses that have been in operation throughout the war period. They have well-established networks and working relationships. The best market for these products, and especially for raisins, is in certain regions of India, where Afghan raisins are highly priced and fetch a premium price. Businessmen typically send intermediary agents to buy grapes directly from farmers before sorting and processing them at their factories. The farmers they buy from typically have small scale production, and there is no minimum amount that they must meet. The processors complain that the farmers do not know about processing and post-harvest handling, so, barring a few stipulations about the variety of grapes they require, the businesses do the sorting and grading after buying from the farmers. They report that the demand for Afghan products is high, and in fact, they cannot meet it – largely because the supply is seasonal and their storage capacity is limited.

But the biggest complaint the study team received in nearly every focus group from both men and women, traders and producers, in Herat and in Balkh is that neighboring countries are deliberately flooding their markets with low quality goods, and that they are actively undermining Afghans' efforts to rebuild their productive sector because they do not want the competition. The team heard this complaint with regard to silk, dairy, and even saffron, although the latter is primarily an export crop. These complaints are so pervasive it appears that people are not always distinguishing between deliberate dumping (when imports are priced below their own cost of production, and then when Afghan producers are out of business, the prices increase) and cases where importing countries have lower production costs and thus can manage to sustainably undersell. It appears that both of these situations may be happening, and the effect is that many Afghans are being squeezed out of the agricultural market altogether.

One key informant from Herat told the team, "There is a good market for saffron...all over Afghanistan and also outside for a good price...but not for the other crops because everything is coming from China, Iran, other countries. When we go to the market and ask, 'Where did this vegetable come from?' they say it came from China, Iran, or Pakistan."

A silk producer from Herat notes, as lower quality imports from China flood the market, Afghan consumers buy that instead. But, she questions whether the scarves labeled as silk are actually 100 percent silk. Likewise, Afghan honey producers claim Iranian imports are adulterated with sugar, mislabeled, and sold cheaply. The government is failing to test and control this, and it is hurting Afghan producers. Many FGD participants wanted the Afghan government to ban imports altogether if Afghans can produce those imports themselves. Recognizing this might not be feasible, or entirely fair to consumers, they wanted more effective tariff and tax regimes so that Afghan products can compete. The unfettered 'open market' is undermining Afghan agriculture's ability to get back on its feet.

Focus group members complain that when they have brought the issue up with government officials, they are told there is nothing they can do. They blame corruption and an ineffectual government.

Export Markets

Export markets for Afghan products are mixed. The export market for dried fruit, particularly, raisins, is fairly strong and well researched. Although Afghan exports are only a small percent of its imports (about six percent), raisins make up a major proportion of this figure, and agricultural products represent one of Afghanistan's most profitable export sectors.

One advantage that the traders enjoy is that GIRoA has scrapped tariffs for the export of Afghan products. Nonetheless, some focus group members in Mazar reported being subject to fees at custom offices before they were able to export their goods.

For export, one focus group noted that the government issued phytosanitary certificates quite rapidly compared to the past. But FGD members in several groups (in both Herat and Mazar) also observed that the certification did not seem to be based on actual testing. This means that Afghan produce is getting a bad reputation in certain markets and risks being banned for health reasons. The problem is serious enough that traders and exporters themselves want the government to regulate more effectively. For example, one key informant told us, “Last week, a shipment of 71.5 tons of pistachio kernels was rejected by Europe because it was affected by aflatoxins.”¹¹ Another example, given in the Herat livestock FGD, is that China recently wrote a letter to the Afghan government complaining about the poor condition of their exported cashmere, which was not meeting international standards.

The capacity to meet International Organization for Standardization (ISO) certifications will greatly improve competitiveness and access to markets. And, since many Afghan products are essentially organic, having a system in place for organic certification would allow them to market this so that they can receive premium international prices for their products.

As with imports, Afghans find that their neighbors are obstructionist when it comes to export. This includes border closures at times of peak demand. Traders from neighboring countries reportedly buy Afghan products cheaply and re-export them, gaining much of the value addition.

Lack of Supportive Government Regulation and Programming

The sentiment expressed by one key informant was echoed by many others, “I don’t see the government or international organizations helping link farmers to the market, and the government isn’t stopping goods coming in from other countries, even though we can produce it here. I don’t see any effort.” Traders and processors in FGDs in both Herat and Mazar largely concurred with this, citing an overall lack of support both in terms of favorable regulation and supportive programming.

As many areas have seen improved infrastructure, the creation of market structures, and other investments, this widespread dissatisfaction in part reflects the knowledge that donors have spent a lot of money, but it does not seem to add up to the results that people expected. This sort of observation has been made in other sectors as well.¹²

In the past, the government approach has been one of direct intervention. Informants recall times when state-owned industries, such as cotton mills, purchased their produce at stable prices, and even told them what they should plant. This direct approach is not part of the government’s current strategy – it has no way to fund it by itself, and donors would not

¹¹ Aflatoxins are toxins produced by a mold that grows in nuts, seeds, and legumes. Source: <http://www.nlm.nih.gov/medlineplus/ency/article/002429.htm>.

¹² Parkinson, Sarah, Means to What End? Policymaking and State-Building in Afghanistan, AREU Synthesis Paper Series, Kabul, 2010.

support it. Nonetheless, these are experiences that shape Afghan producers' expectations of the government. In the meanwhile, markets are currently not in a state to support a secure living.

There can be market-based solutions that are supported by government policy. For example, for saffron, farmers can get advance payment from agribusinesses when the saffron is still at the green stage. This is, in part, because the market for saffron is relatively strong. One businessman told us he and his partner tried to import fertilizers to supply to the farmers that they buy produce from, but they could not get government permission to do so. But, it is exactly this sort of thing, finding ways to allow small businesses and farmers' associations to work up and down the value chain that is going to allow them to capture more value for their efforts and reduce risk.

Exclusion of Women

Women are major actors in many agricultural value chains, especially at the harvesting and processing stages. NGOs and off-budget programs have supported women within specific value chains, including saffron, silk, honey, dairy, cashmere and poultry. Support often includes the provision of inputs, training in production and in harvesting and post-production handling, and help with packaging and marketing. These efforts have meant that women beneficiaries have been able to produce good quality products, often link them to market, and earn income. But there must be questions around the longer term sustainability of these efforts: as one woman in a Herat-based focus group noted, they would not be able to continue their activities even for one week if the NGOs were to stop supporting them. The support also means that the women's production is subsidized, and it is unclear how viable their efforts would be otherwise. On the other hand, women have received little or no attention from the DAILs and report that in some cases, the government has had a negative impact by organizing men's groups for value chains in which they are already engaged in, excluding women, and undermining their existing efforts.

Women in both Balkh and Herat reported being sidelined or overlooked by the government when it comes to agriculture and their contribution. Women in Balkh argued that women's contribution to agriculture should be officially recognized. They suggested that if the government expands their activities to villages to reach more women then slowly women's work will be recognized. According to the respondents, women are more active in the villages and the districts because they are doing all of the work compared to the men. Even when a man leases land to farm, it is the women and children who are doing all of the harvesting. They also called for separate women's markets where women could directly sell crop products, poultry, and eggs, and these markets could also be used as training centers.

Women in Herat also wanted greater recognition by the government. They claimed DAIL did not invite women's businesses and associations to any of its agricultural events. And, although the women's saffron association was formed first and has 1,284 members, the

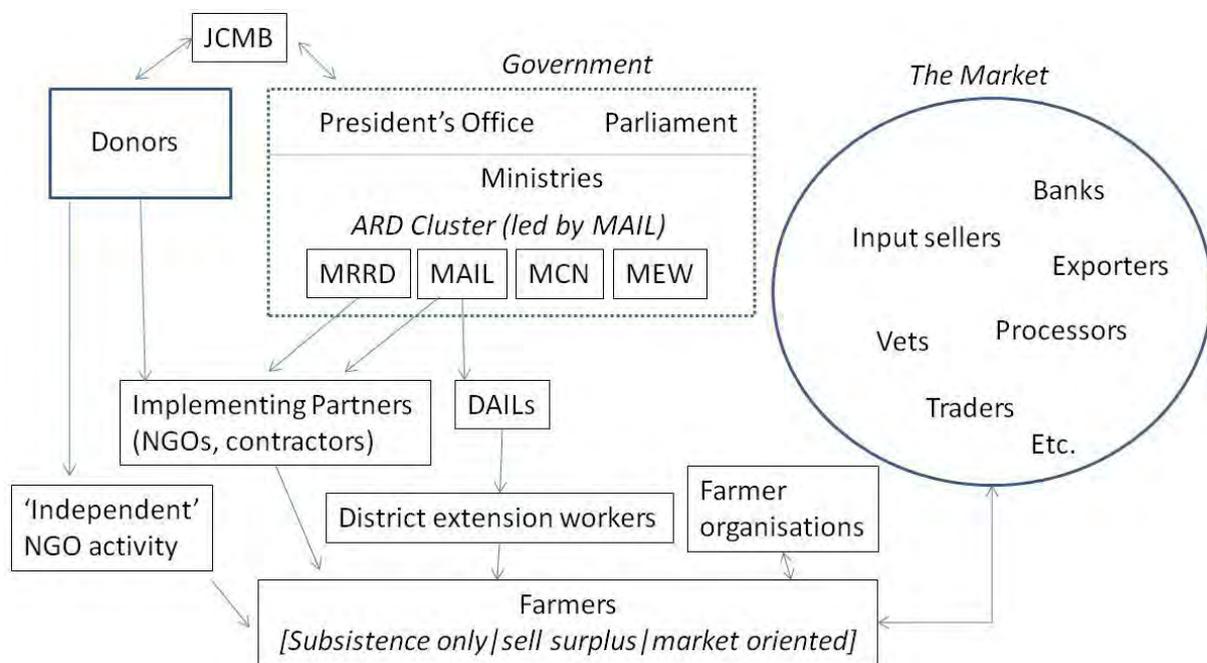
respondents reported that DAIL ignored it. Instead, DAIL established a men’s association and gave them \$100,000 creating competition with the women.

On the other hand, women, as noted above, are benefitting from programs that directly target them, delivered mainly by NGOs. Clearly, these efforts need to be better recognized by the government and coordinated with government activities. MAIL does have a gender policy, but it does not seem to be fully considered in the agriculture arena.

3. FORMAL POLICY AND ITS IMPLEMENTATION

a. Making and Passing Policy

Figure 3: A Graphic Overview of the Policy Arena



An Overview of Policy Making at MAIL

There has been no shortage of policy development taking place under the auspices of MAIL since 2002. Most of this has been driven by donors, despite various efforts at building government ownership, both from the donors and from the top leadership of MAIL itself. The Change Management Program is a key component of the National Agricultural Development Framework (NADF), and one of its main goals is to build MAIL’s capacity to develop policy as well as to be able to implement it.

Key studies on policy making within the Afghan government, and at MAIL in particular, include the 2008 case study of policy making at MAIL and Ministry of Rural Rehabilitation and Development (MRRD) by Adam Pain and Sayed Mohammad Shah, and a more recent Master’s thesis by Jawed Nader, which covers the first four years of the tenure of the current

minister, Asif Rahimi, from his appointment in late 2008 through mid-2012. Both of these show that donors have been, and continue to be, major drivers of policy making within MAIL.¹³ This observation is confirmed by the study team's primary research. For example, a key informant from an implementing partner told the team, "Policies are not MAIL policies. HLP [Horticulture and Livestock Program] is a World Bank policy, not MAIL's policy. As an implementing partner, [name withheld] was implementing World Bank policy."

Indeed, many of the policies that have been recently drafted or are currently under draft are clearly associated with specific donors and projects. The Water Law, passed in 2009, was driven in large part by the EU and key non-governmental stakeholders involved in the Panj Amu River Basin Project.¹⁴ The new fertilizer law, which is still to be passed, is largely a product of the World Bank-funded Afghanistan Agricultural Input Program (AAIP).

The process for developing a specific policy depends to a large degree, therefore, on how the project driving the process proceeds. Usually, the project implementers are working in conjunction with the relevant Ministry departments, and they are sometimes embedded in those departments. Often, they convene working groups and consult relevant stakeholders, including non-governmental actors. They also have access to international technical experts and can commission studies to feed into the policies, meaning that many of these policies are in fact quite technically sound and can be considered fairly progressive.

The horticultural policy, for example, was developed largely through an EU project called Support to the Institutional Development of the MAIL, implemented by GRM International from 2012-13.¹⁵ The project organizers developed a concept note for the policy and then created a number of technical working groups (focused on post-harvest, value chain, planting, pest and disease, and market), which included a broad range of stakeholders from universities, the private sector, GIROA, various project implementers, and NGOs. This sort of process allows for a range of technical input, but it also gives the sponsoring donor a great deal of discretionary power in determining the overall direction and scope of the policy.

Disagreements in Policy Content

Both the AREU study and Nader's thesis show that some of the most substantive disagreements over policy content have been between donors. To the extent that USAID has been perceived as heavy handed in favor of its own policy view, this has sometimes created tension with donors.¹⁶ Nader notes that the perception that USAID was not open to dialogue

¹³ Adam Pain & Sayed Mohammad Shah (2009) Policymaking in Agriculture and Rural Development. [Kabul, AREU]; Jawed Nader (October 2012) Policy Network Approach: An Investigation of Agricultural Projects Prioritization in Afghanistan [Bristol: University of Bristol, unpublished Masters' thesis]

¹⁴ Wegerich, Kai, Water Strategy Meets Local Reality, AREU Issues Paper Series, Kabul, 2009.

¹⁵ Key informant interview. See also GRM International's website at:

http://www.grminternational.com/projects/support_to_the_institutional_development_of_the_ministry_of_agriculture_irr

¹⁶ Pain and Shah document a case in which USAID-funded advisors redrafted the Agricultural Master Plan at the last minute, without consulting other donors, which was seen by the latter, and by many within the government, as a hijacking of the policy process. Policymaking in Agriculture and Rural Development, p15.

led to a breakdown in communication between them and the other donors.¹⁷ On the other hand, whether or not donors are working together collaboratively, they can undermine the GIROA's agenda just by refusing to fund its programs, as seems to be the case with the Food for Life subcomponent of the NADF.¹⁸ These observations are part of a legacy that the current OAG needs to be sensitive to if it wishes to be an effective player in supporting the government's capacity to create evidence-based agricultural policy. It must be clear, both to itself and to other players, the extent it wishes to pursue a certain policy agenda by any means, and the extent to which it is committed toward supporting transparent processes in which evidence and the views and wishes of Afghan citizens determine policy content.

Generally, the government has prioritized food security more than the donors have in their initiatives. Of the donors, USAID has been least focused on food security and most exclusively focused on commercialization.¹⁹ But, the evidence from the NRVA and other empirical studies, including the work done by USAID-funded Famine Early Warning Systems Network (FEWSNET), strongly suggests that there is a continuing need to focus on food security because most rural Afghans continue to be food insecure, or at risk of food insecurity. Ignoring the needs of the rural majority, putting aside the obvious ethical implications, is likely to sustain and increase opium production and weaken the overall prospects of developing a sustainable market for licit production.²⁰

Reasons for Delays in Making and Passing Policy

Turning to the current status of many of the policies, strategies, laws, and regulations within MAIL, the team reported that many of them are still to be passed. The study team presents two potential reasons why this is the case.

The first reason is that policymaking is political and it takes time. If there are substantive disagreements that lead to stonewalling or breakdowns in communications, as Nader had observed, processes can essentially become stalled. On the other hand, decision making within the government is quite centralized, and there are a number of key actors within the policymaking process who must vet a policy before it is approved and who have veto power. MAIL itself has veto power, and can exercise this if, for example, it disagrees substantively with a donor-generated policy.

The specific example of the development of the environmental law provides a clearer picture of how these issues play out.²¹ Drafting began in 2008, but the environmental law was only recently passed; in total, the whole process took nearly six years. Drafting the law involved

¹⁷ Nader, p38.

¹⁸ Nader, p38.

¹⁹ Based on the findings of Nader, Pain & Shah, and corroborated by a number of key informant interviews conducted for this study.

²⁰ Flaming, Lorene and Roe, Alan, Water Management, Livestock and the Opium Economy: Opportunities for Pro-Poor Agricultural Growth, AREU Synthesis Paper Series, Kabul, 2009.

²¹ These observations are based on the direct experience of one of the study team members, Erin Hannan, who was involved in developing supporting policies and ANDS documents, and with helping NEPA and MAIL execute their responsibilities under the Law.

two government bodies, MAIL and the National Environmental Protection Agency (NEPA). MAIL and NEPA had to negotiate their roles due to substantive disagreements causing delays. Furthermore, the environmental law was based on a model, championed by donors, which laid out a much more hands-off role for the government than it was used to. This caused government resistance and delays, as it took time for MAIL and NEPA to understand and accept this new approach. Finally, the Ministry of Justice (MoJ), which must review the law for constitutional harmony, also took issue with the substance of the law. While this was overstepping the MoJ's official jurisdiction, it nonetheless caused delays.

The second reason is simply that many of the policies waiting to be passed were only drafted quite recently, such as the Horticultural Policy described above. With 2014 marking a watershed period, during which international combat troops withdraw and aid levels are anticipated to decline sharply, donors have put greater attention on transferring their long term programs and projects to government management. This seems to have had the positive effect of causing everyone to step back and take a reflective, longer term view. What has all the activity of the past twelve years of support added up to? While there has been plenty of attention from the early years on overarching policy frameworks, such as the Afghan Compact and the Afghanistan National Development Strategy (ANDS), progress on intermediate policies has been more haphazard. It seems that many donors are now making the push to create policies that, to some degree, institutionalize their programmatic efforts. Thus, the same project that drove the creation of the Horticultural Policy also includes elements aimed at transferring the EU's programs to MAIL control and building MAIL's capacity to administer these programs. Similarly to a number of other initiatives that will be considered shortly, it also included a component to increase MAIL's capacity to develop policy through "evidence-based and bottom-up and participatory policy development and planning."²²

MAIL's Capacity for Policymaking and Policy Ownership

While NADF includes a Change Management Program that aims, among other items, to build policy making capacity within MAIL, its impacts, as observed by the study team, seemed uncertain. Those we spoke to within MAIL had different perspectives on policy and policy making. The Policy Analysis and Legal Affairs Department (PALAD) was initially established in late 2010 under the General Directorate of Policy and Planning. In late 2012, an effort to re-launch it was made, because, "for a number of reasons, including lack of a well communicated vision and well developed work program, as well as high turnover of staff, PALAD has so far not been properly established, and has not achieved the expected traction as a key essential service unit of MAIL."²³ But the attempt to revive PALAD appears to have

²² From GRM International website http://www.grminternational.com/projects/support_to_the_institutional_development_of_the_ministry_of_agriculture_irr Accessed May 19 2014.

²³ MAIL P5 Guidelines for Re-Establishment and Launching of PALAD and Work Programme for First Year of Operations. Draft December 2012.

been even less successful than the initial effort. One key informant described the situation like this:

PALAD was flashy and now empty. In 18 months, as soon as the Change Management 1 finished, all the staff disappeared and turned off the lights. The one young intern is now the General Manager for Policy, there is one general manager for legal and a bloke who keeps the database. Change Management was a pretty big project through Asia Foundation. They did nationalize and paid the staff good money...Within two weeks it all stopped. We have all these policies but no policies have happened, not one thing has happened since the change management project ended. We have a whole Ministry with an important portfolio and no policies implemented. Change Management 1 ended September 2011. The Ministry's work just died since then.²⁴

PALAD was a response to the ad hoc and reactive policy making that was, up until that point, happening at MAIL, across different technical directorates. When the study team visited PALAD in April 2014, the wheel had come full circle, and PALAD had again run out of external funding, most of the staff had left, and the unit's future was uncertain. Further, PALAD's staff appeared to have been largely marginalized from, and incidental to, most of the spate of policymaking that had gone on at the Ministry. They were unable to tell us the status of several fairly major policies that were currently in draft, for example.

One implementing partner involved in capacity development at MAIL commented, “[We] have spent money helping policy development for MAIL but nothing has worked.”

It was beyond the scope of this study to fully investigate all the reasons behind the fate of PALAD. Finding staff with the right balance of qualifications seems to have been one issue: most of PALAD's staff were lawyers, rather than public policy experts. The general climate and broader structural issues in the Ministry are other factors, described more in the section on implementation below. One informant noted that some projects within the Ministry exist largely for the purpose of pleasing donors and attracting funds, and from the perspective of at least some Ministry staff, PALAD seems to have fallen into this category. The Ministry's technical directorates may not have been convinced of the need to have another separate policymaking unit, when the technical directorates have already, at least from their perspective, been taking on the task of setting policy. Further, most of PALAD's staff were receiving their salaries through donor funding, and so they were compensated at a much higher rate than regular MAIL staff, which can often be a source of resentment and tension.

²⁴ Key informant interview code B01.

b. General Findings on Policy Content and Implementation

This section reviews the overarching MAIL policy, and specifically the NADF, describing the degree to which it appears to adequately address the issues described in the previous section. Then it describes policy implementation within the agricultural sector, and specifically within MAIL, and some of the key gaps and constraints that were identified in the course of the study.

Overarching Policy

Agriculture and Rural Development Sector Strategy (2008 - 2013)

Along with the ANDS, the Agriculture and Rural Development Sector Strategy clearly sets out a vision of market led development. The review of data in the previous section suggests that a market led approach will not benefit the majority of rural Afghans, at least in the short term, since their ability to link to markets and manage risk is highly constrained. If development is to be market led, making markets work for Afghans should be a major policy priority.

NADF (April 2009)

The overarching policy for the agricultural sector is NADF, which has been in place since April 2009. The NADF lays out a vision in which agriculture is central to Afghanistan's success as a nation.

In terms of responding to the context laid out in the previous section, the NADF appears to do well. It recognizes the interdependent nature of the factors shaping the agricultural sector,-- alluding to many of its current challenges. Its primary objectives are to achieve food security and economic growth through four programs: (1) Natural Resource Management; (2) Agricultural Production and Productivity; (3) Economic Regeneration; and (4) Program Support and Change Management.

Based on the principal of inclusiveness, the NADF guides MAIL and its subordinate institutions to work with Community Development Councils (CDCs), District Development Assemblies, and local producer associations. Environmental sustainability is another cross cutting principal to which all programs should adhere. The approach calls for coordination, but also to be responsive to specific farmer groups and geographic areas—an important issue given the diversity of situations farmers face and strategies they are employing.

‘Marketing and market linkages’ is a subprogram under the ‘Economic Regeneration’ program component. This program seeks, amongst other things, to develop strategies for import substitution as well as increase the export market.

The NADF also rationalizes the need for a Change Management Program to support MAIL and the DAILs to become more effective within key areas. The NADF explains that ‘these include: policy and strategy formulation, legal and regulatory framework preparation, quality control and food safety, veterinary public health and plant protection, standards and

certification, monitoring and evaluation, and the ability to enforce regulations and standards.²⁵

While the NADF recognizes that farmers need to diversify their livelihoods to manage risk, the one major issue not addressed is that many rural poor may not be able to make their living through agriculture in the long term—especially due to population growth and the fragmentation of land holdings. Rather, the NADF attempts to rebuild both MAIL and the agricultural sector to the pre-war ‘glory days’ when Afghan produce was prized and graced tables across the world.

Sector Policies, Strategies, and Regulations

There is a theoretical logic to the flow of the policy framework, sector policies, laws, strategies, and action plans that appears to break down quickly on closer observation. The existence of formal and approved policy is still unclear. Technical directorates may be pursuing their activities based on documents or arrangements that have been worked out less formally, or quite often just represent the way things have been done for some time. As one informant within MAIL explained to us:

The policy concept is new in Afghanistan, it came from the US. Before, it was big plans and strategies...that is what the government had, not policy. It is a very young system, therefore we do not have specialized people.

In its simplest terms, policy is just what government does, and as Afghanistan is an old state, public policy should not appear to be a new concept for Afghans. Afghan experience of government, though, is based heavily on the Soviet system—potentially stifling expectations for Afghans to think like Americans in terms of government actions. If this is the perception, the concept of policy must indeed seem like a foreign imposition. The same person quoted above told the team that directors within MAIL often put off making policy, since they do not view it as a priority. When asked if this hampered their work, the informant replied,

They’re not stopping their work, by any means, they’re doing their work...there’s guidelines, or a strategy, or something that is passed that they are working from.

Since the Afghan Compact, higher level policymaking in Afghanistan has often been focused on pleasing donors and winning funding, which explains the gap between such high level policy and plans to implement it.²⁶ There is certainly evidence that this situation exists in MAIL. To a large degree, policy is donor-driven, indicating that MAIL’s leadership may not feel strong ownership of the policy or have the political will to follow through on implementation. The ineffective attempts to establish and then re-establish PALAD are a

²⁵ NADF, p7

²⁶ Sarah Parkinson (2010) Means to What End? Policymaking and State-building in Afghanistan (Kabul: AREU)

warning sign that the strategies and commitments agreed between donors and MAIL are meeting institutional resistance. When formal policy is a rhetorical veneer disconnected from practice, then *de facto* policy may be completely different and influencing policy is not so much about funding another formal document to put on the Ministry's shelf. Rather it is about understanding and working with this policy as practice.

Consequently, the study team was not able to assess the degree of government ownership and drive to implement each of its formal policies. This highlights the idea that the creation of formal policy does not naturally lead to implementation. This is true anywhere, but is especially true in Afghanistan given the lopsided power dynamics between the government and the donors on which it depends. Rather, this power dynamic should be leveraged to create policies that are in line with *de facto* practices, assuming there are people committed to achieving this change and following it through.

With these caveats noted, the study team identified the key policy documents related to each of the five priority issues identified in the first phase of the study. Market-related policy is dealt with further in this report, and the remaining four are located in Annexes X, XI, XII, and XIII.

General Implementation of Agricultural Policy and Institutional Arrangements

In the previous section, we noted that *de facto* policy (policy in practice) may be entirely distinct from the formal policy in draft, recently passed, or amended. In this section, we consider the channels through which government acts, whether driven by formalized or *de facto* policy. There are essentially three channels, including direct implementation through the DAILs and district extension offices; indirectly through coordination with implementing partners (largely through off budget programs); and thirdly, through off budget spending that is independent from the MAIL and may be loosely, if at all, coordinated with government policy and efforts.

There are key challenges that arise in each of these channels. The obvious solution is to strengthen the government's capacity to directly manage and implement policy. Significant effort has been put into pursuing this solution, but this has also not been without major impediments.

Eight key challenges regarding policy implementation were previously listed in Table 1. The first two are: policy is not linked to implementation; and policy is not driven by donors and lacks MAIL ownership. While these are described above, the remaining six are briefly described below.

Challenge 3: DAILs and district offices are not fully functional

MAIL has 35 provincial directorates (DAILs) with a cadre of technical staff and about 400 district offices, each with agricultural extension services. The staff in these offices all report to MAIL.

While, prior to the war, MAIL had a strong extension system, it has been largely nonfunctional since. In part, this is due to the limited training opportunities for staff—resulting in a staff with low capacity and little knowledge of current agricultural issues. In addition, budgets and funding disbursements for DAILs and district offices remain inadequate. In many locations, staff reportedly lacked funds for transportation and even for basic office supplies. Key informants spoke of DAIL offices as empty, with DAIL and district staff members attending work only to sign their time sheets. Not to mention, DAIL staff often lack the desire to work as they are not provided the budget needed to carry out activities.

NGOs have sometimes tried to coordinate with DAILs, but this has had limited impact due to the lack of DAIL resources. Some informants describe DAIL staff as unmotivated, and sometimes they view NGOs as competition. An informant in Bamyan told the team about their experience inviting DAIL staff to a two day extension workshop they offered, stating that “two of the DAIL staff did not come and the third turned up late and said that extension was too hard...then he sulked for the rest of the training.”

One key informant recalls a meeting they attempted to organize between a DAIL and some NGOs, in which “nobody turned up because DAIL did not allow them or even invite them. That is an example of the level of control exerted by the DAILs.”

Challenge 4: Communication and Coordination between MAIL and DAILs Remain Weak

Despite efforts to improve communication and coordination between MAIL and DAILs through the Change Management Program, many key informants noted that cooperation remains weak.

An international consultant observed that MAIL had managed to capture most of the resources and benefits of the Change Management Program for itself, essentially in competition with the DAILs. A few key informants also noted that the stronger DAILs can operate fairly independently of MAIL, which they prefer.

According to one informant, the NGO coordination unit has been running at MAIL since 2006, which reviews NGO programs and projects before approving them. Besides being a coordination mechanism between government and NGOs, it acts as a communication channel for MAIL and DAILs—bringing them closer together. Otherwise, the main form of communication between MAIL and the DAILs would be through reporting.

The Volunteers for Economic Growth Alliance (VEGA) set up an IT system, providing some DAILs with access to the internet, enabling them to communicate with MAIL via email. In addition, DAILs send reports to the Provincial Relations Directorate on a regular basis. According to staff at the directorate, all 34 DAILs are now in the system. However, an informant working with the DAIL in Bamyan noted that their IT system was not functional, and that communication with MAIL occurred via courier along a dangerous road.

Challenge 5: Communication between DAILs, District Extension Workers, and Farmers (individually or through associations) is Limited and Ad Hoc

Given that DAILs have limited budgets and that many DAIL staff members appear to be discouraged or inactive, contact between DAIL staff and farmers—whether individuals or associations—remains limited. Much of this contact is funded and mediated through NGOs and programs that are working with the DAILs.

Challenge 6: Efforts at Capacity Building have so Far had a Limited Effect on Long Term Institutional Strength

While early technical support to the government was more focused on action than on building the capacity of the permanent civil service, this has shifted over the last five years. The most important watershed in this shift is MAIL's Change Management Program. DfID funded the Change Management Program from September 2009 until December 2011. From November 2010 until the time of this study, as the program was just wrapping up, USDA also supported the Change Management program, managed through off budget funding by VEGA.

A major focus of the VEGA support was to improve MAIL's administrative and budgetary capacity, so that donors could confidently provide on budget support. An Ernst and Young assessment of MAIL's accounting practices had noted 37 areas where it would need to make improvements. VEGA's support specifically focused on addressing these identified areas, and according to its own report in 2012, it managed to address 33 of them. In addition, it focused on increasing MAIL's ability to disburse funds to DAILs and to increase the functionality of DAILs to improve their service delivery. Again, VEGA's own 2013 assessment showed impressive improvements in disbursement levels, from 25% to 56%.²⁷ Finally, VEGA updated the IT infrastructure and trained civil servants on how to use it. Though VEGA worked within central MAIL as well as seven DAILs, a number of key informants observed that this alliance had resulted in little or no permanent institutional change, and that capacity had diminished when the contracts of the technical advisors ended.²⁸

Key informants working for implementing partners, or otherwise working closely with the government, report that the overall capacity of the DAILs remains low—with many of them essentially inactive. Some of the largest DAILs located in important agricultural hubs, including in Herat and Mazar, along with those that have received significant support and attention, are considered more active. However, according to the staff at these DAILs, communication with MAIL remains limited. They submit regular reports and 'plans', which a number of experts working with the government describe as 'wish lists.' Still, decision making remains centralized in Kabul.

²⁷ VEGA. Our Programs: Capacity Building and Change Management Program (CBCMP) <http://vegaalliance.org/our-programs/cbcmp/> Accessed May 18, 2014

²⁸ Merschrod, Kris, *Capacity Building and Change Management Program*, VEGA Case Study, Kabul, 2014.

Many district offices still lack adequate funds as the lack of capacity continues to plague their staff. Some of this is simply a result of the Ministry's large workforce, and bringing about the sort of change envisioned by the Change Management Program will take time and concerted effort. Indeed, this raised concerns over the idea that funding will be a diminishing resource in the years to come. Beyond this, informants voiced concern regarding broader structural and institutional culture limitations that need to be recognized.

One issue regarding capacity building efforts that involve embedded advisors or staff paid by off-budget funding is that their salaries are significantly higher than those of civil servants—creating friction and resistance within the civil service.

A second issue is that both the central MAIL and the DAILs are currently viewed as driven by politics, rather than technical or evidence-based issues—hampering structural reforms as well as overall ministerial performance. The general perception is that the Ministry's top level has turned away from a more technically focused approach to a more political one, where appointments are often based on connection rather than merit.

Broader events, and particularly the drawdown of international troops in 2014, seem to have fuelled a climate in which short term, narrow, and opportunistic thinking has flourished. Capacity building efforts counterbalance this to some degree, but ultimately they seem to have been overshadowed by these other factors. It is possible that the political weather may change again to a more promising outlook, but it is important to be aware of the current degree of uncertainty and instability within government institutions.

Challenge 7: Much Activity is Loosely Tied to Policy and is Off-Budget, Creating Concern over Coordination, Reach, and Sustainability

In the absence of government capacity, many NGOs and donor funded programs have gone ahead and designed projects and programs to deliver agricultural training and support services directly to farmers. The vast majority of agricultural programming in Afghanistan over the last decade has been off-budget. The VEGA project was able to increase on budget spending at MAIL from \$205 million at the start of the program to \$243 million at the end, but this still represents only a small fraction of donor spending on agriculture.

By far, the largest donor in agriculture in terms of expenditure is USAID. USAID has eleven projects currently in progress (not including RADP), and has 37 completed projects.²⁹ With the capacity of government DAILs and extension offices remaining low, USAID programs have had much greater reach and impact than activities directly tied to, and flowing from, government policy. It is also important to mention that other donors have also played important roles.

²⁹ USAID website: Afghanistan Agriculture <http://www.usaid.gov/afghanistan/agriculture> Accessed May 20, 2013

Key informants in the first stage of research expressed serious concerns over the long term sustainability and impact of off budget projects. While these efforts often resulted in beneficial outcomes for the farmers they served, the number of farmers impacted has been limited. When the projects ended, so did the benefits. In essence, the programs were not sufficient to lead to sustained structural change in most instances. Having seen the interconnected nature of the problems facing Afghan farmers in the previous section, it is easy to determine why this would be the case. For example, even if farmers have access to cold storage, if they do not have a means for purchasing inputs without incurring excessive debt, they may be forced to sell their goods as soon as they harvest. The interlinked nature of the problems that farmers face means that coordination of efforts is essential.

Under the current Minister, more has been done to coordinate projects and programs than in the past as well as to bring programs on budget. However, these efforts have resulted in disappointing results to-date, as noted in relation to the overall capacity-building efforts described above. With the drawdown of international military troops, many donors are nonetheless putting greater emphasis on transferring off budget programs to the Ministry, coupled with support for policy development, as noted above.

One solution to this would be to feed the experiences from these projects into policymaking, treating each project as a ‘policy experiment.’ Indeed, there are examples of this already occurring, most obviously in the water sector with the Panj Amu River Basin Project.

Challenge 8: Donor-driven Efforts to Set Up Structures do not Always Align with Ground Realities

As policy is donor driven, so is the bulk of implementation through off budget projects. A number of informants reported that one danger associated with the implementation of such projects is that key players—such as DAIL or implementing partner staff—can act as gatekeepers. Programs, though, are driven by accountability to pre-defined goals—often resulting in inadequate groundwork. This indicates that those ‘farmers’ identified as beneficiaries to projects are often individuals who are well connected to key decision makers associated with the project. While it is untrue to claim that merit based activities never occur, this top down approach increases the likelihood for nepotistic behavior.

For example, one key informant told the team about a poultry association set up in Eastern Afghanistan through a USAID implementer. The creation of this association, however, was driven by the availability of donor funds, rather than a decision by farmers. Those involved in the establishment of this association decided to use it as a way to personally benefit from the funds provided through USAID. Thus, this association is now resistant to efforts to improve transparency, and though they have nominal members, they do not advocate for nor act in their interest. In the words of one informant, this poultry association operates as a ‘big mafia’.

In addition, one of the FGDs reported that a village malik had managed to obtain leadership of the CDC, and thereby used funds from the MRRD’s National Solidarity Program for his own benefit. In another project targeted at widows, this same village malik put forward his

wife as a beneficiary. The project implementers, however, are not familiar with the nuances involved with the power dynamics of the village—allowing for them to perceive this village malik as a legitimate leader.

Another widespread issue is that many of these projects struggle to impose a Western, modernized agricultural system onto Afghan farmers, without much consideration for the existing farming systems—which are widely deemed as traditional and backwards. Given that managing risk is a major concern for Afghan farmers, understanding and responding to the issue of incompatible systems would likely introduce changes that are helpful for farmers, rather than costly and of higher risk.

c. Findings on Policy Content and Implementation related to Markets

All of the policy implementation challenges noted above apply to agricultural markets. The second phase of the study allowed the team to further explore the specific implementation challenges that apply to agricultural markets and to trace the links and gaps between government policy and the key issues on the ground in greater depth. This section maps out the key actors and policies that relate to markets, and then looks specifically at the degree to which these actors and policies address the concerns raised in the first section of these findings.

Key Actors

The table below shows the key actors engaged in policy making and implementation for agricultural markets.

Table 3: Key Actors in Policymaking and Policy Implementation for Agricultural Markets

| Actor | Role |
|---------------|---|
| MAIL | Policy and strategy for production and for market (quality standards and certification, policies that support post-harvest handling and processing), and production and market statistics. |
| MoCI | Responsible for policy and strategy, for market linkages (domestic and export). Leads Agribusiness Taskforce—a working group with key stakeholder representation (within and outside government). |
| MoF (Customs) | The Customs Department, within the MoF, plays a role in monitoring and controlling the flow of goods in and out of the country as well as in regulating imports through tariffs. |
| MRRD | Involved with implementation of four National Priority Programs (NPPs). Supports rural SMEs through the Afghanistan Rural Enterprise Development Program (AREDP). Coordinates with MAIL on the Comprehensive Agriculture and Rural Development Facility (CARD-F). |

| Actor | Role |
|--------------|--|
| ACCI | As an independent body regulated by its own law, and with direct access to key parts of the Executive Body of the Government, ACCI plays a key role in setting seasonal tariffs on agricultural imports, together with the Director of Tariffs, described further below. |
| ANSA | The Afghan National standards Authority (ANSA) was formerly within the MoCI, but was established as a separate agency in 2006 and receives support from USAID. It is ruled by the Afghanistan Standards Law, which was passed in 2007 and is now in its third amendment. It has a Food Products Technical Committee, where standards for agricultural products would be developed. The request for standards should come from MAIL. |
| AISA | The Afghanistan Investment Support Agency (AISA) supports local and foreign investors. Has identified more than 5,000 companies involved in the agricultural sector (processing, packaging, sorting, grading, etc.), though this is not enough to cover all the needed agricultural production. Their biggest challenge is convincing consumers to buy Afghan products—even the Afghan government and donors source their purchases elsewhere. |
| EPAA | The Export Promotion Agency of Afghanistan (EPPA) was set up by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) as a branch of the MoCI in 2006. However, it does not appear to be very active. ³⁰ |

Policymaking and oversight regarding agricultural markets principally fall into the domain of two ministries, MAIL and the MoCI. The roles of these two ministries appeared to be clearly defined and agreed upon by all actors. As a MoCI official explained, “MAIL and MoCI are very linked—they have to produce, we have to sell it.”

In addition, MRRD is responsible for the AREDP program, which falls under the NPP2 and is set up specifically to support rural SMEs. While MRRD is not a direct policymaker, it can comment on policies drafted by other ministries and act in the role of advocates for rural issues. For example, a senior staff member at MRRD explained that after reviewing the draft Industrial Policy, it was apparent that the policy was too urban-centered, ignoring what he called the ‘hidden economy’ of rural areas.

Relationships between the Key Actors

It is imperative that MAIL coordinate closely with other actors concerning the area of agricultural markets. However, key informants within the MoF described their relationship with MAIL as non-existent. They claimed that MAIL had failed to respond to their requests for market information and their overtures to work together on tariff issues. Instead, the Customs Department depends on ACCI to set tariffs, an arrangement which has been in place

³⁰ The study team was unable to gain an interview with any staff at EPPA, because a key person was out of the country for 3 weeks. Several key informants from other agencies mentioned that they had been unable to collaborate with the EPPA.

for many years. However, this arrangement is not governed by any particular policy. ACCI confirmed this arrangement and also claimed to have a very weak relationship with MAIL.

It is unclear where the data used to warrant tariffs derives from. Customs staff claimed that they used their own statistics, while an ACCI representative said that the tariffs were based on their data (which seems plausible, considering that the ACCI is the organization that makes tariff requests). MAIL Statistics Department staff members claimed that they coordinated with the Customs Department on the development of tariffs—although their ability to control imports is limited due to the fact that Afghanistan is party to trade agreements and governed by an open market. In particular, the MAIL Statistics Department claimed that tariffs were set based on market information that they collected and produced in regular ‘prospect reports,’ which are published on their website. However, internal links to share this information with the DAILs and the farmers are less than sufficient. Indeed, there are prospect reports posted from March 2005 until December 2012, although these postings are irregular—particularly near the end of this period.³¹

Key informants within MoCI describe a more constructive relationship with MAIL, although there was some discrepancy between informants—rendering findings on this topic uncertain. Coordination mechanisms have been incorporated into formal plans to develop and implement policy, described in more detail below.

Relationships between Government and Non-government Actors

Key informant interviews with nongovernment actors on the topic of agricultural markets identified the same issues that had previously been raised, including problems of institutional weakness, a politicized climate within MAIL that harbors nepotistic and corrupt action, and poor coordination between different actors. In addition, there is a general consensus that value chains remain undeveloped, requiring coordinated action and attention. As one key informant from a non-governmental implementer explained, “there may be strategies but we do not know. That is why we need forums to discuss and disseminate topics.”

Policy Content

The policies most related to agricultural markets, and to the main issues raised in the FGDs, are listed in the table below. The current statuses for certain policies are noted in brackets.

Table 4: Policies Related to Agricultural Markets and Issues Raised in the FGDs

| Ministry: | Key policies related to markets: |
|------------------|---|
|------------------|---|

³¹ See MAIL Agricultural Prospect Reports: <http://mail.gov.af/en/page/3489> Accessed May 10, 2014.

| Ministry: | Key policies related to markets: |
|------------------|---|
| MAIL | <ul style="list-style-type: none"> • NADF: sets out general vision of market-led growth. • Horticulture policy (in draft). • Livestock policy (in draft). • No specific policy on setting tariffs. • No specific policy on supporting farmers to produce for markets. • Integration of gender is very weak. |
| MoCI | <ul style="list-style-type: none"> • Policy on Industries (being finalized, 2014). • SMEs Policy (being finalized, 2014). • SMEs Strategy (2009). • Trade agreements. • Sector Action Plan for Implementing the SMEs Strategy (May 2011-April 2013). |
| MoF (Customs) | <ul style="list-style-type: none"> • Customs policy & customs law (in force). |

Commentary on the Policies

While MoCI is the principal actor for developing market related policy, key informants at the MoCI concurred with other informants that there is no policy specific to agricultural marketing.

The Taskforce, which the MoCI staff indicated was due to start in May 2014, is a mechanism for developing a strategy and means of implementation for policy related to agribusiness. It has an initial mandate of three years, with external funding support for that time. It is not altogether clear how the Taskforce will implement policy or whether or not it will have the power to influence the development of policies.

The SME Strategy, finalized in 2009, is aimed to stimulate pro poor growth by targeting SMEs in promising sectors of rural Afghanistan. Criteria for selecting sectors included that they be labor intensive; that domestic private firms be active in them already; that they have high growth potential and low barriers to entry; and that they maintain a competitive advantage. Agri-processing, wool processing, carpet making, and the processing of animal skins and leather were among the sectors selected. Carpets, medicinal plants, dried and fresh fruit, skins, wood, and wool were all identified as target products with potential to move up the value chain and capture greater returns.

MoCI and MAIL's joint SME Strategy for Agribusiness refers to MAIL's Economic Regeneration Program as a major source of material for its policy. The Sector Action Plan for Implementing the SMEs Strategy was written in May 2011 and sets out the structure for the Agribusiness Taskforce.³² It was not apparent to the study team why it has taken so long for this Taskforce to be established. According to one of our interviewees at the MoCI, working groups had worked for three years to develop a work plan for the Agribusiness Taskforce, and that was their major accomplishment to-date. According to another key informant at the MoCI, other working groups have been established, and include members from different ministries and nongovernmental organizations to address value chain development for different products. For example, the cashmere group has been in existence for two and a half years. Some of these groups consist of ad hoc members, such as donor representatives. These working groups also derived from the Industrial Policy and the SME Strategy. They meet monthly and are capable of resolving issues quickly, mainly because they include members with decision making authority from different Ministries.

The Taskforce consists of eight working groups. According to the Agribusiness SME Action Plan, groups on cold storage, processing, and packaging are to be led by MAIL, while the group on standards is to be led by ANSA, and the group on customs is to be led by MoF. MoCI is to lead two groups, including knowledge and market linkages as well as marketing and branding. Finally, a group on transit and transport is to be led by MOTCHA. MRRD provides support on relevant groups, and donors provide support across all eight groups. The action plan sets out clear actions, responsible agencies, and completion dates. Though these completion dates were intended to run until March 2013, it appears that most of these actions have not been carried out. If fully implemented, the action plan would, in fact, address most of the issues that were raised in the FGDs and among our key informants regarding agricultural markets. However, it should be noted that many of the action items (there are 29 in all) are ambitious and would take significant political will, coordination, and follow-through to achieve.

The Taskforce and the working group approach both seem to have the potential for useful policy coordination, implementation, and feedback mechanisms. However, the slight inconsistency in information from our two key informants within MoCI, along with the apparent delays in getting the Taskforce off the ground, warrant further investigation.

While the Economic Regeneration Plan of the NADF may have influenced the agribusiness sector of the SME strategy, it is not clear how it has been translated into more detailed policy

³² Ministry of Commerce and Industries, and Ministry of Agriculture Irrigation and Livestock, *Implementing the SME Strategy: Action Plan for Developing Afghanistan's Agri-Business Sector*, Kabul, 2011.

or action within MAIL itself. The draft horticulture policy and livestock policy address certain aspects of producing for market and processing, but are not yet in force.

Assessment of Policy Response to Agricultural Market Problems

Table 5 (next page) summarizes specific problems within markets that were noted by key informants and FGDs, and then the policy response to each.

Commentary

Markets are too risky for farmers

The economic regeneration program of both MAIL's NADF and MoCI's SME Strategy consider pro poor approaches to some degree. Specifically, they consider that barriers to entry should be low. In practice, there is a greater emphasis on exports, which generally have higher barriers to entry than domestic markets. While agricultural products are important to the export market, and thus significant potential for growth in agricultural exports, the domestic market remains much more accessible to other producers and small traders. This point is occasionally acknowledged, but does not receive as much attention as exports—revealing a missed opportunity for policy makers.

Anti-competitive behavior from neighboring countries

At the moment, this is an issue that has not been addressed by existing policy. Key informants within both the MoF and MoCI expressed their views that the dumping of products into Afghan markets was a problem that required greater research and a formal policy response. Officials at MAIL expressed the view that government intervention was not appropriate or possible, since Afghanistan has embraced an open market. In this sense, there does not seem to be a shared understanding between the key agencies.

Tariff Arrangements

Tariff setting arrangements are described above. The SME Sector Action Plan calls for a review of tariff setting and a transparent regime to protect Afghan products on domestic markets.

It should be noted that any attempts to control inputs through tariff and anti-dumping measures will be hampered by the reality that the Afghan border is long and porous, where many items cross without passing through customs. This is an issue that was acknowledged both by producers and traders within FGDs and by the key informant interviews with customs officials and MAIL staff. Thus, while this issue is important, enforceability remains limited.

Table 5: Summary of Specific Problems within Markets Noted by Key Informants and FGD Participants

| Specific problems within markets: | Policy response: |
|---|---|
| 1. Afghan farmers are finding markets so risky that many of them must seek other income options, including migrating to larger cities. | Policy documents are inconsistent in addressing this issue. See commentary below. |
| 2. Deliberate anti-competitive behavior from neighboring countries regarding imports (dumping, mislabeled, and poor quality imports). | None. MoCI officials are aware of this as a pressing need, and want to create a better mechanism. Some MAIL officials do not see a role for government in this since Afghanistan now has an open market. |
| 3. Afghan farmers are at a disadvantage within domestic markets because of high production costs and no market protection. | Limited use of tariff regimes that are not currently governed by any formal policy. |
| 4. Farmers lack knowledge on grading and handling products for market. | Various programs and projects address this in a variety of ways. Limited reach, sustainability, and coordination. |
| 5. Farmers are disorganized (working individually) and in a weak bargaining position. | Cooperatives and associations. The Cooperative Law is being revised. Associations have been set up by numerous programs and projects. Issues about reach, sustainability, transparency, and legitimacy of these organizations remain. |
| 6. Despite having a major role in harvesting and production of many agricultural products, women's efforts are not fully recognized. Women maintain limited access to markets due to cultural restrictions. | Appears limited. |
| 7. Neighboring countries sometimes close borders or place arbitrary restrictions on Afghan products. | Trade agreements with neighboring countries (through MoCI). These, however, have not solved the issue. |
| 8. Lack of cold storage limits farmers' and traders' ability to find markets and trade at the right time. | Cold storage units have been established through MAIL and other programs. These units have not been fully utilized for a number of reasons, including location, electricity failures, lack of trained technicians, and management asking producers to sell their products at an uncompetitive price. The agribusiness action plan called for a cataloging of all existing cold storage. |
| 9. Businesses face many challenges to setting up processing facilities: finding land, machinery and repairs, trained personnel, and affordable | The Agribusiness Action Plan as well as a variety of other initiatives have been established to respond to these issues. |

| Specific problems within markets: | Policy response: |
|--|---|
| electricity. Also, inputs, such as packaging material, must be imported and are often expensive. | |
| 10. Testing and quality assurance for domestic markets is lacking. | None. Although, the AAIP is addressing this for inputs. For agricultural products, there has been less prioritization on this. |
| 11. Complaints about finding and linking to markets. | Agricultural fairs, ACCI's work, and other projects have been established to address this issue. This is more of an issue when programs push production for market without a clear market analysis. |
| 12. Testing and quality assurance for export markets. | ISO certification is not available (some projects require businesses to send samples out of country for certification). Organic certification is not available. Phytosanitary certification is provided but the testing is lacking. |
| 13. Farmers and traders lack information about domestic markets. | ACCI, along with the Department of Statistics and Market Info within MAIL, produce various reports available on MAIL's website. For example, various projects have set up market information systems. |
| 14. Farmers and traders lack information about export markets. | ACCI, the Directorate of Statistics and Market Information's Prospect Reports, and various other projects target this issue. |
| 15. Lack of Afghan branding and marketing plan for domestic markets. | None. Specific projects have likely addressed this, but the emphasis has been almost exclusively on export markets. |
| 16. Lack of Afghan branding and marketing plan for international markets. | Agribusiness Action Plan lists setting up an export focused branding agency. |

SME Sector Action Plan

Almost all of the issues in the list, besides dumping, were mentioned in the SME Sector Action Plan. Likewise, branding was mentioned, although with an exclusive focus on export markets. Because the Taskforce brings together key representatives from the different Ministries as well as nongovernmental groups, this could provide a key coordination mechanism—especially given that many of these issues have been addressed to varying degrees.

IV. Conclusions

Based on the findings of the study as presented, we conclude by answering the following question:

What specific policies, or policy areas, offer the greatest potential for positive policy change, and through what means?

Here, the interest is in identifying entry points by which RADP-C can fruitfully engage with policy processes and facilitate change. While the presented analysis assumes that RADP-C would be implemented in some form or another, the resulting findings and recommendations also identify more general strategies and priorities within the sector that should apply to the OAG's future programming.

1. DIAGNOSING THE DYNAMICS OF POLICY PROCESSES IN AFGHANISTAN

There are a variety of political science theories to explain the processes of policy making, which give rise to a variety of policy influence and advocacy strategies.³³ While there is no consensus amongst these theories, most of them focus on identifying who has political access to deciding what qualifies as a policy issue and how it is framed. For example, Paul Sabatier has been influential in shedding light on the identity of 'policy coalitions,' or active constituencies that are united by core beliefs of policies.³⁴ For all of these theories, political power is derived in part from a power base that links power holders to constituents. However, most of these theories were derived based off of observations in established western democracies. Applying these theories to Afghanistan highlights a number of disconnects within policy processes that are specific to its particular situation.

One of the key characteristics of policy making in Afghanistan is that it has been driven by donors. As a result, much of the government's concern in its policy making processes has been in pleasing donors and gaining funds.³⁵ Resulting formal policies, however, are disconnected from actual implementation. While this may be in part a capacity issue, it is also a political issue—particularly in regards to what the policies were intended to address in the first place. Functionally, policy formation could be judged a success if it garners donor support and wins funds for the government. The question of whether the policy can be implemented, however, is a secondary concern.

Unfortunately, donors do not represent any Afghan constituency, despite the fact that they may advocate for certain groups (e.g. women) or certain principles (e.g. human rights). Ultimately, their constituencies are their own governments. In Afghanistan, we can see that

³³ See the annotated bibliography for a selection of recommended articles on this topic.

³⁴ Sabatier, Paul A. "An advocacy coalition framework of policy change and the role of policy-oriented learning therein." *Policy sciences* 21, no. 2-3 (1988): 129-168.

³⁵ Parkinson, Sarah. *Means to what End?: Policy making and State-building in Afghanistan*. Kabul: Afghanistan Research and Evaluation Unit, 2010.

donors' behavior is consistent with their own national interests. For example, over the past years, many donors have focused on directing funds to the provinces where they have troops stationed.

As a consequence of donor's control over funding, and subsequently formal policy making, Afghan constituencies have not had any significant opportunities to develop coalitions and influence the policy making process. Likewise, any public discourse on issues that might be defined as "policy problems" is largely disconnected from the framing of problems within the policy itself. Afghans who want to influence government action depend largely on the negotiation of practices that, by virtue of not being formalized, are largely beyond the reach of donors. This dynamic, however, is highly dysfunctional—weakening the relationship between state and constituents, regardless of whether or not it is done in the name of state-building. Not to mention, this relationship creates perverse incentives for Afghan civil servants to avoid implementing policy that they have little ownership or vested interest in.

Throughout this study, the team was told of poor relationships and limited communication between MAIL and the DAILs. Decision making is centralized at MAIL, while DAILs gain decision making authority through their relationships at the provincial level, such as those with the governor, the PRTs (which are also a source of funding), and other organizations willing to work with them. This indicates that the incentive is not to improve communication between MAIL and DAILs, but to keep them weak. This is because improving communication would also mean ceding their discretionary power to the center, which already holds formal authority.

Again, from the DAILs perspective, it is the top down nature of the relationship between MAIL and the DAILs that creates a perverse incentive to maintain poor communications. As long as MAIL maintains this centralized power, there may not be a strong incentive to improve communications from that side either.

Likewise, DAILs often view NGOs as competitors for resources. This can lead to adversarial, rather than cooperative, relationships as well as practices of information hoarding and control. The study team saw this firsthand when DAIL staff in Herat sent uninvited government staff as 'monitors' to one of the FGDs (the only one they were aware of).

In summary, the key issue underlying weak implementation is not technical in nature, though there are technical capacity weaknesses. Nor is it a lack of political will to implement policies. Indeed, though low political will may be present, it can be explained as a product of institutional power imbalances on each level where it exists. Rather, the issue is that the overall system is top down with centralized power and decision making. It is characterized by a lack of information flow and lack of inclusion in decision making. This has tended to fuel an unhealthy institutional climate characterized by low motivation, distrust, and opacity.

Some solutions that would at least partially address this issue are:

1. Donors can redefine their own relationships with the government and reduce their influence in the policy making process. They should be at least as focused on process outcomes as content outcomes. Passing formal policy alone will not change institutional behavior. Change comes from the concurrent discourses that develop through dialogue with all key stakeholders. Though this may be a slow process, it will allow for the development of a shared understanding and therefore more commitment to action. Donors must also resist the temptation to use their power to bypass deliberative processes to speed things up and impose their own preferred policy solutions.
2. Donors should be more aware of the likely political impact of their funding processes. They can seek to fund government in ways that reduce negative competition and conflict between different government bodies, while also avoiding power centralization and gatekeeping. At times, agricultural policy making is primarily a technical process and there is a tendency to downplay or overlook political dimensions. This tendency can increase the risk of unintended negative consequences on the recipient institution.
3. The government should decentralize decision making power. This is not something that should be done rapidly, nor is it something that donors should impose on the government. However, there are actions that would improve relations between central and peripheral entities and potentially act as intermediary steps. The following suggestions can be seen as steps towards a broader enfranchisement of provincial governments and its constituents into policy processes:
 - a. Strengthen opportunities for dialogue between central and peripheral institutions, allowing for the periphery (i.e. DAILs and producer representatives) to have at least some input into policy discussions
 - b. Improve information flow and disseminate more information into the public domain, especially regarding government policy, regulations and commitments.
 - c. Improve communication: between MAIL and DAIL, between MAIL and other government agencies, and between DAILs, producers, and traders (primarily through associations and cooperatives).

2. KEY AGRICULTURAL ISSUES REQUIRING BETTER POLICY RESPONSE

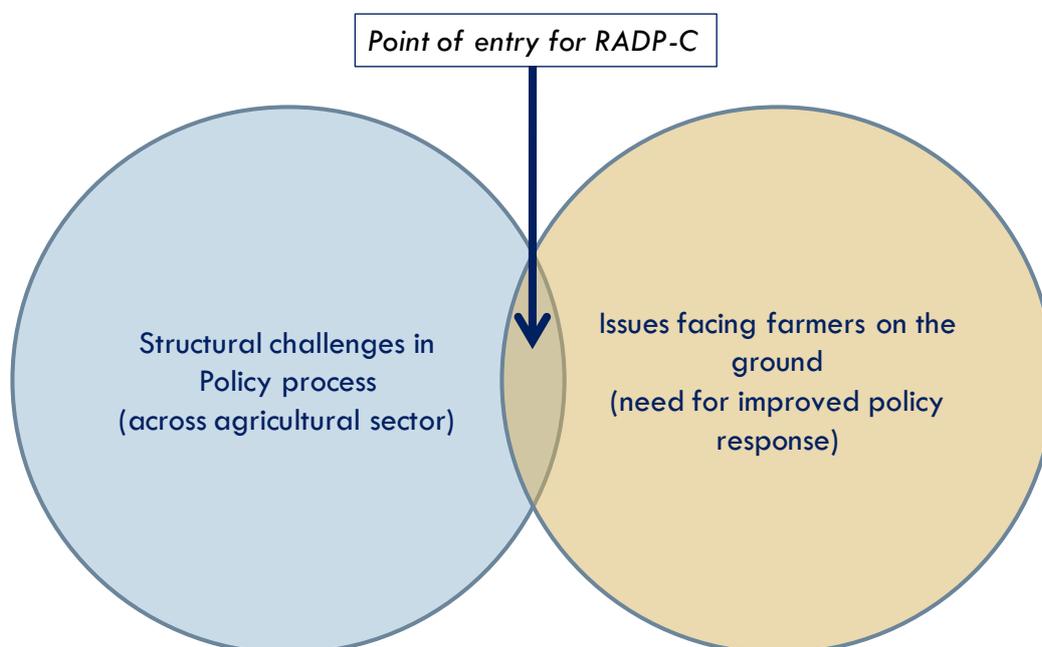
While the structural and institutional challenges identified in this study are largely applicable to policy processes throughout the agricultural sector, it is not feasible for RADP-C to focus on all content issues at once. The first stage of this study identified five key issues: markets, post-harvest loss/storage, fertilizer and agrichemicals, seeds and planting material, and water. All of these were ranked by key informant interviews as the most critical constraints affecting farmers' ability to produce and sustain a livelihood from agriculture. Any one of these could represent a viable entry point for RADP-C to focus upon, since current policy is widely seen as inadequate to address these issues.

Based on RADP’s emphasis on value chain development and apparent policy gaps from the initial scan, agricultural markets were selected as the most likely entry point. The phase 2 of the study, combined with a more thorough analysis of all information sources, confirms that, of all the issues selected, this is the one where most policy work is needed. Indeed, a large amount of work has been conducted in relation to seed policy—evident by the implementation of a new seed policy. The World Bank is focusing on agricultural inputs, including driving the creation of a fertilizer policy and law through the AAIP. A Water Law was passed in 2009, which included heavy technical involvement from the EU. The EU and a number of other key stakeholders, including the Aga Khan Foundation (AKF), continue to be engaged on water issues. Post-harvest loss and storage is dealt with to a certain degree in the draft horticultural policy, while the MoCI has also taken up this issue. In addition, the Taskforce has a working group dedicated to the issue of cold storage.

While many projects and programs have focused on markets, there has been surprisingly little thinking about how to address the issues identified in this study—particularly at the national level. Meanwhile, the experiences of programs—many of which were funded by USAID—can provide a wealth of material to learn from different approaches towards value chain development and creating market linkages. All of this could be leveraged to inform policy and strategy on markets.

3. POTENTIAL ROLE AND POINTS OF ENTRY FOR RADP-C

Figure 4: Potential Points of Entry



If done well, RADP-C’s support of an enabling policy environment for agriculture could help to remedy some of current imbalances in agricultural policymaking and implementation. At the moment, the timing is favorable. USAID is in step with other donors who are anxious to see the government become more independent as international combat troops withdraw and

Afghanistan’s relationship with donors evolves. Although fragmented, a significant amount of work has been done to build up Afghanistan’s agricultural sector and markets, while overall infrastructure has also improved.

The proposed role for RADP-C would therefore focus on pursuing strategies to improve overall structural challenges focused within the area of agricultural markets. These strategies would aim to increase opportunities for policy dialogue amongst a broader range of stakeholders, improve overall information flow and availability, support improved communication amongst key stakeholders within the agricultural sector, and contribute to an evidence base for informed policy. Specific recommendations to achieve these goals are provided in the next section.

The optimal vehicle for engaging with policy actors on these issues would naturally appear to be the Taskforce, with some mechanism for extending the Taskforce to the provinces. RADP-C should develop strategies for encouraging increased public inclusion and transparency for all agricultural programs—including cooperatives and associations, particularly those operating in a nontransparent manner and in the interests of their leaders rather than their members.

Specific recommendations follow in the next section.

V. Recommendations

This section provides specific recommendations for RADP-C based off of the following question:

What strategies and tools can RADP-C adopt to maximize the potential for a more enabling policy environment for agriculture in Afghanistan?

If RADP-C is not implemented, these recommendations still hold, and should be integrated into the RADP structure to the degree possible. OAG should consider an alternative coordinating mechanism across the RADPs and integrate some of these recommendations in a decentralized way by assigning them to the regional RADPs. For example, in regard to the first recommendation listed below, each regional RADP could be responsible for setting up a regional platform of agribusiness stakeholders to meet, discuss key issues, and connect with the central Taskforce.

Because the study team did not recommend a close and intensive engagement between RADP-C and MAIL, decentralization could be possible for many of the following points.

1. WORK WITH THE TASKFORCE AND CONSIDER SUPPORTING IT TO ALLOW FOR PROVINCIAL REPRESENTATION AND ENGAGEMENT.

The Taskforce can be a vehicle for both identifying and beginning to address policy gaps related to agricultural markets.

While the Taskforce has potential to be used as an entry point for RADP-C's involvement in policy issues, many questions remain about its efficacy. Particularly, why has it taken so long to launch, given that the Action Plan was drafted three years ago? At its inception, RADP-C will need to further assess the strengths and weaknesses of this option against others in finalizing its own action plan due to changing circumstances. The Taskforce involves MAIL officials as well as MoCI officials. Indeed, MAIL is tasked with leading three of its working groups, whereas MoCI leads two. Thus, this is a good way to engage with both ministries as well as other key government stakeholders, such as the Department of Customs and the Standards Association. Nonetheless, in assessing this option, RADP-C should consider the existing relationship and dynamics between these two ministries, and the potential risk of instigating or exacerbating conflict. The study group did not identify any issues between these particular ministries, although MAIL does not seem to have a good relationship with the Department of Customs or with ACCI. Not to mention, other key informants noted MAIL as being largely inactive and unengaged.

Given regional variations in context and need, regional input to policy implementation and monitoring discussions are critical to developing an enabling policy environment for agriculture. Provincial representation in the Taskforce beyond Kabul is not yet in place, although a key informant at the MoCI reported this might happen in the future. RADP-C should look for ways it could coordinate with the Taskforce and other RADPs to include key provincial stakeholders into the Taskforce.

2. MANAGE A FUND FOR TARGETED STUDIES TO MEET INFORMATIONAL NEEDS AND TEST ASSUMPTIONS DRIVING POLICY DECISIONS.

Policy requests and assumptions are not always ground tested. One example of this is the various requests for cold storage, in addition to reports that government and donor funded cold storage units (in places such as Herat, Bamyan, and Shamali) are underutilized due to poor management and unreliable electricity. Not to mention, many farmers must sell at harvest to repay their debts, further decreasing use of cold storage units.

Clearly-scoped studies could be carried out on an as needed basis to test assumptions and clarify the empirical basis for making policy decisions. Besides drawing on available statistical data on production and prices, for example, studies should also focus on identifying previous efforts and strategies and learning from these. This study found that there were very few issues that had not already been previously identified and worked on by a project, program, or NGO. All of these efforts, whether successful or unsuccessful, provide lessons that should be drawn on to guide policy and further action. The degree to which this is currently happening appears very limited.

RADP-C could manage a fund and develop a protocol for accessing research requests, most likely through the Agribusiness Taskforce or other policy networks with which it is engaged. RADP-C could then either carry out the studies directly, or, more plausibly, manage the study as it is carried out by a qualified third party.

These studies could include a capacity building element, depending on the topic and assessed need. For example, the researchers could give MAIL and/or DAIL staff a role in the research and provide them with appropriate support and training, as long as there is no conflict of interest.

Three specific issues that could benefit from further study include:

- The existence and use of cold storage units: the Agribusiness SME Action plan includes a point to catalogue all storage units. The study team, however, did not verify if this has been done. There were several anecdotal reports of storage units being underutilized because of poor design or management, and because farmers faced other barriers to use (namely credit). A full study on the situation, aimed at coming up with clear policy recommendations and an ongoing coordination strategy, would be helpful.
- Consumer preferences and decision making in the domestic market: there are complaints that producers do not understand the domestic market well, including demand, and some anecdotal reports that some consumers are turning away from Afghan products and towards imported products. This may be due to price, perceived reliability of quality, and other factors. A better understanding of these factors would help producers become more competitive domestically and could also help inform government policy on how to support producers.
- The impact of import tariffs on the availability of goods and pricing within the domestic market: the current system for tariff fixing appears to be based off of limited information. There are also questions about how effective tariffs can be as a tool to protect domestic producers, given weaknesses in customs processes and heavy smuggling.

For any study, before new empirical data is gathered, a desk review should be conducted and the potential users should be consulted in the design of specific questions. This will improve the likelihood that the study is appropriate and useful. These studies should also be public domain and available in English and Dari.

3. COORDINATE THE M&E SYSTEMS OF THE REGIONAL RADPs SO THEY ARE COMPATIBLE AND CAN BE USED AS A SOURCE OF INFORMATION TO OTHER KEY STAKEHOLDERS IN THE AGRICULTURAL SECTOR

RADP-S already has an extensive and rigorous M&E system, according to its own reports, that has the power to capture valuable information about agricultural production within its coverage area. As other RADPs are implemented, it is necessary that their M&E systems are compatible and that the information they provide is available to other actors—including

policymakers and implementers. RADP-C should take the role of main coordinating body on this and ensure that the information captured meets the information needs concerning pressing issues; that results are made widely available; and that those results are fully public, if possible. RADP-C should also investigate how information from RADPs' M&E system can be usefully shared with MAIL (specifically the Directorate for Statistics and Marketing Information), the DAILs, and other programs working within the same regions.

4. MAKE MARKET INFORMATION PUBLICLY AVAILABLE AND SHARE WITH KEY STAKEHOLDERS: INCLUDING THE MAIL DIRECTORATE OF STATISTICS AND MARKET INFORMATION, DAILs, MOCI, ETC.

In addition to other information deriving from the RADPs M&E system, RADP-C should prioritize the generation of information and analysis related to agricultural markets.

MAIL's Directorate of Statistics and Market Information also collects commodity price information on key agricultural products, but the publication of this information is sporadic and came to a stop at the end of 2012. Staff members also explain that they do not have a mechanism for sending this information back down to the producers. RADP-C should determine if there is a way to support MAIL's data collection through the RADP M&E system without a direct subsidy that is unlikely to create long term institutional capacity.

RADP-C should also explore options for sharing statistical information with producers—possibly through cooperatives and associations. Programs such as IDEA-NEW, for example, are already capturing agricultural market data and sometimes have ways of sharing the information publicly. RADP-C should also investigate ways of working with and enhancing these efforts, rather than duplicating them.

5. WORK WITH THE REGIONAL RADPs TO IDENTIFY, SHARE, AND DOCUMENT EMERGING LESSONS FROM THEIR WORK TO INFORM POLICY

While the RADPs' M&E systems will potentially generate a great deal of data, RADP-C can add value to this by spearheading analysis efforts focused on identifying and documenting lessons that can inform policy. This is relevant for all areas where RADPs are focusing their efforts, including improved wheat production, improved on farm water management, engagement of women, and enhancement of value chains for selected horticultural and livestock products.

6. CREATE A PUBLIC KNOWLEDGE RESOURCE ON AGRICULTURE FOR AFGHANISTAN – SHARE WITH MAIL AND HOST ON OWN WEBSITE

One issue raised by a number of key informants that can be easily remedied is the concern that some USAID contractors treat information generated through USAID-funded programs as proprietary. Information produced through public funding is public, which should be clearly stipulated in contracts and enforced. RADP-C should gather all information produced

by the RADPs, including M&E reports, other study reports, etc., and post it on its website. It should also gather available documentation from other projects and programs as well as from the government to create a portal on agricultural development in Afghanistan that can be used and referenced by all stakeholders. This can include copies of all key agricultural policies. Hard and soft copies of the most useful documents should be provided and the website should be advertised to a contact list of stakeholders that would include DAILs, Afghan universities, NGOs, program implementers, MoCI offices, producer associations, and other key agricultural stakeholders. This is a simple and concrete step that can improve the availability of information.

7. WORK WITH RADPs TO EXPAND PUBLIC DIALOGUE AND AWARENESS OF AGRICULTURAL POLICY AROUND KEY ISSUES

One of the most important ways that RADP-C can contribute to a more enabling environment for agriculture is by facilitating increased transparency and public dialogue around how agricultural policy can address key issues.

In coordination with the regional RADPs, RADP-C should take the lead to develop a public communication strategy to spark public engagement. Radio programs with a call-in format could be particularly effective, combined with listening clubs, and/or periodic public fora. Inviting DAIL and MAIL officials as well as the heads of producer associations to discuss their policies on the radio, and inviting listeners to call in with questions, could be combined with more general discussions about overall policy approaches and key issues.

Existing programs, such as IDEA-NEW, have already made use of the radio to share market prices and for some extension activities. RADP could learn from these initiatives, especially from the efforts of organizations such as Aga Khan Foundation, Action Aid, and Integrity Watch Afghanistan, which could help improve government transparency through public monitoring and engagement.

8. WORK WITH RADPs TO INVENTORY EXISTING PRODUCER & AGRIBUSINESS ASSOCIATIONS AND TO CONNECT AND ENGAGE THEM IN POLICY DISCUSSIONS

Producer and agribusiness associations are key vehicles for organizing producers and helping reduce market risk. They can also act as representatives of farmer interests on policy-related issues.

At present, many associations have been established, often under the auspices of a particular project, program, or NGO, and some by the government. The RADP regional centers will work with these associations and help catalyze the formation of new associations. RADP-C should gather information about all associations and cooperatives and make it publicly available. It should also support associations in their representational role by inviting and sponsoring their involvement in regional policy platforms (such as the regional variants of the Agribusiness Taskforce working groups). In doing so, it should also stipulate conditions of

transparency and representation in the governance of these associations. Key informant interviews raised concerns that some associations act in favor of their leaders' interests, at the expense of their membership, and are not transparent.

9. RECOGNIZE RADP ITSELF AS A KEY PLAYER AND ENSURE THAT ITS OWN PRACTICE SUPPORTS AN ENABLING ENVIRONMENT FOR AGRICULTURE

As a major program throughout the country with a mandate to create significant changes in wheat production and high-potential value chains, RADP is considered the de facto policy--influencing the overall agricultural sector. Therefore, it needs to ensure that its own actions are consistent with supporting a healthy agricultural sector that can meet food security and economic growth objectives, in the short and long term. RADP-C should play a central role in ensuring that RADPs' short-term deliverables do not undermine long-term results.

There are specific risks that are generated by holding the RADPs to ambitious short-term targets. In other projects, pressure to meet such targets has led to top-down approaches in which associations are formed by program implementers without strong community links and with little accountability to members. Strategies developed under time constraints are less likely to be well coordinated and conflict with, or duplicate, the strategies of other projects. Further, such project efforts are focused on those who are most convenient to work with, such as rich farmers—exacerbating inequalities and further marginalizing poorer farmers. These are the types of risks that the RADPs should seek to avoid. RADP-C should develop principles and tools to help the RADPs contribute to effective long-term and sustainable results. It should work with the OAG to help justify this approach, particularly in the face of political pressure for 'quick fixes' that are likely to create more problems and are poor investments in the long term. The use of an M&E system will also contribute to providing long-term solutions. See Recommendation 12 below.

10. ADVOCATE FOR MORE COHESIVE MARKET POLICY FOCUSED ON REDUCING THE RISKINESS OF AGRICULTURAL MARKETS FOR PRODUCERS

RADP-C should limit its attempts to directly drive the creation of formal policy documents and instead encourage policy dialogues with key stakeholders. This type of activity is less direct, but it is much more likely to lead to policy implementation and to address the issue of weak ownership. Within such dialogues, RADP-C's own position and advocacy should be based on evidence rather than ideology. One key issue that needs further policy attention, as identified in this study, is the need to reduce the risks that farmers face to engage in licit agricultural markets. RADP-C should actively engage in identifying existing strategies that work well on this front to allow policymakers and implementers to identify ways of supporting such efforts.

11. ADVOCATE FOR INCLUSION OF WOMEN IN POLICYMAKING AND THE FOLLOW-THROUGH OF GENDER-RELATED COMMITMENTS IN POLICY IMPLEMENTATION³⁶

Despite some rhetorical commitment and policy development on the inclusion of women within MAIL, intermediate strategy documents and any real political commitment are extremely weak. However, women play important roles in livestock and horticultural value chains, and studies on women's economic empowerment observe that such sectors are amongst the most promising. NGOs and off-budget programs have worked with women to establish active associations for some key products, such as saffron. RADP-C should ensure that representatives of these associations and NGOs working with women have a seat at the table in policy dialogues, at both the national and regional level.

The RADP program, and the OAG itself, can also advocate for gender monitoring of value chain development interventions, since these can often change the way tasks and rewards are divided between the genders. For example, women in one FGD observed that the recent creation of public factories had shifted processing tasks from women in the home to men in the public domain.

12. DEVELOP APPROPRIATE AND REALISTIC INDICATORS FOR RADP-C'S OWN MONITORING SYSTEM

RADP-C's monitoring system needs to establish indicators that are appropriate for long-term policy engagement. These indicators should monitor the following:

- a. Public awareness and engagement on key issues,
- b. The type and amount of feedback on call-in radio shows,
- c. The degree to which MAIL and DAIL officials are willing to engage with the public,
- d. The results of surveys and/or FGDs monitoring the trust that producer and agribusiness groups, including women's groups, have in the government's agricultural offices.

RADP-C can also monitor its own efforts in information sharing and distribution by:

- a. Monitoring hits and downloads from its web portal,
- b. Informational requests,
- c. Research requests and research studies completed,
- d. The use of results of the aforementioned studies,
- e. The degree to which non-governmental stakeholders and DAIL staff feel they are well-informed and able to access information on agricultural policy issues.

³⁶ See also: Brennan, Stephanie, *Gender Analysis: Regional Agriculture Development Program (RADP)*, USAID/SUPPORT Project, May, 2012. Available from Checchi and Company Consulting, Inc.

On issues where RADP-C has taken an evidence-based advocacy stance, it can monitor the influence of its advocacy and changes in discourse. The creation and passing of new policies is not, by itself, a useful indicator for RADP-C's progress.

13. ALLOW FOR FLEXIBILITY IN RADP-C'S APPROACH

RADP-C will be working in a challenging, uncertain, and ever-changing policy environment. To be effective, it must be adaptive and able to constantly assess the policy environment, seek policy windows, weigh possibilities, and act opportunistically. Changes in leadership within ministries over the course of RADP-C's operation may close some doors, but open others. The Agribusiness Taskforce has been identified in this study as the likely entry point for RADP-C's policy engagement, but the complexities and pending changes in the policy environment suggests that RADP-C must be able to reassess this strategy as it begins its work. Therefore, the OAG should anticipate these potential changes and incorporate avenues for flexibility within its contract.

Annex I: Scope of Work

OFFICE OF AGRICULTURE & OFFICE OF PROGRAM AND PROJECT DEVELOPMENT

STATEMENT OF WORK

AGRICULTURAL POLICY CONSTRAINTS AND INSTITUTIONAL ARCHITECTURE ANALYSIS FOR AGRICULTURAL ENABLING ENVIRONMENT IN AFGHANISTAN

REGIONAL AGRICULTURE DEVELOPMENT PROGRAM-CENTRAL (RADP-C)

Summary

The Office of Agriculture (OAG) in USAID/Afghanistan is seeking short term support from the SUPPORT-II project to: (1) assess the agricultural policy constraints and gaps that limit the Agricultural Enabling Environment in Afghanistan; (2) identify potential policy areas that could be priorities for the Regional Agriculture Development Program-Central (RADP-C) program; and (3) offer USAID recommendations with respect to the design of the RADP-C.

OAG seeks a team with a strong technical expertise in public-sector capacity building and policy work in the agriculture sector.

The TDY will last approximately six weeks beginning around March 10, 2014. This will involve stakeholder consultation meetings with representatives of the Government of the Islamic Republic of Afghanistan's (GIRoA)'s relevant ministries for the agriculture sector, the private sector, the media, civil society organizations, agriculture sector donors, implementing partners, USG interagency partners, and other non-governmental stakeholders.

Background Context

Agriculture dominates the Afghan economy, contributing an estimated 33% of gross domestic product, and providing employment and livelihoods for about 75% of the population.

While agriculture is critical to the well-being and prosperity of Afghanistan's people, challenges to agricultural development in Afghanistan are numerous. Three decades of

conflict in Afghanistan led to agricultural production to declines of 3.5% annually between 1978 and 2004. Ongoing political conflict throughout the country continues to challenge agricultural development, as do widespread rural poverty and isolation, limited water availability and uncertain levels of rainfall (exacerbated by climate change), and widespread land conflict.

Tackling these issues requires effective government leadership and visionary national agricultural policy. Indeed, GIRoA and its international development partners have spent great amounts of money, time and effort over more than a decade on developing a broad range of agricultural policies and on improving government capacity to develop and implement agricultural policy and programs. These efforts have resulted in the current National Agriculture Development Framework (NADF) and its associated programs.

Despite these efforts, capacity levels in many areas of the Ministry of Agriculture, Irrigation and Livestock (MAIL) remain weak, and the overall political and policy environment remains uncertain and tenuous. For example, although MAIL and its partners have developed 136 agricultural policies and regulatory documents, only seven have become presidential decrees and 21 are approved. The remaining 108 are either being drafted or pending approval. Further, agricultural policies are often not consistently implemented in the provinces, and may not be reflective of the needs of farmers and other actors in agricultural value chains. This may be due to weaknesses in the policy-making process. Most agriculture policies, laws, regulations and administrative procedures have been developed by expatriate consultants, in response to immediate, often crisis-driven needs. The engagement of private sector and civil society organizations in the policy formulation and implementation process appears to have been limited. To address these issues, MAIL established the Policy Analysis and Legal Affairs Department (PALAD) in the General Directorate of Planning and Policy (GDPP) in late 2010.

USAID's OAG is working with MAIL to support the goals of Afghanistan's agricultural policy framework by establishing Regional Agriculture Development Programs (RADP). In total, there will be five RADPs, one within each of the Regional Economic Zones (REZ): Central, North, South, East, and West. The objective of the RADPs is to improve food and economic security for rural Afghans in targeted areas. It will do this by promoting wheat, high-value crops, and livestock production, based on the following theory of change:

4. While the economic returns to wheat are relatively low, particularly for irrigated land, Afghan households dedicate an excessive amount of land to the cultivation of wheat. This is because wheat is the primary source of caloric intake for Afghan households and, given uncertainties in the wheat market, rural households

try to ensure that they have enough wheat to meet their consumption needs from their own production.

5. If the productivity of wheat per hectare can be increased for small farmers, agricultural households can meet their food security goals using less land. Farmers would, therefore, be more willing and able to convert land from wheat production to higher value crops, which would increase household incomes.
6. Thus, RADPs will focus on supporting farmers to increase wheat productivity, with each RADP promoting the development of value chains for high-value crops and/or livestock (selected according to the region). Then farmers can sell their high-value crops, and generate income for their households, leading to improved economic well-being.

RADP's design also includes ambitious goals for the inclusion of women within its programs. At present, the establishment of the RADPs is in progress. RADP-South, which began in October 2013, is being implemented by Chemonics International. RADP-North will be awarded in the near future, to be followed (chronologically) by RADP-West, RADP-East, and RADP-Central. The RADP contracts are to be funded for initial 5-year periods, with a possibility of extension.

RADP-C is envisioned to provide support for agricultural policy formulation at a national level. The precise nature of RADP-C's efforts remains to be determined. The proposed study is to inform that design process. Potentially, RADP-C could focus on improving MAIL's capacity to plan and implement policies that are responsive to the needs of rural Afghans, and/or support coordination between the other RADPs, MAIL, and other donor-funded programs in policy formulation. RADP-C is expected to support and work closely with the GDPP/PALAD within MAIL.

An initial analysis by the OAG indicates that there are numerous areas in which support could potentially leverage improvements in the agricultural policy process in Afghanistan. Areas where gaps are acknowledged to exist include, but are not limited to, the following:

- Institutional capacity within MAIL to develop and implement policies with sufficient input from national stakeholders, particularly the private sector;
- MAIL's collection, storage, and analysis of agricultural data;
- Coordination and collaboration within and between MAIL's internal and donor-funded programs;
- Mechanisms for mutual accountability between MAIL and its development partners; and
- MAIL's capacity for policy analysis, including its ability to generate and widely circulate information on the costs, benefits, winners, and losers from existing and alternative policies.

Given this wide range of perceived gaps, and the large number of actors and programs that have been and are currently involved in addressing these gaps, RADP-C must be strategic in defining its own role and strategy for contributing to a more enabling agricultural policy environment. Particularly, RADP-C's efforts on this front should complement the work of the other RADPs, and other projects and programs, whether funded by USAID or other development partners.

Purpose Of The Analysis

The purpose of this analysis is to feed into the design of RADP-C, to improve its potential effectiveness in contributing to an enabling agricultural environment by addressing key gaps in the policy-making and implementation process.

OAG developed and approved a concept note for all RADPs that included an enabling environment component. In addition, OAG is developing a detailed concept paper for RADP-C. The findings from the proposed analysis will be used to further refine this RADP-C concept paper. The OAG is the primary intended user of this study.

Analysis Questions

Specifically, this analysis seeks to answer the following questions:

1. What are the current pressing gaps in policy-making and implementation, with respect to creating an agricultural enabling environment in Afghanistan?
2. What role could RADP-C play in helping to address these gaps?
 - a. What has already been done, by whom, and with what result?
 - b. Who is currently addressing these gaps? How could RADP-C complement and build upon these existing efforts?
 - c. What contextual factors (opportunities and threats) does RADP-C need to take into account, in order to develop effective, responsive strategies?

Methodology

The methodology employed to address the two questions above will involve two stages, with the findings of the first stage feeding into and informing the design of the second stage, as outlined below.

Anticipated limitations: The primary limitation or risk related to the methods described below is the timing. Since the data collection periods fall during Nowruz (New Year) and the Presidential Elections, Kabul is on high security alert and many key informants may be unavailable or inaccessible.

STAGE ONE: INITIAL INSTITUTIONAL MAPPING AND KEY GAPS ANALYSIS

Data collection methods:

- **Document review:** At this stage, document review will be cursory rather than in-depth, and will focus on identifying institutional actors who were, are, or plan to be active in agricultural policy processes and the roles that they have played. In addition, relevant documentation, including prior evaluations and research reports available to the team, will be reviewed for information on identified gaps and needs in agricultural policy processes.
- **Key informant interviews:** Interviews will be conducted with a variety of key informants, representing a diverse range of stakeholders within the agricultural sector (i.e. donors, government line ministries, NGOs, community-based organizations, farmers' organizations, and private sector representatives). These interviews will be focused on determining what stakeholders perceive to be the most important gaps or opportunities with respect to agricultural policy-making and implementation. Interviews with representatives from the provinces will be conducted via phone (or if necessary, by satellite phone or radio), so that a geographically diverse range of perspectives is represented in an efficient manner.
- **Focus groups:** If time allows, a small number of focus groups may be conducted with representatives of selected stakeholder groups (for example, NGOs or farmer associations) to discuss policy process gaps and augment the range of perspectives gained in key informant interviews.

Analytical approach: Analysis from all sources will focus on comparing and contrasting identified gaps and opportunities across different stakeholder groups, noting areas of consensus and divergence and the nature of such divergence. This will lead to both an exhaustive list of identified policy process gaps (whether consensual or divergent), and a short list of policy process gaps that may be strategic priorities for RADP-C. A gender component of the analysis will consider the importance of these priority policy gaps in terms of their differential importance to, and likely impact, on men and women, and the significance in terms of meeting RADP's gender goals.

Key outputs from this stage:

- Initial mapping of key institutional actors
- Full list of identified policy process gaps
- Short list of priority policy process gaps

Role of USAID: USAID's OAG will provide all relevant documentation to the analysis team, including the concept note it prepared for the RADPs and any other project documentation that describes the design and current status of the RADPs. One day prior to the mid-term briefing, the analysis team will provide the above documents to its

USAID counterparts in the OPPD and the OAG. At the mid-term briefing, USAID representatives will discuss the short list of priority policy process gaps as they relate to the RADP-C program and, together with the analysis team, will select one or two priority gaps as focal issues for the second stage of the study.

In addition, at both this and the subsequent stage, the analytical team may ask the USAID team to assist in providing relevant USAID documents, or other documents to which they have access, and to provide introductions to relevant contacts. Besides this, the analysis team will operate independently, but is open to questions and suggestions from its USAID points-of-contact throughout the study.

STAGE TWO: DEVELOPMENT OF STRATEGIC RECOMMENDATIONS FOR ADDRESSING PRIORITY GAPS

Data collection methods:

- **Document review:** The analysis team will assemble a short list of key documents most pertinent to the priority gaps. These may include policies, project documents, evaluations and research reports. The team will review these documents using an analysis guide to add further detail to the existing institutional map regarding actors and activities.
- **Roundtable/think tank sessions:** The analysis team will convene groups of experts and key stakeholders related to one or both priority gaps. This will be the primary data source for this stage. Participants will engage in a facilitated discussion about the gaps, based on Evaluation Question 2 and its sub-questions. As much as time and security conditions allow, the analysis team plans to conduct two of these sessions in the provinces. In addition, it will take advantage of any donor coordination, NGO agriculture/food security cluster meetings and MAIL coordination meetings, and request the organizers to use some of the meeting time to conduct a brief focus group session.
- **Key informant interviews:** A small selection of key informants, who are not able to participate in the roundtable sessions, will be interviewed individually. They will be selected to ensure that a full range of perspectives inform the emerging recommendations. In addition, all relevant information from the first round of key informant interviews in Stage One will feed into the final analysis.

Analytical approach: Analysis at this stage focuses on answering Evaluation Question 2 and its sub-questions. All data sources will be compared and compiled, with special attention given to contradictions, differing opinions, ambiguity and apparent gaps. Where there is clear consensus among a wide diversity of stakeholders, this should also be noted. The analysis will give consideration to inclusivity of policy processes and the capacity of

the recommended strategies to respond to the needs and interests of women and smallholder farmers (as well as larger landowners).

Key outputs from this stage: As identified under ‘deliverables’ below.

Role of the USAID team: Because the purpose of this stage is to develop strategic recommendations that fit within the vision, scope and capacity of the RADP-C program, the analysis team anticipates that regular communication with the USAID team will be particularly important for this stage of the research, so that the recommendations are fully informed by existing USAID program design requirements.

Team Composition

The analysis team shall consist of no more than two independent international experts (with one serving as the team lead and primary coordinator with USAID) as well as no more than two high level Afghan experts, one of whom can also serve as an interpreter. The international experts should be senior-level policy/institutional specialist and/or agricultural policy experts specialized in public-sector capacity building and policy work in the agriculture sector with expertise and knowledge of Afghanistan’s local governance and political situation. All international experts must be fluent in English. Strong writing skills are required for at least one of the team members. The Afghan experts should have experience with GIRoA systems and experience with agriculture policy formulation and implementation in Afghanistan. The Afghan experts should also be proficient in English, Dari, and Pashto.

Analysis Schedule

The estimated time period for undertaking this analysis is 43-51 days level of effort (LOE) per team member, of which at least 42 days should be spent in Afghanistan. The expat team members should be in Kabul no later than March 10, 2014.

The analysis team is authorized to work six days a week. The team may determine to travel to selected provinces as needed to conduct interviews with provincial officials, DAIL staff, private sector, media, civil society organization, and the public.

Table 6: Illustrative Level of Effort (LOE) in Days

| Position | Total Travel Days | In-Country | Final Report Remote | Total LOE |
|---|--------------------------|-------------------|----------------------------|------------------|
| Team Leader/ Agriculture Policy Analyst | 4 | 42 | 5 | 51 |

| | | | | |
|----------------------------|---|-----|----|-----|
| Agriculture Policy Analyst | 4 | 42 | 3 | 49 |
| Afghan Expert | - | 42 | 1 | 43 |
| Afghan Expert | - | 42 | 1 | 43 |
| Totals | 8 | 168 | 10 | 186 |

Management

Checchi SUPPORT officially reports to the Office of Program and Project Development (OPPD). From a technical management perspective, the analysis team will work closely with Sardar Safa Mohammad SSafa@state.gov mobile#0707626368, Mohammad Junaid Sahibzada mjunaid@state.gov mobile# 0707626384, Emily Rupp ERupp@state.gov mobile# 0702-626-237, and Belay Mengistu bmengistu@state.gov mobile# 0705191957.

Deliverables & Reporting Requirements

DELIVERABLES

1. **In-briefing:** Within 48 hours of arrival in Kabul, the Analysis Team will have an in-brief meeting with USAID/Afghanistan's OPPD and the Office of Agriculture (OAG) Technical Team introductions; discussion of the Team's understanding of the assignment, initial assumptions, analysis methodology, and/or adjust the statement of work (SOW) if necessary.
2. **Analysis Work Plan:** Within three days of the above-mentioned in-brief, the Team Leader shall provide a revised SOW. Within two days of USAID approval of the revised SOW, the Team Leader will provide a detailed draft work plan to OPPD and the Technical Office team. The draft work plan will include the overall analysis design, including proposed methodology, data collection and analysis plan, and a list of the team members indicating their primary contact details while in-country, including the e-mail address and mobile phone number for the team leader; and the team's proposed schedule for the analysis. Within two days of USAID approval of the draft work plan, the Team Leader will submit data collection instruments and a list of potential interviewees and sites to be visited for the first stage of the research.
3. **Mid-term Briefing and Interim Meetings:** A mid-term briefing with USAID on the status of the analysis including potential challenges and emerging opportunities will be scheduled by the Team Leader through the SUPPORT II COR. The team will also provide the SUPPORT II COR and the OAG team with periodic briefings and feedback on the team's findings, as agreed upon in the in-briefing. (Optional -

Additionally, a weekly 30-minute phone call with SUPPORT II COR and OAG. Team Leader will provide updates on field progress and any problems encountered.)

4. **PowerPoint and Final Exit Presentation** to present a summary of findings and recommendations to USAID. This presentation will be scheduled as agreed upon during the mid-term briefing, and prior to the analysis team's departure from Kabul. If USAID allows, the analysis team recommends that other stakeholders be invited to this final presentation, or that a similar presentation, minus any sensitive material, be given to other stakeholders, which might include MAIL representatives, NGOs, academia, farmer associations, and other donors and implementing partners working on agricultural development in Afghanistan.

5. **Draft Analysis Report:** Shall be consistent with the guidance provided in Section X below. Length of the report: not to exceed 25-30 pages, exclusive of Annexes in English, using Times New Roman 12 point font, 1.15 line-spacing, consistent with USAID branding policy. The report will address:
 - a. An analysis of the key systems, processes, and relationships that make up the agricultural policy change process (e.g., who are the managers of the policy process?)
 - b. A visual map of key stakeholders involved in the agricultural policy-making and implementation process.
 - c. Identification of the current pressing gaps in policy-making and implementation, with respect to creating an agricultural enabling environment in Afghanistan.
 - d. Of the identified gaps above, suggest priority issues that RADP-C could focus on, with empirically-based justification for this selection.
 - e. For each of the identified priority issues, describe what role(s) RADP-C could play to address it, with specific recommendations for future priorities and action.
 - f. Address any other factors that the team feels has bearing on the objectives of the analysis. Such factors can be included in the report only after consultation with USAID. Unless otherwise determined at the mid-briefing, the draft analysis report, using the below format, will be submitted by the Team Leader to the SUPPORT II COR 24 hours in advance of the exit briefing. USAID's OPPD and OAG will have ten calendar days in which to review and comment on the draft, and OPPD shall submit all comments to the Team Leader.

6. **Final Analysis Report:** The Team Leader will address all comments and questions received from USAID in the final report and resubmit the report to the SUPPORT II COR within five calendar days. All project data and records will be submitted in full and shall be in electronic form in easily readable format; organized and fully documented for use by those not familiar with the analysis; and owned by USAID and made available to the public unless otherwise indicated by USAID.

7. **Public version of Final analysis Report:** An abbreviated version of the final report, without appendices and with all information deemed sensitive or private by USAID removed, will be submitted as a public report, to be made available on USAID's website and shared with interested stakeholders contacted through the course of the study.

FINAL REPORT FORMAT

The analysis report shall include the following:

1. Title Page
2. Table of Contents
3. List of any acronyms, tables, or charts (if needed)
4. Acknowledgements or Preface (optional)
5. Executive Summary (3-5 pages)
6. Introductory Chapter
 - a. A description of the analysis work, including goals and objectives.
 - b. Brief statement on purpose of the analysis, including a list of the main analysis questions.
 - c. Brief description of the methods used in the analysis such as desk/document review, interviews, site visits, surveys, etc.
 - d. Brief description of the analysis methodology, including key assumptions and any limitations.
7. Findings: This section should describe the findings, focusing on each of the analysis questions.
 - a) A visual map of key stakeholders involved in the agricultural policy-making and implementation process, accompanied with a descriptive narrative.
 - b) Identification of the current pressing gaps in policy-making and implementation, with respect to creating an agricultural enabling environment in Afghanistan. Brief summary of which of these were selected as priority issues for RADP-C.
 - c) Priority Issue 1
 - i. Overview: Justification for selection, RADP-C's potential role and strategic advantage on this issue
 - ii. History: what has already been done, by whom, with what result?
 - iii. Present: Who is currently addressing these gaps? How could RADP-C work with and complement these existing efforts?

- iv. Future: What contextual factors (opportunities and threats) does RADP-C need to take into account? Recommended indicators and strategies to monitor a changing environment.
 - d) Priority Issue 2 (if selected)
 - i. Overview: Justification for selection, RADP-C's potential role and strategic advantage on this issue
 - ii. History: what has already been done, by whom, with what result?
 - iii. Present: Who is currently addressing these gaps? How could RADP-C work with these existing efforts to complement these efforts?
 - iv. Future: What contextual factors (opportunities and threats) does RADP-C need to take into account? Recommended indicators and strategies to monitor a changing environment.
- 8. Conclusions and Recommendations: This section should include actionable statements for RADP-C concept paper and design process that would improve the agriculture-enabling environment for achieving RADP objectives as per its theory of change. It should also include recommended indicators and methods for monitoring and evaluation for organizational learning in a complex environment.
- 9. Annexes
 - a. Analysis Statement of Work
 - b. Places visited; list of organizations and people interviewed, including contact details [NB: disclosure of people and contact information must follow confidentiality and anonymity protocols – i.e. interviewees have the right to be anonymous if they choose].
 - c. Analysis design and methodology.
 - d. Copies of all tools such as survey instruments, questionnaires, discussions guides, checklists.
 - e. Bibliography of critical background documents. This bibliography should include key documents reviewed and cited that would be useful for future agricultural policy program design or evaluation, with hyperlinks for those documents accessible on the internet. For those documents not available on the internet, electronic copies should be shared with USAID OAG, if available.
 - f. Meeting notes of all key meetings with stakeholders [NB: these will be provided to the degree possible while following research ethics protocols and respecting respondents' confidentiality and anonymity requests].
 - g. Analysis Team CVs
 - h. Any additional relevant documentation, including lists of key stakeholders involved in each of the priority issue areas, with a brief description of their

past, current and future involvement, and a list of agricultural policy documents, annotated with information regarding their current status where available.

REPORTING GUIDELINES

- The analysis report should represent a thoughtful, well-researched and well-organized effort to objectively analyze the existing agriculture policy framework, what worked, and what did not, and why.
- Analysis reports shall address all analysis questions included in the SOW.
- The analysis report should include the statement of work as an annex. All modifications to the statement of work, whether in technical requirements, analysis questions, analysis team composition, methodology, or timeline need to be agreed upon in writing by the COR.
- Analysis methodology shall be explained in detail and all tools used in conducting the analysis such as questionnaires, checklists and discussion guides will be included in an annex in the final report.
- Limitations to the analysis shall be disclosed in the report, with particular attention to the limitations associated with the analysis methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Analysis findings should be presented as analyzed facts, evidence, and data and use triangulation and other methods to ensure rigor and validity. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information need to be properly identified and listed in an annex.
- Recommendations need to be supported by a specific set of findings.
- Recommendations should be action-oriented, practical, and specific, with defined responsibility for the action.

Annex II: Work Plan

WORKPLAN

**AGRICULTURAL POLICY CONSTRAINTS AND INSTITUTIONAL ARCHITECTURE
ANALYSIS FOR AGRICULTURAL ENABLING ENVIRONMENT IN AFGHANISTAN**

REGIONAL AGRICULTURE DEVELOPMENT PROGRAM-CENTRAL (RADP-C)

Submitted on:

March 20, 2014

Purpose of this Study

The purpose of this analysis is to feed into the design of RADP-C, to increase the likelihood that it will contribute to an enabling agricultural environment by addressing key gaps in the policy-making and implementation process.

USAID's OAG is working with MAIL to support the goals of Afghanistan's agricultural policy framework by establishing Regional Agriculture Development Programs (RADP). In total, there will be five RADPs, one within each of the Regional Economic Zones (REZ): Central, North, South, East, and West. The objective of the RADPs is to improve food and economic security for rural Afghans in targeted areas. It will do this by promoting wheat, high-value crops, and livestock production, based on the following theory of change:

7. While the economic returns to wheat are relatively low, particularly for irrigated land, Afghan households dedicate an excessive amount of land to the cultivation of wheat. This is because wheat is the primary source of caloric intake for Afghan households and, given uncertainties in the wheat market, rural households try to ensure that they have enough wheat to meet their consumption needs from their own production.
8. If the productivity of wheat per hectare can be increased for small farmers, agricultural households can meet their food security goals using less land. Farmers would, therefore, be more willing and able to convert land from wheat production to higher value crops, which would increase household incomes.
9. Thus, RADPs will focus on supporting farmers to increase wheat productivity, with each RADP promoting the development of value chains for high-value crops and/or livestock (selected according to the region). Then farmers can sell their high-value crops, and generate income for their households, leading to improved economic well-being.

RADP's design also includes ambitious goals for the inclusion of women within its programs. At present, the establishment of the RADPs is in progress.

In addition to focusing on supporting value chain development within its region, RADP-C is envisaged to support agricultural policy processes country-wide. The precise nature of RADP-C's efforts remains to be determined. The proposed study is to inform that design process. Potentially, RADP-C could focus on improving MAIL's capacity to plan and implement policies that are responsive to the needs of rural Afghans, and/or support coordination between the other RADPs, MAIL, and other donor-funded programs.

OAG is developing a detailed concept paper for RADP-C. The findings from this study will be used to further refine this concept paper, which will be the basis for designing RADP-C. The OAG is the primary intended user of this study.

Methodology

STUDY QUESTIONS:

This analysis seeks to answer the following questions:

3. What are the current pressing gaps in policy-making and implementation, with respect to creating an agricultural enabling environment in Afghanistan?
4. What role could RADP-C play in helping to address these gaps?
 - a. What has already been done, by whom, and with what result?
 - b. Who is currently addressing these gaps? How could RADP-C complement and build upon these existing efforts?
 - c. What contextual factors (opportunities and threats) does RADP-C need to take into account to develop effective, responsive strategies?

APPROACH AND FRAMEWORK:

Basic assumptions of the study:

3. The overall goal of RADP is to support food security and economic growth, hence an ‘enabling environment’ is one in which agricultural policy contributes to these goals.
4. Policy gaps and constraints can only be assessed in relation to the ultimate needs which the policy seeks to address. In this case, these are food security and opportunities for economic growth available to farmers across Afghanistan. (In other words, policy and policy-making should never be ends in themselves.)

These basic assumptions inform the overall approach of this study. The study first aims to identify specific felt needs – specific ways in which farmers’ food security and/or economic growth are seen to be limited or constrained. These are to be based on empirical observations from farmers and those who work closely with them (MAIL extension workers, NGO field workers, and agri-businesses) and those who represent them (producer groups, etc.).

Secondly, the study aims to prioritize these problems or needs according to the following criteria:

- Appears to be countrywide, rather than specific to a given region;
- Falls within umbrella of overall RADP/NADF goal (food security and economic growth)
- Is relevant to a broad spectrum of farmers (smallholders as well as larger farmers, women as well as men)
- Appears that existing efforts to address it are inadequate
- Appears that RADP-C could have the potential to address it (whether through capacity-building or other strategy)
- Complements and leverages RADP’s other areas of focus – particularly the focus on promoting value chains

Based on these criteria, and in consultation with the USAID OAG, the analysis team will select one or two of the identified needs or problems as priority needs. An initial mapping of the policy arena and main institutional actors at this stage will help to situate these priority needs in relation to existing agricultural policy and its implementation.

The third part of the analysis focuses on tracing through and assessing existing policies and policy processes related to these problems. The key here is understanding why and in what way efforts to-date have not managed to address the problem (i.e. why it is still being identified as a major problem within the agricultural sector – at what point within the policy process is there an issue or bottleneck – is it lack of policy, poorly formulated policy, poor implementation, etc.), and hence, the potential role that RADP-C could play in contributing to the formation and/or implementation of more effective policy.

The following qualitative data will be collected for analysis:

Table 7: Data collection

| Method | Data | Sources |
|--|---|---|
| a. Document Review | Agricultural policies (as relevant to priority problems) RADP design documents and concept notes | MAIL USAID Other donors as relevant |
| b. Literature Review | Studies on rural food security in Afghanistan, value chain and market analysis for agricultural products | Research organizations NGOs Donors |
| c. Key informant interviews/focus groups | Problems/constraints facing farmers re. food security and/or economic growth | NGO field workers in at least two agro-ecological zones MAIL extension workers Representatives of producer groups Agribusiness Agricultural development experts |
| d. Key informant interviews/focus groups | On one or two of the key problems facing farmers (as determined in first stage of the study): Existing policy, programming, policy implementation status, and institutional actors, strengths and limitations of existing and past policy | MAIL staff DAIL staff Other line ministries as relevant Relevant agricultural program staff Donors Producer groups (as relevant) NGOs Private sector |

ANALYSIS:

While the most intense periods of analysis are highlighted in the work schedule below, analysis will be ongoing throughout the data collection periods. As the data is almost exclusively qualitative, the team will use qualitative data analysis software (atlas.ti) to manage the analysis effectively. Analysis will categorize the data based on the study questions, and based on emerging themes.

In the first stage, the analysis will focus on the needs and problems identified by respondents and the degree to which they meet the criteria for ‘priority problems’. The analysis team will also take data from all relevant sources to begin mapping the institutional context in which policy is made and implemented.

In the second stage, the analysis team will trace policy processes around the one or two priority needs, and using the draft institutional actors map as a starting point. The analysis in this stage focuses on building up a coherent description of the policy context around the key need(s), opportunities and limitations within the policy context, and from this, to begin sketching possible strategies that RADP-C could employ to improve policy processes.

To ensure validity and reliability of the analysis, multiple sources of data will be used and compared when drawing conclusions, and wherever possible, two team members will independently code interview data, and compare results to ensure consistency in the use of coding categories and emergent concepts.

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ANNEX B: List of Key Interview Questions

This list of questions or topics for discussion provide a general guide for stage 1 interviews and will be tailored as appropriate to the respondent. High level experts will be asked more general versions of these questions, with more focus on existing policy and coordination efforts. Business representatives will be asked modified and additional questions about challenges and opportunities in their own businesses.

Second stage interview questions will be tailored around the specific priority needs emerging from Stage 1, and will focus on answering the second study question (i.e. What has been done, and how can RADP-C contribute?)

1. FARMER NEEDS AND ISSUES: QUESTIONS FOR FIELD WORKERS

2. Can you describe the sorts of farmers you work with? Where are these farmers?
3. How many farmers (approximately) do you have contact with?
4. How often do you have contact with these farmers? Can you describe how you work with them and communicate with them?
5. Could you please explain the selection process for working with farmers, in practice?
6. Approximately how much land do these farmers own, on average?
7. How many of the farmers you work with have access to irrigation for their land?
8. Can you describe what sort of farming these farmers are engaged in? (i.e. What crops? Livestock? For food security or for market?)
9. Do these farmers depend entirely on farming for their livelihoods, or do they have other income sources? Please explain.
10. Generally speaking, would you say farmers are better off, worse off, or in the same condition as they were five years ago? Why?
11. Generally speaking, are farming households able to grow enough food to feed themselves? Why, or why not? [probe about differences between households which can and households which cannot]
12. Generally speaking, are farming households able to sell some of their produce (whether crops or livestock) to markets? Why or why not? [probe about differences between households which can and households which cannot]
13. What has worked well for farmers in the last few years? (strategies, interventions, types of crops, etc.) Why? Were all farmers able to benefit from this? If not, why not? [if needed, probe from general to specific]
14. What has been the biggest problem or need for farmers in the last few years? (i.e. might be weather, market instability, or lack of access to market, lack of credit, etc. etc.) Have some farmers been able to overcome this limitation? If so, how? What differentiates them from those who have not?

2. INSTITUTIONAL AND POLICY RESPONSE: QUESTIONS FOR FIELD WORKERS

1. Are you aware of any efforts, either now or in the past, to address this limitation? These might be policies, programs, or projects by the government or a non-government agency. If so, please describe them.
 - a. IF YES: Despite the efforts you described, this need/issue remains a problem for farmers.
 - i. Why? What has limited these efforts from fully addressing or solving this issue?
 - ii. Do you think it is possible to improve on these efforts? How?
 - b. IF NO: Why do you think has no one tried to address this issue?
2. Who do you think would be most effective at solving this issue?
3. Who else should we speak with to get a better understanding of this issue?
4. Are there any policies, research reports or other documents we should read to help us better understand this gap? If you have access to any of these, can you share them with us?

Annex III: RADP-C Annotated Bibliography

AFGHANISTAN DEVELOPMENT

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The annual guide to government, civil society, NGOs, international donors, and organizations and private sector development actors and processes in Afghanistan.

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A discussion of the physical, security, economic, political, and institutional factors leading to increased opium production in Balkh and Badakhshan provinces rather than to licit livelihoods and market development.

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An analysis of the economic growth of Balkh province, its distributional impacts, and sustainability with respect to the potential for economic and political disruption from upcoming Transition.

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OECD. “Afghanistan.” In *Aid Effectiveness 2011. Progress in Implementing the Paris Declaration: Volume II Country Chapters*, Volume II, pp. 1–20 (no date).

This chapter assesses progress against the quantitative indicators provided by the Survey on Monitoring the Paris Declaration drawing on data provided by the Government of Afghanistan and donors, the OECD, and the World Bank. It further draws on qualitative evidence submitted to the OECD by the Afghan government which incorporates feedback from donors and other stakeholders.

Shah, Sayed Mohammed. *Afghanistan National Development Strategy (ANDS) Formulation Process: Influencing Factors and Challenges*, AREU Discussion Paper, Kabul, 2009.

This paper discusses the process of formulating the ANDS document including development of the ANDS components and the strengths and weaknesses of the component national and subnational consultations.

World Bank. *Doing Business 2014 Economy Profile: Afghanistan*, Washington, D.C., 2013.

The annual Doing Business economy profile presents the World Bank's Doing Business indicators for Afghanistan, which measure and track changes in regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency, and employing workers. Afghanistan's rank in 2014 is 164 out of 189 surveyed economies.

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Altai Consulting. *Agricultural Data Collection and Utilization System (ADCUS) Program Phase II : Implementation Phase III : Advisors*, Kabul, 2014.

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A discussion of the factors contributing to capacity building outcomes in MRRD, the challenges to sustainability of these outcomes, and ability for other Ministries to replicate similar outcomes.

IESC. *CBCMP - Capacity Building and Change Management Program 2010 – 2012*, Kabul, 2012.

A summary of key outcomes achieved by the CBCMP program between 2010 and 2012. Stated achievements include improvements in MAIL's budgeting, planning, payment, and monitoring and evaluation capabilities.

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This study is based on a literature synthesis spanning 2000-2008 and describes the role of the Ministry of Agriculture, Irrigation, and Livestock's Department of Extension and how that department has addressed problems in the agricultural sector. The literature suggests that NGOs play a vital role in Extension program implementation, while the Ministry of Agriculture should serve primarily as a regulatory body.

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This paper discusses the contribution of education, vocational, and technical training to the creation of an enabling environment for private sector growth. In particular improved labor market information, utilization of the private sector for skills development, linkage of training activities to labor market needs and redesign of technical assistance to develop sustainable capacity in the public sector is recommended.

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An assessment by the Special Inspector General for Afghanistan Reconstruction of public financial management audits commissioned by USAID to determine the ability of 16 Afghan Ministries to manage and account for on-budget funding.

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A performance evaluation of the USAID-funded Civilian Technical Assistance Program to assess progress in capacity development of Afghan Ministries and provide information for future programming.

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Brennan, Stephanie. *Gender Analysis: Regional Agriculture Development Program (RADP)*, USAID/SUPPORT Project, May, 2012. Available from Checchi and Company Consulting, Inc.

The gender analysis conducted as a precursor to the design of the Regional Agriculture Development Program (RADP) identifies key factors for success in designing program activities that involve women, including high-level female management and staff development; appropriate recruitment processes; financing components; providing appropriate logistics, locations and transportation; women's group support; and staffing for monitoring and evaluation.

Grace, Jo. *Gender Roles in Agriculture: Case Studies of Five Villages in Northern Afghanistan*, AREU Case Study Series, Kabul, 2004.

A report analyzing the different roles between women and men undertake in agriculture and other income-generating activities in five villages, the impacts on livelihood strategies, and implications for program interventions.

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This paper provides an overview of governance in Afghanistan with a focus on administration and justice. It summarizes basic elements of Afghan governance including the institutional, legal and policy frameworks, most recent developments in the field, persistent challenges, and recommendations for improvements in the structure.

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AREU Synthesis Paper on local government administrative structure and local governance processes including local government administration, security and justice, service delivery, and representation.

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The paper explains the context of the National Consultative Meeting on Wheat Policy held in support of the FAO-led formulation of a Comprehensive Wheat Sector Development Programme (WSDP). The paper lists wheat research, varietal improvement and release, seed production, agricultural extension, input supply and farmers' advisory services, marketing, wheat value chain development, institutional capacity building, and wheat industry and enterprise development as key elements for a national wheat policy.

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The National Comprehensive Agriculture Production and Market Development Program (NPP2) is divided into two separate but complementary components, Food for Life (FFL) and Enterprise and Market Development (EMD), each comprising of several sub-components. The program is developed to meet the criteria of the ANDS and the Kabul Conference including national coverage, job creation, scalability and ability to attract private investment. Each component has its own objectives but all serve to facilitate overall consolidated goals and objectives.

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The Afghanistan-Pakistan Transit Trade Agreement was signed in 2010 to facilitate the transit of goods between the two countries through coordination and harmonization of procedures and administration.

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Ministry of Agriculture, Animal Husbandry and Food. *Seed Law (Final Draft)*, Kabul, 2006.

The Seed Law, formally enacted in 2009, regulates seed production, import and export, marketing and seed-related research.

Ministry of Agriculture Animal Husbandry and Food. *Procedure on Quality Control for Imported Chemical Fertilizers*, Kabul, 2007.

This procedure authorizes a commission comprised of seven senior staff to develop guidelines for quality control of imported chemical fertilizers. The procedures give clear

direction to traders for the importation of chemical fertilizers including chemical types and percent composition. All fertilizers must have a clear label and description of composition. In addition, the procedures also identify domestic chemical fertilizers that have proven effective for use by farmers.

Ministry of Agriculture, Irrigation and Livestock. *Draft National Horticulture Policy*, Kabul, 2013.

The Horticulture Policy lays the foundation for the development of the horticulture industry as a source of production for high-value domestic and export crops. Specific challenges expressed by focus group participants are encapsulated under broad categories that the policy seeks to address production; technical support and training; infrastructure; regional and international cooperation; markets; legal, regulatory, and institutional framework; and trade. However, the policy's responses remain normative in their description, identifying the actions and relevant institutions that should address the challenges through a Horticulture Strategy that remains to be developed.

Significant responsibility is placed upon MAIL to address the challenges including developing of new production techniques, improving water availability to formerly arable tracts of land, developing credit schemes accessible to farmers, devising a branding strategy for horticulture products; development of a licensing system for importing products related to horticulture; and creation of a licensing system. MAIL is also encouraged to build relationships and to work with existing institutions in relation to some of the challenges: MoF to design seasonal tariffs; MoF and MoCI on customs and quarantine standards; ACCI, AISA, and CSO for a marketing information system; ANHDO for the development of improved packaging.

Ministry of Agriculture, Irrigation and Livestock. *National Seed Policy*, Kabul, 2012.

The National Seed Policy applies to all crop seeds and planting materials for the production of grains, vegetables, forage, fruits, and industrial crops. The policy focuses on marketing, extension, quality control, and strengthening the supply chain for the supply and distribution of certified seeds and planting materials through the domestic private sector in order to reduce reliance on imports. While wheat remains the primary crop, the country's existing seed multiplication and production programs will be utilized to further develop cash crops such as potatoes. Supply of planting materials for high-value horticulture crops is emphasized. The responsibility for establishing an institutional and regulatory framework for the seed sector falls under MAIL.

Ministry of Agriculture Irrigation and Livestock, *Draft Policy and Planning Framework for Livestock Development: National Livestock Development Policy*, Kabul, 2012.

The livestock policy is currently in draft form with several sections still under development. The draft policy is guided by Agriculture Master Plan 2005 and National Agricultural Development Framework (NADF). The policy recognizes the contribution of the livestock to rural households (both economic and social) and its role in meeting the forecasted demand for animal protein by future generations. The policy document also focuses on dairy, meat, and poultry production and productivity through breed development, introduction of technologies, improvement in feed and feeding techniques, capacity building, and disease prevention issues without undermining environmental integrity. It further highlights the need for the

involvement of the private sector in livestock sector development through partnerships of the public and private sector with an emphasis for change in the public sector to provide services based on need. The components of the draft policy correspond to issues, needs, and market observations raised by focus group participants, including a specific section for backyard poultry development, specifically for women, through the establishment of Women's Producer Associations. However, the policy seems to remain unattended within MAIL.

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This document outlines the objective, implementation principles, and associated programs of the National Agriculture Development Framework (NADF) developed by the Ministry of Agriculture, Irrigation, and Livestock (MAIL).

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An information sheet explaining the Exports One-Stop-Shop (OSS) initiative of the Government of Afghanistan to improve and increase exports of Afghan products.

Ministry of Commerce and Industries, *Afghanistan's Policy to Promote SME in the Export of Agricultural and Agro-Processed Products*, Kabul, 2014.

The government's policy to promote small-medium enterprise (SME) development distinguishes seven priority problems for agriculture sector that directly correspond to the priority areas identified by focus group participants and individual sector policies: food processing, transportation, packaging, marketing, cold storage, access to credit, and policy formulation. The policy summarizes the problems related to each action area and proposes actions based on the support of relevant public, private, and donor actors through their participation in Taskforces related to the seven priority areas. The actions are voluntary and imply a hierarchy of relationships between MoCI and the other Government actors. For example, the policy recommends that the SME Directorate in MoCI directly lobby MoF to reduce import tariffs on inputs and create incentives for the private sector to invest in processing. Yet MoCI and MoF are advised to work together to create new finance and credit instruments for agri-business. MoCI will help expedite MAIL's current plan to establish eight cold-storage facilities around the country and will support a marketing strategy for dried fruits and nuts through MAIL, ACCI, and EPAA. Thus, the policy relies on functional relationships that are still nascent between the various agencies, and on internal decisions and actions that are pending within the individual agencies.

Ministry of Commerce and Industries and Ministry of Agriculture, Irrigation, and Livestock. *Implementing the SME Strategy: Action Plan for Developing Afghanistan's Agri-Business Sector*, Kabul, 2011.

This joint action plan to implement the Government's SME Strategy by the Ministry of Commerce and Industries and the Ministry of Agriculture, Irrigation, and Livestock was finalized in 2009. Consistent with the NPP2 and other market related policies, this action plan focuses on priority SMEs and value chain opportunities across key sectors based on the following objectives: drive the economic prosperity of Afghanistan; pursue SME growth, job creation, and formalization; creation of 1 million jobs and \$3 billion of GDP by 2016; and

increase the role of women in SMEs. The Action Plan identifies the relevant government institutions, policy responses, and timelines for action to effectively address the issues identified for agri-business: post-harvest handling and cold chains; limited processing activities; limited packaging activities; technology and equipment; insufficient infrastructure for food standards; trade knowledge and market linkages; trade policy and customs; transit and transport; marketing and branding. The issues outlined in the Action Plan accurately reflect the problems identified by focus group participants. Many of the proposed actions attempt to facilitate trade through consistency and the reduction of risk through improved relationships between the Government, domestic actors and regional governments; assessments to inform and improve appropriate policies and regulations that currently act as barriers; and strengthening the private sector to supply goods and services that are either lacking or imported. While the Action Plan identifies the relevant Government authorities responsible for delivering the intended policy results, it is silent on an overall coordinating mechanism to ensure that the individual capacities required by each Government agency to fulfill their obligations are in place and to monitor progress on the action points.

Ministry of Energy and Water. *Draft Transboundary Water Policy of Afghanistan*, Kabul, 2007.

The four sections of the draft transboundary water policy identify the importance of transboundary water policy and agreements with neighboring countries for political, economic, social, and environmental stability; establish general principles to guide and ensure these areas of stability; establish the basis for monitoring and projecting demand and consumption among neighboring countries; and delineate the responsibilities among relevant government institutions.

Ministry of Finance. *Afghanistan Customs Law*, Kabul, 2007.

The Customs Law was developed under Article 42 of the National Constitution in order to ensure the collection of national revenues through customs and administration. The law structures the customs system in the country by defining the authority and responsibilities of staff, defining valuation of goods, establishing regulation and monitoring of import and export of products, and prevention of customs violations. In total, the law is comprised of 16 chapters and 194 articles focused on general provisions and administration of customs, handling of objections in relation to the issues of customs, review of the administrative fines on smuggled products, customs tariffs, valuation of goods and designations, temporary storage of goods, processing of customs and customs declarations, free zones and free warehouses, customs violations, and distribution of revenues and incentives. Despite an approved structure for customs, still there remains a huge gap in aligning it with the needs of producers (particularly for agricultural and livestock products). For example, quality control of agricultural and dairy products on the borders and entry points of the country remains inconsistent. This could be due to affiliated circumstances such as lack of appropriate technology, labs, and equipment; lack of qualified technical human resources; or conflicting with other vested interests in border control.

Currently, the Customs Law mainly focuses on increasing revenue; however, it is not strongly linked to support the agricultural sector. It does not adequately address how to balance imports and exports of agricultural, livestock, and dairy products to reduce the domestic reliance on imports and derive revenues from exports while strengthening local production. The Law can strengthen the competitiveness of local products by establishing and

adjusting tariffs in order to support farmers whose domestic products compete with cheaper products from neighboring countries. From a food security perspective, offsetting cheaper imports may lead to inflated prices on food products. Local production and consumption patterns and needs should be quantified so that any deficit can be met through imports, rather than flooding local markets with imports throughout the year.

Ministry of Irrigation, Water Resources, and Environment. *A Strategic Policy Framework for the Water Sector*, Kabul, 2004.

Drafted in 2004 under the former Ministry of Irrigation, Water Resources, and Environment, and finalized in 2006, the strategic policy framework promotes integrated water resources management through a river basin approach. It prescribes the role of government as focusing on policies; regulations and laws to support and codify decentralization of water use and management such as through the establishment of water users associations and identifies the private sector as the primary actor for service delivery.

Ministry of Irrigation, Water Resources, and Environment. *Irrigation Policy*, Kabul, 2004.

The Irrigation Policy was created in 2004 under the former Ministry of Irrigation, Water Resource, and Environment as a component under the Strategic Water Policy Framework. The policy focuses on efficient irrigation water management, participatory decision-making, institutional reform, environmental management, and more equitable distribution of benefits across irrigation systems and across agro-ecological zones in order to reduce public sector and market failures.

Ministry of Justice. *Chamber of Commerce and Industries Law*, Kabul, 2012.

This law is developed in accordance with articles 10, 11, and 13 of the National Constitution of Afghanistan. The main objective of the law is to support the rights of private entrepreneurs; to promote private entrepreneurship in commercial, industrial, trade, and service sectors; and to organize and coordinate trade and industrial activities including handicrafts, services, companies, unions, cooperatives, and private enterprises across the country. The law has addressed almost all the issues currently raised by producers and traders during focus group discussions: scant production for subsistence, lack of access to quality and cost of inputs, and high production costs (one of the elements is the high prices of inputs). To further address the problems facing farmers, the law needs a well sequenced approach to achieve the objectives, record the implementation process, and reflect on the lessons learned so that it will have an actual impact on farmers and businesses. The beneficial intent of the law, to support commerce and business and industrial development, is not fully realized on the ground. Investors, entrepreneurs, businesses, and associations are still not immune to the risk of informal taxes, lack of access to public land for business development, or limited finance and credit options for individuals and small businesses.

Ministry of Justice. *Environment Law*, Kabul, 2007.

The Environmental Law creates a regulatory framework for the sustainable use and management of Afghanistan's natural resource base and supports the conservation of the environment. It is the umbrella framework to guide the development and implementation of sector specific environment and natural resource related legislation.

Ministry of Justice. *Water Law*, Kabul, 2009.

The Water Law of Afghanistan, which entered into force in 2009, is intended to activate the goals of the Strategy through significant reform of the regulatory, institutional, and management structures for water management.

South Asian Association for Regional Cooperation. *Agreement on South Asian Free Trade Area (SAFTA)*, SAARC, 2004.

The South Asian Free Trade Area Agreement between the governments of the South Asian Association for Regional Cooperation (SAARC) was ratified by Afghanistan to help lower tariffs on Afghan exports to Pakistan, India, and other countries in the Association.

USAID/APAP. *Islamic Republic of Afghanistan National Assembly: Legislative Manual*, Available from the State University of New York Center for International Development (no date).

A manual produced by the Afghanistan Parliamentary Assistance Project to assist the Members of Parliament and Parliamentary staff of the National Assembly of Afghanistan in understanding the law-making process and to help improve the law-making process.

LIVELIHOODS

Christoplos, Ian. *Agricultural Rehabilitation in Afghanistan: Linking Relief, Development and Support to Rural Livelihoods* London, ODI, 2004.

This case study reviews the relationship between agricultural rehabilitation in Afghanistan and the livelihoods of rural Afghans. It analyzes how rehabilitation efforts have taken into account continuing violence, the weakness of formal and informal institutions, unclear political legitimacy, large-scale population displacement, and the insecurity of economic investments.

DFID. *Alternative Agricultural Livelihoods Programme (AALP) GCP/AFG/036/UK* (no date).

This report presents findings from a five week field mission to Afghanistan in support of the Alternative Agriculture Livelihoods Programme (AALP) reviewing the country's agricultural, horticultural, and livestock marketing situation. The consultancy was conducted in collaboration with the DFID-funded Sustainable Agricultural Livelihoods in Eastern Hazarajat project (SALEH) to determine how the respective projects could support the development of market driven sustainable agriculture.

ICARDA. *Growing for a Clear Conscience: Mint in Afghanistan*, Kabul, 2010.

A summary of ICARDA's pilot project to establish producer associations for men and women to grow, dry, and sell mint. The project was supported by DFID's Research into Alternative Livelihoods (RALF) program

Kantor, Paula and Adam Pain. *Running out of Options: Tracing Rural Afghan Livelihoods*, AREU Synthesis Paper Series, Kabul, 2011.

An AREU study examining the changes in livelihood strategies of 64 households across 8 villages in three provinces from 2002-2009 and offers recommendations for policy attention to address the cause of the strategy shifts.

USAID/FEWS NET. *Labor Markets, Livelihood Strategies , and Food Security in Afghanistan: A Special Report by the Famine Early Warning Systems Network*, Kabul, 2007.

A FEWS NET study conducted to understand labor markets and labor-based livelihood strategies in southern and central Afghanistan in order to improve food security analysis, assessment of vulnerability, and early warning.

USAID/FEWSNET. *Afghanistan - Livelihood Zones*, Kabul, 2011.

Rural livelihoods zone map produced by FEWS NET for the livelihoods study.

USAID/FEWSNET. *Livelihoods Zoning 'Plus' Activity in Afghanistan*, Kabul, 2011.

A FEWS NET report using a rapid livelihoods assessment approach to identify and describe trends and patterns in livelihoods that can be used as a starting point for early warning analysis.

MARKETS

Altai Consulting. "Challenges Presented by the Legal and Regulatory Framework Governing Private For-Profit Activity." In *The Enabling Environment Conference: Effective Private Sector Contribution to Development in Afghanistan*, pp. 55–66. Kabul, 2007.

Five case studies from different sectors were used to identify challenges to private sector development and propose recommendations. The recommendations include address issues in land titling and access to land, supporting information dissemination from the Ministry of Finance regarding tax collection and use of taxes for public services, and promoting a "one-stop-shop" process through AISA.

Beley, Mathieu. "Essential Oil and Natural Perfumes : A Rural Development Opportunity in Afghanistan - Gulestan Ariana Company." In *The Enabling Environment Conference: Effective Private Sector Contribution to Development in Afghanistan*, Kabul, 2007.

Overview of the challenges faced by the Gulestan Ariana Company in its production of essential oils from high value horticulture crops, such as roses.

Katawazy, Abdul Samad. *A Comprehensive Study of Afghan Saffron*, AISA, Kabul, 2013.

An AISA sponsored study of the market structure for saffron in Afghanistan indicates the limiting factors affecting the growth of this high-value crop are related to factors of production - lack of access to land, capital, water, credit, infrastructure and facilities, and skilled labor – rather than a lack of international demand.

Katawazy, Abdul Samad, *Investment Opportunities in Afghan Dairy & Livestock*, AISA, Kabul, 2013.

An AISA sponsored publication on the potential for growth in the dairy industry in Afghanistan in terms of value addition, employment, sustainable production, a viable market structure and policy development.

Lister, Sarah, Tom Brown, and Zainiddin Karaev. *Understanding Markets in Afghanistan : A Case Study of the Raisin Market*, AREU Case Study Series, Kabul, 2004.

An AREU Case Study Series describing the market role, growth prospects, government regulation, and distributional benefits of the Afghan raisin market.

Mashal, Mujib. *Small and Medium Enterprises Development and Regional Trade in Afghanistan*, AREU Working Paper, Kabul, 2014.

This paper is based on a literature review and key information interviews with sectoral officials to examine the current state of SMEs in Afghanistan, the role of women in SMEs, the status of Afghanistan's trade with Central Asia, and the role of SMEs in this trade.

OTF Group. "The Rapid Expansion of Dried Fruits and Nuts Exports: The Kabul Dried Fruits and Nuts Consortia and Angaza Limited." In *The Enabling Environment Conference: Effective Private Sector Contribution to Development in Afghanistan*, 153–57, Kabul, 2007.

A summary of the domestic and international markets for Afghan dried fruit and nuts using the Kabul Fruit and Nuts Consortia and Angaza Limited as a case study. The lack of available land is identified as the primary constraint for long-term business development strategy in this market.

Pain, Adam and Moharram Ali. *Understanding Markets in Afghanistan: A Case Study of Carpets and the Andkhoy Carpet Market*, AREU Case Study Series, Kabul (no date).

An AREU Case Study Series describing the market role, growth prospects, and distributional benefits of the Afghan carpet industry and the trading systems in Andkhoy, Jawzjan province.

Pain, Adam and Paula Kantor. *Beyond the Market. Can the AREDP transform Afghanistan's rural nonfarm economy?* AREU Briefing Paper Series, Kabul, 2011.

An AREU Briefing Paper analyzing whether the Agriculture Rural Enterprise Development Program (AREDP) can achieve its goals of raising rural enterprise development based on agriculture.

Parto, Saeed, Anna Paterson, and Asif Karimi. *Enabling or Disabling? The Operating Environment for Small and Medium Enterprises in Rural Afghanistan*, AREU Working Paper Series, Kabul, 2007.

This paper provides an overview of the key challenges faced by small and medium-sized rural enterprises (SMEs) in Afghanistan and offers short-, medium-, and long-term recommendations based on infrastructure, institutional, governance, market strengthening, and credit measures.

Paterson, Anna, James Blewett, and Asif Karimi *Putting the Cart Before the Horse? Privatisation and Economic Reform in Afghanistan*, AREU Briefing Paper Series, Kabul, 2006.

An assessment of the status of state-owned enterprises (SOEs) in Afghanistan in 2006 recommends a strategic approach to the sequencing of privatization with key economic reforms and restructuring.

UNDP Afghanistan. “Unleashing Entrepreneurship: Nurturing an Enabling Environment for SME Development in Afghanistan.” In *The Enabling Environment Conference: Effective Private Sector Contribution to Development in Afghanistan*, 23–32. Kabul, 2007.

This paper’s arguments and recommendations focus on a set of five issues identified as central to the successful promotion of SME development in Afghanistan: taxes, tariffs and customs, registration, skills and knowledge development, trade promotion versus the use of standards and certification.

USAID/ASAP. *Accelerating Sustainable Agriculture - ASAP Final Report*, October, 2011. Available from Chemonics International Inc.

The final report of the ASAP project activities and achievements to improve agricultural production, increase jobs, introduce new technologies and practices, and increase exports of agricultural products via the public and private sectors.

USAID/CHAMP. *Impediments to Fresh Fruit Exports*, September, 2013. Available from Roots of Peace.

A table produced by the CHAMP program indicating impediments to fresh fruit exports, their importance to horticulture marketing, and the ability of CHAMP to exert change or influence to produce proposed solutions.

USAID/FEWS NET. *The Contribution of Regional Markets to Afghan Wheat Supplies May 2007*, Kabul, 2007

An update from the FEWS NET Regional Wheat Markets and Afghan Food Security Initiative to reduce information gaps and improve understanding of regional wheat markets and food security in Afghanistan.

World Bank. *Benchmarking Wheat Production and Marketing in Afghanistan Against Regional Producers: Competitiveness, Productivity Growth, and Future Prospects for the Sector*, Washington, D.C., 2013.

This paper reviews wheat production and marketing in Afghanistan and benchmarks these economics against major import supplying countries of Pakistan and Kazakhstan. The paper reviews major recent developments in productivity, profitability, policy distortions, trends in trade flows, and other variables.

POLICY CHANGE

John, Peter. "New Directions in Public Policy: Theories of Policy Change and Variation Reconsidered," for presentation at the International Conference on Public Policy, Grenoble, June 26-28 2013, *Panel: New Directions in the Study of Public Policy, Session 1: 'New Directions: The State of the Art.'*

In this paper, the development of public policy is recounted as three distinct stages of theory building and testing beginning with an approach based on rational decision-making, proceeding to a synthesis of rational decisions with political agenda setting, to the use of political economy models to map the use of resources and power structures affecting policy decisions.

Jones, Harry. *A Guide to Monitoring and Evaluating Policy Influence*, ODI Background Note, London, 2011.

This background note outlines the existing knowledge of water use and climate change and offers policy and decision-making options to build successful adaptation approaches into the water sector.

Lindquist, Evert A. *Discerning Policy Influence: Framework for a Strategic Evaluation of IDRC-Supported Research*, University of Victoria, 2001.

This paper reviews literature on the use and impact of research in policy-making to assist IDRC (International Research and Development Centre) to develop a conceptual framework to guide strategic evaluation of projects.

Mintrom, Michael. "Policy Entrepreneurs and the Diffusion of Innovation." *American Journal of Political Science* 41 (3): 738–70. 1997.

Study on the contribution of policy entrepreneurs to the diffusion of policy innovations. The hypothesis of the study is that policy entrepreneurs - political actors who promote policy ideas - can significantly raise the probability of legislative consideration and approval of policy innovations.

Mintrom, Michael and Phillipa Norman. "Policy Entrepreneurship and Policy Change." *Policy Studies Journal* 37 (4): 649–67. 2009.

This article reviews the concept of policy entrepreneurship and its use in explaining policy change.

Nader, Jawed. *Policy Network Approach: An Investigation of Agricultural Projects Prioritisation in Afghanistan*, University of Bristol, 2012.

A Master's Thesis using MAIL to study how policy networks affect the ability of agriculture policies to achieve the intended outcomes. The thesis found that while actors recognize the Afghanistan National Development Strategy as the umbrella policy each has a distinct approach towards its accomplishment.

Stachowiak, Sarah. *Pathways for Change: 10 Theories to Inform Advocacy and Policy Change Efforts*, ORS Impact, 2013.

This brief lays out 10 theories of advocacy and policy change. The theories are intended to articulate the policy making process and identify causal connections supported by research to explain how and why a change may or may not occur. It further provides examples of the way in which policy advocates, donors, and evaluators can utilize these theories.

Tsui, Josephine, Simon Hearn, and John Young. *Monitoring and Evaluation of Policy Influence and Advocacy*, ODI Working Paper, London, 2014.

This paper presents a review of the theory and practice of monitoring and evaluating advocacy and policy influence. It begins with a summary of the key debates to define what distinguishes the monitoring and evaluation (M&E) of advocacy from other kinds of M&E. It presents different frameworks that are used to understand policy context, advocacy interventions and the influences that these have on policy.

Weible, Christopher M., Paul A. Sabatier, and Kelly McQueen. "Themes and Variations: Taking Stock of the Advocacy Coalition Framework." *Policy Studies Journal* 37 (1): 121–40. 2009.

The authors review the advocacy coalition framework (ACF), a policy process framework that has been developed to simplify the complexity of public policy. They further analyze 80 applications of the ACF spanning nearly 20 years to demonstrate its applicability to various topics, and geographical areas, and with other policy process theories and frameworks such as policy change, learning, and coalition stability.

POLICYMAKING

Akhtar-Schuster, M., R.J. Thomas, L.C. Stringer, P. Chasek, and M. Seely. "Improving the Enabling Environment to Combat Land Degradation: Institutional, Financial, Legal and Science-Policy Challenges and Solutions." *Land Degradation & Development* 22: pp. 299–312. 2011.

This research paper identifies barriers to mainstreaming land degradation issues into national policies and frameworks and identifies ways in which specific limitations may be overcome. It also identifies institutional pathways through which scientific findings may more effectively influence policy.

Carden, Fred. *Knowledge to Policy: Making the Most of Development Research*. New Delhi: SAGE Publications India Pvt. Ltd., 2009.

This IDRC publication examines the interaction between development research and policymaking and provides evidence-based strategies for both researchers and policymakers to employ.

Dent, David and Barry Dalal-Clayton. "Meeting the Need for Land Resources Information in the 21st Century – or Not. State of the Art Review," *Environmental Governance Series No.8*. IIED, London, 2014.

Research and discussion on the uses of natural resources information, particularly land resources, for development policy, planning and management.

Flaming, Lorene and Alan Roe. *Water Management, Livestock, and the Opium Economy: Opportunities for Pro-Poor Agricultural Growth*, AREU Synthesis Paper Series, Kabul, 2009.

An AREU Synthesis Paper on evidence-based recommendations for policymakers on the use, management and role of natural resources in farming systems and their contribution to agriculture development. The report recommends strengthening inequitable access to natural resources, reconsider the trade – offs necessary to balance economic with pro-poor growth, strengthening farming systems in addition to market systems, recognizing the value of non-market agriculture production that contributes to household well-being, and employing evidence-based decision-making.

Pain, Adam. *Policymaking in Agricultural and Rural Development*, AREU Briefing Paper Series, Kabul, 2009.

This briefing paper investigates policymaking in the Agricultural and Rural Development sector (ARD) in Afghanistan by the ministries of Agriculture, Irrigation, and Livestock (MAIL) and Rural Rehabilitation and Development (MRRD).

Pain, Adam and Sayed Mohammad Shah. *Policymaking in Agriculture and Rural Development in Afghanistan*, AREU Case Study Series, Kabul, 2009.

This case study is part of a series analyzing the making of policy in Agriculture and Rural Development (ARD) in Afghanistan since 2002. These studies aim to contribute to an understanding of how aid does or does not contribute to building an effective Afghan state.

Parkinson, Sarah. *Means to What End? Policymaking and State-Building in Afghanistan*, AREU Synthesis Paper Series, Kabul, 2010.

This study describes a number of national-level policymaking processes seeking to provide insight into the broad patterns and recurring issues that have characterized these processes in post-9/11 Afghanistan.

Policy Analysis and Legal Affairs Department and Ministry of Agriculture, Irrigation, and Livestock. *Guidelines for Re-Establishment and Launching of PALAD and Work Programme for First Year of Operations – Draft*, Kabul, 2012.

Information about the Policy Analysis and Legal Affairs Department (PALAD) including operational guidelines and an outline of a work plan to re-launch it as a functional unit to coordinate policy and legal affairs within MAIL.

POVERTY REDUCTION

Kantor, Paula and Adam Pain. *Rethinking Rural Poverty Reduction in Afghanistan*, AREU Policy Note Series, Kabul, 2011.

An AREU Policy Note Series analyzing social and economic security requirements for poverty reduction based on an integrated and sequenced programmatic structure to ameliorate risks to farmers, expand off farm labor markets, improve access to affordable credit and inputs, and address inequality in access to resources by different groups.

Pain, Adam and Paula Kantor. *Understanding and Addressing Context in Rural Afghanistan: How Villages Differ and Why*. Kabul, AREU Issues Paper, Kabul, 2010.

An AREU Issues Paper Series analyzing changing household economies in 11 villages across four provinces from 2002 - 2010. The paper recommends that donors address regional and provincial funding imbalances and work within village contexts when designing the type and scale of investment and intervention.

VALUE CHAIN

Lea, J.D. *Ministry of Agriculture , Irrigation and Livestock Horticulture and Livestock Project Grape Value Chain Project (GVCP) Final Report*, Kabul, 2010.

This report describes the application of value chain analysis and improvement techniques to the grape value chain centered at Mir Bacha Kot village north of Kabul in the Shamali Plain. The report is designed to be used as a model to follow for the application of value chain analysis and improvement techniques to other value chains in Afghanistan.

Hashimi, Sayed Khalid, Ezatullah Murad, Farhad Wardak, Shakirullah, Mohammad Akbar Bayani, and Rozina Kohistani. *Horticulture Value Chain Study*, Ministry of Education, Kabul, 2010.

This survey was conducted by the Deputy Ministry of Technical and Vocational Education and Training (TVET) within the Ministry of Education. The survey gathered qualitative and quantitative information on the current status of horticulture markets to help TVET develop courses to meet growing demand for skilled labor in the agriculture sector.

Ministry of Agriculture Irrigation, and Livestock. *Enhanced Agricultural Value Chains for Sustainable Livelihoods (EAVS): Baseline Survey Report*, Kabul, 2014.

A baseline survey was conducted in support of the Enhanced Agriculture Value Chains for Sustainable Livelihoods (EAVS) project in order to determine the current status of onion and potato production, management practices, and the extent of post- harvest losses occurring in these crops in Bamyan, Parwan and Kabul provinces.

Organization for Sustainable Development and Research. *Baseline Survey Report on Farmers, Processors and Traders for Value Chain Business in Balkh, Bamyan and Nangarhar Provinces of Afghanistan*, 2009.

A survey conducted by the USAID- funded Rural Business Support Project (RBSP) to help understand the value chain related activities and businesses of farmers, traders, and processors living in ten districts in Balkh, Bamyan, and Nangarhar provinces. The survey identified marketing systems and access, credit programs and access, farming and irrigation systems, livestock information, and other income generation sources in the study areas.

Ritchie, Holly. "Beyond the Value Chain Model: Deconstructing Institutions Key to Understanding Afghan Markets." In *Snapshots of an Intervention: The Unlearned Lessons of Afghanistan's Decade of Assistance (2001-2011)*, edited by Martine van Bijlert and Sari Kuovo, 1–7. Afghan Analysts Network, Kabul, 2012.

This chapter discusses market development and the focus on the value chain approach promoted by the government and donors as a strategy to spur economic development. The informal nature of Afghan markets, the importance of social networks, power hierarchies in trade networks, and options for pro-poor economic growth and gender inclusion are discussed.

WATER

Centre for Policy and Human Development. *Afghanistan Human Development Report 2011 - The Forgotten Front : Water: Security and the Crisis in Sanitation*, Kabul, 2011.

The Afghanistan Human Development Report from 2011 argues that water security is integral to human development and the prospects for peace in Afghanistan. The report advocates for the Afghan government and the international community to scale their efforts to improve access to water and sanitation, including water for agriculture and irrigation, to reduce poverty and insecurity consistent with the commitments in the ANDS.

Chokkakula, Srinivas. *Interrogating Irrigation Inequities. Canal Irrigation Systems in Injil, District, Herat*, AREU Case Study Series, Kabul, 2009.

This report analyzes the relationship between local irrigation management systems and the formalized system introduced through the Water Law and associated policies using a case study from Herat province. The analysis focuses on the institutional and political mechanisms for equitable distribution of water and methods to mitigate inequity.

Hanasz, Paula. *Afghanistan's Food and Water Security Challenges*, Strategic Analysis Paper, Perth, 2011.

This analysis outlines security and development challenges related to food security in Afghanistan and its impacts on future political and economic stability.

Hanasz, Paula. *The Politics of Water Security between Afghanistan and Iran*, Strategic Analysis Paper, Perth, 2012.

A strategic analysis of the broad reach of political, economic, and security impacts resulting from a lack of bi-lateral agreement or cooperation between Afghanistan and Pakistan over shared water resources.

Hanasz, Paula. *The Politics of Water Security in the Kabul River Basin*, Strategic Analysis Paper, Perth, 2011.

A strategic analysis of the security challenges posed by the lack of water resource management agreements Afghanistan and Pakistan governing the rights to the waters of the Kabul River.

IGES and GWP South Asia. *Technical Report on Issues Related to Water and Agriculture in South Asia*, Hayama, 2012.

This report discusses regional and domestic characteristics affecting water and agriculture affecting South Asia Association of Regional Co-operation (SAARC) countries, including Afghanistan.

Kawasaki, Shinji, Fumio Watanabe, Shinji Suzuki, Ryuzo Nishimaki, and Satoru Takahashi. "Current Situation and Issues on Agriculture of Afghanistan." *Journal of Arid Land Studies* 22 (1) pp. 345–48. 2012.

An overview of the agriculture status in Afghanistan with respect to water resources, irrigation and conflict over resources.

Lee, Jonathan L. *Water Management, Livestock and the Opium Economy. The Performance of Community Water Management Systems*, AREU Case Study Series, Kabul, 2007.

This study of social water management arrangements was conducted as part of AREU's "Water Management, Livestock, and the Opium Economy" research project. The effectiveness of community level water management systems to support farmers in general, and to adapt in times of stresses to the system, is analyzed.

Pedersen, Frank Skov. *Sustainable Agricultural Production: Providing an Alternative to Opium in Afghanistan*, Aalborg University, 2009.

A master's thesis focusing on how to make licit crop production in Afghanistan more stable for food security and economic growth by increasing efficiency in water use and by strengthening water management institutions.

Reich, Denis and Calvin Pearson. "Irrigation Outreach in Afghanistan: Exposure to Afghan Water Security Challenges." *Journal of Contemporary Water Research & Education*, no. 149. pp. 33–40. 2012.

Summary of a train-the-trainer workshop in Kabul organized by USDA Foreign Agriculture Service and MAIL for Afghan irrigation professionals. The training introduced water management techniques adapted to Afghanistan's current irrigation and water supply challenges and customary methods of water management.

Rout, Bob. *Water Management, Livestock and the Opium Economy. How the Water Flows: A Typology of Irrigation Systems in Afghanistan*, AREU Issue Paper Series, Kabul, 2008.

This report proposes a typology of irrigation systems in Afghanistan to increase knowledge of irrigation methods and management and augment understanding of the link between natural resources management, irrigation and livelihoods.

Sexton, Renard. *Natural Resources and Conflict in Afghanistan. Seven Case Studies, Major Trends and Implications for the Transition*, Afghanistan Watch, Kabul, 2012.

A compilation of seven case studies describing how natural resource linked to local level conflict as a contributing or driving factor, in concert with political, economic and social forces. The analysis demonstrates that the linkage to conflict is in large part dependent upon the type of resource, with the case studies illustrating three basic relationships between natural resources and conflict.

Rizk, Joelle and Berdakh Utemuratov. *Balancing the Use of Water Resources in the Amu Darya Basin*, Amu Darya Basin Network Policy Brief, 2012.

This policy paper outlines different physical, political, economic, and governance trends and challenges related to the balance of water uses for energy and agriculture both upstream and downstream of the Amu Darya Basin. It promotes the use of political, economic and institutional coordination to create and implement policies suitable and acceptable to all countries bordering the Amu Darya River Basin.

Thomas, Vincent. *“Good” Water Governance Models in Afghanistan: Gaps and Opportunities*, AREU Policy Note Series, Kabul. 2012.

This policy analysis studies the disparity between the principles of newly applied governance and institutional structures for water management and their implementation through the EU-funded Panj-Amu River Basin Programme (PARBP).

Thomas, Vincent; Mujib Ahmad Azizi, and Ihsanhullah Ghafoori. *Water Rights and Conflict Resolution Processes in Afghanistan: The Case of the Sar-I-Pul Sub-Basin*, AREU Case Study Series, Kabul, 2012.

This research analyzes the governance model advanced by the 2009 Water Law in terms of dispute resolution and conflicts related to water management and water rights in northwestern Afghanistan.

Thomas, Vincent, Wamiqullah Mumtaz, and Mujib Ahmad. *Mind the Gap? Local Practices and Institutional Reforms for Water Allocation in Afghanistan’s Panj-Amu River Basin*, AREU Case Study Series, Kabul, 2012.

Research conducted by AREU indicates that the differences between the objectives and design of water management policies based on the Water Law, and their implementation, are largely due to over ambitious timelines for institutional change, and a tendency to try to create new institutions for water management over existing structures.

Wegerich, Kai. *Water Strategy Meets Local Reality*, AREU Issues Paper Series, Kabul, 2009.

A comparative analysis of the traditional institutions for community water management and the water management policy framework formalized in 2009 through the Water Law and the Water Sector Strategy.

Annex IV: Master list of all FGD and Key Informant Interview participants

Table 8: FGD Participants

| Place | Gender | Name | Occupation | Affiliation | District/ village |
|-------|--------|-----------------|---------------------------------|--|-----------------------------------|
| Mazar | Male | Abdullah | Head of Orbitory | Member of Chahilgaza district | Dehdadi Chahilgaza |
| Mazar | Male | Zafar Khan | Deputy Chehailgaza Cooperative | Member of Chilgaza district milking production | Dehdadi Chahilgaza |
| Mazar | Male | Malang Zamani | Head of Chehailgaza Cooperative | Member of Chilgaza district milking production | Dehdadi Chahilgaza |
| Mazar | Male | Din Mohammad | Cashier to Cooperative | Member of Chilgaza district milking production | Dehdadi Chahilgaza |
| Mazar | Male | Nazar Mohammad | Member of Cooperative | Member of Jawi Sheer Cooperative | Naheri Shahi |
| Mazar | Male | Mohammad Arif | Member of Cooperative | Poultry | Naheri Shahi |
| Mazar | Male | Gul Mohammad | Livestock | Member of Poultry Associations | Naheri Shahi |
| Mazar | Male | Abdul Qadir | Farmer | Greenhouse | Naheri Shahi |
| Mazar | Male | Mohammad Halim | Farmer | Agricultural Cooperative | Chamtal |
| Mazar | Male | Mohammad Hassan | Livestock | Member of Livestock Association | Chamtal |
| Mazar | Male | Mohammad Naseem | Farmer | Member of Cooperative | Chamtal |
| Mazar | Male | Mirwais | Livestock | Member of Livestock Association | Naheri Shahi |
| Mazar | Female | Nageena | Livestock | Independent | Dehdaddi |
| Mazar | Female | Nazilla | Livestock | Independent | Dehdaddi |
| Mazar | Female | Rangeena | Livestock | Independent | Dehdaddi |
| Mazar | Female | Farida | Poultry | Balkh Labanyat | Nehri Shahi |
| Mazar | Female | Azimma | Livestock | Balkh Labanyat | Dehdaddi |
| Mazar | Female | Hamida | Livestock | Balkh Labanyat | Mazar-e-Sharif |
| Mazar | Female | Nadira | Livestock | Livestock Development Association | Balkh |
| Mazar | Female | Pari Gull | Livestock | Different Offices | 5 northern provinces |
| Mazar | Female | Nadia | Livestock | Independent | Mazar-e-Sharif |
| Mazar | Female | Najiba | Gardening | Offices | Shair abad, Dehdadi and Sakh camp |
| Mazar | Female | Mehdia | Poultry | Independent | Khuloom |
| Mazar | Female | Frishta | Agriculture | Different Associations | Nehri Shahi |
| Mazar | Female | Mah Jaan | Soap making | Cooperative Khulm | Khuloom |
| Mazar | Female | Najiba | Agriculture | Independent | Baba Qashqaar |
| Mazar | Female | Nasira | Agriculture | Independent | Baba Qashqaar |

| Place | Gender | Name | Occupation | Affiliation | District/ village |
|-------|--------|----------------------|--|---------------------------------------|----------------------|
| Mazar | Female | Latifa | Poultry | Independent | Ali Seena |
| Mazar | Female | Zainab | Poultry | Independent | Ali Seena |
| Mazar | Male | Mohammad Rafiullah | Farmer and seller | Gardener's Associations | Khuloom |
| Mazar | Male | Haji Ahmad Aziz | Farmer | Gardener's Associations | Dehdadi |
| Mazar | Male | Sayed Amanullah | Farmer | Gardener's Associations | Khuloom |
| Mazar | Male | Abdull Sattar | Farmer | Member of Cooperative | Sholgar |
| Mazar | Male | Abdull Momin | Farmer | Member of Poultry Cooperative | Sholgar |
| Mazar | Male | Haji Abdull Rahman | Farmer | Farmer Associations | Dehdadi |
| Mazar | Male | Adill Shah | Farmer | Gardening Associations | Dawalat Abad |
| Mazar | Male | Assadullah | Dietry | Silk Producer | Dehdadi |
| Mazar | Male | Abdull Hanan | Dietry | Silk Producer | Dehdadi |
| Mazar | Male | Hayatullah | Cotton | Cotton and wheat | Balkh |
| Mazar | Male | Sediqullah | Saffron | Producing and selling Saffron | Dawlat abad |
| Mazar | Male | Mohammad Rafi | Deputy of Company | Shadyan and Arya Afghan company | District 5 |
| Mazar | Male | Haji Hamidullah | Saffron | Saffron Workers Associations | Dehdadi |
| Mazar | Male | Qari Abdull Salam | | Private Company | Balkh |
| Herat | Male | Haji Abdull Zahir | Livestock Holder | Livestock | Krokh, Herat |
| Herat | Male | Abdul Basir Hotak | President of Factory | Livestock | Guzra |
| Herat | Male | Ahmad Farhad | Marketing Representative | Herat Livestock Association | Enjil |
| Herat | Male | Saleem Shah | Livestock | Livestock Holder | Enjil |
| Herat | Male | Dr. Mohammad Saeed | Deputy Director of Poultry Association | Association | Center of Herat |
| Herat | Male | Dr. Mohammad Kabir | Poultry Association Director | Herat Livestock Association | Herat |
| Herat | Male | Dr. Abdul Raof | | Independent | Herat |
| Herat | Male | Haji Ghulam Ghows | | | Enjil |
| Herat | Male | Mohammad Saleem | Beekeeper | Beekeepers Association | Enjil |
| Herat | Male | Mohammad Nasir Azimi | Gustargah Poultry | Agricultural Chicken Association | Herat |
| Herat | Male | Haji Ghulam Nabi | Cooperative Director | Agriculture and Livestock Cooperative | Guzra |
| Herat | Male | Masood | Marketing Representative | Agriculture and Livestock Cooperative | Ghoryan |

| Place | Gender | Name | Occupation | Affiliation | District/ village |
|-------|--------|--------------------|--|---|---|
| Herat | Male | Ali Ahmad | Association Manager | Agriculture and Livestock Cooperative | Ghoryan |
| Herat | Male | Ghulam Rabani | Technician | Agriculture and Livestock Cooperative | District 4 |
| Herat | Male | Mohammad Nabi | Beekeeper | Herat Beekeepers Association | Guzra |
| Herat | Female | Hamima | Teacher- Director of Community Center | DACAAR | Ghoryan/ Sarasia |
| Herat | Female | Sharifa | Seller- Community Center | DACAAR | Ghoryan/ Sarasia |
| Herat | Female | Zarifa | Livestock | | Guzra/ Sarjangal |
| Herat | Female | Sediqa | Silk Production | Werada Agriculture and Livestock | Herat |
| Herat | Female | Shafiqa Ataye | Director of Pashtun Zarghun Women Association | DACAAR | Pashtun Zarghun |
| Herat | Female | Shahnaz | Saffron Seller | AISA | Pashtun Zarghun |
| Herat | Female | Khadija | Producer | DACAAR | Pashtun Zarghun |
| Herat | Female | Mahsuma Haji | Producer | RADAA | Zendajan District |
| Herat | Female | Azena | Producer | RADAA | Zendajan District |
| Herat | Female | Sima Ghoryani | Director of the association | AWSA | Ghoryan District |
| Herat | Female | Maryam | Director | HEWSA | Guzra District |
| Herat | Female | Nahema Jami | Producer | RADAA | Zendajan District |
| Herat | Male | Shuhabduddin | Raisin Brewer | | Guzra |
| Herat | Male | Firoz Mohammady | Gulchin Tomato Paste Representative | Member of Herat Industrial Association | Phase 1, Industrial Park |
| Herat | Male | Ghulam Hamidi | Export Coordinator | Herat ACCI Directorate | Business Directory, Herat; near blood bank |
| Herat | Male | Shir Ahmad | Director of Herat Cooperative | Herat Agricultural Directorate | Enjil District |
| Herat | Male | Ghulam Haidar | Marketing Officer | Harir Aryana Company | Center of Herat |
| Herat | Male | Abdul Wahab | Dry Fruit Export | ZyadTeja Company | Herat |

| Place | Gender | Name | Occupation | Affiliation | District/ village |
|-------|--------|------------------|----------------------|--------------------------|----------------------|
| | | Habibzada | Coordinator | | |
| Herat | Male | Mohammad Daud | Sales Representative | Sedes Masud Limited | Herat |
| Herat | Male | Walizada | Export Coordinator | Morvarid Food Industries | Herat |
| Herat | Male | Mohamad Shah | Training Coordinator | N/A | Herat |
| Herat | Male | Ahmad Shah | Farmer | N/A | Herat |
| Herat | Male | Fazeldin | Farmer | Agriculture | Doba |
| Herat | Male | Haji Abdul Rahim | Community Leader | Agriculture | Enjil District |
| Herat | Male | Ghiyasuddin | Village Elder | Agriculture | Doba |
| Herat | Male | Ghulam Rabani | Clerk | Agriculture | Enjil District |

Table 9: Key Informants (permissions checked)

| Location | Name | Position | Organization | Phone | Email |
|----------|-----------------------|--------------------------------|---|---------------------|--|
| Balkh | Eng. Mohammad Hassan | Export Promotion Manager | ACCI (Balkh) | 0799 403 632 | Hassan.ansary@yahoo.com |
| Balkh | Faizur Rahman Qurbani | Extension Agronomist | American Soybean Association (ASA) | +93 (0) 798 519 093 | fz.qurbani@yahoo.com |
| Balkh | Habibullah | Board Member | Balkh Livestock Dairy Union (BLDU) | | |
| Balkh | Qayem ud-din Qeyam | Chairman | BLDU | +93 (0)796281362 | balkhldunion@gmail.com |
| Balkh | - | - | CoAR | | |
| Balkh | Kateb Shams | Director | DAIL | +93(0)700 215 773 | kateb_shams@yahoo.com |
| Balkh | Peter How | Agriculture Program Director | Joint Development Association (JDA) | 0799389439 | peter@jdainternational.org |
| Balkh | Mohammad Naeem Wasiq | General Manager | Naseeb Afghan Soybean Factory | | |
| Balkh | Dayne Curry | Country Director - Afghanistan | Sustainable Appropriate Local Technologies (SALT) | +93 (0)792914124 | dcurry@saltinternational.org |
| Bamya | Hayatulla Tabish | Program Trainer | AKF | +93 (0) 777 754 | |

| Location | Name | Position | Organization | Phone | Email |
|----------|------------------------|---|---|---------------------|--|
| | | PMIS4 | | 161 | |
| Bamyan | Shir Ahmad Omid | Acting Natural Resource Manager | AKF | +93 (0) 772 681 094 | shir.omid@akdn.org |
| Bamyan | Ghulam Bahauddin | Paravet | Animal Health clinic | | |
| Bamyan | Ms. Asma | Member Center Cooperative | Association / Coop. | | |
| Bamyan | Ms. Ateefa Himati | Treasurer Cooperative, Yakawlang | Association / Coop. | | |
| Bamyan | Ms. Khanam Qadari | president Center Cooperative | Association / Coop. | | |
| Bamyan | Ms. Lateefa | Member Yakalang Cooperative | Association / Coop. | | |
| Bamyan | Ms. Masooma Hussaini | Vice president of Association, Yakawlang | Association / Coop. | | |
| Bamyan | Ms. Neek Bakht | Treasurer Center Cooperative | Association / Coop. | | |
| Bamyan | xxxxx | Sale man/Owner | Butchery Shop | | |
| Bamyan | Abdul Ghani | Community Elder - Jawkar Village /Farmer | CBO | | |
| Bamyan | Haji Ahmad Ali | Sale man/Owner | Cereal & Seeds dealer | | |
| Bamyan | Ms. Milou Groenenberg | Chief Technical Advisor | Conservation Organization for Afghan Mountains (CoAM) | +93 (0) 799 161 072 | Technical@myafghanmountains.org |
| Bamyan | Joe Wiber | | CRS | | |
| Bamyan | Abdul Latif Roshan | Provincial Management Advisor | DAIL | +93 (0) 778 033 852 | latifroshan@yahoo.com.in |
| Bamyan | Dr. Hayder Sarwari | Director Livestock & Animal Health Department | DAIL | +93 (0) 779 801 381 | dr.hayder2014@yahoo.com |
| Bamyan | Hussain Bakhsh Hamdard | Director Kunduz sub basin, Bamyan | DAIL | +93 (0) 789 969 211 | |
| Bamyan | Mohammad Tahir Atayee | DAIL Director | DAIL | +93 (0) 799 354 059 | atayeebayan@yahoo.com |
| Bamyan | Dr. Moin Khan Totakhil | Provincial Coordinator | Dutch Committee for Afghanistan (DCA) | +93 (0) 773 107 378 | dr.moin87@yahoo.com |
| Bamyan | Mohammad Asif | Sales /Owner | Grocery | | |

| Location | Name | Position | Organization | Phone | Email |
|----------|--------------------------|--------------------------------------|--|----------------------------------|--|
| Bamyan | Haji Hussain | Sales/Owner | Insaf Super Market | | |
| Bamyan | Abdul Wakeel | Office Manager | Landell Mills | +93 (0) 789 848 676 | wakilwakil@yahoo.com |
| Bamyan | Angus A. Davidson | Operation Manager | Prime Consulting Int. Ltd | +93 (0) 778 847 150 | angus@primeconsultants.net |
| Bamyan | Bill Dalton | Farm Management Extension Specialist | Prime Consulting Int. Ltd | +93 (0) 794 644 938 | bill@primeconsultants.net |
| Bamyan | Abdul Raziq Hashimi | Provincial Manager | Solidarite Afghanistan Belgique (SAB) | +93 (0) 799 501 027 | sab.bamyan@gmail.com |
| Bamyan | Ghirat Khan Saqib | Program Manager | Solidarities Intl. | +93 (0) 777 748 060 | |
| Bamyan | Manuel Vaxelaire | Food Security Program Manager | Solidarities Intl. | +93 (0) 776 276 927 | bmy.fs.pm@solidarities-afghanistan.org |
| Bamyan | Zikrullah Ahmadi | Activity Manager | Solidarities Intl. | +93 (0) 777 748 038 | |
| Bamyan | Kyle Winney | Environmental Management Specialist | United Nations Environment Program | +93 (0) 790 402 983 | kyle.winney@unep.org |
| Helmand | Fazullahaq Dawari | Business development Service Officer | Afghanistan Rural Enterprise Development Program | +93 (0) 799175062 | fazulhaqdawari@yahoo.com |
| Helmand | Abdul Qadus Rahmat | Extension Worker | CHAMP | +93(0)7089345 49 | |
| Helmand | Haji Ghulam Sadiq Sadiqi | Coordinator | SRAD (Southern Regional Agriculture Development Program) | +93(0)7050264 45 | hajisadiqsadiqi@yahoo.com |
| Herat | Khalil Ahmad Yarmand | Chief Executive | ACCI Herat-Regional Office | 040-223 202; (0) 799 201 433 | khalil_yarmand@yahoo.com |
| Herat | Hajibullah Mahaboob | Director | Agriculture Cooperative of Ziaratjah | | |
| Herat | Moheb Rahman Khademi | Field Horticulturist (Herat) | ANHDO | (0) 777 252 003; (0) 752 120 650 | mohebkhademi@yahoo.com |
| Herat | Ghulam Nabi | Grape Value Chain | CHA | (0) 799 071 | eng.haqmal@gmail.com |

| Location | Name | Position | Organization | Phone | Email |
|----------|-----------------------------------|--|---|---|---|
| | | Manager | | 837; (0) 766 558 045 | .com; eng.haqmal@hotmail.com |
| Herat | M. Khan Samimi | Herat Field Office Manager | CHA | (0) 778 585 735; (0) 786 298 629 | herat@cha-net.org; m_samimi@hotmail.com |
| Herat | Abdul Raziq Kiani | Regional Manager - West | DACAAR | +93 (0) 797 987 049 | west.rm@dacaar.org |
| Herat | Eng. Hamidullah Naseri | General Manager Extension | DAIL | (0) 797 797 603; (0) 778 145 616; 040 222 119 | hamidullahnaseri@yahoo.com |
| Herat | Faqir Ahmad Baiangar | Director | DAIL | (0) 799 154 092; (0) 785 665 092; 040 223 223 | faqir.baiangar@mail.gov.af; dail.hrt@gmail.com |
| Herat | Haji Bashir Ahmad Ahmadi | General Director of Agriculture Programs | DAIL | 0700 400 349; 0799 544 008; 040 225 813 | agricultureprogram@s@yahoo.com |
| Herat | Dr. Mohammad Quraish Fazli | Training Coordinator | DCA (Dutch Committee for Afghanistan) | (0) 799 035 578 | qfazli@dca.org.af; qais_tareq_fazli@yahoo.com |
| Herat | Nabi Gul "Shahid Zoi" | National Seed Coordination Officer/Regional Coordination Officer | FAO | (0) 799 412 662; (0) 40 224 915 | Nabi.Gul@fao.org |
| Herat | Sarwar Habib Zadeh | Director | Hariva Habib Zadeh Co. Ltd | (0) 700 414 838; 040 253 738 | hariva.habibzadeh@yahoo.com |
| Herat | M. Alem Faizi | Field Coordinator | IRC | (0) 729 080 093; (0) 799 569 452 | alem.faizi@rescue.org; alemfaizi@gmail.com |
| Herat | Ahmid Fawid and Colleague (Ajee?) | President, and Deputy of Seeds | Khawaja Mohammad Mosfatar Private seeds and agricultural services company | (0) 754010205; (0) 700 414 167; (0) 797 546 301 | kmmssc@ymail.com |
| Herat | Sayed Abdul Hakim Hakimi | West Regional Office Manager | NPO/RRAA | (0) 700 406 252; (0) 799 470 844 | s_abdulhakim@yahoo.com; s.hakim@nporraa.org.af |
| Herat | Dr. Nazir Ahmad Ghafoori | Executive Director | RAADA | (0) 40 25 27 86; (0) 700 402 | raada_gh@yahoo.com |

| Location | Name | Position | Organization | Phone | Email |
|----------|---------------------------|--|-------------------|------------------------------|--|
| | | | | 940; (0) 799 572 002 | |
| Herat | Dried Fruit Market | Market visit - dried fruit market, Herat | | | |
| Kabul | Mir Zaman Popal | Director of Industries and Export Promotion Department | ACCI | | mirzaman.popal@acci.org.af |
| Kabul | Eng. Abdul Rahim | Project Director, Enhanced Agricultural Value Chains For Sustainable Livelihoods | ADB | | |
| Kabul | M. Sharif Roshan Ahmadzai | Vice President, Administration | AISA | 0093-799-336-529 | sharif@aisa.org.af |
| Kabul | -- | -- | AKDN | | |
| Kabul | -- | -- | AKDN | | |
| Kabul | Najibullah Enayat | General Manager | ANHDO | +93 (0) 700076460 | najib_enayat@afghanianhorticulure.org |
| Kabul | Sharafuddin Sharaf | General Manager | ANNGO | +93 (0) 706124783 | sharafuddinsharaf@yahoo.com |
| Kabul | Dr. M. Afzal Haider | Director Policy and Coordination | ANSA | 0799-286-532 0752-041-448 | plan.ansa@hotmail.com |
| Kabul | -- | -- | Australian Aid | -- | -- |
| Kabul | Hayatullah Ahmadzai | Head of the M&E Unit | CARD-F | +93 (0) 799676600 | hayatullah.ahmadzai@cardf.gov.af |
| Kabul | Abdul Qudus Bayan | Project Officer, Agriculture and Livestock | EU | (0) 799 09 50 04 | abdul-quodus.bayan@eeas.europa.eu |
| Kabul | Mohammad Edris Raouf | Director | FCOMAIL | +93 (0) 700697921 | edris_raouf@yahoo.com |
| Kabul | Jawid Ahmad Mashal | Chief of Party | GPFA | +93 (0) 788 884 556 | jahmad@gpfa.org |
| Kabul | Dr. Jorgen Hansen | Senior Manager | GRM International | + 971502815049 | jorgen.hansen@grminternational.com |
| Kabul | Hamed Salari | Acting Team Leader | HCDP | +93 (0) 771294679 | hamid.salari@mail.gov.af |
| Kabul | Mark Witcomb | Upper Catchment Specialist | Landell Mills | +93(0) 799 877 705 | witcomb.mark@gmail.com |
| Kabul | Adela Yousofzi | Head of Gender Unit | MAIL | 075 208 6677 | adela_yousafi@yahoo.com |
| Kabul | Ahmadshah Safi | Legal Coordinator, Legal Advisory Unit | MAIL | | amz786200@yahoo00.com |
| Kabul | Dr. Miraqa Hussainkhail | Legal Advisory Unit | MAIL | | miraqa_hussainkhail@yahoo.com |
| Kabul | Ghulam Rabani Haqiqatpal | Director of Statistics | MAIL | 0700 28 4879 | rabani.haqiqatpal@gmail.com |

| Location | Name | Position | Organization | Phone | Email |
|--------------------|-------------------------|---|-------------------------------------|------------------------------|--|
| Kabul | H.E. Haidari | DM Technical Affairs | MAIL | Secretary email | haleem.ahmady@mail.gov.af |
| Kabul | Hakim Halimi | Director Private sector | MAIL | 0798 999704 | shafiq.hakimi@mail.gov.af |
| Kabul | Mohammad Qais Sherifi | General Manager, Legislation, Legal Advisory Unit | MAIL | | qais.sharifi@mail.gov.af |
| Kabul | Zia Ahmad Abdulrahimzai | Provincial relation and coordination general director | MAIL | | zia.ahmad@mail.gov.af |
| Kabul | Muhammad Eesa Qudrat | AAIP Project Director | MAIL/WB | | eesa.qudrat@mail.gov.af |
| Kabul | Abdul Rahim Saeedi | Director General, Private Sector Development Directorate & Project Director | MoCI | +93 (0)78 683 5256 | arsaeedi9@yahoo.com |
| Kabul | Ahmad Zia Sayedkhaili | Director of SMEs Management and Development Affairs | MoCI | | smed.directorate@moci.gov.af |
| Kabul | Gul Pacha | Director of Customs | MoF | 0703 111 888 | gul.pacha@gmail.com |
| Kabul | Haji Shah Wali | Director of Tariffs | MoF, General Directorate of Customs | 700226304 | |
| Kabul | Rahmatullah Quraishi | Director (Program Operation), AREDP | MRRD | +93 0 706 071 577 | rahmatullah.quraishi@mrrd.gov.af |
| Kabul | Ghulam Rasool Said | Senior Market Support Officer | NHLP | +93 (0) 706061477 | rasoolsaid@gmail.com |
| Kabul | Noorullah Malang | Community Development Facilitator | UNDP | Tel +93 20 212 4126 Ext 4146 | noorullah.malang@undp.org |
| Kabul | Alvaro Soler | Sr. Rural Development Specialist, South Asia Region | World Bank | | asoler@worldbank.org |
| Kabul/ Kandahar | Mr. Rick Pierce | Chief of Party, RADP - S | Chemonics | +93 (0) 792 199 714 | rpierce@radp-s.com |
| | David B. Quarles | ASA Soybean Production Manager | American Soybean Association (ASA) | +93(0)7936386 74 | davidbquarles@gmail.com |
| | Rahmat Khan | Extension Agronomist | American Soybean Association (ASA) | +93 (0) 798 404 595 | Balkh.ag.ext8@gmail.com |

| Location | Name | Position | Organization | Phone | Email |
|-----------------|------------------------------|-----------------|---|---------------------|--|
| | Sayed Abdul Waheed Ferozy | Liaison Manager | American Soybean Association (ASA) | +93(0)7835536 43 | balkh.liason.ag.mgr@gmail.com |

Annex V: Methodology Description

This study was exploratory in nature: the team did not seek to confirm a hypothesis nor did the team work from a very narrow and defined scope of work. OAG tasked the team with identifying priority gaps within any aspect of agricultural policy making and implementation. The team needed to consider all subsectors and all components of policy making and policy implementation. In weighing priorities, the team needed to review the content of policy as well as its formulation process and its execution, and the team also reviewed all the institutions involved and their relationships. The team had to weigh all of this against the actual situation facing farmers, rather than to a predetermined set of criteria. Further, the study team also had to consider the planned strategy and design for RADP to-date so that ultimately it would result in specific, actionable recommendations to feed into the RADP-C concept note.

Given this, the team's approach is almost entirely qualitative in nature, with the exception of the use of secondary statistical data where available. Qualitative research is best suited to open ended and complex questions. It is well suited for examining questions about why a situation is the way it is. Well-designed, qualitative research can be rigorous and robust; this type of research has its own criteria for reliability and validity, which differs from quantitative research design.³⁷

The concept of reliability, in a qualitative paradigm, means that the research process yields results that are meaningful – that are not just a chance product of the data collection and analysis methods. Applying the same or similar methods to the same study phenomena would reliably yield the same or similar results. Likewise, validity refers to the degree to which the study design captures the information that it is supposed to: that it is, in fact, answering the study questions.³⁸

This study used triangulation and data saturation as the main methods of ensuring reliability and validity.

Triangulation involves the use and comparison of multiple sources. Researchers can observe where inconsistencies appear and query them further to understand why. In this study, for example, conflicting information across two sources might indicate poor communication links, differing perspectives, that one or both sources are mistaken or have incorrect information, or it might indicate a political agenda or deliberate deception. In any case, the inconsistency itself can become a source of information about the system under study when researchers observe and inquire deeper.

³⁷ Patton, M. Q. (2002). *Qualitative evaluation and research methods* (3rd ed.). Thousand Oaks, CA: Sage. Sage Publications, Inc.; Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic inquiry*. Beverly Hills, CA: Sage.

³⁸ Nahid Golafshani (2003). Understanding reliability and validity in qualitative research. *The Qualitative Report* Vol. 8, No. 4, December 2003, pp. 597-607.

Data saturation occurs when a particular method is no longer yielding new data. For example, interviews with key informants are yielding the same sorts of responses that the team has already heard.

In an exploratory study, qualitative data is collected without being driven by a theory or hypothesis. Instead, researchers allow themes to emerge, and then begin to shape a conceptual understanding from this. A wide base of qualitative data gathered in this exploratory mode can yield what is called a ‘rich picture’ – a wealth of data that an approach driven by pre-existing theory would rarely manage to produce.

The overall design and approach of the study was informed by two key assumptions:

1. The overall goal of RADP is to support food security and economic growth, hence an ‘enabling environment’ is one in which agricultural policy contributes to these goals.
2. Policy gaps and constraints can only be assessed in relation to the ultimate needs which the policy seeks to address. In this case, these are food security and opportunities for economic growth available to farmers across Afghanistan. (In other words, policy and policy making should never be ends in themselves).

Based on these assumptions, and in order to meet its purpose effectively, the study was designed in two phases, with the first phase informing the design of the second phase.

PHASE ONE: ENVIRONMENTAL SCAN AND IDENTIFICATION OF PRIORITY NEEDS

Phase one’s primary purpose was to determine what key issues Afghan farmers were facing that most urgently required policy attention. Its secondary purpose was to provide an overall mapping of the policy arena for agriculture: the key institutions, relationships, and policies that govern this sector. As far as possible, the study team also began to identify links between key issues and policies.

Methods for Phase One

Key informant interviews: The team visited Herat, Bamyan, and Mazar to conduct key informant interviews and also carried out in-person interviews in Kabul. The team also interviewed some key respondents working in Helmand and Kandahar by phone. The team selected key informants using a purposive sampling technique, which involves identifying knowledgeable people within NGOs as a proxy to speaking directly with farmers. The team selected this method since NGOs tend to have the best reach and direct connection with the widest variety of farmers, including women and poorer, more remote farmers. In addition, the team spoke to staff from other institutions and projects working directly with farmers, representatives from some farmer associations, and tradesmen and small business leaders. The primary purpose of these interviews was to gain insight into the key issues facing Afghan farmers, to gain some contextual information to aid in understanding the circumstances that are associated with these issues, and to determine some initial links to government policy.

In addition, the team spoke with key informants at the Directorates of Agriculture, Irrigation, and Livestock (DAILs), representatives of major agricultural programs, and some long-time sector experts and observers to get a general sense of the current status of the sector and to assist with the institutional mapping and initial policy links.

Selection of locations: The study team traveled to Herat, Mazar, and Bamyan because each location is in a different agro-ecological region and all are in areas that would be covered by the proposed RADPs (with the exception of Bamyan). Herat and Mazar are particularly important agricultural centers, and both have international border crossings, which facilitate trade. In addition, the team had to consider security concerns as risk was high in the period leading up to the April 2014 elections, so the study sites were relatively secure locations. To augment and extend the findings from these provincial visits, the team conducted a small number of phone interviews with key informants from the South and spoke with experts in Kabul who had a more national perspective and experience in various regions of the country. Table 1 below indicates the locations and activities conducted in each location.

Table 10: Activities conducted in each location

| Respondent/Site Observation | Kabul | Herat | Bamyan | Mazar | South | Total: |
|------------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|
| Sector Expert | 5 | | | | | 5 |
| NGO/CBO | | 7 | 6 | 4 | | 17 |
| National program | 6 | | | | | 6 |
| Other program implementer | | 1 | 2 | | 4 | 7 |
| Government | | 3 | 3 | 1 | | 7 |
| Co-operative | | 1 | 1 | | | 2 |
| Business association | | 1 | | | | 1 |
| Business | | 2 | | | | 2 |
| Producer association | | | | 1 | | 1 |
| Market site visit | | 1 | 5 | | | 6 |
| Total: | 11 | 16 | 17 | 6 | 4 | 54 |

Market visits: In Bamyan and Herat, the study team visited local markets (time limits prevented market visits in Mazar) to make general observations and to speak with traders to learn the origin and prices of the products being sold, and to ask how business was going. The team used an observational checklist in these visits, which is included in Annex VII.

Document review: For stage one, the team reviewed relevant studies on agriculture and rural livelihoods and policy making. The team also preliminarily collected and reviewed key policy documents at this stage.

Data handling and process for ranking priority issues: The short list of priority issues, which was a key output from Stage One of the study, was derived primarily from interviews with key informants who were asked what they thought the biggest constraint facing Afghan

farmers was (or, for businesses, the biggest constraint facing agribusiness), and why they thought it was not being adequately addressed by existing government efforts.

A summary of the key informants interviewed by category and location is shown in Table 1, in the methodology section. A total of 54 key informants were consulted. Because poor and remote farmers were difficult to reach and consult within the limited time, and under the volatile pre-election security situation, the study team relied instead on input from representatives from NGOs, CBOs and other program implementers who work closely with such farmers and are familiar with their situation.

The study team coded and categorized responses, leading to a long list ranked by how widespread an issue was (i.e., in how many different regions it received mention) and how many of the key informants spoke of it as a major concern. The full list is available in Annex VIII. The team then applied the following criteria to the long list:

1. Appears to be countrywide, rather than specific to a given region;
2. Falls within umbrella of overall RADP goal (food security and economic growth);
3. Is relevant to a broad spectrum of farmers (smallholders as well as larger farmers; women as well as men);
4. Appears that existing efforts to address it are inadequate;
5. Appears that RADP-C could have the potential to address it (whether through capacity-building or other strategy);
6. Complements and leverages RADP's other areas of focus – particularly the focus on promoting value chains.

The top ranked issues all met the first two criteria (appears to be countrywide, falls within the umbrella of overall RADP/NADF goal of supporting food security and economic growth) as well as the fourth criterion: it appears that existing efforts to address it are inadequate.

The remaining criteria (is relevant to a broad spectrum of farmers, including smallholders and women; it appears that RADP-C could have the potential to address it; and it complements and leverages the RADP's focus on developing value chains) were then assessed by the team to the degree possible based on existing information, resulting in the shortlist of five priority issues listed in the findings section of this report.

Outcomes of phase one: Phase one resulted in a short list of priority issues, the selection of one issue for further investigation (markets) in phase two, and a mapping of the policy arena. The documentation of these outcomes is in Annex VIII and Annex IX.

PHASE TWO: IN-DEPTH INVESTIGATION OF POLICY RESPONSE TO A KEY PRIORITY NEED

The purpose of phase two was to get a more in-depth understanding of how the GIRoA, and MAIL in particular, is responding to agricultural needs through its policies. This phase focused on issues within the general area of market linkages and marketing. This area was identified as one of three key priority issues in the first phase of research along with inputs and water. The team selected markets for further study because many key informants

identified this as the most critical of the three issue areas, it was closely linked to most of the other critical issues that were identified, and it seemed that RADP-C might be well positioned to provide support in this area based on the design and planned activities of RADP.

The study design struck a balance between a broad based scan and a more detailed investigation of particular aspects of policy implementation, focused specifically on markets. Many of the specific weaknesses and gaps found in the detailed study were consistent with broader commentary about weaknesses in coordination and implementation, and so many of the in-depth findings appear generalizable to the broader sector. This is further discussed in the conclusion section of this study.

With regard to the other four priority issues, and to the degree possible in a condensed study period, the team conducted some additional investigation into how policy was addressing these issues. Findings specific to these other areas are presented in Annex X and Annex XI to this report.

Methods for Phase Two

Focus group discussions (FGDs) with farmers, traders, processors, and associations: While the phase one findings provided enough information to recognize weak market linkages and market information as an area that was causing major constraint for farmers and agribusiness, the study team wanted to gain more insight both into the specific nature of the problems people were facing and the on-the-ground perception of policy responses. The study team aimed to get a broad cross-section of participants, including rich and poor farmers, men and women, livestock herders and crop growers, producers, and agribusiness (focused primarily on the post-harvest side, rather than the input side).

For this purpose in phase two, the team carried out 12 FGDs: six in Mazar and six in Herat. These two locations were chosen for the same reasons detailed in Methods for Phase 1, and because the study team was able to mobilize quickly in these areas, which was necessary under the given time constraints. The team used existing contacts to recommend potential participants and depended mainly on NGOs, producers' associations, and business associations to recommend participants. The team did not include DAIL staff members in the focus groups.

Although the team did manage to include some small-scale farmers, who represent the vast majority of Afghan producers, the process led to selection bias that favored the wealthy and connected. This was mainly because of the rapidity of the process and the team's placement in the cities. Ultimately, secondary sources of information and the data from phase one were used to triangulate and interpret the results from the FGDs and balance out bias toward elite interests, which may not be most strategic for RADP's mission. Four of the FGDs included women, and eight included men. A summary of the 12 FGDs and their compositions are included in Table 2 below.

Table 11: Compositions of FGDs

| Group | Location | Gender | Crop or livestock? | Role of participants | # of participants |
|---------------|-----------------|---------------|---------------------------|---------------------------------|--------------------------|
| 1 | Mazar | Male | Livestock | Processors/traders/associations | 5 |
| 2 | Mazar | Male | Livestock | Producers | 7 |
| 3 | Mazar | Male | Crop | Processors/traders/associations | 8 |
| 4 | Mazar | Male | Crop | Producers | 7 |
| 5 | Mazar | Female | Crop & livestock | Processors/traders/associations | 8 |
| 6 | Mazar | Female | Crop & livestock | Producers | 9 |
| 7 | Herat | Male | Livestock | Processors/traders/associations | 8 |
| 8 | Herat | Male | livestock | Producers | 8 |
| 9 | Herat | Male | Crop | Processors/traders/associations | 9 |
| 10 | Herat | Male | Crop | Producers | 6 |
| 11 | Herat | Female | Crop & livestock | Processors/traders/associations | 5 |
| 12 | Herat | Female | Crop & livestock | Producers | 7 |
| Total: | | | | | 87 |

Each focus group contained two facilitators; one facilitator led discussions and one acted primarily as a note taker. FGDs were conducted in Dari and the notes were taken in English, using on-the-spot translation. Each FGD took about 90 minutes to two hours, followed by refreshments. Participant transport costs were also covered.

The FGDs followed a set of questions and sub-probes. The team tailored FGD guides for use with producers and for use with traders and processors, and each focused on how the participants engaged with markets. This included how participants linked to their suppliers and/or buyers, how prices were determined, and what problems they faced. The second half of the FGD then asked participants to comment specifically on how government regulatory and programmatic activities either aided or hindered their work, and what changes, if any, they would like to see.

Key informant interviews with policy actors: Through phase one findings and the FGDs, the study team gained some specific ideas about key market-related issues that existing policy did not appear adequately address. The team then team mapped out and spoke to representatives from the key institutions responsible for making and implementing government policy on this topic. In addition, the team conducted semi-structured key informant interviews with staff from some partner institutions to gain an informed outside perspective on the topic. As the team often had specific questions for individuals based on their roles, these guides were adjusted on an interview-by-interview basis. For example, the team had specific questions for customs officials regarding the way tariffs were set and the testing of agricultural imports.

Purposive sampling was combined with snowball sampling for the selection process: the team used the institutional map to identify respondents based on institutional affiliation and role and further asked these respondents to recommend additional institutions and/or individuals

with whom the team should talk. A total of 20 key informant interviews were done at this phase, listed in the table below.

Table 12: Key informant interviews

| Organization | Department |
|---------------------|--|
| ACCI (Kabul) | Industries and Export Promotion |
| ACCI (Balkh) | Export Promotion |
| ADB | Enhanced Agricultural Value Chains For Sustainable Livelihoods |
| AISA | Senior Management |
| AKDN | Market Development Program (MDP) & NRM |
| ANSA | Senior Management |
| EU | Agriculture and Livestock |
| MAIL | Statistics |
| MAIL | DM Technical Affairs |
| MAIL | Private sector |
| MAIL | Gender Unit |
| MAIL | Legal Advisory Unit |
| MAIL | Provincial Relations |
| MAIL/WB | AAIP |
| MoCI | Private Sector Development Directorate |
| MoCI | SMEs Management and Development Affairs |
| MoF | Customs |
| MoF | Tariffs |
| MRRD | Senior Management, AREDP |
| World Bank | Rural Development Specialist |

Document and policy review: In stage two, the team reviewed reports and other documentation related to market-oriented policies, capacity-building efforts at MAIL, and some of the other key issues identified in phase one. In addition, to the degree possible, the study team obtained and reviewed policies related to the other four key issues identified in the first phase of research. A full annotated bibliography of these documents is available at the end of this report in Annex IV.

Outcomes of Phase Two: Findings from phase two have been integrated into the findings from phase one to answer the initial (and additional) study questions. This report, in combination with its annexes, is the primary result.

Data handling and ethics: All of the interviews were semi-structured, taking between 30 minutes and 2 hours to complete. For most interviews, two study team members attended with one leading the interview and the second taking notes. Interviews were conducted in Dari, Pashto or English, according to the interviewee's preference, and all guides and notes were in English. This means, where necessary, translation was performed on the spot. A general interview guide was made and then adapted to different respondent types. Several major iterations of the interview guide can be found in Annex VII.

Initially, interviewees were given the choice of being anonymous or 'on record.' However, because this study is associated with a potential multi-million dollar project, some respondents saw the interviews as opportunities to showcase their work to the study team. Since this had an observable effect on the interviewee's ability to have a frank, open discussion about the current situation, the study team changed its approach and announced that all interviews would be anonymous. The hope was that this would improve the frankness of the discussions and the information quality. Thus, interviewees are not named, and wherever possible, the study is not explicit about the origin of specific claims. Nonetheless, most interviewees agreed to be included on a contact list which is included at the end of this report in Annex V.

Data analysis: The team compiled all interview data into electronic format and coded using qualitative analysis software (Dedoose and Atlas.ti) to identify key themes. The team reviewed policy documents in light of the key issues raised in interviews and focus groups to determine the degree to which the formal policy content acknowledged and addressed these issues. The study team triangulated and compared key informant interviews regarding policy implementation and institutional relations in the second phase of the study as much as possible so that the resulting findings are reasonably robust.

Limitations of the study: The study was subject to the following limitations:

- Security & time affected the selection process which prevented the study team from traveling far out of the cities; therefore, the team relied on conversations with respondents who were able to meet in the cities.
- Many people knew about the RADP program (and the team did not hide its purpose), which created a risk of bias. Some saw the study as a chance to pitch their efforts, which influenced the kind of information the team received.
- Insofar as there seems to be a degree of dysfunction and obfuscation in some institutional dealings (for example, complaints about corruption and nepotism are fairly widespread) and a fair degree of complexity to inter- and intra-institutional relationships, it was beyond the scope of this study to fully investigate and assess these.
- As key informants were an important data source, and most were unable to provide the team with written documentation related to what they reported, it was sometimes hard to determine the factual basis for their claims.
- Due to the vast nature of agriculture policy in Afghanistan in which numerous and various actors operate without much coordination, the study team developed a robust methodology to address as many policy components as possible. This methodology

balanced major issues and zoned in appropriately, but it is impossible to be completely exhaustive, especially when the situation is ever changing.

Management of bias and potential sources of error: The team used triangulation and data saturation to address bias and potential sources of error. The study team tried to sample in a way that would minimize potential bias by speaking to NGO representatives who worked directly with poorer people and by drawing on rigorous empirical studies and data sources such as the National Risk and Vulnerability Assessment (NRVA). The team also spoke to as broad of a range of people as time would allow. Because the team did get a great deal of data saturation – the same observations and perspectives were raised by different groups – the team reports confidence in the key findings presented in this report. On specific details, there is likely to be a degree of error, because for these, the team may only have had one or two data points, and there were many sources of distortion and inaccuracy.

Annex VI: Research Instruments and Interview Protocols

Guidelines for interviewing: (CADP-R Study – Phase 1)

Review the purpose of the interview for phase 1:

- Decide who will ask questions and who will take notes.
- Both should remind themselves the purpose of the interview.

For this phase of our study, we are conducting a 'scan' to do two things:

- *Identify key issues facing Afghan farmers (particularly related to food security and economic growth).*
- *Begin to link these to existing policy and programming initiatives/institutions (i.e. who is doing what on this and how is it going)*
- Any adaptations to questions or additional questions should be made with this purpose in mind...so we don't get diverted too far!
- Notetaker: Fill out name, all known contact and personal information beforehand, so you only need to ask interviewee what is necessary.
- Scan questions and see if you want to adapt them based on the interviewee and/or time restrictions.
- If the interviewee is Afghan, ask them what language they would prefer the interview to be in. Note if the interview was in Dari (or Pashto) and has been translated.
- If you are going to take notes with a computer, explain this to the interviewee first and get permission. Offer to write in long-hand if they are uncomfortable with this (and be prepared to do this).
- If you are going to take notes with a computer, save the file under the date and the person's last name on your computer (we will later change these file names to be anonymous).
- Begin with general introductions.
- Mention that it will take about 30 minutes to an hour...depending on how much they have to say. Check if they have any time restrictions, and if they do, honour them, and be more focused on getting to the key questions (i.e. priority issues facing farmers).
- Then go over the explanatory blurb and permission questions at the beginning of the interview.
- Also, before you leap into conversation, make sure to clarify and write contact information for follow up – we can fill this in beforehand if possible (if the person has a business card that works too!)
- As soon as possible after the interview (probably at the end of the day), go over notes, share with your partner, fill out any details you remember, but did not capture initially, flag any question areas or bits you are unclear on, then save it and back it up on a USB drive.
- Make sure we have the files saved in 2 different places! Email to other team members (or ourselves) is also a great backup method.

Phase 1 Interview Guide -- Field Staff

Identifying priority issues for farmers' food security and prosperity

PART 1: EXPLAINING THE RESEARCH AND REQUESTING PERMISSION

Thank you for your time. We have some questions we'd like to ask you, which may also lead to a related discussion. But first we'd like to give a bit of background about the purpose and scope of our study, who we are, and how this information will be used.

We are a team of 4 independent consultants hired by Checchi for the purpose of this study. The study is commissioned by USAID, but we are independent from USAID.

The purpose of this study is to provide recommendations to inform the design of the Regional Agricultural Development Program's Central Unit. This unit has a mandate to support an enabling policy environment for agriculture. The possibilities for how it will do this are quite broad.

For this phase of our study, we are conducting a 'scan' to do two things:

- *Identify key issues facing Afghan farmers (particularly related to food security and economic growth).*
- *Begin to link these to existing policy and programming initiatives/institutions (i.e. who is doing what on this and how is it going)*

In the next phase of the study, we'll be focusing in greater depth on one or two of the key issues emerging from this scan.

1. Regarding the use of your information, it can be on-record if you are comfortable with that, or if you prefer, part or all of what you say can be off-record and confidential.

What would you prefer? On-record ___ Off-record___ Will decide at end ___

2. USAID has asked us to give them a list of people we have spoken to, with contact information. However, we have reserved the right to exclude people from this list based on their choice. Is it ok if we include you on the list? Yes___ No___

Not sure – will decide later___

3. Would you like a copy of the final report from this study? (if yes, make sure we have current email address) Yes___ No___

PART 2: RESPONDENT INFORMATION

1. Name:
2. Contact information:
 - Preferred email:
 - Phone:
 - (collect business card if available)
3. Position:
4. Institution:
5. Length of time in position:

PART 3: UNDERSTANDING FARMING CHALLENGES AND IDENTIFYING PRIORITY ISSUES

1. Can you describe the sorts of farmers you work with? Where are these farmers?

2. How many farmers (approximately) do you have contact with?
3. How often do you have contact with these farmers? Can you describe how you work with them and communicate with them?
4. Could you please explain the selection process for working with farmers, in practice?
5. Approximately how much land do these farmers own, on average?
6. How many of the farmers you work with have access to irrigation for their land?
7. Can you describe what sort of farming these farmers are engaged in? (i.e. What crops? Livestock? For food security or for market?)
8. Do these farmers depend entirely on farming for their livelihoods, or do they have other income sources? Please explain.
9. Generally speaking, would you say farmers are better off, worse off, or in the same condition as they were five years ago? Why?
10. Generally speaking, are farming households able to grow enough food to feed themselves? Why, or why not? [probe about differences between households which can and households which cannot]
11. Generally speaking, are farming households able to sell some of their produce (whether crops or livestock) to markets? Why or why not? [probe about differences between households which can and households which cannot]
12. What has worked well for farmers in the last few years? (strategies, interventions, types of crops, etc.) Why? Were all farmers able to benefit from this? If not, why not? [we may need to probe from general to specific]
13. What has been the biggest limitation or challenge for farmers in the last few years? (i.e. might be weather, market instability, or lack of access to market, lack of credit, etc. etc.) Have some farmers been able to overcome this limitation? If so, how? What differentiates them from those who have not?

PART 4: LINKING ISSUES TO POLICY AND EXISTING INTERVENTIONS

1. Are you aware of any efforts, either now or in the past, to address this limitation? These might be policies, programs, or projects by the government or a non-government agency. If so, please describe them.
 - a. IF YES: Despite the efforts you described, this need/issue remains a problem for farmers.
 - i. Why? What has limited these efforts from fully addressing or solving this issue?
 - ii. Do you think it is possible to improve on these efforts? How?
 - b. IF NO: Why do you think has no one tried to address this issue?
2. Who do you think would be most effective at solving this issue?
3. Who else should we speak with to get a better understanding of this issue?
4. Are there any policies, research reports or other documents we should read to help us better understand this gap? If you have access to any of these, can you share them with us?

Phase 1 Interview Guide for Agriculture-related Business

Identifying priority issues for farmers' food security and prosperity

PART 1: EXPLAINING THE RESEARCH AND REQUESTING PERMISSION

Thank you for your time. We have some prepared questions we'd like to ask you, which may also lead to a related discussion. But first we'd like to give a bit of background about the purpose and scope of the study, who we are, and how this information will be used.

We are a team of 4 independent consultants hired by Checchi for the purpose of this study. The study is commissioned by USAID, but we are independent from USAID.

The purpose of this study is to provide recommendations to inform the design of the Regional Agricultural Development Program's Central Unit. This unit has a mandate to support an enabling policy environment for agriculture. The possibilities for how it will do this are quite broad.

For this phase of our study, we are conducting a 'scan' to do two things:

- *Identify key issues facing Afghan farmers (particularly related to food security and economic growth).*
- *Begin to link these to existing policy and programming initiatives/institutions (i.e. who is doing what on this and how is it going)*

In the next phase of the study, we'll be focusing in greater depth on one or two of the key issues emerging from this scan.

1. Regarding the use of your information, it can be on-record if you are comfortable with that, or if you prefer, part or all of what you say can be off-record and confidential.
What would you prefer? On-record ___ Off-record___ Will decide at end ___
2. USAID has asked us to give them a list of people we have spoken to, with contact information. However, we have reserved the right to exclude people from this list based on their choice. Is it ok if we include you on the list? Yes___ No___
Not sure – will decide later___
3. Would you like a copy of the final report from this study? (if yes, make sure we have current email address) Yes___ No___

PART 2: RESPONDENT INFORMATION

1. Name:
2. Contact information: (email if available & phone)
3. Position:
4. Institution:
5. Length of time in position:

PART 3: UNDERSTANDING BUSINESS AND MARKETING CHALLENGES AND IDENTIFYING PRIORITY ISSUES

1. Can you describe what your business does?
2. Is your business international, national or local? Where is the head office located?
3. How many people does your business employ?

4. If relevant, can you describe the sorts of farmers you work with? Where are these farmers?
5. What is the nature of your relationship with these farmers? (e.g. do you provide them with inputs or services, or do you buy things from them, or other)
6. How often do you have contact with these farmers? Can you describe how you work with them and communicate with them?
7. Are there any criteria or constraints that limit the type of farmer you can work with? (e.g. production quantities or quality, location/distance, equipment, farmer capacity, etc.)
8. Do you think there are some farmers in the area who want to, or should, be engaged in business with you (or with similar businesses) but are not? If so, why not? (NB: this is again getting at possible barriers – may be redundant depending on how answered previous q)
9. Can you describe what sort of farming the farmers you do business with are engaged in? (e.g. crops, livelihoods, and anything noteworthy about methods – irrigation, mechanization, etc.)
10. Would you say the farmers you do business with are wealthy, average, or poor compared to the average in this area?
11. Generally speaking, would you say farmers in this area are better off, worse off, or in the same condition as they were five years ago? Why?
12. From your experience, what has been the best economic opportunity for your business in the last few years?
13. From your experience, what has been the best economic opportunity for farmers in the last few years? (e.g. strategies, market opportunities, types of crops, value-addition processing etc.) Why? Were all farmers able to benefit from this? If not, why not? [we may need to probe from general to specific]
14. What has been the biggest economic limitation or challenge for your business in the last few years?
15. From your experience, what has been the biggest economic limitation for farmers in the last few years? (i.e. might be weather, market instability, or lack of access to market, lack of credit, etc. etc.) Have some farmers been able to overcome this limitation? If so, how? What differentiates them from those who have not?

PART 4: LINKING ISSUES TO POLICY AND EXISTING INTERVENTIONS

1. You mentioned that _____ is the biggest limitation to your business. Are you aware of any efforts, either now or in the past, to address this limitation? These might be policies, programs, or projects by the government or a non-government agency. If so, please describe them.
 - a. IF YES: Despite the efforts you described, this need/issue remains a problem for business.
 - i. Why? What has limited these efforts from fully addressing or solving this issue?
 - ii. Do you think it is possible to improve on these efforts? How?

- b. IF NO: Why do you think has no one tried to address this issue?
2. Who do you think would be most effective at solving this issue?
3. Who else should we speak with to get a better understanding of this issue?
4. Do you know of any documents we should read to get a better understanding of this issue? (policy documents, reports, etc.)

Phase 1 Interview Guide – Sector Experts

Identifying priority issues for farmers’ food security and prosperity

PART 1: EXPLAINING THE RESEARCH AND REQUESTING PERMISSION

Thank you for your time. We have some questions we’d like to ask you, which may also lead to a related discussion. But first we’d like to give a bit of background about the purpose and scope of our study, who we are, and how this information will be used.

We are a team of 4 independent consultants hired by Checchi for the purpose of this study. The study is commissioned by USAID, but we are independent from USAID.

The purpose of this study is to provide recommendations to inform the design of the Regional Agricultural Development Program’s Central Unit. This unit has a mandate to support an enabling policy environment for agriculture. The possibilities for how it will do this are quite broad.

For this phase of our study, we are conducting a ‘scan’ to do two things:

- *Identify key issues facing Afghan farmers (particularly related to food security and economic growth).*
- *Begin to link these to existing policy and programming initiatives/institutions (i.e. who is doing what on this and how is it going)*

In the next phase of the study, we’ll be focusing in greater depth on one or two of the key issues emerging from this scan.

1. Regarding the use of your information, it can be on-record if you are comfortable with that, or if you prefer, part or all of what you say can be off-record and confidential.
What would you prefer? On-record ___ Off-record___ Will decide at end ___
2. USAID has asked us to give them a list of people we have spoken to, with contact information. However, we have reserved the right to exclude people from this list based on their choice. Is it ok if we include you on the list? Yes___ No___
Not sure – will decide later___
3. Would you like a copy of the final report from this study? (if yes, make sure we have current email address) Yes___ No___

PART 2: RESPONDENT INFORMATION

1. Name:
2. Contact information:
3. Position:
4. Institution:
5. Length of time in position:
6. Can you please tell us about your background in the agricultural sector?

PART 3: UNDERSTANDING FARMING CHALLENGES AND IDENTIFYING PRIORITY ISSUES

If applicable to the Informant's experience:

1. Generally speaking, would you say farmers are better off, worse off, or in the same condition as they were five years ago? Why?
2. Generally speaking, are farming households able to grow enough food to feed themselves? Why, or why not? [probe about differences between households which can and households which cannot]
3. Generally speaking, are farming households able to sell some of their produce (whether crops or livestock) to markets? Why or why not? [probe about differences between households which can and households which cannot]
4. What has worked well for farmers in the last few years? (strategies, interventions, types of crops, etc.) Why? Were all farmers able to benefit from this? If not, why not? [we may need to probe from general to specific]
5. What has been the biggest limitation or challenge for farmers in the last few years? (i.e. might be weather, market instability, or lack of access to market, lack of credit, etc. etc.) Have some farmers been able to overcome this limitation? If so, how? What differentiates them from those who have not?

PART 4: LINKING ISSUES TO POLICY AND EXISTING INTERVENTIONS

1. Are you aware of any efforts, either now or in the past, to address this limitation? These might be policies, programs, or projects by the government or a non-government agency. If so, please describe them.
 - a. IF YES: Despite the efforts you described, this need/issue remains a problem for farmers.
 - i. Why? What has limited these efforts from fully addressing or solving this issue?
 - ii. Do you think it is possible to improve on these efforts? How?
 - b. IF NO: Why do you think has no one tried to address this issue?
2. Who do you think would be most effective at solving this issue?
3. Who else should we speak with to get a better understanding of this issue?
4. Are there any policies, research reports or other documents we should read to help us better understand this gap? If you have access to any of these, can you share them with us?

If applicable (for respondents with policy experience):

5. In your opinion, are there constraints in policy implementation that are contributing to this issue? What can be done to address these constraints? Who should be involved and in what role? (Ministries, local government, donors, other actors).
6. In your opinion are there gaps in policy implementation that have contributed to this issue? What can be done to address these gaps? (Probe: new policies or change in policies; capacity development; targeted donor support). Who should be involved and why/ or in what role?

Market visit observation checklist:

Key purpose here is to better understand the relationships (trading, etc.) between local markets and local producers

1. Name of Market
2. Location of Market
3. Time of Day visited
4. How busy is the market?
5. How many vendors?
6. Are the vendors all men, or are there women?
7. What are they selling? (is it perishable, is it processed?)
8. Ask a few vendors about prices
9. Ask a few vendors about where they get their products...local or from outside. If from outside, why not local?
10. If possible, ask vendors informally about how business is going for them, what is going well, what problems they are facing, etc.
11. Any other observations about the market that seem interesting or pertinent.....

Focus Group Discussion Guide: Linking to Market

Producers' Edition

PURPOSE

1. To understand how farmers and traders link to market in this region
2. To understand how government rules and programs help or do not help
3. To get ideas about how government rules and programs could be more helpful

AGENDA

Whole program should take a maximum of 90 minutes.

INTRODUCTION

Who we are, ground rules

- We're interested in everyone's ideas

We'll be talking about three main questions over the next hour to 90 minutes:

1. How do farmers link to markets in this area?
2. How do government rules and programs help or not help?
3. What could government do differently that would help farmers more?

Icebreaker questions: (5 min, can just ask one or two depending on time and the group)

First, we'll start with a few quick questions to get to know each other a bit. When you answer, please also introduce yourself.

1. What is your favorite food?
2. What is your favorite color?
3. What food do you most dislike?

Facilitator and notetaker should answer too.

Questions for the producers:

1. Understanding how producers link to markets (20-30 min)

- a) About how many people in your community sell agricultural products for the market? Everyone? Most people? Just a few people?
- b) Who are they? (e.g. are they men, women, people who own land, people who don't own land?)
- c) What do they sell to market? Of these things you mentioned, which ones are the most profitable?
- d) How do they decide what to sell?
- e) Do they sell every year, or just in good years?
- f) When do they sell?
- g) Do they store or process things first?
- h) Who do they sell to?
- i) Where do they sell?
- j) Are the prices good or bad?
- k) Who determines the prices?
- l) How do farmers get information to decide how to sell?

- m) Do they sell together in groups, or cooperatives, or through associations, or do they sell individually?
- n) What happens to the products once they sell them? Where do they go? Who eventually eats them?

2. Understanding policy issues (20-30 min)

- ***Overall question: How do the government's rules and activities make it easier or harder for producers to link to market?***
 - a) What rules does the government have that help farmers to link to market?
 - b) What rules does the government have that make it harder for farmers to link to market?
 - c) Are there any government activities (programming, etc.) that help farmers to link to market?
 - d) Are there any government activities that make it harder for farmers to link to market?

3. Ideas that would make things easier for farmers to link to markets (15-20min)

- ***Overall question: What could the government do differently that would make it easier for producers to link to market?***
 - a) Are there any rules that the government could add that would help farmers to link to markets?
 - b) Are there any rules that the government should change or stop?
 - c) Are there any activities that the government should start that would help farmers to link to markets?
 - d) Are there any activities that the government should change or stop?

Focus Group Discussion Guide: Linking to Market Traders, Associations and Processors Edition

PURPOSE:

1. To understand how producer associations, traders and processors link to market in this region
2. To understand how government rules and programs help or do not help
3. To get ideas about how government rules and programs could be more helpful

AGENDA

Whole program should take a maximum of 90 minutes.

INTRODUCTION

Before group – introduce ourselves, quickly go over agenda

Set up ground rules:

- We're interested in everyone's ideas

We'll be talking about four main questions over the next hour to 90 minutes:

1. How do you, and other traders, associations etc. in this area link to the producers which supply you?
2. How do you link to your sellers?
3. How do government rules and programs help or not help?
4. What could government do differently that would help agriculture-related businesses more?

Icebreaker questions: (5 min, can just ask one or two depending on time and the group)

First we'll start with a few quick questions to get to know each other a bit. When you answer, please also introduce yourself.

1. What is your favorite food?
2. What is your favorite color?
3. What food do you most dislike?

Facilitator and notetaker should answer too.

Questions for the associations, traders and processors:

1. Understanding how you link to your suppliers (15 min)

- a) What agricultural products do you buy?
- b) Who do you buy from?
- c) Where are they?
- d) About how much land do they farm?
- e) Are they men, women, or both?
- f) Rich or poor?
- g) Young or old?
- h) Are they organized in groups or do you buy from individuals?
- i) Are there any rules or standards that your suppliers must meet? If so, what are they? Who sets these standards? Who checks?

- j) How do you locate your suppliers?
- k) Do you go to them, or do they come to you?
- l) How is the price determined?
- m) What challenges do you face in linking to your suppliers?

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2. Understanding how you link to your buyers (15-20 min)

- a) What do you sell? (i.e. do you do any value addition to what you buy?)
- b) Who do you sell to?
 - i. Retail or wholesale?
 - ii. Domestic or international?
 - iii. Big buyer or small buyer?
- c) How do you find your buyers?
- d) Do they come to you, or do you go to them?
- e) When do you sell?
- f) Are the prices good, bad, or varied?
- g) What determines the prices?
- h) How do you get information about the market? Do you do any research activities?
- i) Do you do any marketing activities?
- j) Do your products have to meet any certifications or other standards? If so, who sets these standards? Who checks?
- k) What challenges do you face in linking to buyers?

•

3. Understanding policy issues (20 min)

- ***Overall question: How do the government's rules and activities make it easier or harder for agricultural businesses to find and link to markets?***
- a) What rules does the government have that help agricultural businesses to link to market?
 - i. Domestic markets?
 - ii. Export markets?
- b) What rules does the government have that make it harder for agricultural businesses to link to market?
 - i. Domestic markets?
 - ii. Export markets?
- c) Are there any government activities (programming, etc.) that help agricultural businesses to link to market? (for example, subsidies, incentive schemes, training programs, etc.)
 - i. Domestic markets?
 - ii. Export markets?
- d) Are there any government activities that make it harder for agricultural businesses to link to market?
 - i. Domestic markets?
 - ii. Export markets?

4. Ideas that would make things easier for agricultural businesses to link to markets (20min)

- ***Overall question: What could the government do differently that would make it easier for agricultural businesses to find and link to markets?***
 - a) Are there any rules that the government could add that would help agricultural businesses to link to markets?
 - b) Are there any rules that the government should change or stop?
 - c) Are there any activities that the government should start that would help agricultural businesses to link to markets?
 - d) Are there any activities that the government should change or stop?

Phase 2 Interview Guide -- Policy

Understanding the Policy Framework for Linking Farmers to Markets

PART 1: EXPLAINING THE RESEARCH AND REQUESTING PERMISSION

Thank you for your time.

We are a team of 4 independent consultants hired by Checchi for the purpose of this study. The study is commissioned by USAID, but we are independent from USAID.

The purpose of this study is to provide recommendations to inform the design of the Regional Agricultural Development Program's Central Unit. This unit has a mandate to support an enabling policy environment for agriculture.

We are looking specifically at policy related to linking farmers to markets. We want to understand the policy that exists, how it addresses the issue of market linkages, and its existing strengths and weaknesses. Because your role is so important on this issue, we would like to learn from your knowledge and insights, and have some questions on this topic. This should take about 40 minutes.

1. Regarding the use of your information, it can be on-record if you are comfortable with that, or if you prefer, part or all of what you say can be off-record and confidential.
What would you prefer? On-record ___ Off-record___ Will decide at end ___
2. USAID has asked us to give them a list of people we have spoken to, with contact information. However, we have reserved the right to exclude people from this list based on their choice. Is it ok if we include you on the list? Yes___ No___
Not sure – will decide later___
3. Would you like a copy of the final report from this study? (if yes, make sure we have current email address) Yes___ No___

PART 2: RESPONDENT INFORMATION

1. Name:
2. Contact information:
3. Position:
4. Institution:
5. Length of time in position:

PART 3: UNDERSTANDING THE POLICY APPROACH TO MARKET LINKAGES

1. As you know, the current links between agricultural producers in Afghanistan and markets (both domestic and export) are quite limited. Could you describe, from your knowledge and perspective, the current situation in terms of linking producers to market? I.e. what is the problem, and what are its key causes?
2. Can you please describe the government's overall strategy to deal with this issue?
3. Who was involved in developing this strategy? (i.e. which governmental institutions, which non-governmental actors?)
 - a. If you know anything about the history of how this strategy was developed, could you describe it for us?

- b. What is your assessment of this overall strategy? Is it effective in addressing the issue as you've described it? Why or why not?
4. Coming now to your institution specifically, what is its role in facilitating or regulating the link between agricultural products and markets?
5. Which policies are most important or relevant to implementing the government strategy on linking farmers to markets?
 - a. Are they specific to agriculture, or general?
 - b. Are they in force, or are they still being developed, or waiting to be passed?
 - c. If there have been delays in developing or approving these policies, do you know why?
6. Which government institutions have been involved in implementing these policies?
 - a. How does your institution relate to and coordinate with other government institutions on this issue?
7. For those policies that your institution is most closely involved with, how do you know if the policy is effective or not? (i.e. monitoring systems or feedback?)
8. Are you aware of any problems or constraints in implementing these policies?
 - a. If so, please describe.
 - b. If so, what can be done to address these constraints?
9. Who else should we talk to on this issue?
10. Can you share with us any studies or reports related to these policies? Can you share with us the most current versions of the key policies you have mentioned?

Thank you very much for your time!

Phase 2 Interview Guide -- Policy

Understanding the Policy Framework for Linking Farmers to Markets

PART 1: EXPLAINING THE RESEARCH AND REQUESTING PERMISSION

Thank you for your time.

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What would you prefer? On-record ___ Off-record___ Will decide at end ___
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5. Length of time in position:

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2. Can you please describe the government's overall strategy to deal with this issue, as far as you know it?
3. Who was involved in developing this strategy? (i.e. which governmental institutions, which non-governmental actors?)
 - a. If you know anything about the history of how this strategy was developed, could you describe it for us?

- b. What is your assessment of this overall strategy? Is it effective in addressing the issue as you've described it? Why or why not?
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 - a. Are they specific to agriculture, or general?
 - b. Are they in force, or are they still being developed, or waiting to be passed?
 - c. If there have been delays in developing or approving these policies, do you know why?
5. Which government institutions have been involved in implementing these policies?
 - a. How does your institution relate to and coordinate with other government institutions on this issue?

PART 4: INSTITUTION SPECIFIC QUESTIONS

1. Coming now to your institution specifically, what is its role in facilitating or regulating the link between agricultural products and markets?
2. For those policies that your institution is most closely involved with, how do you know if the policy is effective or not? (i.e. monitoring systems or feedback?)
3. Are you aware of any problems or constraints in implementing these policies?
 - a. If so, please describe.
 - b. If so, what can be done to address these constraints?
4. Who else should we talk to on this issue?
5. Can you share with us any studies or reports related to these policies? Can you share with us the most current versions of the key policies you have mentioned?

Thank you very much for your time!

Phase 2 Interview Guide -- Policy

Understanding the Policy Framework for Linking Farmers to Markets

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Not sure – will decide later ___
3. Would you like a copy of the final report from this study? (if yes, make sure we have current email address) Yes ___ No ___

PART 2: RESPONDENT INFORMATION

1. Name:
2. Contact information:
3. Position:
4. Institution:
5. Length of time in position:

PART 3: UNDERSTANDING THE POLICY APPROACH TO MARKET LINKAGES

1. As you know, the current links between agricultural producers in Afghanistan and markets (both domestic and export) are quite limited. Could you describe, from your knowledge and perspective, the current situation in terms of linking producers to market? I.e. what is the problem, and what are its key causes?
2. Can you please describe the government's overall strategy to deal with this issue, as far as you know it?
3. What is your assessment of this overall strategy? Is it effective in addressing the issue as you've described it? Why or why not?
4. Which policies are most important or relevant to implementing the government strategy on linking farmers to markets?

- a. Are they specific to agriculture, or general?
 - b. Are they in force, or are they still being developed, or waiting to be passed?
 - c. If there have been delays in developing or approving these policies, do you know why?
 - d. If they are being implemented, which government institutions have been involved in implementing them?
5. What is your assessment of the government institutions' capacity to implement these policies? Strengths? Weaknesses?
 6. [If not discussed already:] Do you have any thoughts particularly on the government's existing policies and practice as regards the import and export of agricultural produce?

PART 4: INSTITUTION SPECIFIC QUESTIONS

1. Coming now to your institution. Could you explain its role in facilitating the link between agricultural products and markets?
2. Is your work linked or coordinated with government policy? If so, can you explain how?
3. Has your institution had any role in influencing government policy, or shaping/informing discussions about agricultural policy? If so, please explain.
4. Can you describe specifically if you work with MAIL, how you do this? Are there any gaps or challenges with this? What is working well?
5. Are there any other government institutions that you coordinate with in relation to agricultural policy, and particularly as it relates to agricultural markets? If so, please explain?
6. What are your future priorities on this issue?
7. Who else should we talk to on this issue?
8. Can you share with us any studies or reports related to this area? Can you share with us the most current versions of the key policies you have mentioned?

Thank you very much for your time!

Annex VII: Revised RADP-C Questions & Agreement on Phase II of the Agricultural Policy Assessment

OVERARCHING QUESTIONS

1. What current policies or absence of policies within the key issue of **markets** appear to be most detrimental or limiting to Afghan farmers? To the extent possible given the research design, the team will also attempt to answer this question in relation to other issues that came up during the study, including inputs.
2. Do the challenges lie with the policies or the way they are implemented?
3. What structural and organizational factors currently shape (limit or enable) the creation and/or implementation of effective policies within this area (this may include factors such as internal capacity within MAIL, donor/MAIL relations, relations between ministries, etc.)? To the extent possible, the team will also comment on structural and organizational factors as related to other issue areas.
4. Based on questions 1, 2, and 3 above, what specific policies, or policy areas, offer the greatest potential for positive policy change and through what means?
 - (E.g., could be through the committed leadership within a department of MAIL or other appropriate government agency; through increased monitoring and information sharing amongst non-government actors increases accountability, etc. Note that any assessment of political commitment with MAIL is subject to change due to the ongoing political transition related to the recent presidential elections. Change strategies based on more stable civil service staff and non-governmental actors may therefore be more robust).
5. Based on the analysis emerging from answering questions 1-4 above (in combination with the analysis and information from phase 1), what strategies and tools can RADP-C adopt to maximize the potential for a more enabling policy environment for agriculture in Afghanistan?

METHODOLOGY

1. About six focus group discussions with farmers (men and women), traders, and agri-businesses in Herat and Mazar.
2. About 12 key informant interviews with key government officials (policymakers and policy implementers).
3. Document review to include key policies, procedures, etc. relevant to problems within markets as well as available analyses and reports assessing these policies, where available.
4. Qualitative data analysis for the specific issue.

5. Comparative analysis of issue-specific findings against the phase 1 findings and relevant literature to make generalizations to the broader agricultural sector.

PRESENTATION OF FINDINGS

1. Specific policy gaps related to agricultural markets will be identified.
2. Generalizable policy/procedure/capacity gaps will be identified to the extent possible.
3. Specific recommendations for RADP-C will be provided.
4. An out-briefing on the initial findings will be presented on April 27.
5. The draft final report will be submitted on May 28.
6. A final briefing on the complete analysis will be given via teleconference on May 29.
7. USAID will provide feedback to the draft final report by June 9. The study team will finalize the report based on the feedback and resubmit by June 13.
8. OPTIONAL: Documentation of the policy analysis process will be provided for RADP-C to replicate in the form of a short 'Handbook on Policy Analysis for the Agricultural Enabling Environment in Afghanistan.' [NB: This optional addition would be require 8 additional LOE]

Annex VIII: Full List of Priority Issues Mentioned by Key informants, with initial rankings

Issues are ranked according to (1) the degree to which they are crosscutting and (2) their average weighted score.

Table 13: List of priority issues mentioned by KIs

| # | Issues: | Bamyan | Kabul | South | Herat | Mazar | Av. | Crosscutting? |
|----|--------------------------------------|--------|-------|-------|-------|-------|-----|---------------|
| 1 | water/drought | 10% | 30% | 25% | 50% | 33% | 30% | 5 |
| 2 | inputs (fertilizer & pesticides) | 20% | 5% | 63% | 11% | 25% | 25% | 5 |
| 3 | storage/post-harvest loss | 20% | 20% | 25% | 14% | 17% | 19% | 5 |
| 4 | lack of market | 0% | 35% | 50% | 21% | 25% | 26% | 4 |
| 5 | inputs (general) | 0% | 20% | 13% | 29% | 33% | 19% | 4 |
| 6 | marketing/market information | 20% | 25% | 0% | 18% | 17% | 16% | 4 |
| 7 | inputs (seeds and planting material) | 0% | 10% | 25% | 7% | 33% | 15% | 4 |
| 8 | Unsustainable/damaging interventions | 20% | 20% | 13% | 0% | 8% | 12% | 4 |
| 9 | farmers' knowledge | 10% | 5% | 0% | 21% | 17% | 11% | 4 |
| 10 | lack of packaging/processing | 10% | 5% | 0% | 14% | 17% | 9% | 4 |
| 11 | govt weakness/inefficiency | 10% | 10% | 0% | 7% | 17% | 9% | 4 |
| 12 | agricultural projects are short-term | 10% | 0% | 13% | 4% | 17% | 9% | 4 |
| 13 | transport/roads | 10% | 0% | 13% | 7% | 8% | 8% | 4 |
| 14 | lack of coordination | 0% | 10% | 13% | 4% | 8% | 7% | 4 |
| 15 | credit (lack of) | 30% | 30% | 0% | 14% | 0% | 15% | 3 |
| 16 | farmers' weak economic status | 0% | 5% | 13% | 14% | 0% | 6% | 3 |
| 17 | pests/diseases | 0% | 0% | 13% | 4% | 8% | 5% | 3 |
| 18 | need to mechanize agric | 10% | 5% | 0% | 0% | 8% | 5% | 3 |
| 19 | distorted market | 20% | 5% | 0% | 0% | 0% | 5% | 2 |
| 20 | lack of electricity | 0% | 0% | 13% | 4% | 0% | 3% | 2 |
| 21 | farmers are not working together | 0 | 0% | 0% | 7% | 8% | 3% | 2 |
| 22 | unfavorable trade conditions | 0% | 5% | 0% | 7% | 0% | 2% | 2 |
| o | cotton factory in Helmand closed | 0 | 0% | 25% | 0% | 0% | 5% | 1 |
| o | Security | 0% | 0 | 0% | 14% | 0 | 3% | 1 |
| o | Customs | 0 | 0 | 13% | 0% | 0% | 3% | 1 |
| o | lack of greenhouses | 0 | 0 | 13% | 0% | 0 | 3% | 1 |
| o | <5% farmers commercially oriented | 0 | 10% | 0% | 0 | 0% | 2% | 1 |

| # | Issues: | Bamyan | Kabul | South | Herat | Mazar | Av. | Crosscutting? |
|---|---|--------|-------|-------|-------|-------|-----|---------------|
| o | pasture management | 10% | 0 | 0% | 0 | 0 | 2% | 1 |
| o | winter (fuel costs, lack of fodder) | 10% | 0 | 0 | 0 | 0 | 2% | 1 |
| o | CBOs led by warlords | 0% | 0 | 0% | 0 | 8% | 2% | 1 |
| o | lack of research on varieties for rain-fed areas | 0% | 0 | 0% | 0 | 8% | 2% | 1 |
| o | land size/access | 0% | 0 | 0% | 0 | 8% | 2% | 1 |
| o | limited capacity of donors/lack of institutional memory | 0% | 0 | 0% | 0 | 8% | 2% | 1 |
| o | high production costs (not competitive) | 0% | 0 | 0% | 7% | 0% | 1% | 1 |
| o | consistent quality of products | 0% | 5% | 0% | 0 | 0% | 1% | 1 |
| o | illegal land encroachment | 0% | 5% | 0% | 0% | 0% | 1% | 1 |
| o | labour (lack of access to) | 0% | 5% | 0% | 0 | 0% | 1% | 1 |
| o | Low-productivity farming practices | 0% | 5% | 0% | 0% | 0% | 1% | 1 |
| o | climate change | 0% | 0% | 0% | 4% | 0% | 1% | 1 |
| o | Frost | 0% | 0% | 0% | 4% | 0% | 1% | 1 |
| o | land rights | 0% | 0% | 0% | 4% | 0% | 1% | 1 |
| o | livestock sector neglected by gov't | 0% | 0% | 0% | 4% | 0% | 1% | 1 |
| o | unfavorable exchange rate (exports) | 0% | 0% | 0% | 4% | 0% | 1% | 1 |

Notes:

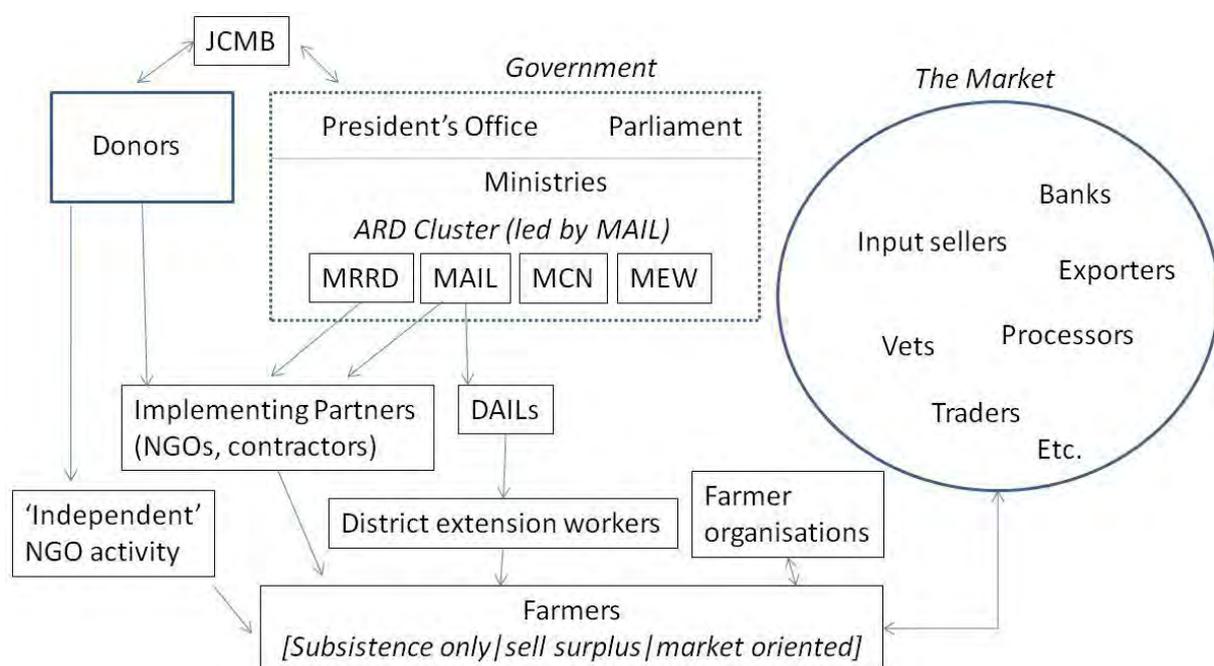
- Average is weighted depending on how many informants mentioned an issue and how many informants mentioned it as 'the most critical issue.'
- Crosscutting = number of locations in which interviewees mentioned it (max. of 5).
- These findings are not drawn from a random sample of a defined population, so they are not statistically meaningful.
- This is a heuristic calculation designed to highlight issues broadly perceived as urgent/requiring improved response.

Annex IX: The Policy Arena – Mapping of Key Agricultural Institutional Actors in Afghanistan

This document provides a ‘big picture’ overview of, and relationship between, the key institutional actors involved in the agriculture sector of Afghanistan. The large number of actors, policies, and programs means that this account is far from exhaustive. Instead, it provides the broad context in which agricultural policy-making and implementation occur.

In phase 2 of the study, a more detailed process tracing will occur on one or two key topics.

Figure 5: A Graphic Overview of the Policy Arena



THE NATIONAL LEVEL

National level policy and ministerial clusters

The key institutional actor in terms of setting policy in Afghanistan is, of course, the Government of Afghanistan (GIROA). The main line ministry responsible for setting agricultural policy is the Ministry of Agriculture, Irrigation, and Livestock (MAIL). The three other relevant and closely related ministries are: the Ministry of Rehabilitation and Rural Development (MRRD), the Ministry of Counter Narcotics (MCN), and the Ministry of Energy and Water (MEW). Since 2010, these four ministries have constituted the Agriculture and Rural Development Cluster (ARD), chaired by MAIL.

The reason for establishing policy clusters—an outcome of the January 2010 London Conference—was to ensure that the national development policy (namely the Afghanistan

National Development Strategy) was linked to programming, with each cluster responsible for seeing a number of national priority programs (NPPs). There are a total of six clusters and 22 NPPs, each experiencing a number of revisions. Since December 2012, the ARD cluster oversees four NPPs: the National Water and Natural Resource Development Program, the National Comprehensive Agriculture Production and Market Development Program, the National Rural Access Program, and Strengthening Local Institutions.³⁹

As the Afghanistan National Development Strategy (ANDS) was a five-year national strategy that officially ended in 2013, the NPPs will enter a phase 2 beginning in 2014. These NPPs are a main vehicle for the official national development policy implementation and for government/donor coordination. The Joint Coordination and Monitoring Board (JCMB) is a formal mechanism for linking the GIRoA to the international community, co-chaired by the UN's Special Representative for Afghanistan and the chair of the government's Coordinating Committee. Not to mention, key decisions about funding agreements occur within the JCMB.

An early criticism of high-level policy making in Afghanistan, including the ANDS and some ministerial policies, is that it was not based on a realistic assessment of issues on the ground and resulted in policies that were not implementable. A 2009 paper by Sayed Mohammad Shah argues that the policy-making process itself was donor-driven with the purpose of helping the GIRoA qualify for donor support, rather than acting as a genuine guide for national development.⁴⁰

The Role of Donors

Since 2001, Afghanistan has been heavily dependent on donor funding. It received 5.66 billion USD of ODA in 2012, making donors *de facto* policymakers.⁴¹ A longstanding argument of the GIRoA has been that donors have spent the majority of their funding off-budget in an uncoordinated manner, which makes it very difficult for the government to enact any policy. Even when donors do spend money on budget, they often do so according to their own priorities—allowing for areas that are of low priority to donors to remain underfunded. Although there are anecdotal reports that this has improved over time, the most recently available OECD assessment of Afghanistan's progress on aid effectiveness from 2010 showed poor performance on most indicators. For example, only 27 percent of aid flows for that year aligned with national priorities.⁴²

Program Implementers

³⁹ See the most recent edition of AREU's A to Z Guide for a useful summary of key priority programs.

⁴⁰ Sayed Mohammad Shah, 2009, Afghanistan National Development Strategy (ANDS) Formulation Process: Influencing Factors and Challenges. Kabul: AREU.

⁴¹ From OECD statistics. See: <http://stats.oecd.org/Index.aspx?datasetcode=TABLE2A>

⁴² OECD, 2011. *2011 Survey on Monitoring the Paris Declaration: Afghanistan*. See: <http://www.oecd.org/development/effectiveness/Afghanistan%202011.pdf>.

Whether off-budget or on-budget, many policies are realized through programs. However, because government presence and capacity has been relatively weak, these programs have been implemented primarily by partner organizations—including international and national NGOs and/or companies. In the case of on-budget programs, the line ministries themselves act as overseers of the implementing partners and award contracts through the national budget administered by the Ministry of Finance. One of the first ministries to implement this approach was MRRD, under the leadership of then-minister Hanif Atmar, to implement a portfolio of programs including the National Solidarity Program. This program has been widely viewed as one of the most successful in Afghanistan’s recent history. However, one possible weakness of this approach is that it occurred largely in absence of a broader strategic policy at the ministerial level.⁴³

Common Themes

In studies of policy processes in Afghanistan, a number of common themes emerge.⁴⁴ One is the importance of individual personalities, especially of ministers. While individual influence may be for the better or the worse in the ministries they lead, this system characteristic leads to a general instability: policies often fail to outlast ministers. Another theme is the heavy influence of donors, which has not always been positive or in keeping with the Paris Declaration’s principles for aid harmonization. Combined with low capacity in ministries, this has often led to low government ownership of policies, most exemplified by cases where policies have been drafted by foreign consultants in English and not translated to either national language—despite the fact that many Afghan civil servants do not speak English.⁴⁵ Both donors and the government have made a concerted effort to address these shortcomings over the recent years. While an assessment on aid effectiveness has not occurred since 2010, the general understanding is that some progress has been made. Indeed, this was the rationale behind the creation of the ministerial clusters and the NPPs. Many observers see signs that donor coordination is improving and government capacity is steadily, albeit slowly, increasing.

Policymaking in MAIL⁴⁶

Within MAIL, the early years of post-2001 saw a number of ministers come and go while ministerial capacity remained quite weak. Up until 2008, a number of ministerial policies were developed with the heavy involvement of donors, but the ministry’s capacity to implement and oversee these policies was limited. This was in part because it depended on the existing structure of provincial directorates and district offices, which remained institutionally weak—particularly in regards to communication with the central government.

⁴³ Adam Pain and Sayed Mohammad Shah. 2009. *Policymaking in Agriculture and Rural Development*. Kabul: AREU.

⁴⁴ Sarah Parkinson. 2010. *Means to What End? Policymaking and State-Building in Afghanistan*. Kabul: AREU.

⁴⁵ Sayed Mohammad Shah. 2009. *Ibid.*

⁴⁶ The MAIL organizational chart will be included as an annex in the final report.

When Asif Rahimi was appointed minister in October 2008, he brought with him many of the ideas and approaches that characterized the MRRD, where he had been a deputy minister. This included the use of implementing partners to undertake projects on the ministry's behalf. While this approach increases the ministry's capacity to enact policy and implement programs, it also risks sidelining the Directorates of Agriculture, Irrigation, and Livestock (DAILs) if not done carefully. Not to mention, the tension between the highly paid and more qualified staff of the implementing partners and the regular civil service, however, has become a major point of concern. As a result of this over reliance on, and incompatibility with, donors has created significant doubt over the sustainability of these projects. A key question that has often been asked is, "How do we set up systems so that when donor money stops, the work continues?" If there is an easy answer to this question, it is a well-guarded secret.

Currently, the overarching policy document setting forth the vision for the agricultural sector in Afghanistan is the National Agricultural Development Framework (NADF), primarily authored by MAIL. This document has several antecedents, as described at the beginning of the document itself. MAIL also has a Policy and Planning Directorate, a Gender Unit, and ten technical directorates. In 2009, to oversee on-budget donor-funded projects implemented by non-governmental partners, MAIL established the Project Implementation and Coordination Unit (PICU) and the Program Management Office (PMO). Currently, there are in the realm of 56 projects being implemented through this mechanism.

Capacity-building Support by Donors

Building government capacity has been a major donor preoccupation over the last decade. However, approaches and results have been mixed. Many donors placed Afghan or international technical advisors in ministries and funded their salaries. However, the use of such advisors has been largely uncoordinated and often ad hoc. The GIROA, with the support of numerous donors, established the civilian technical assistance program (CTAP) to streamline the process of technical assistance across ministries. This initiative, however, seems to have wound down.⁴⁷ Similar initiatives continue, such as the World Bank's Capacity Building for Results Facility (CBR).

Within the Policy and Planning Directorate is the Policy Analysis and Legal Affairs Department (PALAD). While initial discussions between MAIL and USAID concerning the role of RADP-C focused on the potential collaboration with PALAD, input from several key informants suggested that PALAD has not outlived the end of external funding support and its staffing capacity has greatly diminished. One respondent told us, "Now PALAD consists of one staff person, down from 17, and a DFID report has questioned its sustainability. Because PALAD's structure was based on highly paid legal staff, it started shrinking as soon as the

⁴⁷ See the CTAP website: <http://www.ctapafghanistan.org/>.

DFID money dried up. Now, funding from USAID is also about to disappear.” This highlights the challenges of collaborating with the government in a way that will outlive particular personalities and projects. In phase 2 of this study, the team will take this challenge seriously and consider robust alternatives to ‘putting all our eggs in one basket’. Much like Afghanistan’s farming systems, a strategy to facilitate an enabling environment in Afghanistan may require diversity for the sake of minimizing unexpected shocks.

IN THE PROVINCES AND DISTRICTS

The effectiveness of the national policy and decision-making processes is determined by whether or not local businesses and farmers benefit from the outcomes. Whether the tool used for achieving a policy is programmatic intervention or strategic short-term support—including value chain development, extension efforts, or hands-off regulation that creates the right market conditions—it is only enabling if it contributes to the populace’s ability to achieve food and economic security.

DAILs

The provincial directorates vary in capacity from province to province. Generally, the DAILs have staff covering about eight technical areas, while at the district level, a single extension worker is considered a generalist.⁴⁸

To a lesser extent than at MAIL, DAILs have been recipients of donor and NGO capacity assistance initiatives. Many actors are anxious for the DAILs to improve their capacity, because without them, it is hard to sustain agricultural outreach activities indefinitely. For example, in Herat, the Food and Agricultural Organizations of the United Nations (FAO) share the same office building as the DAIL, thus emphasizing their desire to coordinate. Nonetheless, DAIL leadership in many places still cites lack of coordination among donors and other actors, whereas the latter comment on the low capacity and motivation of DAIL staff. The same is true of district extension officers.

In addition, in some interviews with DAIL staff, many reported feeling disconnected from MAIL, which they claim is top-down and non-consultative. Funding disbursement to the provincial governments is a general problem. Saltmarshe and Medhi reported that in 2010, the development budget execution rate was 37 percent. Not to mention, while rent-seeking activity throughout government remains an issue, as does insecurity and lawlessness—problems that are more prevalent in remote locations.⁴⁹ These same issues were mentioned in the interviews conducted during this evaluation, suggesting that the assessment from 2011 still holds.

⁴⁸ The DAIL organizational chart will be included as an annex in the final report.

⁴⁹ Saltmarshe & Medhi. 2011. Local Governance for Local Needs: Key Findings and Policy Options for Afghanistan. Kabul: AREU.

NGOs, the UN, and Other Program Implementers

There are numerous national and international NGOs, UN agencies (most notably the FAO), and for-profit aid contractors working in Afghanistan. Many of these are implementing national programs through the government (whether through MAIL or, more commonly, the MRRD). Many are implementing donor programs or are using donor funds to pursue their own programming.

NGOs are more likely to implement pro-poor approaches—particularly those that target the inclusion of women. For example, the FAO in Herat had a dairy program that targeted poor families and women, and the Dutch Committee for Afghanistan (DCA) had a women’s empowerment program that included a component teaching women how to collect and process high-value cashmere from sheep. Though many NGOs report having a positive impact amongst their beneficiaries, this impact is often inadequate due to the limited range and duration of their programming. In many areas, their reach is restricted by security concerns, and in the most insecure parts of the country, very few NGOs are working at all. Thus, those people living in remote and/or insecure areas are unlikely to be served by NGOs, while government services in these areas are also largely absent.

Many NGOs emphasize sustainability and attempt to work both with markets/value chains and with the DAILs. For example, DCA has a program working with DAIL extension workers in Herat. Still, there has been more emphasis on production than on identifying and linking to potential markets. This indicates that some programs have engaged farmers in market-oriented production, but then the farmers have been unable to sell their resulting produce. In other cases, donors and the GIRoA have pursued approaches that have essentially created a false, unsustainable market for products by heavily subsidizing input costs and buying the resulting products (e.g. wheat seed) at above-market prices. Then, these products are redistributed to farmers at subsidized prices. This strategy may have some merit as a short-term approach to food security, but many interviewees noted that it had undermined the prospects for a healthy, long term market.

Farmers’ Associations

The GIRoA has been instrumental in establishing farmers’ associations and cooperatives since the early 1960s. Cooperatives have developed a negative connotation for many Afghans due to their historical function, as they were organized for collective production rather than on a voluntary basis. As one respondent described, “Cooperatives were developed under the Soviet system. But the apple did not fall very far from the tree and cooperatives helped key supporters of the old regimes. In the new era, it is an easy way to filter money through these conduits. ‘Money from the sky’ is the term.” By law, associations must register with the Ministry of Justice while cooperatives are registered under a separate law through the purview of MAIL. Efforts are currently underway to review and merge the individual laws, an action that is viewed as a positive direction by several respondents.

There are a number of product-specific producer associations, most of which are recently established and set up with extensive donor support. These include Afghanistan Nursery Growers Association (ANGO), Afghanistan National Horticulture Development Organization (ANHDO), the Afghanistan Veterinary Association (AVA), and Spinghar Poultry Farmers' Association. These associations have played a number of roles in organizing producers for collective access to inputs and marketing and have received organizational training and support from donors. In general, associations still have an opportunity to penetrate further into markets, beyond their own vested interests and those of the donors, in order to serve their intended purpose and benefit their members.

In addition to farmers' associations, the Afghanistan Chamber of Commerce and Industries (ACCI) is an independent association with close links to the government. It represents business interests across all sectors, including agriculture and agribusiness. It has a national head office and branch offices in 21 provinces. It has a role as a major actor in brokering international trade agreements, seeking international markets, and finding foreign investment.

THE MARKET

Although Afghanistan has a long history as a trading hub, the current market environment facing producers and agribusinesses is a difficult one. Afghan traders report that farmers are not oriented towards producing for the market and, therefore, lack knowledge and practice in appropriate practices. For example, they often do not use appropriate harvesting techniques and post-harvest handling, leading to low and inconsistent quality products that are not competitive on international markets and often fail to meet international standards.

Even relatively successful and well-managed value chains, such as saffron, are subject to price fluctuations, currency fluctuations, and market saturation—creating unacceptable levels of risk for smallholders. Anecdotal reports from traders and associations suggest that the Afghan authorities have not done an adequate job of protecting Afghan businesses in cross-border trade, while they are already disadvantaged by high production costs and inadequate in-country infrastructure. Lack of adequate processing and storage facilities indicates that producers must sell quickly—when prices are at their lowest—and cannot take advantage of value addition. Lack of affordable and reliable electricity means that even when cold storage facilities have been installed, they are not dependable. When the electricity fails and everything spoils, producers and traders lose faith in cold storage facilities and stop using them.⁵⁰ Likewise, even if grants are made available for setting up processing facilities in provincial capitals, local businesspeople often assess the costs and risks as being too high: machinery is expensive to import, while the parts and expertise necessary for maintenance and repair are often not available.

⁵⁰ This is the situation in Herat, for example.

In many parts of the country, especially the South, traders and anyone transporting goods must expect to pay ‘security fees’ and additional tariffs to armed groups. This creates delays and increases the costs and risks of doing business.

At the other end of the value chain, the high cost, along with the poor availability and quality of inputs—especially fertilizer and agrichemicals—are widely reported as a major constraint for farmers. This appears to be largely a regulatory issue, with the government lacking the capacity and effective procedures for testing and labeling such products. It is interesting to note that there are a large number of regulations regarding fertilizer and agrochemical inputs, which are clearly failing to address the situation on-the-ground.

Despite these challenges, many businesses have managed to find reliable markets and value chains for their products, with or without assistance from aid. Dried fruit and nuts, particularly certain types of raisin, have an export market, as do pomegranate, saffron, and other spices. The NRVA data shows cumin is a widely planted crop, indicating that farmers are producing this for the market as well. Within these value chains, many farmers and traders operate independently, rather than collectively, which may keep their transaction costs high. In addition, there remains the need to strengthen efficiencies at various points throughout these value chains, as the current system is less than optimal.

For staple goods, the market for local products is heavily undermined by the availability of higher quality, lower cost imports, and to a lesser degree, by subsidized or freely distributed food aid that ends up in local markets.⁵¹ However, these low-cost staples are also an important source of food security for many Afghan families, showing that food security and economic growth policies can sometimes collide.

For fresh produce, such as vegetables, Afghans have a hard time competing either locally or regionally due to high production costs and the problem of storage. The study team heard several stories of Afghan producers (one in Jalalabad, and a group in Herat), producing vegetables for market, only to find that the market price was lower than their production costs. Adequate storage, processing, or off-season production would allow Afghan producers and traders to take advantage of higher off-season prices. In Herat, greenhouses have been introduced for this purpose with some success.

FARMERS

Because rural and remote households are difficult to reach, especially under the prevailing security conditions, the study team chose to speak with government and NGO staff who work with a broad range of farmers, rather than attempting to select a ‘convenience sample’ of farmers to speak with directly. Interview data from these key informants is augmented by

⁵¹ The presence of food aid was observed by the team in Bamyan, and was widely observed by Saltmarshe and Medhi (2011, *Local Governance: A View from the Ground*, Kabul: AREU).

findings from research studies, particularly the longitudinal study of rural households across Afghanistan completed by AREU in 2010⁵² and the 2011 NRVA data.⁵³ The latter is probably the best source of descriptive statistical data on agriculture and rural livelihoods in Afghanistan. Another useful in-depth study on farming systems, with particular emphasis on water management and livestock, is the 2009 AREU paper titled, “Opportunities for Pro-poor Growth.”⁵⁴

The findings from all these sources are mutually consistent and paint a coherent picture of a rural population living a very fragile and vulnerable existence. Due to the high prevalence of Afghans living marginal existences in rural areas, the countryside is going through a period of change and upheaval. Many individuals and families are leaving rural areas altogether and seeking better economic opportunities in the larger cities and in neighboring countries.

While the NRVA data confirms the importance of agriculture in Afghanistan, its figures for engagement in agriculture are much lower than those stated in the RADP program documents. It estimates agriculture is the main income source for one third of households, and employs 40% of the workforce.⁵⁵

The NRVA data shows a high level of poverty throughout the country, which has not changed much since the previous NRVA in 2008, accompanied by slightly worsening inequality, as measured by the Gini Index. About 36.5 percent of households live below the absolute poverty line, meaning that they struggle to meet their basic needs. This proportion is slightly higher for rural households (39 percent), and even more for remote households. For these populations, a bad drought or serious illness in the family can push them into deeper poverty and debt from which they may not recover. As Fleming and Roe explain,

“Risk” takes many forms for rural households, including drought, harsh winters, price fluctuations, pest and disease outbreaks, and a death within the family. It also includes the exercise of power in arbitrary and unaccountable ways by government or non-state actors (such as drug lords) that directly harms the poor and exacerbates inequalities.⁵⁶

NRVA data also shows that average landholdings are small and decreasing over time. This mainly appears due to increasing population pressure and inheritance. According to the latest figures, 48 percent of rural households have no access to irrigated land, and of the 52 percent who do have access to irrigated land (either owning, renting, or through another arrangement), 55% only have access to less than four jeribs (0.8 ha). Not all this land is

⁵² Paula Kantor & Adam Pain. 2011. *Running Out of Options: Tracing Rural Afghan Livelihoods*. Kabul: AREU.

⁵³ Central Statistics Organization. 2014. *National Risk and Vulnerability Assessment 2011-12. Afghanistan Living Condition Survey*. Kabul: CSO.

⁵⁴ Loraine Fleming and Alan Role. 2009. *Opportunities for Pro-poor Agricultural Growth*. Kabul: AREU.

⁵⁵ NRVA 2011-12, p35.

⁵⁶ *Ibid*, p. xi

cultivated, with the biggest reason for leaving land fallow being the lack of water, followed by poor soil fertility.

Rural households engaging in agriculture usually have diverse farming systems. Wheat is the prime food security crop, followed by other cereals. Livestock is also an important source of food and income security, since it can be sold when emergencies occur (although often at low prices). The majority of rural households cannot meet their income needs through agriculture alone, and many cannot meet all their food security needs through agriculture. The most common reported livelihood strategy is to send a son to work as a laborer in a nearby city or neighboring country, so he can support the household with his wages. As one interviewee noted, those who are left to farm are the old ones, who are not open to taking risks and who follow traditional, low-productivity farming methods. Only a small percentage—estimated at about two to five percent of the total farming population—is presently market-oriented, with another slightly larger subset selling surplus produce when harvests are good.

This brief snapshot suggests that RADP, and agricultural policy as a whole, needs to recognize that while agriculture is important, many rural households may not be able to sustain themselves through agriculture because they lack the land and other resources necessary. Inequality has been increasing, and modernization of agriculture has the potential to contribute to this trend—especially if it is based on a ‘lead farmer’ approach to technology change. Any changes to agricultural systems should be monitored to check their likely and actual impact on vulnerable populations, including women. Investing in post-harvest value chain activities and high-labor production may also create important economic opportunities for rural laborers.

WHAT DOES THIS MEAN FOR THE ENABLING ENVIRONMENT IN AGRICULTURE?

The above scan of the agricultural sector in Afghanistan, combined with the identification of priority issues (in two separate files) reveals some broad patterns and observations that are pertinent when considering what role RADP can play to foster an agricultural enabling environment. Over the past ten years, many policies have been drafted and redrafted, and many actors have emerged with ongoing coordination issues and varying perspectives. Still, there are sources of market failure and weakness throughout the value chain, while households seeking to meet their food security needs through agriculture remain vulnerable to a wide variety of risks and shocks.

Linkages between the MAIL and DAILs remain notably weak, despite various capacity-building initiatives. Likewise, in terms of policy, more does not always mean better: many policies are judged to be insufficiently driven by needs on the ground, whereas the capacity for policy implementation and enforcement of laws and regulations remains weak. Indeed, if not designed carefully, excessive regulation contributes to long bureaucratic delays and practices of rent-seeking, thus creating a disabling environment rather than an enabling one. Likewise, some direct interventions into market systems by non-market actors (government, donors, NGOs and other program implementers) have had unintended impacts that can

undermine existing markets, provide perverse incentives or unfair competition, and even create short-term positive outcomes that are unsustainable in the longer-term.

All of this points to the need for RADP to approach its work, both direct program implementation and the facilitation of an enabling environment, in a strategic way that considers the whole agricultural sector as a system. By considering the system as a whole, this would allow RADP to anticipate unintended impacts and respond intelligently to system patterns. RADP-C naturally should have a key role in leading and facilitating this approach, both in RADP's regional centers and amongst other key policy actors.

Here are four general principles for facilitating an enabling environment that can be articulated based on this initial scan:

1. Do no harm: this means considering the broader system of agricultural actors and activities to check for unintended consequences of any intervention or policy. This is particularly important when considering the relationship between food security and economic growth goals, which can run at counter purposes (with food aid being a prime example of this).
2. Identify what already works and seek to leverage and amplify it: Given that there are many systemic weaknesses that may be beyond RADP's (or MAIL's) capacity to address—such as political impasses around major dam projects, or the shortage of reliable electricity through most of the country—identifying and working with successes is likely to prove a more robust and fruitful strategy (when combined with principle 1 above).
3. Seek to carefully understand the perspectives of key actors, which underpin their current and future behavior. For example, many civil servants see policy issues from a perspective deeply colored by their experiences of Soviet systems. Pain and Shah describe extensively how actors drawing on different policy narratives can make meaningful policy collaboration extremely difficult.
4. Create helpful structures/policies only as needed, and then monitor the results of implementation carefully. This principle may apply both to RADP's own actions and to the actions of its partners, particularly MAIL. Monitoring policy implementation is essential for ensuring effective implementation. If not, adjustment may be required.

These are very broad principles. In phase 2 of this study, the team will attempt to apply these principles to a certain priority area to develop more specific and actionable recommendations for RADP-C's programming.

POLICY ISSUES AND THEMES

The following table includes the salient policy issues and illustrative themes that emerged from the phase 1 interviews. The policy issues and associated themes were identified in the coding process for the policy context surrounding the priority issues.

Table 14: Policy issues and associated themes

| Policy Issues | Themes |
|--------------------------------|---|
| Coordination and Relationships | <ul style="list-style-type: none"> • Relationships between MAIL and DAIL; donors and DAIL; MAIL and private sector (including farmers). • Monitoring and evaluation systems are crucial. |
| Grants and Subsidies | <ul style="list-style-type: none"> • Market distortion from grants and subsidies. • Private sector still heavily reliant on donors for resources and support. |
| Food Security | <ul style="list-style-type: none"> • Unpredictability of food security limits farmer participation in markets. • Many farmers require assistance just to become food secure. |
| Markets | <ul style="list-style-type: none"> • Dominated by the lack of markets, market information, access by farmers, and functional value chains. |
| Production | <ul style="list-style-type: none"> • Agriculture production systems range from subsistence farming to various levels of market production. • Farming is high risk; farmers are risk averse. |
| Program Intervention | <ul style="list-style-type: none"> • Diverse array of programmatic approaches by donors in absence of legal, regulatory, and policy framework. • Sustainability and uptake of program interventions limited by program design. |
| Policy Formulation | <ul style="list-style-type: none"> • Potential difference in policy approach and priorities is a donor focus on export oriented value chains while MAIL's strategic focus is on the continued need for growth, poverty reduction, and food security. |
| Policy Implementation | <ul style="list-style-type: none"> • Capacity development should accompany policy implementation. • Link implementation to coordination and relationships. |
| Policy Change | <ul style="list-style-type: none"> • Dependent upon political will and influence of change sponsor/change agent. |
| Gender | <ul style="list-style-type: none"> • Gender mainstreaming and inclusion targets by GIRoA and donors ambitious but unfocused. • MAIL gender mainstreaming strategy and policy developed but dormant. |

Annex X: Issues and Policy Gaps Related to Inputs

Inputs were identified as an area of primary concern during phase 1 of this study. Of particular issue are fertilizer and seeds/planting material. These issues were identified in the scoping study. While the study team did not have time to do an in-depth assessment of all policy and policy implementation regarding these issues, the team has identified key policy documents, some of the key actors, and some cogent points that were raised during both phases of the research. This document summarizes the current state of policy as it relates to concerns expressed on the ground, in two parts. The first part addresses fertilizer and other agrichemicals and the second part addresses seeds and planting material.

FERTILIZER AND AGRI-CHEMICALS

Table 15: Key stakeholders and roles (fertilizer and agri-chemicals)

| Government | |
|---|---|
| Ministry of Agriculture, Irrigation, and Livestock (MAIL) | Regulates fertilizer imports and quality control. |
| Ministry of Energy and Water (MEW) | Provides urea fertilizer through a fertilizer factory in Balkh province. |
| Non-government | |
| World Bank (WB) Afghanistan Agriculture Inputs Project (AAIP) | Facilitates access to quality fertilizer and seeds. The AAIP is the main driver behind the draft fertilizer law and policy. |
| Agricultural Development Fund (ADF) | Provides credit for agriculture inputs. |
| Food and Agricultural Organizations of the United Nations (FAO) | Provides fertilizer to farmers. |

Table 16: Key policies (by ministry, fertilizer and agri-chemicals)

| |
|------|
| MAIL |
|------|

- Bylaw for fertilizer and agriculture services companies (enforced).
- Procedure on quality control for imported chemical fertilizers (approved).

Based on an official letter dated 26 Hoot, 1385 (2007) from the office of the Agriculture Minister, a commission comprised of seven senior staff is assigned to develop guidelines for quality control of imported chemical fertilizers. The procedures give clear direction to traders for the importation of chemical fertilizers, including chemical types and percent composition. All fertilizers must have a clear label and description of composition. In addition, the procedures also identify domestic chemical fertilizers that have proven effective for use by farmers.

- Regulations for distribution and use of pesticides (enforced).
- Pesticides use Law (drafted).
- Islamic Credit Law.

a. Policy responsiveness to issues on-the-ground

According to one MAIL official the study team interviewed, the ministry has a centralized quality control department and a testing laboratory for fertilizer.⁵⁷ It is here that MAIL checks the fertilizer before it can be placed on the market and rejects low quality fertilizer. Other restrictions apply: ammonium nitrate is banned because it is used in explosive devices. However, the same official explained that ‘Afghanistan is a free market,’ so there was no way to control the poor quality of products brought into the country. Further, smuggling is widespread and people’s purchasing power is low. According to this official, the issue is therefore largely out of the hands of the government. This position is what respondents in interviews and in the FGDs reported when asked if they had followed up on their complaints with the ministry.

Within MAIL, the AAIP, funded by the WB, specifically focuses on improving the situation with inputs, suggesting that there is more room for an improved policy response than admitted by the MAIL official with whom we consulted. Numerous other key informants (KIs), including those within the government, referred to MAIL as lacking any laboratories for testing fertilizer, so it seems that the central lab is insufficient and not well known. Customs officials described very limited coordination with MAIL.⁵⁸ Such coordination would be necessary for effective testing and control of imported fertilizer.

⁵⁷ Interviewee P03.

⁵⁸ Interviewees P06 and P19, both in Kabul.

Agricultural cooperatives sometimes provide inputs, including fertilizer, to their members.⁵⁹

Officials from the FAO in Herat reported having tried to address the issue of agricultural inputs, particularly fertilizer and pesticides, several times. The issue is poor quality coupled with high prices—closely linked to the lack of credit to buy inputs.⁶⁰

The FAO official, and a number of other respondents, recounted that there had previously been a fertilizer company that was run as a state corporation, but it had closed down.⁶¹

A number of respondents in interviews and FGDs referred to having to send fertilizer samples outside of Afghanistan for testing.

Off-budget projects have attempted to deal with the fertilizer issue in various ways. One way is through subsidy and direct provision to members, as the FAO has done. One project in Bamyan reported having set up privately owned input supply shops in all the districts they worked in, and then linking them to suppliers in Kabul and Pakistan. As the KI from this project reported, “the system is working, but the cost is high.”⁶²

One respondent from Herat, a private trader, described bringing organic fertilizer in to supply farmers on a trial basis. Though the trial was successful, this respondent was not able to acquire the necessary license from MAIL to conduct this business—most likely a result of an unresponsive bureaucracy.⁶³

SEEDS:

Table 17: Key stakeholders and roles (seeds)

| Government | |
|-------------------|--|
| MAIL | <ul style="list-style-type: none">• Provides breeder, foundation, and registered seeds to private seed enterprises.• Offers technical support of private seed enterprises.• Provides land for seed production. |

Non-government

⁵⁹ From Key Informant Interview H12, Key informant in Herat.

⁶⁰ Noted in P91.

⁶¹ For example, H14. Also noted in the literature, including Paarto.

⁶² Bamyan key informant B04.

⁶³ Interviewee H02, from Herat.

| | |
|---|--|
| FAO | <ul style="list-style-type: none"> • Offers technical support to MAIL regarding the production of breeder and foundation seeds. • Provides seed processing plant to MAIL and private seed enterprises plus technical support. • Provides applied research on seeds. • Works with MAIL to support seed multiplication efforts through private farmers and growers' associations. |
| WB (AAIP) | <ul style="list-style-type: none"> • Supports improved seed enterprises and MAIL research stations. • Supports private seed enterprises. |
| French Cooperation Office for MAIL (FCOMAIL) (Funded by French Cooperation) | <ul style="list-style-type: none"> • Works with MAIL to provide wheat foundation seed to coops, which then produce certified seed through contract seed growers. |
| International Center for Agricultural Research in the Dry Areas (ICARDA) | Provides applied research on seeds. |
| International Maize and Wheat Improvement Center (CIMMYT) | Provides applied research on seeds. |
| Afghanistan National Horticulture Development Organization (ANHDO) | <ul style="list-style-type: none"> • An Afghan NGO that works in partnership with MAIL and the private sector to develop a modern and sustainable horticultural sector in Afghanistan. It is the umbrella organization for horticulture in Afghanistan. It receives funding from the EU and other donors. Its services include research, training, germplasm conservation, value chain studies, post-harvest technology, and marketing. • Staff at ANHDO report that the organization has collected 900 varieties of fourteen fruit tree species. It seeks to identify the best species that are originated or adapted to Afghanistan, and support nurseries to propagate true-to type high quality planting material. [k13] <p>Several other key informants reported that ANHDO was an effective organization doing good work, and there were also several comments on the improved quality of plant material for orchards.</p> |
| Afghanistan National | <ul style="list-style-type: none"> • Works with 26 national grower associations (NGAs) that have |

| | |
|---|--|
| Nursery Growers' Organization (ANNGO) ⁶⁴ | more than 1000 members. ANNGO is authorized by the seed policy to produce certified planting materials for fruit trees. Staff report good coordination with MAIL. MAIL and aid agencies purchase planting materials from NGAs under ANNGO. ANNGO was also involved in the development of the horticultural policy. |
|---|--|

Table 18: Key policies (by ministry, seeds)

| MAIL | |
|-------------|---|
| | <p><u>Seed Law (2009)</u> The Seed Law regulates seed production, import and export, marketing, and seed-related research.</p> <p><u>National Seed Policy (2012)</u> The National Seed Policy applies to all crop seeds and planting materials for the production of grains, vegetables, forage, fruits, and industrial crops. The policy focuses on reducing the reliance on imports by improving marketing, extension, quality control, and strengthening the supply chain of certified seeds and planting materials through the domestic private sector. While wheat remains the primary crop, the country's existing seed multiplication and production programs will be utilized to further develop cash crops, such as potatoes. The supply of planting materials for high-value horticulture crops is emphasized. The responsibility for establishing an institutional and regulatory framework for the seed sector falls under MAIL.</p> <p><u>Other Legislation:</u></p> <ul style="list-style-type: none"> • Law for Improved Plant Seeds (enforced). • Bylaw for Improved seed Production Companies (enforced). • Regulations for Research Institutes and their Cadri (enforced). |

b. Policy responsiveness to issues on-the-ground

Seeds and planting material is an area where there has been considerable policy work, tied to implementation mechanisms (i.e. the support of nursery grower associations and seed companies). Nonetheless, many problems are still reported on the ground, to the point that this was one of the most prominent issues identified in the scoping stage of this study.

Some specific points related to seed and planting material raised by key informants:

⁶⁴ Details on ANNGO are based on a key informant interview with staff at ANNGO.

- Of about 22 approved wheat seed varieties, only four are suited for dry land production: disconnect between farmer demand and what is available. [k01]
- Potential to increase yields is significant and still unrealized because of problems in the seed distribution mechanism. [k01]
- Second generation seed is expensive. Private seed companies receive second generation seed for multiplication to improve uptake by farmers. The companies' seed is purchased by donors and NGOs at prices set by the companies, which act 'like a cartel.' [k01, h05]
- The production line in seed companies is subsidized. [h05, h09]
- Growers benefitting from these subsidies tend to be wealthier farmers, with enough land to support seed multiplication. [h05, h09]
- The seed market is artificial: MAIL tells the seed companies how much seed to produce, but overestimates production needs and only finds a market for about 50% of the seed produced (according to one seed company in Herat). [H05]
- Farmers won't purchase seed directly from the companies because it is too expensive. [k01, h05, h12]
- AHNDO & AHNGO are both under EU funding, and together have a network of 6 field stations focused on improving fruit production through grafting. They are doing good work. [k01, k04]
- Still, a lot of seed is being imported from Pakistan, China, etc. Evidently there is great potential to increase local seed production. [k04]
- Fruit growers have improved access to good quality (certified) planting material, compared to a few years ago. [k09]
- Illegal importation of planting material from Pakistan, and other neighboring countries, is a reported problem that has a negative impact on the market and can also introduce pests. [k12]
- In Bamyan, key informants at one major agricultural project reported that both potato and wheat varieties are not appropriate for the climate. They have attempted to get more suitable cold weather varieties, but have not succeeded—mostly due to 'political reasons.' [b01]
- The FAO report a total of 8,600 seed growers in Afghanistan.
- Several key informants referred to the distribution of improved wheat seed as a major success due to increased yields. For example, one informant reported traditional varieties yielded 500 to 600 kilograms (kg) of wheat per jerib, and improved varieties yield 800 to 1200 kg per jerib. [h14]

Annex XI: Water Issues

Water was identified as a primary concern during the first phase of this study. This document summarizes the current state of policy as it relates to concerns expressed on the ground.

Two major concerns that consistently emerged during the scoping study are competing uses of water resources among domestic stakeholders and transboundary issues with Iran and Pakistan. Data from the National Risk and Vulnerability Assessment (NRVA) between 2011 and 2012 identifies irrigated land as a primary resource for 38 percent of households in Afghanistan, with seventeen percent owning rain-fed land. The NRVA also revealed up to 20 percent of irrigated land and 37 percent of rain-fed land were left fallow due to lack of water.⁶⁵ With the majority of the population engaged in agriculture activities, the management of water resources is fundamental for livelihoods, economic growth, and security.

STATUS OF THE WATER LAW AND ITS IMPLEMENTATION

Afghanistan's water resources are distributed through rivers and five river basins—Panj Amu, Northern, Helmand, Harirod Murghab, and Kabul—and historically managed through customary systems.⁶⁶ Since 2004, the government of Afghanistan and donors have gradually introduced a system of governance to formalize customary water rights and management systems. The 2008 Water Sector Strategy (hereafter the Strategy), formulated under the former Ministry of Irrigation, Water Resources, and Environment, maps out the priority policy issues and recommendations for reforming the water sector. The Strategy's goal is to guide the management of Afghanistan's water resources through decentralized decision-making and the creation of participatory management institutions for both river basin and community-level management.⁶⁷

The 2009 Water Law of Afghanistan provides the implementing mechanism for the Strategy. Significant reform of the regulatory, institutional, and management structures for the water sector is necessary to achieve the goals of the Strategy. An Afghanistan Research and Evaluation Unit report describes the new tripartite approach as the “holy trinity,”⁶⁸ comprised of integrated water resources management, river basin management, and participatory management via multi-stakeholder platforms. These concepts, when combined as envisaged by the sector strategy and the law, provide the framework for the planning and development of water resources, management of water resources through relevant institutions, and the

⁶⁵ Central Statistics Organization 2014. *National Risk and Vulnerability Assessment 2011-12. Afghanistan Living Condition Survey*. Kabul: CSO.

⁶⁶ Centre for Policy and Human Development 2011. *Afghanistan Human Development Report 2011 – The Forgotten Front: Water Security and the Crisis in Sanitation*. Kabul: Kabul University; Paula Hanasz. *The Politics of Water Security Between Afghanistan and Iran*. Future Directions International Strategic Analysis Paper, Mar. 1, 2012.

⁶⁷ Centre for Policy and Human Development 2011; Kai Wagerich 2009. “Water Strategy Meets Local Reality”. Kabul: AREU; Ministry of Irrigation, Water Resources and Environment 2004. *A Strategic Policy Framework for the Water Sector*. Kabul.

⁶⁸ Vincent Thomas, Wamiqullah Mumtaz and Mujib Ahmad Azizi 2012. *Mind the Gap? Local practices and institutional reforms for water allocation in Afghanistan's Panj-Amu River Basin*. Kabul: AREU.

basis for stakeholder participation.

Article 2 of the Water Law states that water is owned by the public and that the “government is responsible for its protection and management.”⁶⁹ Article 8 outlines the responsibilities of key government institutions charged with the management and protection of water resources, including the Ministry of Energy and Water (MEW) and the Ministry of Agriculture, Irrigation and Livestock with cooperation from the Ministry of Transport and Aviation, Ministry of Public Health and National Environmental Protection.⁷⁰ The planning, management, and development of water resources is under the responsibility of MEW, while irrigation related decisions belong to MAIL. The responsibilities of MEW and MAIL are further enumerated in Article 10 and Article 11, respectively.⁷¹

Of particular relevance to this study is the distinction made in the Water Law between two forms of implementing institutions, the Water User Associations (WUA), under the purview of the MEW, and irrigation associations related to MAIL.⁷² The following observations by respondents corroborate reports and analysis of water projects that the creation of these two institutions was based primarily upon political differences rather than the discrete needs of different types of water users. As one key informant explains,

The Water Law is quite weak. It's one of the laws with scope to hang other things onto if they're attached as a tarzelamal. But the Water Law is bare bones and there are things that can go wrong. It aspires to be an integrated water management approach (basins, catchments and sub-catchments). The biggest weakness is that it (the water law) creates uncertainty between MAIL and MEW. It was Karzai's decision to remove irrigation from MoEW and give to MAIL but it creates confusion. Ministries don't work well together in general. The ARD Cluster has been a disaster. In areas where clear division of duties is necessary, no clarity exists. The division of responsibilities between the two Ministries is still not resolved or clear. There is even lack of clarity among water responsibilities in MEW. Systems should work so that user groups at farm level should work with other groups – micro hydro etc. Irrigation associations are working at on-farm systems to increase agriculture productivity – wheat/rice intensification; drip irrigation supported through MAIL. But other users of irrigation and water also function at that level. Representatives from these groups feed up into water user associations. The law now gives permission for irrigation associations to register at the same level as the water associations. The reason was to keep MAIL on board and pass the law.⁷³

An impetus for the formal development of a legal policy and regulatory framework for

⁶⁹ Ministry of Justice. Water Law of Afghanistan art. 1, Official Gazette No. 980, Apr. 26, 2009.

⁷⁰ Ibid art. 8.

⁷¹ Ibid art. 10 and art. 11.

⁷² *Case Study 2: Water for Hydroelectricity and Irrigation in Herat Province*, in Renard Sexton, Afghanistan Watch, Natural Resources and Conflict in Afghanistan 19 (July 2012).

⁷³ Key informant interview K05.

Afghanistan's water resources is inequitable distribution characterizing the implementation of water sharing systems—often resulting in adverse consequences for downstream users.⁷⁴

As a key informant explained, “up valley and down valley linkages are the key relationship rather than upper and lower catchment areas.” This is because, “any activity, such as construction of water intakes etc. can lead to disputes between communities due to unequal distribution of water between upstream and downstream communities.”⁷⁵

Yet institutional and stakeholder experience with implementing the Strategy and the Water Law reveals that adoption of new management and decision-making systems is not immediate,

We know that laws are needed to regulate working systems for the farmer community. WUA is the platform where the community can join and make a plan for irrigation, solve conflicts, do ecosystem services. We know that water has an economic value and they can keep a share of fees for sustainability. Financial sustainability can lead them to sustain themselves and ecosystem services, income generation, by putting some fees for irrigation.” However, “WUA and catchment management associations are not yet financial sustainable. Farmers are not quite aware of the Water Law and if you asked them about it, most would not yet know.”⁷⁶

TRANSBOUNDARY WATER RESOURCES

Farmers, producers, and other actors in the agriculture and agribusiness sectors are aware that development and management of domestic water resources cannot be dissociated from transboundary issues, as these issues increase the scarcity of water for domestic use. Four of the five river basins in Afghanistan share borders with neighboring countries. However, only water use along the Helmand River has a formal treaty, signed between Afghanistan and Pakistan in 1973.⁷⁷ Unfortunately, there is little enforcement or monitoring of this agreement.

A 2007 draft Transboundary Water Policy underscores the importance of transboundary water policy and regional agreements for political, economic, social, and environmental stability. This policy establishes general principles to guide these areas of stability, the basis for projecting and monitoring demand and consumption among neighboring countries, and delineates the responsibilities among relevant government institutions.⁷⁸

The absence of a domestic policy and transboundary treaties or dialogue is a major source of

⁷⁴ Sexton 2012.

⁷⁵ Key informant interview K05.

⁷⁶ Key informant interview B11.

⁷⁷ Centre for Policy and Human Development 2011; Paula Hanasz. *The Politics of Water Security in the Kabul River Basin*. Future Directions International Strategic Analysis Paper, Nov. 10, 2011.

⁷⁸ Ministry of Energy and Water 2007. *Transboundary Water Policy in Afghanistan (Draft)*. Kabul.

uncertainty for farmers and agribusiness, as evidenced in interviews conducted in Herat. For example, the construction of the Salma Dam on the Afghan side of the border with Iran has been stalled. According to an interviewee, “The agricultural situation here would change 100 percent if these were built. But, the Iranian government does not want us to build this dam.”⁷⁹

These sentiments are echoed by other farmers and traders in Herat:

One of the programs, [had] \$78 million dollars for the rehabilitation of waterways and water management...the project is over, but the outcome --- of the project is not very good. A better program would focus first on water management - we have water, but we need to manage it better. Also a lot of water goes to Iran and Turkmenistan from Afghanistan, and also good soil goes to Iran too, because ---- of soil erosion. I don't know of any NGO working on soil conservation and also water management. The Salma dam project is better, but Iran won't let Afghanistan improve this dam.⁸⁰

--- - water is going to Iran - ----- but the government isn't paying attention to it sufficiently - this is what would improve the livelihood of the people. At the end of our river, Turkmenistan and Iran build a big dam, called friendship, and they take our water and divide it amongst themselves. Since 12 or 11 years, the Indian government has been working on Salma dam, but they haven't completed it. If completed, the water won't go to Iran, that's the issue.⁸¹

Thus, a critical need for management of both domestic and transboundary water resources is relevant data collection and analysis. The disconnect between the nascent governance structure for water management and long-standing institutional practices experienced among water users will endure without an appropriate understanding of the barriers and enablers to implementation.

⁷⁹ Key informant interview H06.

⁸⁰ Key informant interview H10

⁸¹ Key informant interview H05.

Annex XII: Issues and Policy Gaps Related to Post-Harvest Handling and Storage

The issue of post-harvest handling, and particularly a widely expressed need for cold storage, was a widely cited and highly prioritized issue identified during the scoping stage of this study. This issue was often closely associated with marketing and competitiveness, with the lack of access to storage facilities cited as a principle factor limiting market competitiveness for Afghan producers—with regards to the domestic and export markets.

Cold storage was raised as an issue with respect to livestock (particularly the storage of meat and dairy) and horticultural products. In regards to the latter, it is also widely reported that traders from neighboring countries, particularly Pakistan, are able to capture value from this weakness by buying Afghan produce cheaply at harvest time. This produce is then transported and stored in Pakistan, and then sold back to Afghans in the off-season at higher prices. Key informants in Herat, Mazar, Bamyan, and Kabul, along with the Ministry of Commerce and Industries (MoCI), highlighted this issue in particular.

Table 19: Key Stakeholders and Roles (Post-harvest Handling and Storage)

| Government | |
|--|---|
| Ministry of Agriculture, Irrigation, and Livestock (MAIL) | MAIL supports producers regarding processing, cold storage and quality assurance certification. MAIL has established cold storage facilities in several key locations, including Herat and Mazar. |
| Ministry of Commerce and Industries (MoCI) | MoCI supports producers and traders regarding packaging standards for national and international markets. |
| Non-government | |
| Afghanistan National Horticulture Development Organization (ANHDO) | Supports producers and traders on post-harvest handling. |
| Roots of Peace | Developed packing houses through the Commercial Horticulture and Agricultural Marketing Program (CHAMP) project. |
| European Union (EU) | Support post-harvest program through ANHDO. |

Table 20: Key policies (by ministry, post-harvest handling and storage)

MAIL

- Horticulture Policy—see Annex 13 for a brief summary.
- Regulations for Strategic Food Stacks/Storage (enforced).
- Food Products Quality Control Law (2007): This law was developed under Article 14 of the National Constitution of Afghanistan, consisting of seven chapters and 53 articles. The law focuses on quality control of food, agricultural products, safety, and prevention of associated health risks of food to humans, plants, and animals within the country. The main objectives of the law are: access to safe food, standardization of agricultural food quality consistent with national and international standards, and quality control of food and agricultural products from field to fork.

MoCI

Industry Policy: relevant to processing companies.

Policy Responsiveness to Issues on the Ground

- MAIL, in coordination with donors, had established a number of cold storage units. In addition, numerous off-budget projects have addressed the issue of post-harvest loss and cold storage.
- For example, a key informant with an off-budget project in Bamyan described working with farmers to reduce the loss of potatoes over winter using low cost approaches, with great success (from 40 percent loss to a one percent loss). The Afghanistan Stabilization Program (ASP) established cold storage and packing plants. Roots of Peace established a number of small potato storage units in Bamyan as well. [k14, k01]
- Staff at the Herat Directorate of Agriculture, Irrigation, and Livestock reported that the cold storage unit MAIL, established in Herat, had unreliable electricity, allowing for food to spoil. As a result, traders and producers lost trust in the unit's functionality. Likewise, Focus group discussion (FDG) members reported that the same cold storage unit is poorly managed because the people running it do not have an appropriate technical background. The appropriate training for operating and repairing machinery for processing is not available in Afghanistan. One of the women's FGDs reported that they were only able to store their goods there if they sold it to the management at a low price, which they refused. [h06]
- Some key informants argued that storage is less fundamental than credit—even when storage is available, producers are forced to sell at harvest because of debt. [h14, e03] There were a number of reports of storage units in Bamyan and Shomali being underutilized because of this issue, whereas the unit in Herat was underutilized because it was unreliable. [h06, h14, e03, k10]
- The Agribusiness Taskforce has a working group on cold storage and had planned to do an inventory of all existing cold storage units. The location of cold storage units (especially near borders and custom areas) has been noted as another key issue.
- In the area of cold storage, many programs and projects have done a great deal of work because it is frequently identified as a need and is one that seems relatively

straightforward to address. However, there is room for greater coordination (both in establishing storage units and in extension approaches), clarification of the government's role, and a need to make sure interventions are evidence-based—given that some storage units are underutilized despite the widely perceived need.

Annex XIII: Markets Policy Content Review

This annex includes a brief review of all policies related to markets. Where possible, full copies of these policies have been included in soft copy versions.

Table 21: Key Policies (by Ministry, Markets)

| Ministry | Key policies related to markets |
|---|--|
| Ministry of Agriculture, Irrigation, and Livestock (MAIL) | NADF: sets out general vision of market-led growth. Horticulture policy (in draft) – see below. Livestock policy (in draft) – see below. No specific policy on setting tariffs, but ministry does adjust based on market data. Integration of gender is very weak. |
| Ministry of Rural Rehabilitation and Development (MRRD) | N/A |
| Ministry of Commerce and Industries (MoCI) | Policy on Industries (being finalized, 2014). SMEs Policy (being finalized, 2014). SMEs Strategy (2009). Trade agreements. Sector Action Plan (being implemented, via taskforce). |
| Ministry of Finance (MoF) (Customs) | Customs policy & customs law (in force). |

National Priority Programs (NPPs)

The NPPs were elaborated as part of the Kabul Process, placing the strategic direction for Afghanistan’s long-term development within four program areas consistent with the Afghanistan National Development Strategy (ANDS):

Agriculture and Rural Development (ARD); Human Resource Development; Economic and Infrastructure Development; and Governance Cluster.

National Priority Program Two (NPP2): Agriculture and Market Development

The National Comprehensive Agriculture Production and Market Development Program is the second of four NPPs in the ARD Cluster. It is divided into two separate but complementary Components: Food for Life (FFL) and Enterprise and Market Development (EMD), each comprising several sub-components that facilitate the overall goals and objectives of the program.

Component Two of the NPP2, EMD, consists of four programs, each described briefly below:

1. Comprehensive Agriculture and Rural Development-Facility (CARD-F)

CARD-F is one of the primary subcomponents of the NPP2. CARD-F supports the creation of value chains to increase rural employment and business—specifically as alternatives to poppy cultivation. CARD-F uses a direct implementation model based on Economic Development Packages (EDP) to identify necessary investments in infrastructure, marketing and market development, and production to support value chains based on local agriculture products. This year’s EDPs will expand to include high-value crops, such as grapes. Led by the Ministry of Counter Narcotics, managerial oversight of the CARD-F program also includes MAIL, MRRD, and the MoF.

2. Afghan Rural Enterprise Development Program (AREDP)

The AREDP, implemented by MRRD, focuses on the provision of business advisory services and credit access to rural businesses to promote value chain creation and private sector development. AREDP delivers its financial and business support services through two program areas: Community-Based Enterprise Development and SME Development.

3. Agriculture Development Fund (ADF)

The ADF is designed to provide loans to help individual and groups of farmers and agribusiness owners improve their production and productivity, increase market access, or reduce post-harvest loss. The ADF works through financial institutions (e.g. banks, credit unions, and microfinance organizations) and non-financial institutions (e.g. farmer associations, and farm stores) to disburse loans and provide related services, such as credit management and market development. All financial products are certified as consistent with Islamic banking rules. Two observations about ADF emerged from the focus groups: either participants had no knowledge of ADF or, if they did, explained that it was intended for wealthy individuals and groups, not small business owners.

4. Afghanistan Independent Land Authority (ARAZI)

ARAZI was created from the merger of the former land management unit within MAIL, and the Cadastral department of the Afghanistan Geography and Cartography High Office, as an independent authority for the development of state-owned land for private sector growth. Yet focus group participants cited inconsistent and often nepotistic behavior in leasing decisions of government land to certain individuals or groups.

Horticultural Policy (in draft)

The horticulture policy lays the foundation for the development of the horticulture industry as a source of production for high-value domestic and export crops. Specific challenges expressed by focus group participants are encapsulated under broad categories that the policy seeks to address: production; technical support and training; infrastructure; regional and international cooperation; markets; legal, regulatory, and institutional framework; and trade. However the policy’s responses remain normative in their description, identifying the actions and relevant institutions that should address challenges through a Horticulture Strategy that remains to be developed.

Significant responsibility is placed upon MAIL to address challenges including the development of new production techniques; improving water availability to formerly arable tracts of land; developing credit schemes accessible to farmers; devising a branding strategy for horticulture products; the development of a licensing system for importing products related to horticulture; and the creation of a licensing system. MAIL is also encouraged build relationships and to work with existing institutions in relation to some of these challenges, including: with the MoF to design seasonal tariffs; with the MoF and MoCI on customs and quarantine standards; with the Afghanistan Chamber of Commerce and Industries (ACCI), Afghanistan Investment Support Agency and the Central Statistics Organization for a marketing information system; and with the Afghanistan National Horticulture Development Organization for the development of improved packaging.

Livestock Policy (in draft)

The livestock policy is currently in draft form with several sections still under development. The draft policy is guided by the Agriculture Master Plan 2005 and National Agricultural Development Framework (NADF). The policy recognizes the contribution of livestock to rural households (both economic and social) and its role in meeting the forecasted demand for animal protein by future generations. The policy document also focuses on dairy, meat, and poultry production and productivity through breed development, introduction of technologies, improvements in feed and feeding techniques, capacity building, and disease prevention issues—without undermining environmental integrity. It further highlights the need for the involvement of the private sector in livestock sector development through partnerships between the public and private sector, with an emphasis for change in the public sector to provide services based on need. The components of the draft policy correspond to the issues, needs, and market observations raised by focus group participants, including a specific section for backyard poultry development—specifically for women—through the establishment of Women’s Producer Associations. However, the policy remains unattended within MAIL.

Afghanistan Chamber of Commerce and Industries Law (2012)

This law is developed in accordance with articles 10, 11, and 13 of the National Constitution of Afghanistan. The main objective of the law is to support the rights of private entrepreneurs; to promote private entrepreneurship in commercial, industrial, trade and service sectors; and to organize and coordinate trade and industrial activities, including handicrafts, services, companies, unions, cooperatives, and private enterprises across the country. The law has addressed almost all the issues currently raised by producers and traders during focus group discussions: scant production for subsistence, lack of access to quality and cost of inputs, and high production costs (one of the elements is the high prices of inputs). To further address the problems facing farmers, the law needs a well sequenced approach to achieve the objectives, record the implementation process, and reflect on the lessons learned so that it will have an actual impact on farmers and businesses. The beneficial intent of the law—to support commerce, business, and industrial development—is not fully realized on the ground. Investors, entrepreneurs, businesses, and associations are still not

immune to the risk of informal taxes, lack of access to public land for business development, or limited finance and credit options for individuals and small businesses.

SMEs Policy (being finalized, 2014)

The government's policy to promote small to medium size enterprise (SME) development distinguishes seven priority problems for the agriculture sector that correspond to the priority areas identified by focus group participants and individual sector policies: food processing, transportation, packaging, marketing, cold storage, access to credit, and policy formulation. The policy summarizes the problems related to each action area and proposes actions based on the support of relevant public, private, and donor actors through their participation in Taskforces related to the seven priority areas. The actions are voluntary and imply a hierarchy of relationships between MoCI and other government actors. For example, the policy recommends that the SME Directorate in MoCI directly lobby MoF to reduce import tariffs on inputs and create incentives for the private sector to invest in processing. Yet MoCI and MoF are advised to work together to create new finance and credit instruments for agri-business. MoCI will help expedite MAIL's current plan to establish eight cold-storage facilities around the country and will support a marketing strategy for dried fruits and nuts through MAIL, ACCI, and EPAA. Thus, the policy relies on functional relationships that are still nascent between the various agencies as well as internal decisions and actions that are pending within the individual agencies.

Sector Action Plan 2011 - 2013

This joint action plan to implement the government's SME strategy by MoCI and MAIL was finalized in 2009. Consistent with the NPP2 and other market related policies, this action plan focuses on priority SMEs and value chain opportunities across key sectors based on the following objectives: drive the economic prosperity of Afghanistan; pursue SME growth, job creation, and formalization; creation of 1 million jobs and \$3 billion dollars of GDP by 2016; and increase the role of women in SMEs. The Action Plan highlights the relevant government institutions, policy responses, and timelines for action to effectively address the issues identified for agri-business: post-harvest handling and cold chains; limited processing activities; limited packaging activities; technology and equipment; insufficient infrastructure for food standards; trade knowledge and market linkages; trade policy and customs; transit and transport; and marketing and branding. The issues outlined in the Action Plan accurately reflect the problems identified by focus group participants. Many of the proposed actions attempt to facilitate trade through consistency and the reduction of risk through improved relationships between the GILoA, domestic actors, and regional governments; assessments to inform and improve appropriate policies and regulations that currently act as barriers; and strengthening the private sector to supply goods and services that are either lacking or imported. While the Action Plan identifies the government authorities responsible for delivering the intended policy results, it is silent on an overall coordinating mechanism to ensure that the capacities required by each government agency are in place and to monitor progress on the action points.

SMEs Strategy (2009)

The team requested a copy of this document from MoCI several times, but MoCI is reluctant to share it for reasons unknown to the team during data collection and reporting.

South Asian Free Trade Area (SAFTA)

The SAFTA between the governments of the South Asian Association for Regional Cooperation was ratified by Afghanistan to help lower tariffs on Afghan exports to Pakistan, India, and other countries in the Association.

Afghanistan-Pakistan Transit Trade Agreement (APTTA)

The Afghanistan-Pakistan Transit Trade Agreement was signed in 2010 to facilitate the transit of goods between the two countries through coordination and harmonization of procedures and administration.

Agreement on Cross-Border Transport of Persons, Vehicles and Goods

In 2011, the Agreement on Cross-Border Transport of Persons, Vehicles, and Goods was signed by Afghanistan, Kyrgyzstan, and Tajikistan within the framework of the Central Asia Regional Economic Cooperation program.

Customs Law (in force)

The Customs Law was developed under Article 42 of the National Constitution to ensure the collection of national revenues through customs and administration. The law structures the customs system in the country by defining the authority and responsibilities of staff, defining valuation of goods, and establishing the regulation of the import and export of products as well as the prevention of customs violations. In total, the law is comprised of sixteen chapters and 194 articles focused on the provision and administration of customs; the handling of objections in relation to the issues of customs; review of the administrative fines on smuggled products; customs tariffs; valuation of goods and designations; temporary storage of goods; processing of customs and customs declarations; free zones and free warehouses; customs violations; and distribution of revenues and incentives. Despite an approved structure for customs, there remains a huge gap in aligning it with the needs of producers (particularly for agricultural and livestock products). For example, quality control of agricultural and dairy products at entry points remains inconsistent. This can be attributed to factors including the lack of appropriate technology, labs, and equipment; lack of qualified technical human resources; and a resistance from vested interests, since corruption is still a major concern in border control.

Currently, the Customs Law mainly focuses on increasing revenue. However, it is not strongly linked to support the agricultural sector. It does not adequately address how to balance imports and exports of agricultural, livestock, and dairy products to reduce the domestic reliance on imports and derive revenues from exports while strengthening local production. The Customs Law can strengthen the competitiveness of local products by establishing and adjusting tariffs to support farmers whose domestic products compete with cheaper products from neighboring countries. From a food security perspective, offsetting cheaper imports may lead to inflated prices on food products. Local production and

consumption patterns and needs should be quantified so that any deficit can be met through imports, rather than flooding local markets with imports throughout the year.

Annex XIV: Disclosure of Potential Conflict of Interest

SOCIAL IMPACT

Disclosure of Conflict of Interest for USAID Evaluation Team Members

| | |
|---|--|
| Name | Erin Hannan |
| Title | Consultant, Agriculture Policy Specialist |
| Organization | Social Impact, Inc. Subcontracted to Checchi & Co. Consulting, Inc. |
| Evaluation Position? | <input type="checkbox"/> Team Leader <input checked="" type="checkbox"/> Team member |
| Evaluation Award Number(contract or other instrument) | Contract # AID-306-C-12-00012 |
| USAID Project(s) Evaluated(Include project name(s), implementer name(s) and award number(s), if applicable) | Agricultural Policy Constraints and Institutional Architecture Analysis for Agriculture Enabling Environment in Afghanistan, RADP-C, USAID/Afghanistan |
| I have real or potential conflicts of interest to disclose. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <p>If yes answered above, I disclose the following facts:</p> <p><i>Real or potential conflicts of interest may include, but are not limited to:</i></p> <ol style="list-style-type: none"> 1. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated. 2. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation. 3. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project. 4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated. 5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated. 6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation. | |

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

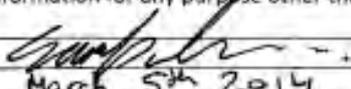
| | |
|------------------|-----------------------|
| Signature | <i>Erin C. Hannan</i> |
| Date | 4 March 2014 |

SOCIAL IMPACT

Disclosure of Conflict of Interest for USAID Evaluation Team Members

| | |
|---|---|
| Name | Sarah Parkinson |
| Title | Consultant, Agriculture Policy Specialist |
| Organization | Social Impact, Inc. Subcontracted to Checchi & Co. Consulting, Inc. |
| Evaluation Position? | <input checked="" type="checkbox"/> Team Leader <input type="checkbox"/> Team member |
| Evaluation Award Number (contract or other instrument) | Contract # AID-306-C-12-00012 |
| USAID Project(s) Evaluated (Include project name(s), implementer name(s) and award number(s), if applicable) | Agricultural Policy Constraints and Institutional Architecture Analysis for Agriculture Enabling Environment in Afghanistan, RADP-C , USAID/Afghanistan |
| I have real or potential conflicts of interest to disclose. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <p>If yes answered above, I disclose the following facts:</p> <p><i>Real or potential conflicts of interest may include, but are not limited to:</i></p> <ol style="list-style-type: none"> 1. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated. 2. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation. 3. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project. 4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated. 5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated. 6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation. | |

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

| | |
|------------------|---|
| Signature |  |
| Date | March 5 th 2014 |

Checchi and Company Consulting, Inc.
CONFLICT OF INTEREST CERTIFICATION AND AGREEMENT

I have carefully reviewed my employment (past, present and under consideration) and financial interests, as well as those of my household family members. Based on this review, I certify, to the best of my knowledge and belief as of the date indicated below, that I either

(1) have no actual or potential conflict of interest, personal or organizational, that could diminish my capacity to perform an impartial and objective evaluation, or that might otherwise result in an unfair competitive advantage to one or more prospective contractors or subcontractors, or

(2) have fully disclosed all such conflicts to Checchi in writing, and will comply fully, subject to termination of my evaluation services, with any written instructions from Checchi to mitigate, avoid, or neutralize conflicts(s). I understand that I will also be under a continuing obligation to disclose, and act as instructed concerning, such conflicts discovered at any time prior to the completion of the evaluation.

Signature:  _____

Name Typed or Printed: Prof. Ghulam Rasool Samadli

Date: 02/03/2014

Checchi and Company Consulting, Inc.
CONFLICT OF INTEREST CERTIFICATION AND AGREEMENT

I have carefully reviewed my employment (past, present and under consideration) and financial interests, as well as those of my household family members. Based on this review, I certify, to the best of my knowledge and belief as of the date indicated below, that I either

(1) have no actual or potential conflict of interest, personal or organizational, that could diminish my capacity to perform an impartial and objective evaluation, or that might otherwise result in an unfair competitive advantage to one or more prospective contractors or subcontractors, or

(2) have fully disclosed all such conflicts to Checchi in writing, and will comply fully, subject to termination of my evaluation services, with any written instructions from Checchi to mitigate, avoid, or neutralize conflicts(s). I understand that I will also be under a continuing obligation to disclose, and act as instructed concerning, such conflicts discovered at any time prior to the completion of the evaluation.

Signature: _____

Name Typed or Printed: _____

Date: _____


KHALISTA RAHMAN YOUSAFZAI
March 10, 2014

Checchi and Company Consulting, Inc.
Afghanistan SUPPORT-II Project
Wazir Akbar Khan
Kabul, Afghanistan