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ANNUAL REPORT—YEAR 6

**INCENTIVES DRIVING ECONOMIC ALTERNATIVES FOR THE NORTH,
EAST AND WEST (IDEA-NEW)**

OCTOBER 1, 2013—SEPTEMBER 30, 2014

OCTOBER 2014

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EAST AND WEST (IDEA-NEW)**

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ACRONYMS

ABADE	Assistance in Building Afghanistan by Developing Enterprises
ACE/ADF	Agricultural Credit Enhancement/Agricultural Development Fund
AGSEM	Agriculture Sectorial Meeting
AISA	Afghanistan Investment Support Agency
B2B	Business to Business
CCP	Critical Control Points
CHAMP	Commercial Horticulture and Agricultural Marketing Program
CPF	Commercial Production Farm
DAI	Development Alternatives, Inc.
DAIL	Department of Agriculture, Irrigation and Livestock
DoE	Department of Economy
DoWA	Department of Women’s Affairs
DQA	Data Quality Assessment
EOI	Expression of Interest
FOG	Fixed Obligation Grant
FY	Fiscal Year
GAALO	Green Afghanistan Agriculture and Livestock Organization
GIRoA	Government of the Islamic Republic of Afghanistan
ha	Hectare
HA	Hazard Analysis
HACCP	Hazard Analysis and Critical Control Points
ICD	Institutional Capacity Development
IPM	Integrated Pest Management
IDEA-NEW	Incentives Driving Economic Alternatives–North, East and West
KAPC	Kunduz Almond Producers Cooperative
KFSC	Kapisa Farm Services Center

kg	Kilogram
LFSC	Logar Farm Services Center
M&E	Monitoring and Evaluation
MAIL	Ministry of Agriculture, Irrigation and Livestock
MoWA	Ministry of Women's Affairs
NATC	Nangarhar Afghan Agriculture Training Center
NCE	No Cost Extension
NCCI	Nangarhar Chamber of Commerce and Industry
NWBC	Nangarhar Women Business Center
PDC	Provincial Development Council
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PMP	Performance Management Plan
PPA	Public-Private Alliance
PSP	Private Sector Partner
RFA	Request for Application
RSSAO	Reconstruction and Social Services for Afghanistan Organization
RSI	Rahman Safi Impact
SNGA	Said Khil Nursery Growers Association
SMS	Short Message Service
TWG	Technical Working Group
USAID	United States Agency for International Development
VFU	Veterinary Field Unit
VSU	Vetting Support Unit
2WT	Two-Wheel Tractor

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PROJECT OVERVIEW

Activity Start/End Dates

March 1, 2009–February 28, 2015

Prime Implementing Partner

Development Alternatives, Inc. (DAI)

Sub-Contractors/Sub-Awardees

ACDI/VOCA, Mercy Corps, PARSA, Afghan Public Protection Force, Edinburgh International, Mansfield International, Rahman Safi Impact (RSI) Consultancy

Project Description

The U.S. Agency for International Development’s (USAID) Afghanistan country strategy includes the promotion of long-term agricultural development and alternative livelihoods for farmers that results in “a sustainable, thriving agricultural economy” and contributes to the U.S. Government’s stabilization and counternarcotics policy goals. USAID’s Office of Agriculture launched the Incentives Driving Economic Alternatives for the North, East and West (IDEA-NEW) program in March 2009. Its mission is to expand the licit agricultural economy in northern, eastern and western Afghanistan. From 2009–2013 this was accomplished via intensive value chain development in eight specific areas—grapes, orchard crops, vegetables, poultry, silk, wheat, honey and karakul. Its activities strengthened farm to market linkages in economic development corridors in its three target regions, contributed to the development of the high value crop subsector as well as grains and livestock, encouraged the creation of on-farm and non-farm employment for men and women, and rehabilitated local infrastructure to provide immediate cash incomes directly to vulnerable communities.

From March 2009 until the end of December 2013, three partners implemented IDEA-NEW. DAI implemented programs in the East and West; ACDI/VOCA¹ operated in the North, and Mercy Corps² worked in the Northeast.

Beginning in January 2014, DAI became the sole implementer of IDEA-NEW and the project narrowed its geographic and programmatic focus to the Eastern region and the grape, orchard crop and vegetable value chains. It currently offers technical assistance and in-kind grant support to agribusinesses to improve their market access, increase processing capacity and catalyze investments into Afghanistan’s agricultural sector. Intensive value chain development that promotes income generation and job creation in poppy-prone areas is IDEA-NEW’s priority until 2015.

The project also builds the capacity of its beneficiaries and Government of the Islamic Republic of Afghanistan (GIROA) officials via comprehensive trainings on a wide variety of topics, including new farming techniques and best practices, business management, and accounting and marketing, all led by IDEA-NEW supported grantees. The program works closely with provincial- and district-level government and communities to build strong relationships among local stakeholders.

¹ ACDI/VOCA’s agreement ended on December 31, 2013.

² Mercy Corps’ agreement ended on November 15, 2013.

Geographic Coverage

- October 1, 2013 - December 31, 2013: Nangarhar, Laghman, Kunar, Nuristan, Kabul, Kapisa, Parwan, Panjshir, Herat, Badghis, Balkh, Faryab, Jawzjan, Samangan, Saripul, Badakhshan, Baghlan, Kunduz and Takhar provinces
- January 1, 2014 - NCE Period: Nangarhar, Kunar, Laghman, Kabul, Kapisa, Panjshir and Parwan provinces

EXECUTIVE SUMMARY

Summary of Results/Key Achievements

In accordance with the agreement's period of performance, IDEA-NEW initiated closedown preparations during the first quarter of FY2014. Implementation in its five Northeastern provinces ended on November 15 and in the North on December 31, 2013. However, with the approval of a 12 month, no-cost extension (NCE) on February 17, 2014, IDEA-NEW ceased its closedown activities and began preparing for another year of implementation, including the release of an expression of interest (EOI) to 500 agricultural input suppliers and food processors. EOIs were given to firms who are registered with the Afghanistan Investment Support Agency (AISA), active in IDEA-NEW's target provinces and involved in one of the program's value chains. The EOIs were to solicit interested and qualified candidates for inclusion into 2014 program activities.

The months of March, April and May continued with preparations for NCE period activities, to include holding pre-application conferences for agriculture input suppliers and food processing companies, surveying agricultural input wholesalers, retailers and farmers on the short message service (SMS)-marketing pilot project and conducting a training needs assessment of 148 agribusinesses across all seven target provinces. In May, a total of 98 prospective grantees attended IDEA-NEW pre-application conferences (two in Kabul, two in Jalalabad) for shortlisted input suppliers and agribusinesses interested in its SMS marketing, promotional and/or matching in-kind grants.

IDEA-NEW ramped up grant activities starting in June through September, signing a total of 48 grant agreements with agricultural input suppliers and food processors for matching, promotional and SMS grant activities, and training providers for training in pesticide safety, basic hygiene/food safety and accounting/marketing.

Additionally, as part of IDEA-NEW's Activity Plan #5, IDEA-NEW commenced the facilitation of business-to-business (B2B) meetings during the month of June. The purpose of these meetings is to strengthen agricultural markets by facilitating connections between traders, buyers and producers with a view to continuing to meet producers' and processors' needs once IDEA-NEW programming ends. A total of four B2B events took place from June through September, with plans to continue this activity throughout the rest of the project's time frame.

The IDEA-NEW activities described above identify value chain transactions and leverage points where its interventions can strengthen linkages between farmers, input suppliers, processors, and the GIRoA that will continue after IDEA-NEW assistance ends.

Constraints and Critical Issues

Delays in receiving Vetting Support Unit (VSU) approvals for some businesses coupled with the short remaining time-frame of the project led to the cancellation or modification of some grants, due to the inability of IDEA-NEW and the grantee to procure and deliver equipment before the project end date.

In terms of data collection, while overall the Monitoring & Evaluation (M&E) team was able to conduct all field visits as scheduled, there were times when the security situation in a particular area caused minor delays. For instance, while the M&E team was able to visit all businesses, some difficulty was encountered in visiting these businesses' customers for the purpose of baseline data collection.

Another constraint was caused by the Afghan election process. There were numerous unforeseen office closures and security precautions due to the six-month protracted election process that delayed program activities. During the last quarter of FY2014, IDEA-NEW offices in Kabul and Jalalabad were either closed or under lockdown for a total of 13 days due to security issues. In addition, several businesses postponed visiting the IDEA-NEW offices for signing grants, due to the uncertainty surrounding the elections. As the election results have been announced, IDEA-NEW does not foresee this challenge during the coming fiscal year.

Closedown – Part One

Prior to the issuance of IDEA-NEW's no cost extension on February 17, 2014, the team undertook scheduled closedown activities. All administrative and financial tasks for the Northeast region were finished by November 15, 2013, which marked the end of Mercy Corps' work under IDEA-NEW. In addition to completing its few outstanding activities, the ACDI/VOCA team finalized its equipment disposition list and worked on drafting their final report throughout October and November. IDEA-NEW's implementation in Balkh, Jawzjan, Samangan and Saripul provinces was finished by December 31. In the Eastern region, DAI staff finished their remaining infrastructure and agriculture activities in October and November; all in-kind agribusiness grants for the East were technically completed by the end of December. Internal auditing of all project files was ongoing, with approximately 75% completed as of December 31. The crosschecking of hard files versus IDEA-NEW's M&E database was 60% finished at the end of the reporting period with staff finding and correcting a few transcriptional errors.

In anticipation of a February 28, 2015 end date for IDEA-NEW, the team will re-commence closedown activities in December 2014.

ACTIVITY IMPLEMENTATION

IDEA-NEW's no-cost extension narrowed its geographic focus to the Eastern region and concentrated its activities on supporting input suppliers and food processors that operate in the grape, orchard crop and vegetable value chains. As such, the "Key Activities Accomplished During the Fiscal Year" section of this Annual Report is divided into two components: 1) Update on activities per the August 1, 2012—March 1, 2014 Activity Plan No. 4; and 2) Update on activities per the March 1, 2014—February 28, 2014 Activity Plan No. 5.

INDICATOR/ACTIVITY PERFORMANCE

Activity Plan No. 5 for the 12-month no-cost extension period (March 1, 2014 – February 28, 2015) established new targets for nine indicators. However, FY2014 covers the period October 1, 2013 - September 30, 2014. Therefore, 5 months of the FY2014 period were included under targets established prior to the NCE period, though the last three months (December, January, and February) focused on closedown activities. As such, though the table calls for FY Targets and FY Results, IDEA-NEW has included NCE Targets and NCE Results. This approach aims to provide USAID visibility on the achievement of targets for the NCE period, noting that five months remain to achieve targets for the current extension period. Please see Annex III attached.

KEY ACTIVITIES ACCOMPLISHED DURING THE FISCAL YEAR

Part 1 – Activity Plan No. 4 Implementation (October 1, 2013 – February 28, 2014)

VALUE CHAIN INTERVENTIONS

From 2009 until the end of 2013, the majority of IDEA-NEW’s programming focused on its eight value chains—grapes, orchard crops, vegetables, poultry, wheat, silk, honey and karakul (Astrakhan or Persian lamb). The following section summarizes highlights from each of these areas.

Grape Value Chain

October marked the completion of IDEA-NEW’s vineyard management project in the Northeast region. Monitoring visits conducted by IDEA-NEW’s technical team showed that the vineyards were being properly managed.

The grape trellising project, which targeted 105 vineyard owners in Badakhshan (30 farmers), Takhar (15), Baghlan (10) and Kunduz (50), also ended in October. IDEA-NEW’s trellising project ran from May to October 2013 and facilitated the trellising of 87 orchards, totaling approximately 8.7 hectares (ha).

October also marked the end of the grape harvesting season in the Northern region. IDEA-NEW held the fourth and final round of field days in all 25 of its demonstration vineyards in October. A total of 400 grape producers, Department of Agriculture, Irrigation and Livestock (DAIL) extension workers and agriculture retailers attended the events. Program staff compared the yields of 19 demonstration plots with neighboring vineyards that used traditional cultivation techniques. This data showed that IDEA-NEW’s trellised vineyards produced 71.18% more in the 2013 season than traditional vineyards.

In October and November, 51 new vineyards measuring 11.34 ha were converted to the new I and T trellising systems in Samangan, Balkh, Jawzjan and Saripul provinces. Program staff also trained vineyard owners in correct trellis post installation and wiring. As of December 31, a total of 51 vineyards in Sari Pul, 36 in Jawzjan, 45 in Balkh and 50 in Samangan had been trellised. A breakdown of IDEA-NEW’s trellising efforts across all five Northern provinces is presented in the following table.

<i>Province</i>	<i>Target (ha)</i>	<i>Actual ha Trellised as of 31 December 2013</i>	<i>Percentage Completed</i>
Samangan	10	10.44	104%
Faryab ³	20	17.33	87%
Saripul	8	8.11	101%
Jawzjan	6	9.12	152%
Balkh	6	10.29	172%
Total	50	55.29	110%

All grape value chain activities in the North were completed by the end of November 2013.

Orchard Crop Value Chain

IDEA-NEW’s intervention in the orchard crop value chain focused on citrus, stone fruits, almonds, pomegranates and pome fruit, such as apples. All of these are major crops in Afghanistan; however, poor

³ IDEA-NEW trellised 16.37 ha of vineyards in Maymana district, exceeding its 15 ha goal; however, it fell short of its five ha goal in Qaysar (actual was 0.95 ha) because ACTED received funding from the local Provincial Reconstruction Team and distributed free trellis posts to farmers in the area.

management and irrigation practices, lack of pruning skills and ineffective pest and disease controls often resulted in low yields. IDEA-NEW worked with farmers since 2009 to improve orchard quality by introducing new crop varieties and production practices.

In October, the Kunduz Almond Producers Cooperative (KAPC) obtained its Fairtrade certification from FLO CERT and is now able to export Fairtrade almonds to other countries, including Australia, the U.S. and European countries. To ensure sustainability after IDEA-NEW ends, the program team introduced KAPC's management team as well as its members to Fullwell Mill, a UK-based buyer of Fairtrade-certified products. As a result, both KAPC and Fullwell Mill agreed to collaborate to promote the export of Fairtrade-certified Afghan almonds to the UK.

The construction of 13 underground cool storage units in Baghlan, Badakhshan and Takhar was completed in October.⁴ This marked the end of IDEA-NEW's orchard crop interventions in the Northeast.

In October, IDEA-NEW made final supervisory visits to 137 of the 150 new orchards in Bilchiragh, Pashtun Kot, Shirin Tagab, Dawlatabad, Khwaja Sabz Posh districts of Faryab province.⁵ It found that 97% of planted fruit trees (13,105 out of 13,440) had survived and were growing normally. This is an excellent result and orchard owners were very pleased with IDEA-NEW's intervention. Program staff also delivered a final round of training to orchard owners, demonstrating how to properly prune and shape trees. All beneficiaries have already been linked with private pruning services. October was the last month of IDEA-NEW's orchard work in the Northern region. During the last four years, IDEA-NEW established a total of 394 commercial orchards (80 ha.) in Faryab.

In the East, IDEA-NEW's technical experts trained 26 citrus growers in Laghman province on soil treatment, bed preparation, seedling transplanting and irrigation. Jalalabad-based agribusiness staff conducted rice husk carbonization and marketing training for Hamisha Bahar Agro Service Company personnel in mid-October. Under an IDEA-NEW in-kind grant, Hamisha Bahar installed two new greenhouses on its compound.

Also in the East, a total of 60,000 Tristeza-resistant citrus seedlings were transplanted to orchards in Samarkhail and 15,000 in Behsud district (Nangarhar), 50,000 were transplanted in Batkot (Nangarhar) and 80,000 in Mehterlam district (Laghman). This brings the total number of seedlings transplanted in 2013 to 285,000. In addition, the Nangarhar Valley Development Authority successfully grafted an additional 10,000 citrus seedlings in Behsud district, bringing the total to 13,000. In late November and early December, nearly 75,000 citrus seedlings were damaged by severe hail in Bihsud (Nangarhar) and Narang (Kunar) districts; however the remaining 210,000 transplanted seedlings remained in good condition.

Vegetable Value Chain

IDEA-NEW's interventions in the vegetable value chain were designed to increase productivity and improve crop quality, as well as to establish and strengthen relationships between farmers and other key value chain actors, such as input suppliers and buyers. Through its community-initiated projects, IDEA-NEW introduced high-yield, locally adapted vegetable varieties (cauliflower, tomatoes, cucumbers, onions, greens, etc.) and trained farmers in modern cultivation practices. By linking farmers to local

⁴ Six in Bano, Dehsallah and Poli Hesar districts (Badakhshan), four in Baharak (Badakhshan) and three in Farkhar and Worsaj districts (Takhar).

⁵ Staff could not travel to the 13 sites in Qaysar district because of security issues.

suppliers of quality inputs (seeds, tools, etc.), IDEA-NEW aimed to ensure the sustainability of the vegetable value chain that developed since 2009.

In October, IDEA-NEW's technical team completed the installation of 32 greenhouses in Badakhshan (Faizabad district), 14 greenhouses in Baghlan (Puli Khumri and Baghlan districts), and five greenhouses in Takhar (Farkhar, Taloqan and Bangi districts). In Kunduz province, it distributed seeds, fertilizers, plastic sheeting and gardening tools (i.e. pipes, steel bars, mold, wire, cement) to 40 female beneficiaries in Kunduz Center, Aliabad, Khan Abad, Imam Sahib and Qala-e-Zal districts. Also, 60 female beneficiaries received training in seed cultivation, land preparation, fertilizer application and irrigation. The follow-on site monitoring visits revealed that most of the beneficiaries had already started cultivating vegetables in their newly built greenhouses. The greenhouses will enable female farmers to sell vegetables during off-seasons when prices are high. October marked the end of this activity.

The commercial vegetable cultivation under high tunnels project was also completed in October. IDEA-NEW assisted 44 agriculture cooperatives (16 in Baghlan, eight in Badakhshan, 10 in Takhar and 10 in Kunduz) to establish high plastic tunnels for off-season crop production (e.g. tomato, cucumber, sweet pepper, squash, muskmelon and eggplant). During October, the agriculture teams in Baghlan and Badakhshan provinces oversaw the completion of eight high plastic tunnels in Baharak and Faizabad districts and 16 high plastic tunnels in Puli Khumri and Baghlan Jaded districts. In Taloqan, Farkhar, and Bangi districts of Takhar, 10 farmers received technical training in seed cultivation, land preparation, fertilizer application and irrigation. The site visits in Kunduz showed that all plastic tunnels met technical specifications and farmers were already contacting local input suppliers to buy quality vegetable seeds for planting.

Regular supervision and technical assistance to commercial production farms (CPF) throughout the Eastern region continued during the quarter, beginning with a field day on October 1 in Mehterlam district (Laghman). Seventeen vegetable producers learned about nursery preparation, field layout, the benefits of raised beds, weeds, pest and disease control, fertilizer application, irrigation methods and harvesting and post-harvest best practices. IDEA-NEW technical staff also linked 17 farmers in Mehterlam district (Laghman) with a local agriculture retailer that stocks improved seed varieties, fertilizers, tools and other inputs. The third and fourth phases of staggered planting were completed and farmers prepared their land for off-season production.

IDEA-NEW's field activities in the East ended in November with a last round of input distribution to CPF farmers in Nangarhar, Laghman and Kunar provinces for the coming season. One hundred and five farmers received back-pack sprayers, vegetable seeds, pails and plastic bags. Technical teams' final site visits revealed that 16 CPFs in the three eastern provinces had sold 51,525 kgs of fresh produce, which generated 438,663 AFN (\$7,696) in sales. It also showed that all 16 CPFs had more than doubled in size between January and the end of November 2013, expanding from an average of three jeribs to 6-10 jeribs. This is a clear indication of the long-term sustainability of the modern agriculture practices promoted by IDEA-NEW. Data gathered by IDEA-NEW staff from CPF farms in December showed that 20,528 kg of vegetables, including lettuce, cauliflower, broccoli and cabbage, generated 427,321 AFN (\$7,456) in sales at Nangarhar, Kunar, Laghman and Kabul markets.

IDEA-NEW agribusiness staff in Jalalabad also organized an introductory meeting on November 27 between representatives from the USAID-funded Assistance in Building Afghanistan by Developing Enterprises (ABADE) program and eight agribusinesses. ABADE staff explained the assistance they

provide and how to complete the application forms required by ABADE. All participating IDEA-NEW agribusinesses expressed interest in working with ABADE.

All in-kind grant agreements with Eastern region agribusinesses were completed in December. Staff distributed CDs containing each company's promotional materials and other useful documents to beneficiaries.

IDEA-NEW-supported CPF farmers generated 510,200 AFN (\$8,950) from the sale of 25,100 kilograms of broccoli, cabbage, lettuce, cauliflower and red radishes at Nangarhar, Laghman, Kunar and Kabul markets.

Poultry Value Chain

IDEA-NEW's poultry value chain work began in 2009 with in-kind grants of birds and feed that were designed to encourage new farmers to enter the sector. The program expanded its intervention in 2011 with in-kind grants to broiler and layer farms. In August 2012, IDEA-NEW expanded its broiler production project to two new provinces—Kapisa and Parwan.

IDEA-NEW's backyard poultry farming activity targeting 400 female beneficiaries (100 per province) ended in October. During the last month, all 100 project beneficiaries in Badakhshan province received 40 pullets and 100 kilograms (kg) of balanced feed. The beneficiaries were introduced to private veterinary field units (VFUs) to vaccinate their pullets against diseases.

The 20 beneficiaries of the women's semi-commercial poultry farming project in Badakhshan also received 120 pullets and 100 kilograms of balanced feed, and were linked with local VFUs for future veterinary care. The women's semi-commercial poultry farming activity targeting 80 women in the Northeast was completed on October 31.

In the Eastern region, a total of 133,938 day-old chicks were added by IDEA-NEW-supported broiler farms in Nangarhar, Kunar Laghman and Parwan provinces and Sarobi district of Kabul province, and 135,599 chicks were sold in local markets between October and January.

IDEA-NEW's Poultry Officer made final visits to all broiler farms in Bihsud, Dara-i-Noor, Khas Kunar and Rodat districts (Nangarhar), Qarghaee (Laghman), Sarobi (Kabul) as well as Kapisa and Parwan provinces in December. He treated chicks for common poultry diseases on 16 farms and advised farmers on medicines for treatment and prevention of these diseases. Chicks were growing normally, but IDEA-NEW staff noted that a lack of coordination between farmers resulting in local markets flooded with day-old chicks, which reduces sales prices. This and the mortality rate of chicks are two major issues facing the Afghan poultry industry that would benefit from ongoing support.

Wheat Value Chain

Afghanistan's Northern region produces approximately 30 percent of national wheat production; however, traditional cultivation methods like high seeding rates result in excessive plant populations and reduced yields. This is particularly true on rain-fed wheat, which accounts for 75% of the North's wheat cultivation area.⁶ Weeds, fungal disease, insects and drought further reduce yields. Based on 2009 wheat production and consumption, a 15% yield increase in Northern provinces would have closed the national grain deficit. As a result, IDEA-NEW launched a two-year demonstration and training project in 2011 to transfer improved wheat cultivation methods to northern farmers.

⁶ The remaining 25% is irrigated.

Technical teams in Balkh province held a weed control field day in mid-October for 34 farmers, DAIL extensions agents and agriculture retailers. Topics included the benefits for chemical weed control, timing, application rates, and the use of gloves and other safety precautions. IDEA-NEW also invited 28 safflower farmers, oilseed processors and traders to its office in Mazar-e-Sharif to discuss potential market opportunities in the Northern region. Safflower traders encouraged farmers to increase production and noted that if the quality improves, market demand and prices will increase.

Employees of Bahar Biscuits, Sharq Improved Seed Production and Agri-Services Company, Ltd., Kunar Agriculture Company, Kabul Improved Seed Production and Agro-Services Company, Sailab Sohail Agriculture Machinery Manufacturers, Dastagir Shamshad Noodles and Vermicelli Production Factory, Kaliwal Oil, Soap and Cotton Seed Cake Manufacturing Company and Mohammad Hussain Food Production Company received marketing training at IDEA-NEW's office in Jalalabad on October 23. In addition, program staff provided training in maize production, including fertilizers, irrigation, pest and weed controls, harvesting and post-harvest handling methods to 25 Kabul-based and 26 seed growers from Sharq Improved Seed Production companies on October 24 and 29, respectively.

Agribusiness teams also delivered equipment, hygiene materials, invoice pads and printed promotional materials for 10 seed, food processing and ag-input companies⁷ in October and November. In addition, 100 advertisements for Sailab Sohail were installed in Jalalabad and along the Kabul-Torkham and Kunar roads, and 84 minutes of radio advertising was broadcast for Kaliwal Oil on Kalid Radio in Nangarhar, Kunar and Laghman provinces. Lastly, Firdous Bureen Wheat Starch Company adopted new product packaging for its expanded product line, including four new flavored varieties of starch—strawberry, apple, vanilla and mango.

Program staff also held a field day for 77 of Sharq's contract seed producers on November 26 in Abdian village (Behsud village, Nangarhar). Topics on wheat seed multiplication included in-row planting, fertilizer application, weed controls, roughing, harvesting and seed cleaning practices. Final monitoring visits were conducted to all wheat-related agribusinesses throughout December and technical support was provided as needed.

Representatives from Dastagir Shamshad Noodles and Vermicelli Production Factory, Mohammad Hussain Food Production Company, Kaliwal Oil, Soap and Cotton Seed Cake Manufacturing Company, and Waheed Kamawal Oil, Cotton Cake and Soap Factory attended the introductory meeting with ABADE on November 27. Representatives from Shamshad Dastagir also participated in the December AISA-sponsored Nangarhar Industrial Trade Fair.

Silk Value Chain

Silk production is a traditional activity in northern and northeastern regions, where silk is processed and used for carpets and textiles. In October, IDEA-NEW's women's development team monitored six female beneficiaries in Sari Pul, Balkh and Samangan (two per province) as they reeled cocoons using Charkha spinning machines that were imported earlier in 2013. The women in Samangan and Sari Pul reeled a total of 14 and 34 kg of yarn, respectively, and sold it for 2,200 AFS (\$38) per kg. In Balkh, the beneficiaries reeled 34 kg and sold it at 2,300AFN (\$39) per kg.

⁷ Kunar Agriculture Company, Sharq Improved Seed Production and Agri-Services Company, Majnoon Food Production Company, Sailab Sohail Agriculture Machinery Company, Ltd., Dastagir Shamshad Noodles and Vermicelli Production Factory, Waheed Kamawal Oil, Cotton Cake and Soap Factory, and Kabul Improved Seed Production and Agro-Services Company

Honey Value Chain

The vendor originally chosen to provide higher quality glass honey jars to Season Honey Processing and Packaging Factory was unable to meet the requirements of its agreement. IDEA-NEW's grant agreement with Season Honey was modified in October to provide Season Honey with plastic containers of a higher quality than they used previously. A new supplier for 50,000 plastic containers was selected in mid-November, which marked the completion of this in-kind grant.

Karakul Value Chain

Karakul pelts (Astrakhan fur or Persian lamb) are a major and valuable export commodity produced in northern Afghanistan. They are used to make luxury items such as fur coats and hats. IDEA-NEW's activities in this value chain focused on increasing the export value of Afghan karakul pelts.

IDEA-NEW collected 2,303 completed end-line survey questionnaires from VFUs, local extension workers and 144 livestock farmer groups in Balkh, Jawzjan, Samangan and Faryab provinces during the first quarter of FY2014. Survey data was submitted to RSI Consulting for analysis late in December.

NON-VALUE CHAIN PROJECTS

Two television advertisements, jointly developed by IDEA-NEW and Mashal Dairy Production Company, started airing on Khursheed TV and One TV in mid-October. Mashal Dairy staff also attended a marketing training in Kabul on October 7–8.

IDEA-NEW analyzed yield data from 30 potato demonstration plots in Pashtun Kot and Bilchiragh districts of Faryab province, showing that demonstration plots using seed potatoes of improved varieties had 37% higher yields, on average, than neighboring farms using local seed varieties and traditional cultivation methods. Between 2010 and 2013, IDEA-NEW established a total of 74 potato demonstration plots in Pashtun Kot and Bilchiragh districts of Faryab and trained more than 1,400 potato farmers in modern farming techniques that covered the entire cultivation cycle, from land preparation, planting to post-harvest handling. Farmers also learned the importance of timing their irrigation, using fertilizer, and controlling weeds as well as how using higher quality inputs can impact harvests.

INPUTS AND SERVICES

Access to a commercially sustainable supply of high quality equipment, tools, and chemicals is essential if farmers are to successfully adopt the improved methods of agronomy promoted by IDEA-NEW across its selected value chains.

Twenty five farmers bought subsidized two wheel tractors (2WT) from IDEA-NEW—ten in October and 15 in November. Each completed the mandatory five days of operation, maintenance and safety training before receiving their new tractor. They were then linked with an IDEA-NEW established 2WT workshop capable of providing future maintenance support. Altogether, 284 northern farmers purchased 2WTs from IDEA-NEW between 2010 and 2013.⁸

IDEA-NEW distributed 300 goggles, 500 pairs of gloves, 58 lever arms for digging, 155 wire grippers and 60 assorted spare parts for 2WTs to Sabz Baba Yadgar and Samerqandyan agriculture cooperatives in Balkh, Sanawi Almar in Faryab and Asiabad in Sari Pul to support their future commercial land leveling services to local wheat farmers. These four groups leveled a total of 20.7 ha for local farmers in October and November, which brought the total amount of land leveled during IDEA-NEW to 130.3 hectares.

⁸ Farmers contributed 63% of the tractor's cost.

STRENGTHENING AGRICULTURE INFRASTRUCTURE

The construction of a 100-meter stone masonry protection wall along the back of the Badghis Wholesale Market in Qala-e-Now city was finished in early October. In the same month, IDEA-NEW finished rehabilitating the Yaghiband micro hydro power project in Deh Bala district of Nangarhar province, which provides electricity to 225 households in Salira, Koz Yaghiband and Bar Yaghiband villages in Deh Bala. An 80 meter portion of the plant and parts of the turbine and dynamo were damaged because of high floods and IDEA-NEW completed necessary repairs after receiving a request for assistance from village elders.

The reconstruction of the Abezai Bridge, which was partially destroyed in February 2013 in an insurgent attack, was also completed with the reconstruction of two 17 meter long reinforced concrete girders and 17 reinforced concrete slabs. This activity was completed in close coordination with the Laghman Governor's office, which provided 40% of the cost of the activity. IDEA-NEW handed over these items to the Laghman Department of Rural Rehabilitation and Development in November for installation at the work site.

Construction of two root cellars in Bilchiragh and Pashtun Kot districts in Faryab province was completed in October. Each cellar will be used by up to 100 potato growers to store a maximum of 1,500 kg of improved seed potatoes for next season. IDEA-NEW held two handover ceremonies in Faryab province where it turned over management and maintenance of two root cellars to DAIL officials and community leaders. Events were held in Oshlar village (Bilchiragh district) on November 3 and in Jamshidi village (Pashtun Kot district) on November 4 and were attended by 15 and 20 people, respectively.

All of IDEA-NEW's infrastructure projects were completed by October 31, 2013. However, two IDEA-NEW engineers continued to monitor installation at the Abezai Bridge work site through July 2014, and provided technical advice to the construction company. IDEA-NEW also coordinated with RRD and other local authorities in Laghman to monitor and report progress.

Part 2 – Activity Plan No. 5 Preparation and Implementation (March 1– September 30, 2014)

The below text provides updates per activity based on the USAID-approved IDEA-NEW Activity Plan No. 5.

ACTIVITY 1: STRENGTHENING AGRICULTURAL INPUT SUPPLIERS

Sub-Activity 1.1: Train input suppliers to identify and respond to the technical needs of their customers

Under *Sub-Activity 1.1*, IDEA-NEW helps input suppliers sell quality goods and services that are both profitable and that address key production constraints. This is accomplished via 1) market analysis via field surveys, interviews and focus group discussions between farmers and input suppliers; and 2) integrated pest management (IPM) and pesticide safety training to input suppliers.

In April, a questionnaire was administered to agricultural input wholesalers, food processors⁹ and retailers from all seven target provinces to prioritize their training needs. Sixty three agribusinesses from Kunar, Nangarhar and Laghman provinces and 85 from Kabul, Kapisa, Panjshir and Parwan completed the needs assessment.¹⁰ The deadline for Kabul- and Jalalabad-based training providers to submit their proposals for

⁹ See Section 2.1 for information regarding training for food processors.

¹⁰ Forty one of the Eastern-based businesses and 63 from the Central provinces responded to IDEA-NEW's EOIs and the rest were prospective applicants found via AISA and NCCI.

offering pesticide safety to input suppliers in IDEA-NEW's target provinces was May 14. A total of five proposals were received and reviewed for the pesticide training.¹¹

During the fourth quarter of FY2014, IDEA-NEW received USAID VSU approval for the selected vendor, the Green Afghanistan Agriculture and Livestock Organization (GAALO), to provide trainings for selected input suppliers to improve their knowledge of safe pesticide usage, environmental risk mitigation methods, and hazard-free pesticide handling storage. The trainings will increase input suppliers' knowledge of pesticides approved under the Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP). GAALO will provide classroom and on-site field trainings on pesticide usage and safety that will:

- Expand agricultural input dealers' knowledge of MAIL's pesticide regulatory process;
- Reduce the environmental risks of agricultural pesticide use;
- Introduce new and safe pesticides that conform to PERSUAP guidelines.

A Fixed Obligation Grant (FOG) was awarded to GAALO in August to provide pesticide safety and handling training to at least sixty (60) trainees from IDEA-NEW selected Ag-input dealers.

The training for 15 employees of 10 input suppliers (6 from Kabul, 2 from Parwan and 2 from Kapisa) began on September 28, 2014. The five-day training consisted of three days in the classroom and two days of on-site field training at the Badam Bagh research farm. GAALO will conduct this same training for Ag-input dealers in Jalalabad during the month of October.

Sub-Activity 1.2: Improve the business management, administration and marketing capacities of input suppliers

Under *Sub-Activity 1.2*, IDEA-NEW plans to provide basic business accounting and marketing training to sixty (60) staff from twenty (20) competitively selected input suppliers in order to improve beneficiaries' capacity to manage their business and improve profitability. This training is also a requirement for all matching and promotional grant recipients. The deadline for Kabul- and Jalalabad-based training providers to submit their proposals was May 14. A total of 15 proposals were received and reviewed.¹²

During the month of August, IDEA-NEW finalized the review and selection of the training provider and selected Reconstruction and Social Services for Afghanistan Organization (RSSAO) out of nine (9) applicants. In September, IDEA-NEW received USAID VSU approval for RSSAO and a FOG agreement was signed. The basic business accounting and marketing will:

- Expand trainees' knowledge in accounting procedures that will improve operations, transparency, and decision making abilities;
- Enable trainees to create and implement a simple marketing strategy to increase sales of the key products of the company.

Sub-Activity 1.3: Matching and promotional activity grants to assist agriculture input dealers in improving their business image, extension capabilities and profits

In anticipation of its no-cost extension, IDEA-NEW staff released an EOI to 500 local agriculture input suppliers, wholesalers and food processors to solicit information and gauge interest in participating in

¹¹ Three pesticide safety proposals were submitted to IDEA-NEW's Kabul office and two in Jalalabad.

¹² Six training firms in Jalalabad and nine in Kabul responded to the accounting and marketing request for proposals.

NCE period activities—to include training, technical assistance, matching grants and/or promotional activity grants. Staff contacted prospective grantees to tell them that the EOI would be posted on IDEA-NEW's website and hard copies would be available at IDEA-NEW's Kabul and Jalalabad offices as well as local GIRoA offices, namely DAIL, Department of Economy (DoE) and the Department of Women's Affairs (DoWA) as well as the AISA office in Nangarhar. Members of IDEA-NEW's GIRoA liaison team personally delivered hard copies of the EOI to GIRoA offices and explained their purpose to government staff who then distributed them to appropriate companies in their districts. Completed EOIs were due back to IDEA-NEW's Kabul and/or Jalalabad offices no later than March 15 with staff reviewing returned forms on a rolling basis. A total of 278 firms responded to the EOI for support during the NCE period.

IDEA-NEW held pre-application conferences in Kabul and Jalalabad on April 9-10 for the first group of potential applicants—both agriculture input suppliers and food processing companies—who submitted EOIs for grants in March. Twenty four businesses attended the Kabul meeting and 35 came to IDEA-NEW's Jalalabad offices and were briefed by grant and agribusiness personnel on the application process and received the request for applications. By the end of April, 32 input suppliers and food processors submitted a grant application—15 in Kabul and 17 in Jalalabad.

IDEA-NEW hosted pre-application conferences for screened grant applicants on May 21 in Kabul for 29 attendees while the Jalalabad meeting took place the following day with 43 attendees. Program staff explained the request for application form, branding and other requirements that grantees will have to meet and answered participants' questions.

Once the EOIs were received, IDEA-NEW began the application review process for selection of input suppliers for matching and promotional grants. IDEA-NEW's process for selecting input suppliers (as well as food processors)¹³ for matching and promotional grant activities begins with a notice issued by IDEA-NEW inviting prospective grantees to submit EOIs. A deadline for the submission of EOIs is announced and, once received, EOIs are evaluated for relevance to IDEA-NEW targeted value chains and objectives. IDEA-NEW then issues requests for applications (RFAs) for promotional, matching (e.g. equipment) and SMS grants. Applications are reviewed by an evaluation committee consisting of members of the Contracts, Grants and Procurement, M&E and the Agribusiness teams. During the reviews, the committee members determine whether each application meets the minimum standard criteria. Once provisionally approved by the committee, the application goes to the Agribusiness team for clarification and amplification. During this clarification process, IDEA-NEW staff visit the applicant to determine the economic feasibility of the grant activity, as well as to assess the degree of innovation, shared risk and sustainability of the proposed grant activity. In addition, the team clarifies the costs and negotiates the cost-share arrangement (a minimum 25% cost-share is required). To ensure transparency during the grant application process, IDEA-NEW's M&E team also visits each applicant to verify the information in both the application and clarification documents.

Typically, promotional grants involve various marketing materials, including posters, signboards, billboards, scripted radio advertisements, pens, caps, keychains and business cards, aimed at helping the businesses promote their products/services, increase brand awareness, and attract new customers.

¹³ See Sub-Activity 2.3 for information on food processors.

Matching grants typically include the procurement and delivery of capital equipment aimed at increasing the business’ production capabilities. Additionally, in an effort to further build the capacity of participating input suppliers, grantees must agree to participate in integrated pest management (IPM) and pesticide safety, business development and marketing trainings as a condition of the agreement.¹⁴

For the majority of promotional and matching grants, part of the grantee’s cost-share includes the conducting of farmer field days, aimed at both promoting the businesses’ products/services and sharing their knowledge and expertise on various agricultural techniques with the local farming community, who they see as potential future customers for their products/services.

From June through September, IDEA-NEW evaluated 37 matching grant applications and 25 promotional grant applications submitted by input suppliers. Thirteen matching grants and 23 promotional grant applications were recommended for the clarification phase, with the rest disqualified based on pre-established criteria.

Grants were signed during the months of June through September with the following 25 input suppliers, for six matching grants and 19 promotional grants:

COMPANY NAME	DATE	GRANT TYPE
Hamesha Bahar Agriculture Company	12-Jun-14	Matching
Nangarhar Afghan Agriculture Training Center (NATC)	12-Jun-14	Matching
Prosperity Group of Companies (PGC)	29-Jun-14	Matching
Said Khil Nursery Growers Association (SNGA)	29-Jun-14	Matching
Hayatullah Nursery Farm	13-Jul-14	Promotional
Kunar Fruits and Vegetables Wholesalers	13-Jul-14	Promotional
Al-Roheed Agro Services Company	13-Jul-14	Promotional
Now Bahar Salarzai Ltd.	13-Jul-14	Promotional
Kama Green Agri Development Company	13-Jul-14	Promotional
Abdul Wakil Agriculture Company	13-Jul-14	Matching
Samsoor Ban Agriculture Company	13-Jul-14	Matching
Parwan Bastan Improved Seed Company	15-Jul-14	Promotional
Royan Agriculture Services Company	15-Jul-14	Promotional
Laghman Fruit and Vegetable Wholesalers Association	14-Aug-14	Promotional

¹⁴ For food processors, food safety and hygiene training is also a condition of the grant agreement, in addition to business development and marketing training. See sub-activities 2.1, 2.2, and 2.3.

Tasal Jawad Limited	19-Aug-14	Promotional
Wasiq Imran Fruit and Vegetable Wholesaler	19-Aug-14	Promotional
Manzoor Sahil Fruit and Vegetable Wholesaler	19-Aug-14	Promotional
Afghan Agro Services	03-Sep-14	Promotional
Helal Hadawal Agro Services Company	18-Sep-14	Promotional
Laghman Medical Store	18-Sep-14	Promotional
Bakhtar Afghan Agro Services Company	18-Sep-14	Promotional
Wajid Zaman Agriculture Company	18-Sep-14	Promotional
Falak Niaz Barakzai Agriculture Company	18-Sep-14	Promotional
Omid Irfan Nisar Ltd.	28-Sep-14	Promotional
Aslamzada Agriculture Services	29-Sep-14	Promotional

As at the end of the reporting period, the above grants were under different phases of implementation, including design of promotional materials, procurement of materials and equipment, conducting of field days, and hiring of staff. For more detailed information on each grantee and their activities, please refer to the relevant IDEA-NEW monthly report.

Sub-Activity 1.4: Introduce pilot SMS marketing strategy for input wholesalers

IDEA-NEW's SMS initiative is an innovative approach working to ensure that commercially sustainable agriculture information is delivered to farmers in a timely, cost-effective and efficient manner. The overall objective of the system is to market agriculture inputs through mobile messaging in IDEA-NEW targeted provinces, and to organize field days for introducing new varieties, products, and tools to farmers in targeted areas. The system benefits the input suppliers by providing easy and effective means of marketing and advertising, which helps increase their sales and profitability. Local input suppliers and wholesalers are the owners of the system—they sign agreements directly with the media technology firm and send messages to dedicated groups. IDEA-NEW supports the process by providing overall guidance on program design and facilitating the linkage between SMS service providers and wholesalers.

On February 9, Kabul-based staff met with two telecommunication companies, MTN and Etisalat, to discuss the technical requirements for setting up a system that would allow retailers and wholesalers to disseminate agriculture-related information, marketing and payment options to consumers via text messages. Program personnel also organized meetings at IDEA-NEW's Jalalabad and Kabul offices on February 20 and 24, respectively, for input suppliers to introduce the SMS-based marketing system. Agribusiness staff explained how the system would work, its potential benefits and then answered attendees' questions.

In preparation for the launch of IDEA-NEW's SMS marketing pilot project, agribusiness staff in Jalalabad and Kabul surveyed 69 retailers, 38 wholesalers and 321 farmers in Nangarhar, Laghman,

Kunar, Kabul, Parwan, Kapisa and Panjshir provinces during the month of April.¹⁵ The purpose of the survey was to gather stakeholders’ opinions on the benefits and potential sustainability obstacles facing the pilot project. Collected data was analyzed and shared at pre-application conferences that took place in mid-May. Representatives from 26 input wholesalers attended the conferences to learn about the pilot project. These meetings took place on May 12 in Kabul and May 14 in Jalalabad at IDEA-NEW’s offices. Program staff explained how the project would help wholesalers share agriculture and marketing information with targeted farmers in a timely, cost effective and efficient manner and also explained the success of similar systems in India and Zambia, grant eligibility criteria and the application process. Participants in both locations then engaged in a lively question and answer session and received copies of the grant application. Completed proposals were due to IDEA-NEW on June 2, 2014.

From June through September, eight SMS grant applications were evaluated and five were recommended by the committee for the clarification phase. Five SMS grant agreements were signed in the reporting period. As at the end of September, one additional application is pending VSU approval.

COMPANY NAME	DATE	GRANT TYPE
Bakhtar Afghan Agro Services Company	03-Jul-14	SMS
Wajid Zaman Agriculture Company	03-Jul-14	SMS
Hussain Zada Ltd.	22-Jul-14	SMS
Hamesha Bahar Agro Services Company	17-Aug-14	SMS
Now Bahar Salarzai Ltd.	07-Sep-14	SMS

As part of their grant agreements, employees from each of the five businesses participated in SMS information training and PERSUAP training at the IDEA-NEW offices in Kabul and Jalalabad. During the SMS information training, Paywast installed the SMS platform on the computers provided to SMS grantees, and participants learned how to create groups, draft SMS messages and send them to targeted audiences. SMS messages include alerts to farmers relating to location and crop specific timing of pesticide and fertilizer application, availability of agriculture inputs, latest crop information and the location of provider-sponsored field days and other demonstration and training activities. PERSUAP training is offered by IDEA-NEW to build capacity and educate input suppliers on the safe use of pesticides, as well as how to mitigate hazards.

IDEA-NEW supports this initiative for the first six months and handover to the grantee occurs as part of the sustainable cost-share arrangement according to the following schedule:

- IDEA-NEW provides training on technology and message creation, supporting a maximum of two farmer trainings/demonstrations and fully funds (100%) the system for months 1 and 2.
- IDEA-NEW partially funds (75%) the system for months 3 and 4.
- IDEA-NEW partially funds (50%) the system for months 5 and 6.

¹⁵ Jalalabad-based staff surveyed 44 retailers, 12 wholesalers, and 154 farmers between April 17-27 while the Kabul team spoke with 25 retailers, 26 wholesalers, and 167 farmers from April 21-24.

So far, approximately 50 unique messages have been sent by these grantees, reaching over 8,000 individual farmers in IDEA-NEW target provinces. *For more detailed information on each grantee and their activities, please refer to the relevant IDEA-NEW monthly report.*

ACTIVITY 2: SUPPORTING FOOD PROCESSORS

Sub-Activity 2.1: Train food processing companies in basic food safety and hygiene

IDEA-NEW finalized the review and selection of a training provider for the Basic Food Hygiene Safety Training to Food Processors in Central and Eastern Afghanistan, and selected RSSAO out of five (5) applicants. On September 14, 2014, IDEA-NEW signed a FOG grant agreement with RSSAO for training of forty (40) employees of forty (40) food processing companies from IDEA-NEW targeted provinces. RSSAO will implement the Basic Food Safety and Hygiene for Food Processors in Central and Eastern Afghanistan over a 120-day period. IDEA-NEW will select agribusinesses and provide survey responses and other relevant documentation to RSSAO for review. As soon as the curriculum is developed and approved by IDEA-NEW, RSSAO will begin the trainings.

This training for selected food processors will improve their knowledge of food safety and hygiene through classroom and on-the-job training covering the following topics:

- Basic food safety and hygiene for food processors based on Hazard Analysis and Critical Control Points (HACCP) principles;
- Consulting and mentorship services to trainees on HACCP principles;
- Preparation of a Hazard Analysis (HA) for each firm to determine the food safety hazards and identify the preventive measures needed to mitigate these hazards;
- Identification of Critical Control Points (CCP) in food processing facilities and controls to prevent, eliminate, or reduce risks to acceptable levels;
- Developing a complete HACCP plan for each applicant firm during on-site training and mentorship.

The training program will consist of three phases with specific activities and deliverables. RSSAO will use the data provided by IDEA-NEW to develop a training package tailored to the strengths and weaknesses of the selected agribusinesses. Classroom activities will be interactive in nature and moderated to assist participants with the development of food safety and quality techniques.

Sub-Activity 2.2: Train food processing companies in basic business accounting and marketing

Under *Sub-Activity 2.2*, IDEA-NEW plans to provide basic business accounting and marketing training to 180 staff from sixty (60) food processors. This includes the forty (40) food processors for *Sub-Activity 2.1* and an additional twenty (20) from smaller and/or start-up food processors that were not selected for HACCP training. As agricultural input suppliers and food processors are combined in this training, please see *Sub-Activity 1.2* for additional information.

Sub-Activity 2.3: Matching and promotional activity grants to assist food processors in improving their business image, extension capabilities and profits

For background information on IDEA-NEW's process for selecting food processors for promotional and matching grant activities, please see *Sub-Activity 1.3*.

From June through September, IDEA-NEW evaluated 32 matching grant applications and 19 promotional grant applications submitted by food processors during the quarter. Twenty-four matching grants and 17 promotional grant applications were recommended for the evaluation phase, with the rest disqualified based on pre-established criteria.

Grant agreements were signed during the months of June through September with the below 15 food processors, for six matching grants and nine promotional grants:

COMPANY NAME	DATE	GRANT TYPE
Farah Farhat Faizi (3F) Processing Company	29-Jun-14	Matching
Gift to Zest Food Production Company	13-Jul-14	Promotional
Khalid Laziz Nonalcoholic Beverages Production	13-Jul-14	Promotional
Faisal Kohistani Food Processing Company	15-Jul-14	Promotional
Amini Sadri Ltd.	15-Jul-14	Promotional
Bahar Biscuits Manufacturing Company	22-Jul-14	Matching
Wahdat Afghan Nonalcoholic Beverages Production Company	14-Aug-14	Promotional
Haidar Rafat Ltd.	18-Aug-14	Matching
Afghanistan Industrial Association	04-Sep-14	Promotional
Faisal Kohistani Food Processing Company	04-Sep-14	Matching
Khalid Laziz Nonalcoholic Beverages Production	18-Sep-14	Matching
Barna Group Chips Production	28-Sep-14	Promotional
Farah Farhat Faizi (3F) Processing Company	28-Sep-14	Promotional
Khalid Faizan Food Production Company	28-Sep-14	Matching
Mahan Ferdous Food Production Company	30-Sep-14	Promotional

As at the end of the reporting period, the above grants are under various phases of implementation, including design of promotional materials, procurement, conducting of field days, and hiring of staff. For more detailed information on each grantee and their activities, please refer to the relevant IDEA-NEW monthly report.

¹⁶ An in-kind, matching grant was signed with Bahar Biscuits for equipment recovered from a former grantee (Omar Farooq Ltd.) who was unable to use the equipment.

ACTIVITY 3: SUPPORT DOMESTIC AGRIBUSINESSES' EFFORTS TO IMPORT KEY INPUTS AND FACILITATE MARKET ENTRY FOR REGIONAL AND/OR INTERNATIONAL AGRIBUSINESS RETAILERS

Sub-Activity 3.1: Identify key product needs of domestic food processors and input suppliers and match them with regional/international retailers

Under *Sub-Activity 3.1*, IDEA-NEW continues collaboration with other donor and USAID-funded projects to identify prospective international ag-input suppliers and equipment distributors wishing to enter the Afghan market. IDEA-NEW also assists in facilitating linkages with domestic retailers/partners and, as part of the in-kind grant program, will evaluate the possibility of an award to an Afghan agriculture supplier that wishes to enter into a business partnership with a regional and/or international producer.

In an effort to address the scarcity of high quality packaging in the Afghan market, IDEA-NEW facilitated a meeting between Amini Sadri Ltd. and Royan Agricultural Services Company during the 2014 Ag-Fair. Amini Sadri manufactures plastic packaging materials and exports locally produced fresh fruits and vegetables to India, UAE, Bahrain, and Saudi Arabia, while Royan Agriculture Services Company produces peppers, tomatoes, cucumbers and chilies. During the meeting, Amini Sadri agreed to export an initial 10 kg sample of Royan products to Bahrain. If the samples are accepted in the Bahrain market, Amini and Royan will sign a formal agreement for additional exports.

Sub-Activity 3.2: Promote partnerships between domestic input suppliers, processors, distributors, retailers and financing bodies

This sub-activity is centered around B2B meetings aimed at strengthening agricultural markets by facilitating connections between traders, buyers and producers that will continue after IDEA-NEW programming ends.

During the quarter, IDEA-NEW facilitated over 40 B2B meetings organized by IDEA-NEW during the 2014 Ag-Fair, the details of which are included in the Ag-Fair Report submitted to USAID on October 02, 2014. IDEA-NEW also facilitated four independent B2B events.

- On June 25, 2014, IDEA-NEW organized a B2B meeting in Kabul between two woman-owned food processors (3F and Faisal Kohistani Ltd.) and one large scale buyer (Finest). As a result of the meeting, both food processors directly negotiated with Finest for placement of products (jam, pickle, chutney, tomato paste) into their supermarket stores.
- On July 22, 2014, IDEA-NEW facilitated a B2B meeting in Kabul between five agribusiness companies. During the meeting, the participants discussed their business needs and several companies agreed to hold future meetings to finalize business deals. One of the food processors who participated in the meeting expressed its interest in producing baby cucumber pickle for the Afghan market, which is difficult to find in Kabul and neighboring provinces. One of the other agribusinesses stated that his company may be able to meet this demand, and agreed to meet separately with the food processor to further discuss a business deal.
- On August 25, 2014, IDEA-NEW organized a B2B meeting in Jalalabad between five food processing companies and a manufacturer of bottles and lids. The meeting resulted in verbal

commitments from two processing companies to purchase approximately \$20,000 of bottles from the newly established bottle manufacturer.

- On September 10, 2014, IDEA-NEW conducted a B2B meeting in Jalalabad between eight food processing companies and a distributor of Afghan processed foods. During the meeting, all eight companies agreed to supply their products to the distributor, who agreed to hold meetings with each food processor to negotiate contract terms and conditions. The distributor also agreed to develop a distribution plan for the products of these eight companies, to be discussed during individual meetings.

Sub-Activity 3.3: Assist regional/international agriculture suppliers to realize the potential of the Afghan market

Under this sub-activity, IDEA-NEW provides vital technical support to help regional and/or international firms enter the Afghan marketplace. Starting in June, IDEA-NEW supported the Kapisa Farm Services Center (KFSC) and the Logar Farm Services Center (LFSC) as they continued negotiations with Falcon, a supplier of laser land leveling machines based in Pakistan. IDEA-NEW provided support to KFSC and LFSC in providing market information to Falcon and promoting KFSC and LFSC as potential distributors for Falcon land levelers. Falcon asked KFSC and LFSC to conduct a survey to measure the demand for laser land leveling equipment in Afghanistan. IDEA-NEW will continue to support KFSC and LFSC and facilitate further negotiations with Falcon during the first quarter of FY2015.

The Aishwaria Seeds Production Company, based in the state of Andhra Pradesh in India, produces certified vegetable seeds and is exploring ways of entering the Afghan market. Based on B2B meetings at the 2014 Ag-Fair, Aishwaria sent information and seed samples to IDEA-NEW. IDEA-NEW will organize preliminary meetings in October with Afghan input suppliers to determine their interest in partnering with Aishwaria.

ACTIVITY 4: CROSS CUTTING

Sub-Activity 4.1: Mentoring support to all beneficiaries

One of IDEA-NEW's roles under this sub-activity is to facilitate and coordinate interactions between buyers and sellers, GIROA and agribusinesses. IDEA-NEW staff engage in the following activities to fulfill this role:

- Attending farmer field days and ensuring coordination with and participation of MAIL/DAIL, which is sometimes overlooked by the input suppliers hosting field days;
- Working with grantees when organizing trainings and activities, and ensuring the participation of MAIL/DAIL;
- Providing GAALO and RSSAO trainers with information on the agribusiness trainees to increase the effectiveness of training programs and ensuring that curricula are tailored to the specific needs of the trainees;
- Attending Provincial Development Council (PDC), Technical Working Group (TWG) and other coordination-level meetings to share information and avoid duplication of efforts;
- Facilitating and organizing B2B linkages between input suppliers and processors;
- Providing technical assistance for all IDEA-NEW grantees (2014 and prior) on specific issues faced by grantees and inviting them to trade fairs and training programs sponsored by IDEA-NEW or other implementing partners;

- Providing information to other implementing partners to avoid duplication of efforts and ensuring that grantees are able to avail themselves of other services provided by the public and private sectors in Afghanistan.

Sub-Activity 4.2: Continued IDEA-NEW and GIRoA Collaboration

Please see Annex IV for a complete listing of GIRoA meetings attended by IDEA-NEW representatives during FY2014.

ACTIVITY 5: MANSFIELD POPPY CULTIVATION STUDY

David Mansfield of Mansfield International, Inc. travelled to Afghanistan on September 5, 2014 for two weeks to conduct the second phase of fieldwork for the “Impact on Poppy Cultivation in Nangarhar Province Study”. Dr. Mansfield visited the IDEA-NEW office in Jalalabad on two separate occasions to meet with project management and staff.

The purpose of the study is to determine the extent to which IDEA-NEW’s approach to alternative development helped contribute to poppy reduction in Nangarhar province. The focus of the study will be at the household as well as district and provincial levels, and will include how women have been affected by such approaches.

CROSSCUTTING THEMES

The sections below provide updates on both Activity Plan periods, covering the entirety of FY2014.

Gender

Per Activity Plan No. 5, IDEA-NEW strives for a minimum of 10% of program participants to be woman-owned and/or operated businesses. As of the end of September 2014, 8% of IDEA-NEW grantees are woman-owned and/or operated.

IDEA-NEW’s gender work emphasized capacity-building and culturally appropriate income-generating opportunities for women wherever possible. In the North, these efforts focused primarily on the silk value chain projects. In the Northeast, it included activities such as home-based greenhouse vegetable cultivation, vegetable cultivation, poultry farming, silkworm rearing and pickle-making. The feedback received from beneficiaries showed that they were happy to have discovered new livelihoods, particularly in poultry farming and home-based vegetable cultivation. A total of 1,505 women in Baghlan, Badakhshan, Takhar and Kunduz provinces received training and inputs via IDEA-NEW’s gender activities.

IDEA-NEW’s gender staff held four trainings for 16 DoWA staff in Kapisa, Parwan, Panjshir and Nangarhar provinces on how to prevent and control vegetable diseases in greenhouses. Trainings were held at the DoWA compounds in Kapisa (October 9), Parwan (October 22), Panjshir (October 25) and Nangarhar (October 29). The following month, program personnel distributed the Taraqi Saba program curriculum and training materials to the Kapisa, Parwan, Panjshir, Laghman, Kunar and Nangarhar Departments of Education and to 33 high schools in these six provinces. Each of these institutions requested the materials and expressed interest in continuing Taraqi Saba on their own.

Agribusiness and M&E team members distributed solar- and battery-powered wool spinning machines to 75 women in Nangarhar province—15 in Samarkhail village (Behsud district), 30 in Sheikh Misri (Surkhrod) and 30 in Chmtala (Khogyani)—in November. All women were trained to operate the

machines. Using these machines instead of spinning by hand can triple women's production and also produces a higher quality thread.

PARSA continued to train "Trade Afghan" agribusinesses in Parwan, Kapisa, Panjshir and Nangarhar provinces throughout the reporting period. A total of 803 women completed PARSA's 'Emerging Leaders' training module, which taught business owners and directors of associations and cooperatives how to train their employees and members to increase productivity, improve product quality and expand into new markets. Eleven trainings were held between early October and early December, followed by the final component of Trade Afghan's training program, in which trainees organized exhibitions in their provincial capitals. PARSA attended the initial meetings for each exhibition in Nangarhar, Parwan and Kapisa, and provided guidance when requested.¹⁷ The purpose of the exhibitions was to have leaders help their producers, cooperative members and associates market their products, which included all Trade Afghan certified products and other products made by local women. With minimal PARSA support, trainees successfully organized these events and attracted local attention and support. The trainees were particularly successful in attracting the support of local GIROA officials and other businessmen and women.

The Nangarhar exhibition took place on December 11, 2013 and was advertised on local TV and radio. Approximately 150 visitors came to see the products of 110 beneficiaries. Ninety-five visitors, including the Deputy Provincial Governor, Directors of DAIL, DoWA, Department of Law, DoE and the Chamber of Commerce came to the exhibition in Parwan on December 17 and saw the products of 27 Trade Afghan participants. In Kapisa, 102 beneficiaries displayed their products for nearly 200 visitors on December 18. Once again, GIROA was well represented at the event.

PARSA trainers also worked with female Trade Afghan business leaders in October to train supervisors and producers on production, planning for spring planting season, product pricing and sales agreements that specified the required quality of fresh produce, when producers would be paid, and guarantees that producers would not sell to other buyers.

Also during the reporting period, PARSA marketed Trade Afghan products and negotiated agreements with one international retailer and six retailers in Kabul. It established linkages with new retail outlets interested in selling Trade Afghan products. Between June and December 2013, the Trade Afghan project trained 1,921 women on leadership, workforce training, agriculture and hygiene, certified 105 products (with an additional 37 currently in the certification process), and generated 3,125,937 AFN (\$58,045) in sales for beneficiaries.¹⁸ December 31 marked the end of IDEA-NEW's sub-contract with PARSA.

The IDEA-NEW team held meetings with the DoWA and the Nangarhar Women Business Center (NWBC) on June 14 and 18 to explain its grants program for woman-owned agribusinesses. Both organizations promised to distribute EOI forms to potential businesses. On June 25, 2014, IDEA-NEW organized a B2B meeting in Kabul between two woman-owned food processors (3F and Faisal Kohistani Ltd.) and one large scale buyer (Finest). As a result of the meeting, both food processors negotiated directly with Finest to stock jam, pickle, chutney and tomato paste products in its supermarkets.

¹⁷ The Panjshir Trade Afghan beneficiaries (who are primarily from informal cooperatives) decided to join the Parwan exhibition because they did not have the support of the Panjshir Department of Women's Affairs early in the project.

¹⁸ With 17 of 20 beneficiary organizations reporting in the 4th quarter of 2013.

A number of training activities for women also took place at the end of FY2014. Under its matching grant agreement, Farah Farhat Faizi Ltd. (3F)'s trained 30 women to weave straw baskets in September. 3F plans to purchase baskets from the newly trained women for fruit and vegetable packaging. Providing better protection for fruit and vegetables, these baskets will replace 3F's current plastic shopping bags.

Haidar Rafat Ltd. trained 45 women to sort, grade, dry and package apricots for export. Previously unskilled, these women gained sufficient processing skills to assist in responding to foreign demand for Afghan dried fruits.

Sustainability and Capacity Building

Improving program participants' knowledge and skills via theoretical and practical trainings can have an immense impact on farm productivity and profitability. IDEA-NEW implemented a training program to build the capacity of beneficiaries in its three regions. This continued in October, with the delivery of a day-long training in market assessment and business plans for 153 beneficiaries including lead farmers, input suppliers, heads of local farmer cooperatives, traders, wholesalers and DAIL and DoE employees in the four northeastern provinces.

In addition to offering capacity building trainings and technical support, IDEA-NEW collaborated with local DAILs to enable government staff to learn about the design and rationale of program interventions and its private sector-driven approach to sustainable development. Engaging DAIL representatives in key project implementation stages, from beneficiary selection, PSP identification, input distribution, farmer trainings to field monitoring visits, has proven to be an effective capacity building exercise in that GIRoA personnel gain exposure to farmers and are encouraged—both by beneficiaries' feedback as well as seeing the positive impact modern techniques have on harvests and subsequent sales—to continue endorsing the best practices promoted by IDEA-NEW.

IDEA-NEW's Institutional Capacity Development (ICD) unit conducted a project management training session for 112 GIRoA officials from the provincial governors' offices, DAILs, DoWAs and DoEs in Nangarhar and Laghman provinces in October. This training consisted of two components, beginning with a five-day classroom session that introduced participants to project management concepts, needs assessment and project planning methods, project implementation, M&E and closeout. This was followed by five days of on-the-job training where ICD staff members coached trainees in applying these methods in their day-to-day interactions with farmers.

ICD conducted a four-day agribusiness and marketing training for 22 Kapisa DAIL employees on October 6–9. Held in the DAIL compound, the training covered an introduction to agribusiness, value addition in agriculture, agricultural marketing, entrepreneurship and management, business plans and overviews of food quality and safety and farm management economics. After classroom sessions, participants went out to the field to practice grading, sorting and packing. This training was repeated for 22 DAIL staff in Parwan province on October 21–24.

ICD also conducted two-day trainings on fruit tree pruning and grafting for 44 DAIL staff in Kapisa and Parwan provinces on, respectively, October 23-24 and October 28-29.¹⁹ This training was designed to increase the ability of newly hired district-level staff to teach orchard growers how to prune and graft fruit trees to increase productivity and disease resistance. The training focused on pome fruit (e.g. apples), nuts, citrus and stone fruits.

¹⁹ Twenty two new DAIL employees from each province attended.

On April 14, two members from IDEA-NEW's agribusiness teams attended a workshop in Jalalabad hosted by Agricultural Credit Enhancement/Agricultural Development Fund (ACE/ADF) to discuss Afghanistan's export procedures and identify constraints. This event brought together local farmers, exporters, agribusinesses, custom house officials, transportation companies, representatives from DAIL, Nangarhar Chamber of Commerce and Industry (NCCI) and AISA as well as ACE/ADF and Commercial Horticulture and Agricultural Marketing Program (CHAMP) programs. IDEA-NEW staff gave a presentation on its efforts to boost exports.

The sustainability of IDEA-NEW interventions per Activity Plan No. 5 are summarized below.

The sustainability of IDEA-NEW interventions under **Activity 1** are based upon the premise that when input suppliers view farmers as potential customers, any increase in yields and profits by farmers will increase demand for additional agricultural inputs from suppliers. Under this win-win relationship, the role of IDEA-NEW is to facilitate the linkages between input suppliers and producers through targeted interventions that 1) improve the ability of private commercial input suppliers to provide extension and training to growers; and 2) improve the business management, administration and marketing capacities of input suppliers so that they can reach a broader customer base so that they can sell more product to farmers.

The sustainability of IDEA-NEW interventions under **Activity 2** are based upon two premises: 1) it is the markets - not donor funding - that determines whether or not a particular processor will grow or stay in business; and 2) if Afghan processors cannot compete against imported goods in their home market, they will never be competitive against the same products in foreign markets. The role of IDEA-NEW is to assist processors in improving business practices, developing realistic marketing plans, improving hygienic practices, facilitating linkages with raw material suppliers, facilitating linkages with domestic retailers, and in facilitating linkages with sources of financing.

The sustainability of IDEA-NEW interventions under **Activity 3** is based upon the premise that the Afghan market offers attractive opportunities for foreign direct investments and partnerships. IDEA-NEW's role is not to procure new equipment and technologies from abroad, but to assist Afghan input suppliers and processors to establish sustainable commercial linkages with international clients. Program interventions focus on interventions that increase the capacity of Afghan firms to partner with and source from international suppliers in order to provide improved goods and services to farmers, consumers and other value chain participants.

PLANNED FOR NEXT REPORTING PERIOD

IDEA-NEW will continue to work toward meeting its targets in accordance with the USAID-approved Activity Plan No. 5. Specifically, the team will complete the issuance of new grants and provide support to grantees prior to the ending dates of all grant agreements for promotional, matching, SMS, and training activities. All grant activities are currently scheduled to complete in late-December to mid-January. IDEA-NEW's M&E team will continue to collect and consolidate indicator information from these beneficiaries. In addition, preparation for the anticipated project completion date of February 28, 2014 will commence during the first quarter of FY2015.

IDEA-NEW will continue discussions with USAID regarding an extension to the project's time frame, including the formal submission of an application for a seven-month no-cost-extension (NCE) period. The seven month No Cost Extension (NCE) request with accompanying budget was submitted to USAID by DAI headquarters in Bethesda, Maryland on October 28, 2014. Should the NCE proposal be accepted by

USAID and a formal extension granted, IDEA-NEW will cease closedown activities and prepare a new Activity Plan for review by USAID.

LESSONS LEARNED

During FY2014, two external assessments were conducted on IDEA-NEW's activities.

Annual/Endline Survey

During late 2013 and early 2014, RSI Consulting conducted a rural household survey in IDEA-NEW's 12 targeted provinces²⁰ to identify and measure the impacts of IDEA-NEW programs. A summary of findings and IDEA-NEW's analysis are provided below.

From 2009-2011, IDEA-NEW used a broad range of resources in its toolkit to achieve program objectives: infrastructure construction and rehabilitation, technical assistance in crop and livestock production, subsidized production inputs, grants and training. It addressed constraints in a wide variety of crops and livestock. During 2012-2013, IDEA-NEW completed its infrastructure program and reduced its scope in order to focus on agricultural production and value-adding agribusinesses in eight target value chains, using technical assistance in production, agribusiness grants, business-to-business meetings and training as its primary implementation tools. In 2014, its scope was further limited to agricultural input suppliers and food processors in the orchard, vegetable and grape value chains, and it discontinued direct technical assistance in production.

The Annual/Endline Survey shows the impacts of IDEA-NEW's broad range of interventions during 2009-2013. Previous infrastructure development, technical assistance in production and subsidies to stimulate technology transfer are closely linked with IDEA-NEW's current objectives of input supplier, processor and market development.

IDEA-NEW's current market intervention strategy is stimulating innovations in Afghan agribusinesses and the results appear to be sustainable. Its narrow focus on input suppliers and processors in three value chains, and its limited grant and training tools have, however, reduced the pool of potential beneficiaries, particularly in Eastern provinces.

A summary of the major findings and recommendations from the FY2013 Annual/Endline survey can be found in Annex V.

Poultry Assessment

In September 2014, an independent assessment of IDEA-NEW's involvement in the poultry value chain was released. This report presented the findings of a survey conducted by RSI Consulting during the month of August.

From 2010-2013, IDEA-NEW established 139 commercial poultry farms. Sixty-one percent of them were established in 2010, three years before RSI conducted the survey and focus groups. RSI verified that approximately 100 farms are still operating. It conducted surveys on 94 of these farms, as well as 41 farms that received training but no inputs from IDEA-NEW. Seventy-four percent of the farm owners were new to commercial poultry production. While the program was successful in establishing self-

²⁰The eastern provinces include Nangarhar, Laghman and Kunar provinces. Northeastern provinces include Badakhshan, Baghlan, Takhar and Kunduz. Northern provinces include Balkh, Faryab, Sari Pul, Samangan and Jawzjan.

sustaining businesses that generated substantial household incomes, it had negligible impact on previously established and typically larger producers (26% of sample). Supply chains, infrastructure and marketing challenges limit their growth and the development of the poultry sector.

RSI recommendation: In addition to establishing new poultry farms, future programs should address value-chain constraints. Value chain infrastructure—feedmills, breeder farms, slaughterhouses and storage—may impact the poultry sector more than the establishment of new small-scale poultry farms.

Health

Awareness of health and biosecurity practices is high among poultry farmers, but execution is inconsistent. Ineffective veterinary medicines and poor hygiene caused catastrophic disease outbreaks (at least 50% bird mortality) on 13% of the farms during the 12 months prior to the survey. Annual bird mortality on all farms averaged 19%, and almost 20% (19%) of farms dumped dead birds in rivers. Thirty-six percent of farmers hired part-time laborers, but complained about their lack of training. Women worked in only 3% of the poultry operations.

IDEA-NEW recommendation: In addition to training farmers, future poultry programs should provide training to farmwomen and on-the-job training to laborers.

Supply Chain

Pakistani suppliers provide most of the pullets, feed and vaccines, and poultry producers are dissatisfied with the quality of these inputs. Afghan suppliers sell most poultry inputs on credit. Nevertheless, poultry farmers say they have to reinvest most of their sales income into inputs for the next production cycle. Small, short-term, interest-free loans will help poultry farmers, but are unlikely to overcome the challenges preventing small farms from expanding. Larger loans are needed to build supply chain infrastructure—feedmills, breeder farms, slaughterhouses and storage.

IDEA-NEW Recommendation: Future poultry programs should link farmers with microfinance institutions (MFIs) and promote larger investments in supply chain infrastructure financed by commercial loans.

Consumer Preferences

Twenty-nine percent of farmers sold birds to national wholesalers and retailers, representing 60% of total sales, and 56% said IDEA-NEW helped them get higher prices for their birds. In eastern provinces, however, most consumers prefer to buy live birds or have them slaughtered in front of them. Due to their limited capacity for transporting live birds, poultry farmers in eastern provinces have little incentive to produce more chickens than they can transport live and sell in local markets.

IDEA-NEW Recommendation: Future poultry programs should consider dhabihah (AKA zabiha) slaughterhouses in eastern provinces.

While IDEA-NEW's involvement in the poultry value chain ended on December 31, 2014, the above recommendations are included for USAID's knowledge and incorporation into future poultry projects.

Evaluations, Assessments or Audits

COMPLETED AND/OR PLANNED	MAJOR FINDINGS/RECOMMENDATIONS	ACTIONS TAKEN/PLANNED TO BE TAKEN
Annual/Endline Survey	Summarized above in “Lessons Learned”	Summarized above in “Lessons Learned”
Poultry Assessment	Summarized above in “Lessons Learned”	Summarized above in “Lessons Learned”
Orchard Assessment	TBD—report to be finalized in early October	
Data Quality Assessment (DQA)	TBD—report to be finalized in late October	
Vegetable Assessment	TBD—assessment to take place during Q1 FY2015	
Impact on Poppy Cultivation in Nangarhar Province Study	TBD—final report to be completed by end-November 2014	
Agribusiness Endline Report	TBD—to be completed in December 2014	
FY2014 Annual Survey	TBD—to be completed in January 2015	

COLLABORATION WITH GIROA AND OTHER DONOR PROJECTS

GIROA Coordination

IDEA-NEW meets frequently with local-, district- and provincial-level government leaders and representatives in each of its regions to ensure that all stakeholders are abreast of IDEA-NEW’s plans and can contribute their input to activity development, implementation and, if necessary, problem solving. From October 1, 2013 through September 30, 2014, IDEA-NEW staff participated in over 50 coordination meetings with GIROA officials from the MAIL, Ministry of Women’s Affairs (MoWA), DAIL, DoE, DoWA, and regularly attended AGSEM and PDC meetings in each of its target provinces. Please refer to Annex IV for details of coordination meetings between IDEA-NEW and Afghan government representatives during the year.

IDEA-NEW also supports GIROA by participating in high profile government-hosted events. The Kabul International Agriculture Fair, held every fall in Badam Bagh, is MAIL’s largest annual event. IDEA-NEW personnel worked closely with MAIL to ensure that its program and beneficiaries were strongly represented at the 2013 fair, which took place October 30–November 1, 2013 and the 2014 fair, which took place September 24–26, 2014. These events were excellent networking opportunities that allowed IDEA-NEW’s agribusinesses to showcase their products and establish contact with other local farmers, food processing companies, agriculture input suppliers and exporters. A complete list of companies

sponsored by IDEA-NEW, the total number of visitors to their respective booth, number of B2B networking meetings held and total amount of sales made over two three-day events are presented in Annex VI. In addition, IDEA-NEW submitted separate reports on both the 2013 and 2014 Ag-Fairs to USAID on November 3, 2013 and October 02, 2014, respectively.

Coordination with Other Donor Projects

IDEA-NEW strives to coordinate its activities with other donor projects to develop synergy across USAID activities by avoiding duplication of efforts and promoting information sharing. Notably, since the end of June 2014, IDEA-NEW has provided the ABADE program with an office at the IDEA-NEW location in Jalalabad. This proximity has helped to foster better coordination and sharing of information between the two programs.

IDEA-NEW agribusiness staff in Jalalabad organized an introductory meeting on November 27 between representatives from the ABADE program and eight agribusinesses. ABADE staff explained what assistance they provide companies and instructed attendees in how to complete the required forms to work with ABADE.

Following up on this introductory meeting, agribusiness staff assisted the owner of Dastagir Shamshad Noodles and Vermicelli Production Factory in finalizing his concept note for a grant to ABADE that would help him expand his product line. In addition, Kaliwal Oil, Soap and Cotton Seed Cake Company submitted a concept note to ABADE for a grant that would assist the company in purchasing additional manufacturing equipment.

On March 25-26, IDEA-NEW staff attended the “Facilitating Market Systems Development” training conducted by USAID in Kabul. This event aimed to provide participants, which included staff from other USAID-funded projects (ABADE, CHAMP as well as Financial Access for Investing in the Development of Afghanistan and Regional Agricultural Development Program–South), with a better understanding of market systems and to introduce and discuss why systemic thinking is important to achieving the goals of value chain programs. This training set the foundation for a formal learning network consisting of USAID staff and partners that encourages open and fruitful discussions on successes and failures in project implementation.

To this end, during the last half of FY2014 IDEA-NEW facilitated and participated in a total of five coordination meetings with other USAID-funded projects, including the ABADE²¹ program, the Agriculture Development Fund (ADF)²² and CHAMP²³. During the August 06 meeting, it was agreed that the four projects would plan to hold coordination meetings once a month. It was also decided that beneficiary lists would be circulated amongst the projects with the goal of avoiding redundancy. Additionally, IDEA-NEW and ABADE agreed to introduce eligible clients to ADF to help them achieve their targets.

As part of this coordination effort, IDEA-NEW also hosted a Public-Private Alliance (PPA) development presentation offered by ABADE on September 01, 2014. Limited to the fruit and vegetable value chains and a short implementation timeframe, IDEA-NEW’s ability to support innovative business ideas is highly constrained. Therefore, IDEA-NEW asked ABADE to present its program to businesses that

²¹ Meetings took place between IDEA-NEW and ABADE on July 02, August 06, and September 30, 2014.

²² Meetings took place between IDEA-NEW and ADF on July 23 and August 06, 2014.

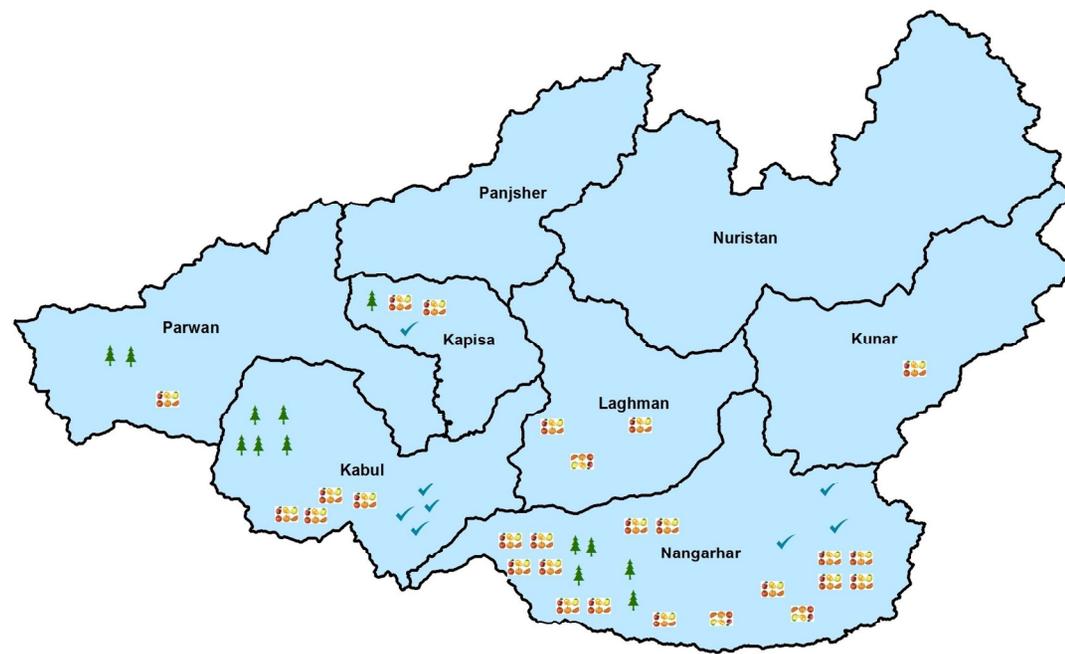
²³ Meetings took place between IDEA-NEW and CHAMP on July 24 and September 30, 2014.

submitted EOIs. The objective of this presentation was to create awareness among agribusiness companies about ABADE's assistance. The presentation described ABADE's priorities and what is expected in successful applications.

Adaption of the Activity

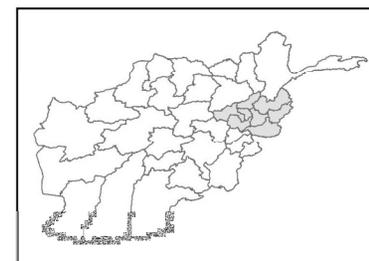
With the approval of a no-cost extension in mid-February, DAI became the sole implementer of IDEA-NEW and the program area of operations became the provinces of Nangarhar, Kunar, Laghman, Kabul, Kapisa, Panjshir and Parwan. Activities in 2014 support the grape, orchard and vegetable value chains through the provision of training, technical assistance, matching grants and promotional activity grants benefitting over 120 micro, small and medium enterprises involved in agricultural input supply and agro-processing. These changes were laid out in Activity Plan No. 5 and the updated Performance Management Plan (PMP), which were submitted to USAID on March 22. Revised versions of both documents were resubmitted on April 19 and were approved by USAID on May 4 and 26, respectively.

ANNEX I: MAP OF IDEA-NEW VALUE CHAINS AS OF SEPTEMBER 30, 2014



Value Chain Legends

- Orchard / Vegetables
- Vegetables
- Orchard



ANNEX II: PERFORMANCE INDICATOR TABLE

Please see the attached Excel document.

ANNEX III: INDICATOR/TARGET VARIANCE EXPLANATION

Please see the attached Excel document

ANNEX IV: IDEA-NEW AND GIROA COORDINATION

Please see the attached PDF.

ANNEX V: IDEA-NEW ANNUAL/ENDLINE SURVEY SUMMARY

Please see the attached PDF.

ANNEX VI: 2013 AND 2014 AG-FAIR, IDEA-NEW SUPPORTED BUSINESSES

Please see the attached Excel document.

Annex III - IDEA-NEW Indicator Performance Update as of 30 September, 2014

Indicator Name and Number	DO & IR that the project supports	NCE Targets (Mar 2014 to Feb 30 2015)	NCE Results	% of variance between target and result	Next FY Target	Two FY Out Target	Reason for +/- 10% variance
Number of households benefited by alternative development or alternative livelihood activities in USG-assisted areas	IR 2: Value Chain Integration Strengthened; IR 3: Agriculture Productivity Improved; IR 4: Rural Enterprises Development Supported	238	887	273	N/A	N/A	This indicator is higher than targeted due to the inclusion of farmer field days in many of IDEA-NEW's grant agreements, which greatly increased the number achieved for this indicator. This part of the contribution was not determined until grant agreements were drafted.
USD Value of final sales of licit farm and non-farm products	IR 2: Value Chain Integration Strengthened; IR 3: Agriculture Productivity Improved; IR 4: Rural Enterprises Development Supported	5,000,000	4,916,058	0	N/A	N/A	
Average annual household income from licit economic activities in IDEA-NEW communities	IR 2: Value Chain Integration Strengthened; IR 3: Agriculture Productivity Improved; IR 4: Rural Enterprises Development Supported	15% increase over baseline	TBD	N/A	N/A	N/A	
Number of full-time equivalent (FTE) jobs created by USG sponsored alternative development or alternative livelihood activities (farm jobs = indicator 3.8) (agribusiness jobs = indicator 4.1)	IR 4: Rural Enterprises Development Supported	180	38	-79	N/A	N/A	This target will be achieved during the remainder of the NCE period, as most grantees were still in the process of hiring employees under their agreements.
# of farmers using IDEA-NEW-supported agricultural inputs in targeted areas	IR 3: Agriculture Productivity Improved	2,500	219	-91	N/A	N/A	This target will be achieved during the remainder of the NCE period.
# of participants who have received business skills training	IR 2: Value Chain Integration Strengthened	300	655	118	N/A	N/A	This target was exceeded due to high attendance at field days conducted by grantees.
# of government line staff participating in IDEA-NEW training activities	IR 2: Value Chain Integration Strengthened (Cross Cutting)	18	13	-28	N/A	N/A	This target will be achieved during the remainder of the NCE period.
Number of agriculture-related microenterprises participating in IDEA-NEW-supported value chains	IR 4: Rural Enterprises Development Supported	140	41	-241	N/A	N/A	This target will be achieved during the remainder of the NCE period.
Proportion of females who report increased self-efficacy at the conclusion of USG supported training/programming	IR 2: Value Chain Integration Strengthened (Cross Cutting)	75%	N/A (the training programs started recently, so the data for this indicator will be reported during the next reporting period)	N/A	N/A	N/A	This target will be achieved during the remainder of the NCE period.

ANNEX IV: IDEA-NEW and GIROA COORDINATION

October 2013

October 2: IDEA-NEW's Community Mobilization Unit Manager for Takhar met with the Provincial Governor and the DoE Director to inform them of the completion of IDEA-NEW's activities in the province.

October 6, 13, 20, 25 and 27: IDEA-NEW's Deputy Regional Manager for the Central provinces and ICD staff met several times with MAIL's Private Sector Director to discuss the support/technical assistance that IDEA-NEW staff would provide at MAIL's knowledge centers during the 2013 Kabul International Agriculture Fair.

October 15: IDEA-NEW's Community Mobilization Unit Manager for Baghlan met with the provincial DAIL and DoE to inform them of the completion of IDEA-NEW's activities in the province.

October 22: IDEA-NEW's Program Manager for Badakhshan met with the DoE Director to inform him of the completion of IDEA-NEW's activities in the province.

October 22: IDEA-NEW representatives attended the Kapisa PDC meeting held at the Kapisa Provincial Governor's house. Various GIROA directorates, NGOs, and organizations attended the meeting. Each organization gave a brief update on their project activities.

October 28: IDEA-NEW's Agriculture Business Development Manager for Kunduz met with the DAIL Director and the Director of the Department of Rural Rehabilitation and Development to inform them of the completion of IDEA-NEW's activities in the province.

November 2013

In early November, IDEA-NEW submitted letters to DAIL and MAIL in its Northern and Eastern target provinces, notifying GIROA contacts of the project's impending closedown in both regions.

November 10: The ICD Specialist attended the agriculture and rural development cluster sector meeting at DAIL's office in Kabul. The meeting was chaired by the Kabul DAIL Director and attended by the Directors of the DoE, the Departments of Rural Rehabilitation and Development and Counter Narcotics and representatives from various projects that support MAIL and DAIL. The agenda was for representatives to update other attendees on their project's 2013 accomplishments and present their plans for 2014.

December 2013

December 11: IDEA-NEW's Deputy Regional Manager for the Central provinces represented the program at the OAG working group meeting held at MAIL. The main purpose of the meeting was sharing information and strengthening coordination among USAID implementing partners and various MAIL units, with a particular emphasis on the empowerment of Afghan women in agriculture and natural resource management.

December 23: IDEA-NEW's Ministry Liaison Officer attended the Nangarhar TWG at DAIL's conference hall that was attended by representatives from UNAMA, UNDP, the provincial council, PHDP, HLP, Ministry of Rural Rehabilitation and Development, MAIL, DAIL and various internationally funded projects working in the area. The agenda included a discussion of the 2013 sapling program and plans for 2014 as well as an update from all attendees' of their various activities during December.

January 2014

January 5: IDEA-NEW staff joined the Directors of the Kapisa DAIL, DoE, DRRD, DoWA, Department of Anti-Narcotics, members of the provincial council and representatives from UNAMA, USDA, NHLP, HCDP, AGRED and ICRC at the Kapisa Agriculture and Rural Rehabilitation and Development Sector meeting. Attendees shared their program accomplishments from 2013 and agreed to share their 2014 activity plans with DAIL as soon as possible.

January 8: In addition to IDEA-NEW staff, participants at the Nangarhar Provincial Development Committee (PDC) meeting included the Provincial Governor, Deputy Provincial Governor, the Directors of the Nangarhar Valley Development Authority, DAIL, Department of Labor and Social Affairs, Department of Telecommunications, Department of Public Works, Department of Foreign Affairs, Department of Urban Developing and Housing, DoPH, DoE, DoWA, Department of Education, the Deputy Director of the Department of Energy and Water, the Batikot District Governor and representatives from UNAMA, UNHCR, UNODC, World Health Organization, World Food Program, ACBAR and ISAF. The agenda included an update on the political situation of Afghanistan, the security situation in Nangarhar and updates by participants on their ongoing projects in the province. The Deputy Provincial Governor thanked IDEA-NEW for its close coordination with DAIL and informed the group that community members had often informed his office of the "honesty, transparency and high quality of [IDEA-NEW's] work."

January 16: The agenda of this month's Laghman Agriculture Sector Technical Working Group (ASTWG) meeting, which was attended by IDEA-NEW's Liaison Officer, focused on preparing for the upcoming spring planting season.

January 28: Participants from DAIL, DoE, DRRD, NHLP, UNAMA, the Afghanistan Agriculture Extension Program (AAEP), Nutrition and Education International (NEI) and IDEA-NEW updated each other on final 2013 activities and their tentative plans for 2014 at the Agriculture and Rural Development Sectorial Meeting in Panjshir.

January 29: IDEA-NEW's Liaison Officer attended the Nangarhar ASTWG meeting that included the Directors of DoWA and DAIL, all DAIL line managers, staff from NVDA, UNAMA, UNODC and representatives from NHLP, NVDA and Chemonics. The main points of discussion were outstanding livestock issues, spring sapling planting plans, NVDA's wild olive improvement project near the ring road and a presentation by the NHLP of its ongoing activities.

February 2014

February 5: The Agriculture and Rural Rehabilitation and Development sector meeting was chaired by the Kapisa DAIL Director and included representatives from the provincial council, DoE, DRRD, Anti-Narcotics Department, DoWA, UNAMA, USDA, NHLP, HCDP, AGRED, ICRC and IDEA-NEW. The agenda focused on participants' updates on their current activities and a discussion of the obstacles they

faced during 2013. The primary problem for most of the implementers was instability and insecurity, which in some cases prevented activities from being completed. The DAIL Director expressed his appreciation for all participants for their efforts in 2013 and asked them to share their 2014 work plans with DAIL as soon as possible.

February 6: IDEA-NEW's Agriculture Advisor and Liaison Officer attended the Afghanistan Agriculture Expert Association meeting at the Nangarhar Governor's House. Representatives from the Kunar, Laghman and Nangarhar DAILs and DoE, Nangarhar University, fruit and vegetable wholesalers associations and the Nangarhar Valley Development Association also attended the meeting, which focused on general updates of agriculture issues in each province.

February 16: Members of IDEA-NEW's GIROA liaison team met with the DAIL, DoE and DoWA Directors in Kapisa and Parwan to brief them about IDEA-NEW's extension and planned support to agribusinesses. Staff also hand delivered hard copies of IDEA-NEW's EOI for distribution to food processors and agriculture input suppliers in each province.

February 18: IDEA-NEW's Liaison Officer attended the inaugural meeting of the Center for Agriculture & Biosciences International (CABI), which was called by MAIL and held at the Badam Bagh facility in Kabul. Chaired by the Deputy Minister of MAIL, this event introduced CABI (a non-profit development organization that provides science-based information and support to the agriculture, industry and academic sectors) and its activities to stakeholders in Kabul, Parwan, Bamyan and Baghlan provinces. They also announced their intention to expand their operations to Nangarhar and Herat in 2014.

March 2014

March 16: IDEA-NEW attended a sector meeting for Agriculture, Rural Rehabilitation, and Development in Kapisa province, with the Director of DAIL in Kapisa, Director of the Department of Economy, Deputy Director of the Department of Rural Development, Deputy Director of the Anti-Narcotics Department, Director of the Department of Women's Affairs, and representatives of NHLP, HCDP, ICRC, USDA, and USAID's AGRED and CHAMP projects. As with the monthly PDC meetings, the objective of this session was to brief counterparts on programs and progress, identify potential gaps to be filled, and minimize duplication of development efforts.

March 18: Liaison staff attended the Kapisa PDC meeting and presented IDEA-NEW's 2014 planned activities to all participants, which included department members of the provincial council, District Governors, and representatives from the National Horticulture and Livestock Project (NHLP), UNAMA and ICRC.

March 19: Program staff also shared its 2014 activity plan at the Nangarhar PDC meeting, which was chaired by the Provincial Governor and attended by the Deputy Provincial Governor, Directors of Economy, Education, Mining, Irrigation, Public Works, Women Affairs, and Disaster Management, Deputy Director of the MRRD, Director of Red Crescent, Chancellor of the Nangarhar University, and representatives from UNAMA, MCIT, MCN, UN-HABITAT, UNICEF, WHO, UNODC, FAO, UNHCR, ACBAR, UNOPS, and WFP.

March 30: IDEA-NEW's Liaison officer and Agribusiness Development Manager had individual meetings with the Directors of DAIL for Parwan and Kapisa on March 30. The purpose of these meetings was to brief the Directors about IDEA-NEW programs, goals, and required support going forward. Topics discussed included planned activities for 2014, lessons learned from 2013, and the effectiveness and

impacts of agribusinesses development at the provincial level. IDEA-NEW also sought support in identifying potential businesses to include in near future program activities. Both DAIL Directors expressed great interest in the programs and assured IDEA-NEW of their support to the project and to small scale businesses in their respective provinces.

April 2014

April 9: The Kapisa Agriculture Strategic Technical Working Group (ASTWG) took place in the DAIL conference hall and hosted by the DAIL Director. Attendees included various GIROA representatives as well as staff from international donor agencies and internationally-funded agriculture programs, including IDEA-NEW. The agenda focused on ensuring strong coordination of the various implementing partners working in Kapisa and sharing information regarding gaps in services that could be filled. A member of the liaison team shared IDEA-NEW's start up progress and asked other organizations and GIROA to spread the word of IDEA-NEW's call for EOIs with local businesses.

April 15: IDEA-NEW's Liaison Officer attended the Provincial Development Council (PDC) meeting in Kapisa province. The main discussion topic was the introduction of the Green Alternative Social and Welfare Development Organization, whose activities will focus on building the capacity of GIROA staff in programming and budgeting. Other attendees also provided updates on their ongoing projects in the province.

April 17: IDEA-NEW staff met with the Nangarhar Department of Agriculture, Irrigation and Livestock's (DAIL) Planning and Programming Department to discuss the MAIL provincial and district level strategic work plans for the current year.

April 23: IDEA-NEW's GIROA liaison personnel shared the program's 2014 activity plan with participants at the Nangarhar ASTWG meeting.

April 23: IDEA-NEW's Liaison Officer attended the Nangarhar PDC meeting held at the Provincial Governor's house to update participants on the month's activities and to answer attendees' questions about the program's new programmatic focus.

April 24: The Kabul-based Agribusiness Manager and Liaison Officer met with the DAIL Directors of Kabul and Panjshir provinces to discuss IDEA-NEW's 2014 activity plan, particularly the eligibility requirements for agribusinesses, and requested their ongoing support in the final year of implementation.

May 2014

May 21: IDEA-NEW's Kabul-based Liaison Officer updated attendees at the Kapisa PDC on IDEA-NEW's 2014 objectives and activities.

May 21: IDEA-NEW's Liaison Officer attended the first meeting of the Agriculture Sector task force which was held at MAIL and co-hosted by MAIL and the Ministry of Commerce and Industry. This group aims to promote industrial growth in Afghanistan, with a particular emphasis on small- and medium-sized enterprises. In addition to IDEA-NEW, representatives from ABADE, CHAMP, Financial Access for Investing in the Development of Afghanistan (FAIDA), National Horticulture and Livestock Program (NHLP) and ACE/ADF also participated. Each program introduced itself, its objectives and planned activities for 2014.

May 24: IDEA-NEW's Liaison Officer attended the Laghman PDC meeting and updated attendees on the program's planned activities for June. During the meeting, the Director of Rural Rehabilitation and

Development thanked IDEA-NEW for its previous quick responses to the serious needs of local communities and government in the province.

May 28: IDEA-NEW's Liaison Officer participated in the Nangarhar PDC meeting at the Governor's House where representatives from various GIROA line departments explained their previous and planned activities to be implemented in Nangarhar province.

June 2014

June 10: IDEA-NEW's Liaison Officer attended the Agriculture sector (DAIL) meeting in Kapisa and briefly updated the meeting participants on IDEA-NEW project activities for the year 2014. The program goals and objectives in the agribusiness and marketing fields were also introduced. The Director of DAIL – Kapisa expressed his appreciation for IDEA-NEW efforts in the region and mentioned that they are looking forward to receiving the same support and technical assistance from IDEA-NEW in the future.

July 2014

July 09: IDEA-NEW's Liaison Officer attended the monthly sector meeting at the Governor of Kapisa's office. The agenda of the meeting focused on coordination of projects and current ongoing programs in Kapisa, as well as identification of gaps in implementation. The IDEA-NEW Liaison Officer briefed meeting participants on IDEA-NEW's 2014 plans and activities in targeted provinces in the Central region (Kabul, Kapisa, Parwan and Panjshir). The Director of DAIL for Kapisa, Mr. Walid Ahmad Tasal, expressed his appreciation for IDEA-NEW's efforts in Kapisa Province and asked for the monthly progress report.

August 2014

August 05: IDEA-NEW attended an Agriculture and Rural Rehabilitation and Development (RRD) sector meeting held in Kapisa province. During the meeting, the DAIL Director stressed the importance of cooperation between donor agencies and other public/private sector members in the agricultural innovation system. He added that this coordination is essential to increasing the efficiency with which public funds are used.

August 06: IDEA-NEW's Agriculture Project Integration Senior Officer participated in the Agriculture Strengthening Technical Working Group (ASTWG) meeting at the Laghman DAIL conference hall. During the meeting, Laghman DAIL stressed the importance of coordination, noting that some organizations exhibited poor coordination and attendance at these meetings, leading to potential duplication of efforts.

August 14: IDEA-NEW participated in the Abezai Bridge TWG monthly meeting in Laghman province. The bridge rehabilitation started on May 14, 2014, with estimated completion by September 30, 2014. The Director of RRD stressed the importance of this rehabilitation project, noting that the Provincial Governor regularly asks about the progress and quality of the bridge work. He also expressed his doubts about the ability of the construction company to complete installation works, and called on the technical support of IDEA-NEW.

August 20: IDEA-NEW participated in the Kunar Agricultural Strengthening Sector Technical Working Group (ASTWG) coordination meeting. Among other updates, Kunar DAIL shared that at provincial, district and village levels, they have trained 160 farmers, providing them with information on corn seed

cultivation methods, mechanical control of weeds, fertilizer application and technical information regarding soybeans.

August 27: IDEA-NEW participated in the Provincial Development Committee (PDC) meeting in Laghman province. This meeting was led by the Provincial Governor, who apologized for his absence for the previous three months due to security issues, the second round of the Presidential Election, and the month of Ramadan. He shared that 2014 was a year of problems for Afghanistan—during the first quarter of the year, the security situation was normal in Laghman, but during the second quarter, there were many problems in Laghman, as well as other parts of the country.

September 2014

September 01: IDEA-NEW attended MAIL's Women's Empowerment Working Group Meeting (MWEWG). The Deputy Minister of Administration and Finance at MAIL stated that the main purpose of the meeting was to share information and strengthen coordination among MAIL implementing partners/stakeholders on issues regarding gender equity and empowerment of women in agriculture and natural resources management. In addition, he said that MAIL seeks to increase understanding of the importance of gender dynamics at the community level, both among partners as well as within MAIL's programs.

September 03: IDEA-NEW participated in the Agriculture Strengthening Strategic Technical Working Group (ASTWG) held at the Laghman DAIL. During the meeting, the Laghman DAIL representative said that with the assistance of Nutrition Education International (NEI), the DAIL distributed five metric tons of soybean seed to 200 members of the soybean association. The Laghman DAIL also provided four threshers to the association for soybean harvesting.

September 03: IDEA-NEW participated in the Agriculture and Rural Rehabilitation and Development (RRD) monthly meeting at Kabul DAIL. During the meeting, the Director of the Kabul DAIL discussed the 1394 (2015) balanced development plan, noting that it is included in the five-year development plan for Kabul city. The Director also provided an update on monitoring and evaluation of development projects, saying that a team of 11 professionals and specialists in various fields has been formed to travel to 14 districts in Kabul in order to monitor and evaluate the operational circumstances of the projects.

September 10: IDEA-NEW attended the ASTWG meeting at the Kunar DAIL. During the meeting, the Kunar DAIL representative stated that DAIL plans to commence its mango and banana projects and will then propagate to the fruit orchard owners. Saplings will be planted in the DAIL Salar Bagh nursery and distributed to Chawki and Khas Kunar districts. The RRD shared that construction of a 16 km road from Asmar to Shangar village is ongoing, and that a 12 km road in the Badil Valley of Narang district is planned.

September 11: IDEA-NEW participated in the agriculture sector monthly meeting held at the Kapisa DAIL. The DAIL Director stated that MAIL aims to strengthen the production and productivity of the agriculture sector and to improve the lives of those engaged in the sector, especially the poor and most vulnerable. He added that the new structure of MAIL for partner organizations and DAILs (including Kapisa) will facilitate and support the process of helping more and more farmers transition from subsistence farming to semi-specialized and semi-intensive systems, and to promote and maintain market-based production.

September 16: IDEA-NEW attended a meeting at Kabul DAIL regarding the Agriculture Fair held at Badam Bagh Fairgrounds in Kabul September 24 - 26, 2014. During the meeting, the Director of DAIL Kabul delivered some brief information regarding preparations for the upcoming Ag Fair. He stated that since MAIL is planning to conduct the Ag-Fair from September 24 - 26 and has a limited budget, his Excellency the Minister of MAIL called a meeting with the Board of Directors on September 13th and asked all of the Directors to call upon national and international implementing partners within the Ministry (on-budget) and outside the Ministry (off-budget) for their financial and transportation assistance.

September 17: IDEA-NEW attended three separate meetings with the Afghanistan Investment Support Agency (AISA), the Afghanistan Chamber of Commerce (ACCI) and the Private Sector Directorate (PSD) of MAIL. The purpose of these meetings was to gather information regarding these entities' plans for upcoming events scheduled from September 2014 - July 2015.

ANNEX V: IDEA-NEW ANNUAL/ENDLINE SURVEY SUMMARY

Methodology

During late 2013 and early 2014, RSI Consulting conducted a rural household survey in IDEA-NEW's 12 targeted provinces¹ to identify and measure the impacts of IDEA-NEW programs. The survey sample includes 2,528 households in approximately 300 rural communities in northern, northeastern and eastern provinces. The demographic characteristics of beneficiaries and non-beneficiaries of IDEA-NEW programs indicated that these sub-samples were comparable. The heads of beneficiary households had more education, on average, than non-beneficiaries, but these differences were not statistically significant. Beneficiaries were also more likely to have access to reliable, year-round irrigation. The sample of orchard growers was too small for statistically significant results. Provincial-level results are valid at a 95% confidence level and regional (northern, northeastern and eastern provinces) results are valid at the 90% level. For detailed results, see the 2014 Household Income Survey report submitted to USAID in June 2014.

Land Ownership, Farm Size and Cultivated Areas

Beneficiary and non-beneficiary households owned approximately equal areas of farmland, on average, but beneficiaries farmed slightly more fields and larger areas of land than non-beneficiaries, suggesting that participation in IDEA-NEW activities encouraged farmers to expand their farming activities by leasing fields and planting larger areas. Approximately three-quarters (76%) of the farmers owned land and 66% used their land for farming. On average, households owned 10.8 jeribs of land and farmed 9.9 jeribs, indicating that 90% of available land was used for farming. The differences between northern, northeastern and eastern regions in farm size, land ownership and cultivated areas were significant. Farms were largest in northern provinces, where farmers owned and cultivated more land than in northeastern and eastern provinces. The average farm in northern provinces was 19.2 jeribs, compared to 9 jeribs in the northeastern provinces, and only 5.64 jeribs in eastern provinces. While the total cultivated areas of beneficiary and non-beneficiary farms were similar, beneficiaries farmed slightly more fields, particularly in eastern provinces, where fields are small and land leases are common, suggesting that beneficiaries were more capable and motivated to lease land than non-beneficiaries.

Irrigation

Rivers were the most common source of irrigation water², but only 22% of farmers said they had reliable sources of irrigation year-round. Two-thirds (66%) of beneficiaries said they had reliable access to water for irrigation, compared to half (51%) of non-beneficiaries, and beneficiaries were more reliant on river or kariz irrigation than non-beneficiaries, who relied more on catchment areas and springs. Access to

¹The eastern provinces include Nangarhar, Laghman and Kunar provinces. Northeastern provinces include Badakhshan, Baghlan, Takhar and Kunduz. Northern provinces include Balkh, Faryab, Sari Pul, Samangan and Jawzjan.

²Forty percent of all farms reported using irrigation from a river, but only 29% of households reported reliable access to irrigation water year-round. Water was most accessible in springtime, when 46% of households had reliable access to irrigation, followed by winter (42%), summer (41%) and autumn (38%).

irrigation water improved during 2009-2014, particularly for beneficiaries, reflecting irrigation infrastructure development, a small but significant portion of which is attributable to IDEA-NEW. Remote imagery corroborates these findings.

Household Income

Participation in IDEA-NEW programs resulted in significant improvements in household incomes³. Household assets, a proxy for income, also indicate that beneficiaries had higher incomes than non-beneficiaries. While the average size of farmhouses grew during 2009-2014, beneficiaries built larger and more valuable houses than non-beneficiaries⁴. Beneficiaries also produced and sold larger volumes of crops and livestock products, and earned higher total incomes from farming.

Beneficiaries had small but significantly higher yields and sales of wheat, rice, vegetables and oilseeds. They produced and sold more livestock and non-meat animal products than non-beneficiaries, and were less likely to sell or eat livestock, an indicator of acute poverty. In northern and northeastern regions, beneficiary households were as likely or more likely to earn no income as non-beneficiaries, and IDEA-NEW was most effective in reducing extreme poverty in the eastern provinces.

Off-farm employment was similar in northern, northeastern and eastern provinces⁵. There were more unskilled wage labor and government job⁶ opportunities in eastern provinces, but only about one-quarter of the beneficiaries reported wage labor income, compared to nearly half of non-beneficiaries, probably because wage labor was typically low-paid, short-term and undesirable. IDEA-NEW infrastructure programs provided cash-for-work (CFW) wages in some northern, northeastern and eastern communities. Compared to other local job opportunities, CFW wages were high. Most CFW laborers worked for less than a year, however, and in some cases as little as a few weeks. The average annual CFW income was 35,000 AFN (\$654.42) per household. Most CFW income was used to satisfy short-term needs (food, clothes, bedding and household infrastructure improvements), with little investment in education or health care. Despite lower income from unskilled wage labor, beneficiaries had higher total incomes, suggesting that crop and livestock sales were higher than forgone wage income. Beneficiaries earned higher incomes than non-beneficiaries even without off-farm jobs.

Crop and Livestock Diversification

IDEA-NEW focused on livestock and perennial orchard crops in its three regions. It also focused on wheat, barley, oilseeds, chickpeas and potatoes in northern provinces, on wheat, rice and vegetables in northeastern provinces, and on rice, vegetables and maize in eastern provinces. Most (79%) farmers raised livestock including chickens, dairy cows, sheep or silkworms. Beneficiaries produced more, consumed less, and sold more livestock for higher prices than non-beneficiaries, and participation in IDEA-NEW programs was highly correlated with increased production and sales of milk and other dairy products.

Crop diversification was greater in beneficiary communities, and their total cultivated areas grew more than in non-beneficiary communities. Beneficiaries were more likely to plant vegetables—and to plant the

³ The average income for beneficiaries was 173,897 AFN (\$3,160), and their median income was 87,500 AFN. Non-beneficiaries averaged 165,593 AFN and their median income of 62,500 AFN.

⁴ The average value of beneficiaries' homes was approximately 75,000 AFN higher than non-beneficiaries' homes.

⁵ The off-farm jobs that contributed the most to rural household incomes were shop keeping, teaching and skilled labor.

⁶ Fourteen percent of households had government incomes, compared to 9% in northern and only 2% in northeastern provinces.

most profitable vegetable crops—than non-beneficiaries. Beneficiaries also had higher vegetable yields and incomes per jerib, indicating better farming practices and access to high-quality inputs. IDEA-NEW trained over 25,000 farmers in northern provinces, where they earned higher incomes per jerib from both wheat and oilseeds. In northeastern provinces, beneficiary farmers also earned higher incomes from rice and wheat, although most wheat was milled and consumed directly by farm households, which sold only 21% of their wheat production.

In eastern provinces, IDEA-NEW trained 3,869 rice farmers, who earned significantly higher incomes per jerib than non-beneficiaries. The wheat production area declined by about the same amount in most communities, and was replaced by rice, fruit or vegetable production. High-value fruit and vegetable production replaced low-value wheat in eastern provinces, where the average fruit orchard was only 1-2 jeribs and most of the production was consumed by farm households. Although a few wealthy households reported substantial fruit sales, less than 1% of farmers in eastern provinces earned significant incomes from fruit. Beneficiaries in eastern provinces also had higher vegetable yields and incomes than non-beneficiaries. Average onion yields more than doubled. Cauliflower production increased by 25%. Tomato production by beneficiaries increased more than ten-fold. The okra production area doubled. Carrot production was not measured in the baseline, but beneficiary yields in 2013 were 435 kg per jerib higher than non-beneficiaries. Poppy production areas, observed in only a few communities, increased less in beneficiary communities. Remote sensing corroborates these results.

Conclusions and Recommendations

Conclusion 1: Economic progress occurred in northern, northeastern and eastern provinces, but beneficiaries benefitted more than non-beneficiaries. Participation in IDEA-NEW programs resulted in significant increases in household incomes. Beneficiaries earned higher incomes per jerib of wheat and rice, indicating improved farming conditions, better production inputs and higher yields. Crop diversification increased in most communities, but especially on beneficiary farms.

Conclusion 2: Access to education and irrigation appear to be correlated with technology transfer, market access, farm productivity and incomes. The heads of beneficiary households were more likely to have at least some education, suggesting that they had better access to information that motivated them to participate in IDEA-NEW programs. Most (59%) farmers said they had reliable access to water for irrigation, but beneficiaries had better access to water than non-beneficiaries in all three regions, and particularly in northeastern provinces. In eastern provinces, access to irrigation water improved during 2009-2014, but it improved more for beneficiaries, reflecting irrigation infrastructure development, a small but significant portion of which is attributable to IDEA-NEW.

Conclusion 3: Most cash-for-work (CFW) wages were spent on immediate, short-term needs—basic foodstuffs, household goods like clothes and bedding, and house and infrastructure improvements.

Conclusion 4: Beneficiaries were more likely to sell at least part of their vegetable production, indicating that they transitioned from subsistence to commercial production, a major objective of IDEA-NEW interventions.

Conclusion 5: The overall impact of IDEA-NEW was to transition households from subsistence to commercial production, a profound change the role of agriculture in rural households.

Conclusion 6: Vegetable prices varied widely during 2009-2014. Comparing baseline and endline farm incomes without considering price variations may have under-stated IDEA-NEW impacts on household income. The number of beneficiaries producing orchard crops, a strategically important value chain for

long-term sustainability, was insufficient for statistically significant results. In general, beneficiaries produced more, consumed less, and sold more livestock products for higher prices than non-beneficiaries, but the survey did not provide significant results on poultry production and marketing.

Recommendations: Future agricultural technology transfer programs should be coordinated with educational and irrigation development programs.

IDEA-NEW Follow-up Activities: RSI conducted subsequent surveys on orchard crop and poultry production and marketing during the fourth quarter of FY2014. On the basis of a vegetable production and marketing survey that RSI will conduct during December 2014–January 2015, IDEA-NEW will use average vegetable prices during 2009-2013 to re-estimate IDEA-NEW impacts on vegetable producer incomes.

Annex VI - IDEA-NEW Supported Businesses, 2013, and 2014 Ag-fairs

Nr.	Company Name	Total Number of Visitors to Booth	Number of B2B Meetings Held	Total Sales (AFN)
2013				
1	Kabul Improved Seed Production and Agro-Services Company	337	5	-
2	Kunar Seed	268	20	-
3	Sharq Improved Seed Production and Agri-Services Company	273	16	15,000
4	Masroor Food Production Company	253	13	20,300
5	Majnoon Food Production Company	148	10	2,700
6	Hussain Zada Agriculture Company	165	19	-
7	Himat Arman Food Production Company	212	2	1,500
8	Sailab Sohail Agriculture Machinery Company, Ltd.	214	55	-
9	Hamisha Bahar Agro Service Company	300	100	16,200
10	Dastagir Shamshad Noodles and Vermicelli Production Factory	527	60	11,400
11	Sail Food Items Production Company	108	3	4,000
12	Omaid Khalid Poultry Rearing & Production Company	65	13	-
13	Mohammad Hussain Food Production Company	263	3	9,700
14	Gift Food Production Company	204	2	57,000
15	Khalil Raihan Food Production Company	103	2	38,000
16	Faizan Food Production Company	70	13	9,900
17	Vegetable Plug Tray Seedling Nursery Greenhouses Company	1,300	23	1,000
18	Season Honey Processing and Packaging Company	300	17	202,000
19	Firdous Bareen Wheat Starch Company	1,324	1	11,500
20	Javed Afghan Threshers Manufacturing Factory's	300	53	-
21	Waheed Kamawal Oil, Cotton Cake and Soap Factory	220	-	20,500
22	Orzala Perfume	100	-	8,000
23	Kaliwal Oil, Soap and Cotton Seed Cake Manufacturing Company	122	2	6,300
23	Haseeb Noori Foods Items Production Company	20	2	10,800
24	Al Roheed Agricultural Input Supplies and Services Company	168	2	13,000
25	Javan Chips Production Company	202	6	15,740
26	Kapisa Farm Service Center	248	1	-
27	Women Vocational Training and Agriculture Services Organization	300	12	15,300
28	Parwan Women Farm Service Center	252	11	7,500
29	Green Organic Agricultural Production Company	240	12	1,000
30	Mashal Dairy Production Company	246	27	15,500
31	Bahar Biscuits Manufacturing Company	300	17	18,300
32	Afghanistan Social Poultry and Animal Farmers Association	210	26	-
33	Orzala Perfume (2 nd booth)	480	1	50,000
34	PARSA/Trade Afghan	816	6	27,700
35	IDEA-NEW Information Booth	2,080	N/A	N/A
Total		12,738	555	609,840

Nr.	Company Name	Total Number of Visitors to Booth
2014		
1	Mahan Ferdos Food Production Company	1,300
2	Farah Farhat Faizi Processing Company	1,200
3	Bahar Biscuits Manufacturing Company	1,340
4	Sadat Ghafari Brothers Ltd.	427
5	Kapisa Farm Services Center	544
6	Royan Agriculture Services Company	524
7	Prosperity Group of Companies	267
8	Faisal Kohistani Food Processing Company	1,040
9	Amini Sadri Ltd.	2,280
10	Barna Group Chips Production Company	1,689
11	Hussain Zada Ltd.	1,378
12	Gul-e-Aftab Bottles and Lids Manufacturing Company	30
13	Gift to Zest Food Production Company	1,540
14	Bakhtar Afghan Agriculture Company	217
15	Orzala Perfume Production Company	1,130
16	Masroor Food Production Company	659
17	Now Bahar Agriculture Company	520
18	Khalid Laziz Food Production Company	1,410
19	Hamesha Bahar Agriculture Company	924
20	Al-Roheed Agriculture Company	479
21	Zarin Afghan Processed Food Wholesaler	583
22	Khalid Faizan Food Production Company	1,568
23	IDEA-NEW Information Booth	3,428
Total		24,477

Number of B2B Meetings Held	Total Sales (AFN)
3	77,900
3	17,270
1	22,170
-	2,800
1	750
1	-
1	-
1	12,560
1	2,620
-	10,520
-	3,040,890
5	-
1	32,250
2	1,380
2	524,200
2	4,465
2	4,250
6	7,340
3	35,750
2	7,500
5	15,480
1	16,470
N/A	N/A
43	3,836,565