

# Quarterly Report

*Quarter 1, FY 2016*

*October 1–December 31, 2015*



**USAID**  
FROM THE AMERICAN PEOPLE





**Assistance in Building Afghanistan by Developing Enterprises (ABADE)  
Program**

Leader-with-Associate Cooperative Agreement No. EEM-A-00-04-00002-00

Associate Cooperative Agreement No. AID-306-LA-13-00001

# Quarterly Report

Q1 FY2016

October 1–December 31, 2015

Date Submitted:

January 30, 2016

Submitted by:

Volunteers for Economic Growth Alliance (VEGA)  
1726 M Street NW, Suite 800  
Washington, DC 20036

This publication was produced for review by the United States Agency for International Development (USAID). Its contents are the responsibility of the Volunteers for Economic Growth Alliance (VEGA) and the International Executive Service Corps (IESC) and do not necessarily reflect the views of USAID or the United States Government.



Prepared under Leader-with-Associate Cooperative Agreement No. EEM-A-00-04-00002-00,  
Associate Cooperative Agreement No. AID-306-LA-13-00001

USAID Afghanistan ABADA Program

VEGA Contact: Peter Saling  
Director of Programs  
Volunteers for Economic Growth Alliance (VEGA)  
1726 M Street NW, Suite 800  
Washington, DC 20036  
Tel: (202) 367-9997  
Email: [psaling@vegaalliance.org](mailto:psaling@vegaalliance.org)

IESC Contact: David Hartingh  
Vice President – Global Operations  
International Executive Service Corps (IESC)  
1900 M Street NW, Suite 500  
Washington, DC 20036  
Tel: (202) 589-2600  
Email: [dhartingh@iesc.org](mailto:dhartingh@iesc.org)

ABADA Contact: Zdravko Shami  
Chief of Party  
Assistance in Building Afghanistan by Developing Enterprises (ABADA)  
International Executive Service Corps (IESC)  
Kabul, Afghanistan  
Tel: +93 (0) 797-956-993  
Email: [zdravko\\_shami@abade.org](mailto:zdravko_shami@abade.org)

## Table of Contents

<b>List of Acronyms .....</b>	<b>vi</b>
<b>1 Project Overview.....</b>	<b>1</b>
<b>2 Executive Summary.....</b>	<b>2</b>
2.1 Summary of Results .....	2
2.2 Constraints and Critical Issues .....	4
<b>3 Activity Implementation.....</b>	<b>5</b>
3.1 Key Activities Accomplished during the Quarter.....	5
3.2 Planned Activities for the Next Reporting Period.....	24
<b>4 Lessons Learned .....</b>	<b>24</b>
<b>5 Collaboration .....</b>	<b>26</b>
5.1 Links with Relevant GIRoA Ministries .....	27
5.2 Links with Other Donor Agencies .....	30
5.3 Links with Other USAID Projects and Other Organizations .....	30
<b>6 Management and Administrative Issues .....</b>	<b>32</b>
6.1 Personnel.....	32
<b>7 Success Stories .....</b>	<b>33</b>
<b>8 Annexes .....</b>	<b>35</b>
Annex 1: New PPAs in Q1 of FY2016.....	35

## Table of Figures

Table 1 – ABADE Performance Indicators Results.....	6
Table 2 – ABADE PPA Portfolio as of December 31, 2015.....	7
Table 3 – PPAs Closed Out in Q1 FY2016 .....	9
Table 4 – Geographic Distribution of Active PPAs.....	11
Table 5 – Geographic Distribution of New PPAs .....	11
Table 6 – Technical Assistance/Training Activities .....	15
Table 7 – Q1 Partnerships Addressing Gender, Youth, Pro-Poor Growth and Other Cross-Cutting Issues .....	16
Table 8 – High-Value Skills Training in Q1 FY2016 .....	17
Table 9 – Collaboration with GIRoA Ministries .....	27
Table 10 – Collaboration with Other Donor Agencies.....	30
Table 11 – Collaboration with Implementing Partners and Other Organizations .....	30
Table 12 – PPAs Signed in Q1, FY2016 .....	35

## List of Acronyms

ABADE:	Assistance in Building Afghanistan by Developing Enterprises	EMMP:	Environmental mitigation and monitoring plan
ACCI:	Afghanistan Chamber of Commerce and Industries	ERF:	Environmental review form
ACD:	Afghanistan Customs Department	ERR:	Environmental review report
ADF:	Agricultural Development Fund	FAIDA:	Financial Access for Investing in the Development of Afghanistan
AISA:	Afghanistan Investment Support Agency	GDA:	Global Development Alliance
AOR:	Agreement Officer's Representative	GIRoA:	Government of the Islamic Republic of Afghanistan
APPF:	Afghan Public Protection Force	GIZ:	Deutsche Gesellschaft für Internationale Zusammenarbeit
AREU:	Afghanistan Renewable Energy Union	ICT:	Information and communications technology
ASI:	Adam Smith International	IDEA-NEW:	Incentives Driving Economic Alternatives for the North, East, and West
ASM:	Artisanal and small-scale mining	IESC:	International Executive Service Corps
ASMED:	Afghanistan Small and Medium Enterprise Development	IT:	Information technology
ATAR:	Afghanistan Trade and Revenue Project	LOP:	Life of project
AWDP:	Afghanistan Workforce Development Program	M&E:	Monitoring and evaluation
AWLE:	Afghan Women's Leadership in the Economy	MEO:	Mission Environmental Officer
BCU:	Balkh Craft Union	MEP:	M&E plan
BEO/OAPA:	Bureau Environmental Officer / Office of Afghanistan and Pakistan Affairs	MFA:	Ministry of Foreign Affairs
CCN:	Cooperating country national	MIDAS:	Mining Investment and Development for Afghan Sustainability
COP:	Chief of Party	MoCI:	Ministry of Commerce and Industries
DBA:	Doing business as	MoF:	Ministry of Finance
DCOP:	Deputy Chief of Party	MoMP:	Ministry of Mines and Petroleum
DFID:	UK Department for International Development	MoPW:	Ministry of Public Works
		MoWA:	Ministry of Women's Affairs
		MUDA:	Ministry of Urban Development Affairs

NGO:	Nongovernmental organization
NMD:	New Market Development
OAPA:	Office of Afghanistan and Pakistan Affairs
OIG:	Office of Inspector General
PPE:	Personal Protective Equipment
PLSO:	Partner Liaison Security Office
PPA:	Public-private alliance
RADP:	Regional Agricultural Development Program
REO:	Regional Environmental Office
RLO:	Regional Legal Office
SEDEP:	Sustainable Economic Development and Employment Promotion
SHAHAR:	Strong Hubs for Afghan Hope and Resilience
SME:	Small and medium enterprise
TOT:	Training of trainers
UNDP:	United Nations Development Programme
USAID:	United States Agency for International Development
VEGA:	Volunteers for Economic Growth Alliance
WSME:	Women's small and medium enterprise



Medical lab technician student engaged in practical work

## 1 Project Overview

Assistance in Building Afghanistan by Developing Enterprises (ABADE) works with the private sector in Afghanistan to strengthen its productivity and help enterprises sustain growth and create jobs. ABADE's objectives are to increase domestic and foreign investment, stimulate employment and improve sales of Afghan products. ABADE's public-private alliances with small and medium enterprises (SMEs) help reduce the risks involved in business expansion. The project coordinates with other USAID programs to improve the business enabling environment, develop a skilled workforce and facilitate access to finance.

### ***Current Activities***

**SME alliances:** Capital is provided to existing SMEs or business alliances through a competitive application process. The Afghan business partners must invest at least twice the amount of USAID's contribution. ABADE's investment in a medical-grade cotton production line for a manufacturer of hospital equipment is an example of an SME alliance.

**Innovation public-private alliances (PPAs):** USAID aims to stimulate innovation by providing capital for new business ideas through a competitive application process. The Afghan business partners must invest an amount at least equal to the USAID contribution. ABADE's investment in the production of high-quality compost using thousands of imported worms—the first use of this approach in Afghanistan—is an example of an innovation PPA.

**Technical assistance and business advisory services:** ABADE provides technical assistance and business advice to SMEs, sub-award recipients and other key stakeholders in areas such as accounting, marketing, access to finance, achieving quality standards and using specialized production machinery. Special focus is placed on women entrepreneurs and ABADE's PPA partners.

**Business enabling environment:** ABADE works with the Ministry of Commerce and Industries (MoCI) of Afghanistan to improve Afghanistan's business climate by addressing regulatory and procedural barriers that affect a private enterprise's ability to compete. The program worked with businesses and government to create five-year, industry-specific action plans for the agribusiness, marble, gemstones and jewelry production, construction materials, carpets and women-owned small and medium enterprises sectors, and is now assisting stakeholders with the implementation of priority initiatives identified in action plans.

## 2 Executive Summary

This report summarizes accomplishments in ABADE's three programmatic components (PPAs, technical assistance and business advisory services and business enabling environment) for Q1 of FY2016, covering the period from October 1 to December 31, 2015.

### 2.1 Summary of Results

#### 2.1.1 Component 1: Public-Private Alliances (PPAs)

In the first quarter of FY2016, ABADE formed a total of 33 PPAs with a total investment value of \$56.7 million. Of these 33 PPAs, 27 are SME alliances and 6 are innovation alliances. The selected partners operate in diverse sectors, including medical technology, construction materials production, carpet production and food processing.

With these new partnerships, a total of 180 investment partnerships are under implementation, in various stages of completion – procurement, shipping or installation of equipment by ABADE or the partners; technical training in the proper use of new equipment; or training in food safety, financial systems or various management practices.

During the reporting period, ABADE closed out 24 investment partnerships valued at \$7.3 million and transferred the right, title and interest of equipment to 28 PPA partners. This equipment had a total worth of \$677,125.

#### 2.1.2 Component 2: Technical Assistance and Business Advisory Services

The Component 2 team developed and submitted a total of 31 alliance applications for USAID approval, with a total value of more than \$68 million (an average of more than \$2.2 million per alliance). This value is a direct result of raising the award thresholds for both types of alliances in the previous year. These investments by larger SMEs able to undertake substantial capital business upgrades have a greater impact on production and job creation than smaller investments, and the alliances developed in this quarter are expected to generate more than 10,000 direct jobs after completion.



*The owner of Tavakkoli Brothers Carpet Weaving Company guides workers. The company hires more than 600 women to weave carpets.*

ABADE conducted several technical assistance and training activities for program partners and industry stakeholders, as well as high-value skills training for women, reaching a total of 78 individuals and 47 SMEs. A total of 43 women were trained in high-value skills in two courses, one in ICT and another in medical technology. Nine graduates of the computer networking course passed the Cisco IT industry standard exam and obtained the internationally recognized Cisco Certified Network Associate (CCNA) certificate.

### 2.1.3 Component 3: Business Enabling Environment

Quarter 1 of FY2016 saw the fruition of ABADE’s efforts to address the transportation cost constraint identified in the Carpet Sector Action Plan. The memorandum of understanding between Turkish Airlines, MoCI and the Carpet Exporters Guild was signed on December 8, 2015 after ABADE successfully negotiated with Turkish Airlines for a discount of up to 50 percent on air freight for carpets transported from Afghanistan to Europe and North America. Carpet traders have already begun to enjoy reduced rates of \$2.60/kg for shipments to Europe and \$3.60/kg for shipments to the United States, with further discounts on larger shipments.

ABADE continued to support the MoCI in this quarter to maintain an SME information portal, AfghanEnterprise.com, to report on the status of SME Action Plan implementation and coordinate stakeholder efforts to remove priority constraints. A five-day training in WordPress, website content management software, was held for MoCI staff to whom ABADE will transfer administration of the portal in the next quarter.



*The signing ceremony for the memorandum of understanding between the carpet industry and Turkish Airlines that provides discounted shipping for Afghan carpets*

ABADE also continued to build on the success of previous years’ experiences and hard work. Most of the indicator targets for the quarter have been achieved and many surpassed, and even some life-of-project (LOP) targets have been achieved. The number of women trained in high-value skills in this quarter (43) contributed to the LOP target for this indicator being exceeded by 18 percent. The number of projected beneficiaries continues to exceed the LOP target due to the establishment of three new innovation alliances in the medical technology sector, which are expected to reach a vast number of beneficiaries. The indicator LOP target for investment into the private sector has also been exceeded. It exceeds the target by 45% and more than \$60 million.

## 2.2 Constraints and Critical Issues

The following constraints and critical issues were encountered by ABADE in Q1 of FY2016.

Delays in PPA implementation have been an overriding concern since the beginning of the program. One major delay stems from the lengthy and complicated process of re-registering companies with the Afghanistan Investment Support Agency (AISA). ABADE requires that all SME partners have updated business licenses, and once a PPA's business registration has lapsed, all activities relating to that PPA are suspended. This creates an obstacle when procurement has already commenced and the equipment is in transit, as the shipment can no longer be suspended. The change in management at AISA when the new government assumed power exacerbated the already slow process of annual license renewal.

### Equipment Delivered to Alliance Partner

On November 18, 2016 ABADE delivered two twin screw corn extruders and a flavor coating machine to alliance partner Etehad Jawedan Food Materials Production Company from Mazari Sharif. Before the alliance with ABADE, Etehad Jawedan was only able to fulfill 60 percent of the orders it received due to limited production capacity. The company has already installed all-new equipment and started production. The new equipment is allowing the company to expand its production capacity and establish new product lines, and has already created jobs for 20 workers.



*An Etehad Jawedan worker at the flavor coating machine*

Another delay is caused by the impact of the worsening security situation on the overall economy in Afghanistan. The security situation has slowed economic growth, and the alliance partners are encountering difficulties in meeting their deliverables in the alliance on time, which is slowing down the implementation of the alliances. In a majority of alliances, the partner is responsible for preparing the site or facility to house the ABADE-procured equipment or for purchasing a part of the production line, and their problems with cash flow or reduced revenues are slowing the installation of the equipment. In several cases, ABADE was forced to warehouse equipment until the partner was ready to receive it, and in some cases the partner withdrew from the alliance altogether due to lack of funds.

Several alliances are affected by a lack of technical experience and expertise in Afghanistan. A significant percentage of the equipment and production lines that ABADE procures for PPA partners is new and improved technology for the partners and requires expert installation and integration into the existing production, or training of

staff on how to use it. Technical expertise for this is lacking in Afghanistan, and security concerns are preventing Turkish, Chinese and other experts from coming to partners' factories to install machinery and train staff. ABADE is seeking alternative solutions, such as hiring Pakistani experts who are more willing to travel to Afghanistan or sending Afghan engineers to other countries for training on specific machinery.

One major constraint was resolved successfully this quarter. After almost a year of negotiations with the Ministry of Finance, the Customs Department and the Ministry of Foreign Affairs Protocol Department in Afghanistan—and with the participation of top U.S. officials, including the Assistant Administrator of the Office of Afghanistan and Pakistan Affairs (OAPA), the U.S. Ambassador to Afghanistan, the USAID Mission Director, the Regional Legal Office (RLO) and others—the issue of duty-free customs clearance has been resolved. At a session on September 2, 2015, the Council of Ministers approved the customs- and tax-free import of ABADE-procured equipment intended for the PPA partners. At the beginning of Q1 of FY2106, ABADE started to clear the backlog of shipments detained at the port of Karachi and started delivering the equipment to our partners. By the end of the quarter, all shipments had been released.

## 3 Activity Implementation

### 3.1 Key Activities Accomplished during the Quarter

ABADE has achieved many of its LOP targets—and has exceeded more than half of them.

ABADE is well on its way to reach the LOP target of 500 SMEs supported, with 47 SMEs receiving assistance in this quarter, bringing the total to 401 SMEs supported (80 percent of the LOP target). Support includes the provision of equipment and technical assistance and training to PPA partner SMEs and non-partner SMEs.

ABADE exceeded the LOP target for the number of firms that received ABADE assistance to invest in improved technologies by 37 percent.

In Q1 of FY2016, 43 women (118 percent of the target for the quarter), received high-value skills training that will enable them to find employment, improve their current positions with their employers, provide services from their homes or start their own businesses. The training courses provided were highly specialized and sought-after computer networking training and medical laboratory technician training.

As agreed with the AOR, in Q1 ABADE conducted a survey of all supported enterprises to obtain the number of jobs created. As requested by the AOR, extrapolation was not used in the calculation of the results, and it was only possible to calculate the life of project result. Without applying extrapolation, it is impossible to calculate the quarterly or annual results.

The results on all ABADE indicators are presented in Table 1.

Table 1 – ABADE Performance Indicators Results<sup>1</sup>

MEP Ind	PERFORMANCE INDICATOR <i>(source of information)</i>	Q1 FY2016 October—December 2015			ABADE Year 4 (FY 2016)			LIFE OF PROJECT Totals		
		Target	Total	%	Target	Total	%	LOP Target	Total	%
<b>I. Tier I Indicators</b>										
1	<b>500 SMEs supported with ABADE assistance</b> <i>(SME registration forms)</i>	46	46	100%	184	46	25%	500	400	80%
2	<b>150 private sector firms that have improved management practices as a result of USG assistance</b> <i>(SME registration forms and survey forms)</i>	15	28	184%	61	28	46%	150	196	131%
3	<b>200 firms receiving USG assistance to invest in improved technologies</b> <i>(SME registration forms)</i>	2	24	1200%	2	24	1200%	200	274	137%
4	<b>260 SME public-private alliances formed as a result of ABADE assistance</b> <i>(SME PPA agreements)</i>	8	27	338%	8	27	338%	260	259	100%
5	<b>25 innovation public-private alliances formed</b> <i>(Innovation PPA agreements)</i>	2	6	300%	2	6	300%	25	25	100%
6	<b>USD 180 million in private sector investments created</b> <i>(Innovation and SME PPA agreements)</i>	\$ 1,500,000	\$56,664,171	3778%	\$3,000,000	\$ 56,664,171	1889%	\$180,000,000	\$261,744,523	145%
7	<b>20% increase in sales by public-private alliance SMEs</b> <i>(SME registration forms and survey forms)</i>	5%	109%	2180%	20%	109%	545%	20%	109%	545%
8	<b>40 initiatives that provide alternative workplace models for women</b> <i>(Initiative registration forms)</i>	3	10	333%	12	10	83%	40	55	138%
9	<b>200 women trained in “high value” skills</b> <i>(Graduate registration forms)</i>	37	43	118%	73	43	59%	200	235	118%
10	<b>6 action plans accepted by the MOCI</b> <i>(Action plan acceptance forms)</i>	0	0	N/A	0	0	N/A	6	6	100%
11	<b>4 business constraints addressed</b> <i>(Constraint addressed forms)</i>	1	1	100%	2	1	50%	4	3	75%
<b>II. Tier II Indicators</b>										
A	<b>15,000 full-time equivalent jobs created</b> <i>(SME registration forms and survey forms)</i>	N/A			N/A			15,000	1,901	13%
B	<b>80,000 beneficiaries</b> <i>(Beneficiary forms)</i>	40,000	1,408,500	3521%	40,000	1,408,500	3521%	80,000	1,581,029	1976%

<sup>1</sup> As agreed with the AOR, in Q1 ABADE conducted a survey of all supported enterprises to obtain the number of jobs created. As requested by the AOR, extrapolation was not used in the calculation of the results, and it was only possible to calculate the life of project result. Without applying extrapolation, it is impossible to calculate the quarterly or annual results.

### 3.1.1 Component 1: Public-Private Alliances

Component 1 is responsible for the implementation of approved and signed PPAs. There are two sub-components: SME alliances and innovation alliances. SME alliances work with existing productive SMEs, consortia or joint ventures to mitigate business expansion risks, encourage private investment for business growth and job creation, and expand markets for alliances. Innovation alliances stimulate private sector-led development and investment through innovation-focused activities.

To date, ABADE has invested in 284 partnerships with the private sector. These partnerships comprise 259 SME alliances and 25 innovation alliances.

Table 2 presents ABADE’s overall PPA portfolio, demonstrating results from the start of program implementation to date, as well as accomplishments during the reporting period covering Q1 of FY2016.

**Table 2 – ABADE PPA Portfolio as of December 31, 2015**

ABADE PPA Portfolio	Number of PPAs	ABADE Contribution	Partner Contribution	Total Investment
<b>Overall results</b>				
<b>Total PPAs</b>	284	\$33,898,605	\$227,845,918	\$261,744,523
USAID/PPA partner leverage ratio		1:6.7		
<b>PPA category</b>				
SME PPAs	259	\$29,197,831	\$201,949,818	\$231,147,649
Innovation PPAs	25	\$4,700,774	\$25,896,100	\$30,596,874
<b>PPA status</b>				
Active PPAs	180	\$31,214,416	\$210,146,140	\$241,360,556
Completed/closed-out PPAs	104	\$2,684,189	\$17,699,778	\$20,383,967
<b>Q1 FY2016</b>				
PPAs formed in Q1 FY2016	33	\$7,338,905	\$49,325,266	\$56,664,171
PPAs completed in Q1 FY2016	24	\$1,128,769	\$6,174,208	\$7,302,977

### Implementation of SME and Innovation Alliances

#### Completed PPAs

Twenty-four investment partnerships were completed and closed out in Q1 of FY2016, with a total value of \$7.3 million. ABADE provided the 24 completed PPAs with the primary equipment necessary to undertake their expansion plans, amounting to \$1.1 million in investments. The SME partners contributed their existing resources and invested in new machinery and training of staff. Partner contributions had an approximate total value of \$6.2 million.

### PPA Recognition Ceremony

The U.S. Ambassador to Afghanistan, P. Michael McKinley, and the Director of the SME Development Directorate of MoCI, Mr. Ahmad Zia Sayed Khaili, recognized 34 Afghan SMEs that successfully completed investment partnerships with USAID's ABADE program.

The ceremony took place at the U.S. Embassy in Kabul on November 17, during Global Entrepreneurship Week. Together, the SMEs have invested \$46 million in expanding their businesses to create 3,500 jobs in the Kabul area over the next several years. The 34 companies operate in the food manufacturing and agribusiness, clothing and furnishing production, construction materials production, metal fabrication, steel, carpentry, digital printing and geoscience sectors.

"The fact that hundreds of Afghan firms are investing millions of dollars to expand business and create jobs is a testament to their faith in the future of Afghanistan's economy. Small- and medium-sized firms investing in Afghanistan represent the country's best hope for growing the economy and employing its citizens," said Ambassador McKinley at the ceremony, which was attended by USAID's Deputy Mission Director John Cardenas; Mr. Ahmad Zia Sayed Khaili, Director of the SME Directorate, MoCI; representatives of the Afghanistan Investment Support Agency; and Afghan small and medium enterprises.

unable to replace all of the power tools they had previously invested in that had been lost in the fire. As part of the alliance with ABADE, the company invested in three modern woodworking machines and basic fire prevention equipment, procured a tilting circular saw and upgraded its electricity voltage. ABADE contributed an automatic edge-banding machine worth more than \$27,000 and personal protective equipment (PPE) for workers. The investment has already created three direct jobs, and Atlas plans to hire eight more workers, for a total of 34, when production reaches full magnitude.

In Kabul, Malika and Refa Environmental Solutions stands out for its environmentally innovative approach to waste management. This woman-owned, newly established company has a permit from the Afghanistan National Environmental Protection Agency to transport, compost and recycle solid waste. The company has recently been awarded a contract to remove the organic waste generated at the Bagram Airfield. Through this PPA, the company invested in an

The partnerships completed and closed out in the first quarter operated in diverse sectors, including food manufacturing, agribusiness, furniture production, information and communication technology (ICT), geotechnical services, composting and recycling, personal grooming services and construction material production.

The Atlas Furniture Production Company from Mazari Sharif is an example of tenacity and resolve to continue working. After a fire completely destroyed the original factory, which had been operating for 12 years and employed 23 full-time workers to produce local and modern styles of furniture, the company succeeded in restarting production. However, their output was constrained, as they were

operation to convert the organic waste generated into compost for use as an agricultural fertilizer product. ABADE provided a compost windrow turner, tractors, windrow cover rolls and other items. M&R Solutions were responsible for setting up the facility and day-to-day operations. This investment has created more than 60 direct jobs, and will create additional seasonal jobs in spring and summer.

ABADE completed a project in Hirat with Heray Ansar Plastic Manufacturing Company to expand recycled plastic bag and pellet production. Heray Ansar is recycling waste plastic that would



*Heray Ansar production facility in full swing*

normally end up being disposed of (through littering or more official waste disposal channels) and is manufacturing plastic bags from domestic plastic waste and imported plastic pellets. Through ABADE’s investment, the company has more than doubled its output of plastic bags and increased its ability to process plastic waste in-house. ABADE contributed a plastic recycling machine and a plastic bag production machine, which are installed in a new warehouse facility in Hirat City. Heray Ansar provided the new warehouse, two packaging machines and training of

employees. This investment will result in the creation of 120 direct jobs and 10 indirect jobs.

Table 3 presents the number of PPAs closed out in this quarter

**Table 3 – PPAs Closed Out in Q1 FY2016**

Province	Number of PPAs	ABADE Contributions	Partner Contributions	Total Investment
Badghis	1	\$143,290.00	\$342,230.00	\$485,520.00
Balkh	5	\$50,148.00	\$230,996.00	\$281,144.00
Hirat	6	\$230,998.00	\$1,663,770.00	\$1,894,768.00
Kabul	7	\$548,508.00	\$3,105,594.00	\$3,654,102.00
Nangarhar	5	\$155,825.00	\$831,618.00	\$987,443.00
<b>TOTAL</b>	<b>24</b>	<b>\$1,128,769.00</b>	<b>\$6,174,208.00</b>	<b>\$7,302,977.00</b>
Percentage contributed		<b>15%</b>	<b>85%</b>	

Close-out of a PPA means that deliverables of all parties have been completed. Close-out is the first step toward transferring the title of the equipment to the partner and fully integrating it into the partner’s operations. ABADE implementation and monitoring and evaluation (M&E) teams continue to monitor company operations and use of the equipment for three to six months after close-out, providing the partner with ample time to ensure proper functioning of the equipment. After this period, the equipment is transferred to the partner. The transfer agreement effectively transposes ABADE’s right, title and interest in the property and physical

possession of the materials and equipment purchased by ABADE as its contribution to the investment partnership. During Q1 of FY2016, ABADE transferred title of equipment to 28 partners in five provinces across Afghanistan.

Along with monitoring job creation and sales of closed-out PPAs, ABADE continues to check on the status of equipment turned over to partners and, on an as-needed basis, provides referrals or information on equipment maintenance services and providers.

### Active PPAs

At the end of Q1 of FY2016, 180 PPAs were under implementation.

As the economic center of the country, Kabul has the highest concentration of PPAs with 60 active PPAs, followed by 45 ongoing investments in the western region, 38 in the northern region and 34 in the eastern region.

One of ABADE’s larger alliances involves procuring and setting up machinery for a carton plying, printing and cutting line with the Kabul Packages company. The investment is valued at almost \$4 million and is nearing completion. ABADE has already completed its part of the investment, procuring a combined corrugated carton printing line that consists of a four-color flexographic printer, slotter, die cutter and stacker. The partner has procured another piece of the new carton printing line, a corrugated box line, and is finalizing the new manufacturing building that will house the entire production. Cold weather is slowing down the construction, but the new building is expected to be completed in January 2016. When the investment project is completed in the next quarter, and the plant is fully functioning, Kabul Packages will be able to supply approximately 10 million packages a year to one of its biggest clients, and will fill the current gap in the growing market for boxes.

The geographic distribution of PPAs under implementation as of the end of FY2015 is broken down in Table 4.

### Equipment Title Transferred to PPA Partner

Mohammad Basir and ABADE completed an investment alliance with a total value of over \$40,000 in August 2015. ABADE procured woodworking tools, including a table saw, an edge banding machine, a compound miter saw, a dust collector, and an assortment of saws. Mohammad Basir renovated his existing production facility and hired three workers. On October 6, 2015 ABADE transferred the title of the equipment it provided to Mohammad Basir. He is now able to fill more orders and finish them on time with better quality. He is currently negotiating with a donor organization that liked his new designs, and may get an order to produce school chairs in bulk.



*A newly hired worker operating ABADE-provided table saw at Mohammad Basir’s workshop*

**Table 4 – Geographic Distribution of Active PPAs**

Province	Number of PPAs	ABADE Contribution (USD)	Partner Contribution (USD)	Total Investment
Kabul	60	\$13,635,421	\$104,618,694	\$118,254,115
Hirat	45	\$6,230,733	\$43,290,234	\$49,520,967
Balkh	36	\$5,330,406	\$32,823,900	\$38,154,306
Nangarhar	34	\$4,969,457	\$22,650,941	\$27,620,398
Baghlan	1	\$53,183	\$594,871	\$648,054
Jawzjan	1	\$45,000	\$524,340	\$569,340
Kandahar	3	\$950,216	\$5,643,160	\$6,593,376
<b>TOTAL</b>	<b>180</b>	<b>\$31,214,416</b>	<b>\$210,146,140</b>	<b>\$241,360,556</b>

## New PPAs

This quarter saw the largest amount of investment into alliances in ABADE’s history: more than \$56.6 million. Of this amount, Afghan partner companies contributed \$49.3 million, or \$6.70 for every \$1.00 ABADE invested. The alliances formed in Q1 of FY2016 are also larger on average than in any other quarter, averaging approximately \$1.7 million each. The largest investment amounts to \$10.2 million of ABADE and partner funds. The geographic distribution of new PPAs is shown in Table 5.

**Table 5 – Geographic Distribution of New PPAs**

Province	Number of PPAs	ABADE Contributions	Partner Contributions	Total Investment
Balkh	4	\$1,259,625	\$ 6,510,098	\$7,769,723
Hirat	8	\$2,051,884	\$13,642,156	\$15,694,040
Kabul	8	\$1,992,459	\$18,237,371	\$20,229,830
Nangarhar	13	\$2,034,937	\$10,935,641	\$12,970,578
<b>Total</b>	<b>33</b>	<b>\$7,338,905</b>	<b>\$49,325,266</b>	<b>\$56,664,171</b>
Percentage contributed		<b>13%</b>	<b>87%</b>	

High-value PPAs formed this quarter include alliances with Qasemi Winhouse PVC, Hirat Ice Cream Company, and Delnshin Ice Cream Production Company. These three investments have the potential to create more than 2,000 new direct jobs.

The ABADE alliance with Abdul Hadi Zada Ltd. to expand its carpet production is especially interesting, as it expects to create employment for 1,310 individuals. Abdul Hadi is a Kabul-based carpet producer established in 2000. The company produces and sells handmade semi-finished carpets to local and international traders who finish (cut and wash) the carpets and sell them to export companies. The company is expanding its operations to meet international demand for Afghan carpets, ensure timely delivery and improve quality control. ABADE is contributing 440 carpet looms of various sizes. Abdul Hadi is committing its existing assets as

well as a newly constructed production hangar, four laptop computers, two plotters, an office, furniture, a generator, and two wool yarn dyeing bowls.

Annex 1 contains a list of PPAs created this quarter along with their profiles.

### 3.1.2 Component 2: Technical Assistance and Business Advisory Services

Component 2 is responsible for developing investment partnerships with SMEs, providing technical support and training to PPA partners and other SMEs and delivering high-value skills training to women. High-value skills are defined as technical skills that will enable women to advance in nontraditional sectors or a gainful trade or occupation that provides flexible work hours and work locations.

#### Development of SME and Innovation Alliances

During the project’s life span, ABADE is expected to form 260 SME PPAs and 25 innovation PPAs. In this reporting period, 27 SME PPAs and 6 innovation PPAs were created, bringing the cumulative total from the start of the project to the end of the reporting period to 259 SME PPAs and 25 innovation PPAs. At this juncture, ABADE has attained 100 percent of its target for both SME PPAs and innovation PPAs and has completed the task of developing new alliances.

This quarter, the Component 2 team developed 23 SME and 8 innovation PPA applications and submitted them to USAID for approval. The applications submitted were mostly from the priority industries targeted by Component 3, including carpets, agribusiness, marble, women’s enterprises and construction materials, but also the ICT, power generation and medical sectors.

On December 19, 2015 the last application was submitted to USAID, marking the end of this task in ABADE’s work plan and the completion of the merging of ABADE’s Components 1 and 2. As the role of PPA development under Component 2 has now been completed, a greater emphasis will be placed on technical assistance to PPAs under implementation, dovetailing with the

#### Equipment Delivered to Alliance Partner

An automatic edge banding machine and a six-head boring machine were delivered to PPA partner Khaliq Bilal Furniture Company in December. Khaliq Bilal manufactures custom-made MDF cupboards in Mazari Sharif, and this investment alliance enabled the company to reduce reliance on Chinese imports and greatly expand their product offerings to attract new customers. ABADE-contributed machines were installed alongside a CNC router and a precision panel saw that was part of Khaliq Bilal’s contribution. The company hired five youths to work on the expanded production line.



*A Khaliq Bilal employee working on the new six-head boring machine*

greater activity associated with Component 1's main function of implementing PPAs. Component 2 staff will now assist with the management of the 180 PPAs currently under implementation as well as help implement and manage the new PPAs.

## **Technical Assistance for Sub-Award Recipients and Program Stakeholders, and Demand-Driven Technical Assistance**

The Component 2 team continued to provide a functional support system for PPA applicants and partners. The system is designed to ensure the sustainability of ABADE's investments. Training and technical assistance was provided, predominantly in the areas of business planning, accounting, health and safety, and hygiene and sanitation.

One of ABADE's most popular courses, double-entry accounting training, was held in Hirat for representatives of 28 SMEs. Due to the effectiveness of this accounting system, the training is often demanded by PPA partners and other SMEs who hear about it from social media or ABADE partners. Another session of double-entry accounting training is currently in progress in Hirat for 21 companies from that region, and is expected to be completed in January 2016.



*Kabul Packages employees at work*

ABADE provided technical assistance and training on food safety, sanitation and hygiene to 21 food manufacturing companies in Kabul, Hirat, Mazari Sharif and Jalalabad. Site inspections and training were conducted by four short-term food safety specialists. The specialists physically inspected facilities and surroundings; took note of operations, processes and practices; and explained food safety guidelines to company managers. Using a checklist, the food safety specialists checked for critical factors such as workers' personal hygiene, pest control, rest rooms and hand washing facilities, equipment cleanliness and maintenance, water supply and employee training. Management and employees were then given training in basic sanitation and hygiene and a set of recommendations to be implemented before equipment delivery.

Acting on a workforce assessment conducted by the USAID-funded Afghan Workforce Development Program (AWDP), which reported a shortage of trained medical technicians in the country, ABADE organized a training for female medical laboratory technicians. Training was based on the methodology and globally accepted curriculum presented in the World Health Organization (WHO) Manual for Good Laboratory Training, including Quality Laboratory Management, and included both theory and practice in a formal laboratory setting. Each participant received 240 hours of instruction over 48 days.

Through discussions with local SMEs, the ABADE regional office in Hirat identified a need for specialist training in the field of computer networking. Although many SMEs have computers on their premises, they are usually used independently rather than as part of a network. However, as the economy of the region develops and SMEs continue to grow and make greater use of IT applications, the need for networking to communicate with information retrieval systems is expanding.

### Completed PPA

In December 2015, ABADE completed the alliance with Tahir Riaz Food Items Production Company in Jalalabad after delivering a candy production line and providing food safety training in the previous months. Tahir Riaz used to produce only one type of



*Production has started on the new candy production line.*

chocolate, but with the modern production line the company can produce butter and honey toffee of various sizes, which can compete with imports from Pakistan and India. The company hired 30 new staff, and in only two months after installation of the new equipment, increased their sales by 17 percent.

ABADE provided a computer networking training for female students who are interested in pursuing a career in this field, creating better employment opportunities for them in the future. The training provided the students with the knowledge necessary to undertake the CCNA professional examination. The CCNA certification certifies a technician's ability to install, set up, configure, troubleshoot and operate a medium-

sized routed and switched computer network. The training began on August 16, 2015 and ended on October 18, 2015, comprising 120 hours over 40 days. A total of 19 young women, all IT students and recent graduates, completed the course and went on to take a mock CCNA exam to better prepare them for the official exam; 15 of them successfully passed this preparatory exam, thus qualifying for ABADE support in covering the costs of the official Cisco networking examination. In December 2015, 13 of the graduates sat the CCNA online exam, out of which 9 were successful and now boast an internationally recognized proof of acquired knowledge and skill—the CCNA certificate.

As shown in Table 6, in Q1 FY2016, ABADE trained a total of 78 individuals. Of this total, 60 percent were women. Employees of 47 SMEs were trained.

**Table 6 – Technical Assistance/Training Activities**

Training Activity	Province	Start Date	End Date	Total Trainees	Males	Females	SMEs
Computer Networking Training/ CCNA Training	Hirat	8/16/2015	10/18/2015	19	0	19	5
Double-Entry Accounting Training	Hirat	10/26/2015	11/1/2015	29	25	4	28
Medical Laboratory Technician Training	Kabul	11/7/2015	12/30/2015	24	0	24	8
WordPress Training for MoCI staff	Kabul	12/21/2015	12/28/2015	6	6	0	6
<b>Grand Total</b>				<b>78</b>	<b>31</b>	<b>47</b>	<b>47</b>

## Gender Issues and Women and Youth in Business

ABADE ensures that women and youth (defined as individuals between 16 and 25 years of age) are provided equitable access to the investment partnerships and technical training offered by the program. ABADE provides two branches of support: investment partnerships and high-value skills training.

### Investment Partnerships

To date, 91 PPAs of the 284 investment partnerships created are responding to gender, youth or pro-poor concerns. PPAs in this category are further classified as woman-owned or managed, having a staff composed of more than 30 percent women and conducting an activity directed at women or youth. This quarter, 10 new PPAs addressing gender, youth or pro-poor concerns were formed. Of these, 8 had a staff made up of at least 30 percent women, 1 was owned or managed by a woman, and 2 were engaged in activities directed at women.

Although most of the gender-focused alliances are in traditional industries, such as garments and textiles or food processing, Impressive Consulting Co. is venturing into a distinctive service in the medical sector – provision of software systems for hospital management. A woman-owned SME established in 2008, it has been providing management training, job placement and business consulting services for USAID, donor agencies and private businesses in Afghanistan. In this partnership with ABADE, Impressive Consulting is broadening its service offering by beginning to install and maintain hospital management information system (HMIS) and enterprise resource planning (ERP) software for private hospitals and other industries.



*Fawzia Sadat, the owner of Khaharan Ansari Clothing Production, at work in Hirat*

The PPA aimed at modernization of Louy Said Jamaluddin Afghan Medical Sciences Institute in Jalalabad also stands out for its focus on women. With the investment, the institute will increase the quality and volume of its current courses, which include midwifery, nursing, medical technology, radiology, pharmacology and anesthesiology.

ABADE committed \$2.6 million to support the projects of the 10 gender and youth-related PPAs in this quarter. The partners invested nearly \$11 million into existing resources and new equipment. (See Table 7.)

**Table 7 – Q1 Partnerships Addressing Gender, Youth, Pro-Poor Growth and Other Cross-Cutting Issues**

Number of PPAs	ABADE Contribution	Partner Contribution	Total Investment
10	\$2,639,222	\$10,887,756	\$13,526,978

### High-Value Skills Training for Women

ABADE’s high-value skills training is designed to enhance women’s employability and prepare them for entry into high-skill employment sectors, some of which have been traditionally dominated by men. Two courses were completed this quarter that provided their 43 graduates with high-value, highly marketable skills in computer networking and medical laboratory testing.

The medical laboratory technician course, implemented by local service provider Health Protection and Research Organization (HPRO), was intended to update the knowledge and skills of medical laboratory technicians to enable them to perform basic and certain advanced laboratory tests. It consisted of 10 modules, each with theoretical and practical parts. The modules were: biosafety and security in the lab, parasitology, bacteriology, hematology, serology, virology, biochemistry, urology, reagent preparation and mathematics. At the beginning of the course, all participants were given an entry exam, and they took an exit exam



*Mazatoo Confectionary Production Company workers during packing*

at the end of each module. The improvement was exceptional—the average grade on the entry exam was 30 percent, and the average grade on the exit exam was 95 percent. Further, 16 women achieved results that were in the highest two percentiles. The participants themselves expressed satisfaction at the course and what they had learned in it. “Thank you teachers, thank you ABADE and thank you HPRO for providing this useful

training for us,” said Sonia Sarwary, one of 8 graduates with a 100 percent score on the final exam.

A list of the high-value skills training conducted in Q1 of FY2016 is presented in Table 8.

**Table 8 – High-Value Skills Training in Q1 FY2016**

High-Value Skills Training	Location	Start Date	End Date	Women Trained
Computer Networking Training / CCNA Training	Hirat	8/16/2015	10/18/2015	19
Medical Laboratory Technician Training	Kabul	11/7/2015	12/30/2015	24
<b>Total</b>				<b>43</b>

## Environmental Compliance

ABADE’s partners are subject to strict environmental compliance requirements via an Initial Environmental Examination (IEE tracking number OAPA-12-May-Afg-0033) and IEE Amendment 1 (tracking number OAPA-13-Jan-Afg-0010). The ABAD E Environmental Management Plan has been adapted from the template provided in the IEE and includes instructions for use of the Environmental Review Form (ERF), including the supplement to the ERF for Natural Resources Activities, the Environmental Review Report (ERR) and the Environmental Mitigation and Monitoring Plan (EMMP).

Pursuant to the approved ABAD E environmental manual of April 2013 and the Bureau Environmental Officer / Office of Afghanistan and Pakistan Affairs (BEO/OAPA) Memo for the Record on the Approval of Streamlined Environmental Compliance Process under the Negative Determination with Conditions Threshold Decision, dated August 13, 2013, prior approvals from the USAID Agreement Officer’s Representative (AOR) and USAID Mission Environmental Officer (MEO) are not required for ABAD E to start implementation of the relevant activity. However, the AOR and the MEO reserve the right to stop any activity if they are not satisfied with the quality of the submitted ERF/ERR and EMMP or if the monitoring and supervision indicates inadequate and/or unsatisfactory implementation of the approved environmental mitigation and monitoring measures. In this quarter, ERFs and ERRs have been generated for 10 PPA applications.

Two of the projects reviewed this quarter received a negative determination, which means that the environmental risk was very low and no environmental mitigation and monitoring plan was required; instead, basic conditions were included in the PPA agreement. For the remaining 8 projects screened this quarter, an EMMP was generated to describe the conditions and mitigation measures required during the implementation of the PPA.

Environmental monitoring and evaluation is ongoing for 139 PPAs that are in the advanced stage of implementation. EMMPs have been closed out and submitted to USAID for 22 alliances.

PPE has been procured and delivered for 30 PPAs. The PPE includes standard safety equipment (first aid kits and fire extinguishers) as well as safety glasses, work boots, gloves, respiratory

protection and food safety/hygiene equipment. At the time of delivery and throughout environmental monitoring visits, ABADE provides the PPA partner with training and direction on safe use and maintenance of the equipment.

Four medical-related PPA partners have been assisted in developing management procedures to effectively dispose of the hazardous waste generated during their respective activities. ABADE environmental compliance staff has identified a government-approved medical waste management facility in Kabul to provide collection and processing services to medical partners and to review each partner’s handling and storage procedures regarding waste inside their

### Environmental Support to a PPA Partner

One of ABADE’s first alliances involves the establishment of a pine nut processing facility in Kabul. The processing machinery includes customized, automated machinery that can remove the shell of the pine nut prior to packaging in accordance with food safety standards for export to international markets. The chilgoza pine (*Pinus gerardiana*) is registered by the International Union for Conservation of Nature and Natural Resources (IUCN) Red List of Threatened Species as a Near Threatened species across its range in Afghanistan, China, Pakistan and India. In Afghanistan, the chilgoza pine is considered protected but harvestable, but over-harvesting is a key threat. Therefore, a critical component of ABADE involvement in the Afghan pine nut sector involves efforts to educate village harvesters on the status of this species and introduce sustainable harvesting techniques. Two short-term technical assistance consultants have been contracted by ABADE to research the chilgoza pine forests of Afghanistan. The research will be used to prepare a training manual on sustainable harvesting and conservation of the pine trees for the PPA partner. The consultants have initiated their research activities and are expected to hold a training event with the partner’s managers and employees during Q3 of FY 2016.

facilities. One partner, a medical training institute in Jalalabad<sup>2</sup>, was assisted in preparing a standard operating procedure for their waste management and contracting with a private medical waste management facility in Jalalabad.

Based on ABADE’s exemplary performance in environmental protection, the USAID Regional Environmental Office (REO) and MEO requested a presentation of ABADE’s environmental practices at the 2015 USAID Infrastructure Workshop. Built to Last: Ensuring Sustainability and Resilience of Infrastructure Investments was held December 14–18, 2015 in Washington D.C. Since ABADE’s environmental expert was not available at the time, REO Andrei Barannik presented the presentation prepared by ABADE.

<sup>2</sup> Louy Said Jamaluddin Afghan Medical Sciences Institute, partner in PPA-A265

### 3.1.3 Component 3: Business Enabling Environment

Activities carried out under this component are designed to improve the business enabling environment for SMEs by identifying key impediments to business and working with stakeholders to remove legal, regulatory, administrative and related barriers to business development. The primary focus of Component 3 is to identify and remove constraints that inhibit the growth prospects of SMEs operating in the priority industry sectors highlighted in the Government of the Islamic Republic of Afghanistan (GIROA) National Private Sector Development Strategy and the MoCI's SME Development Strategy.

#### Support Efforts to Implement SME Action Plans

In Q4 of year 3, ABADE set out to improve the business enabling environment for SMEs in Afghanistan by identifying impediments and removing barriers as noted above. In FY2015, USAID approved ABADE's proposal to add a new indicator, "Business constraints addressed," to ABADE's indicators. As a result, four business constraints identified in the MoCI priority sector action plans are to be addressed during the latter half of the program. During this reporting period, one constraint was successfully addressed and work continued on three more.



*The Construction Material Working Group meets at the MoCI*

In this quarter, ABADE focused on the resolution of two of the principal constraints hindering the development of the construction materials sector: (1) lack of adoption of new production technologies and introduction of new construction materials and (2) lack of capacity within the construction material manufacturing sector.

Lack of capacity in the marble sector, specifically in the processing and quarrying of marble, is another constraint ABADE started addressing in this quarter based on the action plan for this sector. Different areas of the sector have different limitations that impede the competitiveness of Afghan companies in comparison with international marble companies. Targeted training in specific areas could improve the quality and quantity of production/processing, help domestic companies compete with cheap imports and improve marble products.

## Addressing Priority Constraints in the SME Action Plans

### Construction Materials Sector

After the successful development of the Construction Materials Action Plan (CMAP) by ABADE and the formation of the Construction Materials Working Group, efforts were made to address the priority constraints in this sector.

One of the priority problems that the construction materials industry is currently facing is lack of new construction materials technology and new products.

ABADE has designed two training programs to address this. They deal with cellular lightweight concrete (CLC) and stabilized compressed earth block (SCEB). A statement of work was developed and put out for bids to design the curriculum and conduct the training. Proposals were received and evaluated, and a local company has been selected. The contract is currently being finalized and the training will start in Q2 of



*Afghanite Geo And Mining Engineering Services Company expert engineer tests material*

FY2016. This activity will train a group of individuals to become competent at manufacturing and building with CLC blocks and SCEBs. The training will have two tracks: 40 individuals will receive training in the principles and practices of CLC and SCEB, and 5 individuals will receive training to become trainers.

The second priority problem that ABADE focused on this quarter was lack of capacity within the construction material manufacturing sector. ABADE designed two training programs to address this constraint:

- **Developing a curriculum and training lab staff in construction materials:** As identified in the CMAP, quality control of materials is one of Afghanistan's greatest impediments. One of the key needs for developing and enforcing material quality standards is to have accredited testing labs, which require trained and competent staff. Proposals are being collected to train laboratory personnel in the importance and procedures of laboratory material testing. The training is expected to begin in Q2 of FY2016.
- **Developing a curriculum and training in industrial electricity:** ABADE is also currently open for proposals for the implementation of this training. It will develop the skills of people who maintain, repair and service the electrical systems found on production machinery in the construction materials industry. This industry is dependent on the

machinery being in operational condition. Because of the nature of the industry and the particular equipment, regular maintenance and repair is a prerequisite to production efficiencies. At present, machinery breakdowns are frequent and often problematic in rectifying. This is primarily due to a skills deficit in Afghanistan. To date, either experts are required to come in from overseas or the machinery is left dormant.

### Equipment Delivered to Alliance Partner

On November 22, 2016 ABADE delivered a cashmere dehairing line to alliance partner Sudais Saud Pistachio Processing Company from Hirat. Sudais Saud currently exports cashmere as a raw material. Under this PPA, the company will establish a cashmere dehairing line to produce machine-dehaired cashmere. With in-house industrial dehairing capabilities, the company will be able to provide international markets with a higher quality and more valuable product. The investment has the potential to create 102 jobs. An international cashmere expert has been assisting the company to select the machinery, optimize production facilities, and start up operations. Based on his observations of the process after machine installation, he provided recommendations on improvements that the company is currently implementing.



*International cashmere expert observing cashmere dehairing machine to improve production process*

### Carpet Sector

ABADE has been in negotiation with airline companies in Afghanistan that have the facilities and capabilities to ship carpets to North America and Europe. As a result of continuous efforts initiated by ABADE, Turkish Airlines has agreed to provide concessionary shipping rates to the Afghan carpet industry represented by the Afghanistan Carpet Exporters Association. The agreement was signed through a memorandum of understanding between Turkish Airlines and Afghanistan Carpet Exporters Guild in the presence of the Minister of Commerce and Industries (MoCI) of Afghanistan. ABADE has initiated this effort and has involved private sector (Turkish Airlines and the carpet industry), government (MoCI) and donors who otherwise rarely communicate and meet one another.

The signed memorandum of understanding marks the success in addressing one of business constraints identified in the action plan, and marks the third business constraint addressed under ABADE's new indicator, or 75% of the LOP target.

## Marble Sector

Lack of capacity in the marble sector, specifically in the processing and quarrying of marble, is another constraint ABADE started addressing in this quarter based on the action plan for this sector. Different areas of the sector have different limitations that impede the competitiveness of Afghan companies in comparison with international marble companies. Targeted training in specific areas could improve the quality and quantity of production/processing, help domestic companies compete with cheap imports and improve marble products. Therefore, ABADE has started putting together training programs on marble processing and quarrying. Statement of work documents were developed in consultation with MoCI and the Marble Association and were put out for bidding. The training is expected to begin in the next reporting period. These training programs are meant to improve the capacity of local technical staff (cutting, polishing, finishing, quarry workers) in the marble industry to move Afghan marble up the value chain and thus identify new buyers in regional and international export markets.

### Completed PPA

Khushnama Stonecutter Company recently completed an alliance with ABADE after both partners fulfilled their deliverables. Khushnama was responsible for the preparation of the factory site and the purchase of a new electrical transformer, while ABADE procured the horizontal splitting machine and covered associated operator training costs. Before the alliance, Khushnama used to export the marble as a semi-processed raw material, but the company is now able to export slabs of different sizes and thicknesses to many countries in the Persian Gulf. When the operation reaches full capacity, Khushnama will hire 54 more staff, mostly youth.



*Khushnama employees learning how to operate the new horizontal splitting machine*

## Engaging Private Sector Stakeholders in Efforts to Remove Business Development Constraints

Component 3 has continued to support MoCI to hold working group meetings to facilitate the identification of issues and problems that constrain business development and to take actions to implement practical solutions to those problems. During the reporting period, four working group meetings were held within the construction materials, marble, women in business and carpet sectors. Component 3 has initiated all four working group meetings and extended the support to prepare presentations and agendas, extend invitations to donor organizations and

translate the meeting minutes. Three important achievements came out of the working group meetings:

- A carpet transportation memorandum of understanding was signed between Turkish Airlines and the carpet industry.
- The Construction Materials Action Plan developed by ABADE was officially introduced to industry stakeholders, and their comments on the final version were collected.
- Afghan women in business had an opportunity to hear about the three Promote Projects (Women in Government, Women in Economy and Women in Leadership).

### Usefulness of AfghanEnterprise.com

The deputy minister of the MoCI said that this training and the website were very important for the MoCI because both would help the MoCI coordinate the implementation of action plans and other strategies and policies. He also said that the MoCI is planning to automate the business licensing process, and sharing relevant information on the website could be a first step toward achieving this goal.



*Transfer of the ownership of Afghanenterprise.com to the MoCI*

### Supporting and Maintaining the SME Information Portal

Component 3 has worked with the MoCI to transfer the ownership of the SME Information Portal—afghanenterprise.com—to the MoCI. Based on a request from the MoCI, Component 3 hired a trainer to train six individuals from the IT, Communications and SME Directorate of MoCI to maintain the website and continue to keep it updated.

The ownership of the website was also transferred to the MoCI; however, at the request of the MoCI, ABADE will keep supporting the MoCI technically to feed the right type of information to the website. This includes helping the MoCI prepare, translate and proofread information that will appear on the website so that efforts are coordinated in implementing the action plans.

## 3.2 Planned Activities for the Next Reporting Period

The following specific activities will be undertaken in the next quarter of FY 2016:

- ABADE's focus will be directed toward the completion and closing out of PPAs in Kabul, the regional offices in Hirat and Mazari Sharif and the satellite office in Jalalabad.
- Component 2 will organize training courses for PPA partners and other interested SMEs. The courses will include financial management and accounting, management and leadership, and sales and marketing.
- Component 3 will start implementing the training programs initiated in the reporting quarter to help address two of the priority constraints identified in the CMAP.
- Component 3 will continue to support the MoCI to hold working group meetings and conferences, as these have proven to be good tools for identifying bottlenecks; making decisions on action plan implementation; coordinating among the private sector, governmental agencies and the donor community; sharing information; and providing opportunities for the private sector to raise their voice and lay their problems in front of high-ranking government officials (which is not possible otherwise).
- Component 3 will also continue to support the MoCI to maintain the AfghanEnterprise.com website, the ownership of which has been transferred to the MoCI.



*Deputy Minister of MoCI Dr. Abdul Bari Salaam distributes certificates to students attending WordPress training*

## 4 Lessons Learned

Crucial lessons were learned as ABADE focused its efforts on developing partnerships with mid-sized enterprises, implementing PPAs, closing out completed investments and addressing the top priority constraints identified in the MoCI's sector action plans. Lessons learned include the following:

- The cost of offloading equipment from the shipper, which was not previously identified as an item of expense, is now included in the shipping cost. This expense was not included in either the partner’s or ABADE’s contribution. Depending on the size of the machinery, offloading costs can be significant, and the receivers (PPA partners) complained about this unbudgeted expense.

- PPAs encourage businesses to adopt new technologies as a means of increasing productivity and efficiency. A major cause of delay in the procurement of equipment for partners was selecting the appropriate machinery for the project. The selection of equipment is done jointly by the PPA partner and the ABADE PPA specialist, and ABADE will not start



*Abdul Rahim Metalwork Services employee at work in Kabul*

procurement without the partner’s agreement. In many instances, however, the partner changes his or her preference and requests changes in the type of machinery or specifications mid-course. If partners stand firm on the new preference, ABADE has to start the lengthy process of procurement all over again. As a mechanism for reducing this occurrence, PPA teams conducted regular meetings with partners to facilitate better understanding of the processes involved in procurement. Regular communication also assures PPA partners that their concerns are being addressed and makes them aware that some processes take time to complete and crucial changes in equipment will result in long delays.

- Recognizing the importance of engaging stakeholders in action plan development and implementation, ABADE has consistently followed an approach that involves substantial participation from private sector stakeholders. This bottom-up approach provides a means of identifying business constraints and opportunities from the perspective of the SMEs that deal with these challenges on a day-to-day basis. Furthermore, providing opportunities for private sector stakeholders to present their problems and ideas to government decision makers through formal channels such as business roundtables, working groups, task force meetings and other consultative sessions helps create a cooperative environment that enables private sector leaders and government officials to work together more effectively to solve problems and promote SME development.

- Coordinating inputs from a diverse array of stakeholders to implement action plans requires time and effort to identify stakeholders willing and able to help develop solutions



*Abdul Rahim Metalwork Services employee at work in Kabul*

to the priority problems included in the action plans, develop cooperative working relationships and maintain these relationships long enough to achieve observable progress in accomplishing action plan objectives. During the course of ABADE’s work with the MoCI and industry stakeholders to develop and implement the sector action plans, it has become obvious that improving communication among stakeholders is a key requirement for improving coordination and cooperation.

Frequent face-to-face meetings and effective electronic communications are essential. Consequently, a continuing priority will be placed on supporting efforts by the MoCI and the various industry working groups to conduct working group and task force meetings on a regular basis and supplement these meetings with regular reporting of results using online channels such as ABADE.org and AfghanEnterprise.com.

## 5 Collaboration

The success of ABADE’s work in developing and implementing PPA alliances and supporting the MoCI in implementing their SME development strategy depended on strong collaboration with different government ministries, development organizations and implementing partners—including stakeholder groups at the national and regional levels. In developing PPA alliances, the regional centers of Hirat, Mazari Sharif and Jalalabad closely collaborated with the regional offices of the MoCI, the MoWA and AISA, the Office of the Governor, the provincial Department of Economy, chambers of commerce, industrial unions and financial institutions, including USAID implementing partners and other donor-funded projects operating at the regional level.

Tables 9–11 show ABADE’s formal collaboration activities with government ministries, other development organizations and USAID implementing partners.

## 5.1 Links with Relevant GIRoA Ministries

Table 9 – Collaboration with GIRoA Ministries

Collaboration Activity	Date	Organization	Key Highlights
Component 3 activities, AfghanEnterprise.com website	Periodic meetings	MoCI	It was agreed that the MoCI would assign personnel to transition the AfghanEnterprise.com website, mainly targeting distribution of information about MoCI activities and updates related to the action plans.
Familiarization visit to PPA partner Jade Glass Company	Oct 26, 2015	AISA RM and ABADE Mazar RM	AISA pledged to talk with the local power station to provide stable electricity to the plant and also communicate the partner's issues with the AISA Kabul office to facilitate meeting with the Ministry of Mines and Petroleum (MoMP) to discuss issues affecting the plant.
Women's Small and Medium Enterprises (WSME) Working Group meeting	Oct 28, 2015	MoCI	The purpose of the working group meeting was to review the progress and status of the WSME Action Plan implementation and provide information about the three projects under PROMOTE and their programs for Afghan women in business.
Negotiations between the MoCI, the Afghanistan Carpet Association and Turkish Airlines on reduced shipping rates for carpet exports	October–December 2015	MoCI and ABADE	ABADE worked with the Carpet Association, the MoCI and Turkish Airlines to reduce the shipping rates for exports and prepare a memorandum of understanding to be signed on this topic.
ABADE activities, updates to the MoCI Deputy Minister	Nov 1, 2015	MoCI	The ABADE Chief of Party (COP) met with the MoCI Deputy Minister, Private Sector and Industries, HE Abdul Bari Rahman. The meeting also included Ahmad Zia Sayedkhaili, Director of MoCI SME Directorate. The purpose was to discuss ABADE activities and support to MoCI.
Coordination meeting	Nov 4, 2015	AISA RM and ABADE Hirat RM	In this meeting, the AISA Hirat office was updated on ABADE activities and notified that ABADE is no longer receiving new business ideas and concept notes.

Collaboration Activity	Date	Organization	Key Highlights
Construction Materials Working Group meeting	Nov 9, 2015	MoCI and ABADE	Component 3 assisted in the planning and execution of this inaugural working group meeting, held at the MoCI, and ABADE gave a 90-minute presentation on the importance of improving quality via better processes and the introduction of new materials. More than nine public organizations, including sector ministries and several private companies (PPA partners among them) came together to elect the permanent and temporary working group members who will collaborate to address constraints and problems identified in the sector.
Familiarization visit to two ABADE PPAs by the Hirat Governor	Nov 11, 2015	Hirat Governor	Herat Governor, Mr. Asef Rahimi, visited two ABADE PPAs. He was accompanied by the head of the economy department, members of the Afghanistan Chamber of Commerce and Industries (ACCI) board of directors, the head of the Herat industrial union and heads of economic sectors in the west region. The governor stated that he is impressed with the efforts of ABADE and the private sector to enhance enterprises in Afghanistan.
Follow up on Jade Glass power issue	Nov 15, 2015	AISA	AISA requested that Jade Glass provide copies of all letters that were addressed to the local power station.
Private Sector Development Committee monthly meeting	Nov 17, 2015	Committee members	<ul style="list-style-type: none"> <li>• The Provincial Development Plan for 2016 was discussed, and new projects were added.</li> <li>• A committee—including representatives from the MoCI, ACCI and AISA—was assigned to assess wool spinning companies in Mazari Sharif.</li> <li>• Jade Glass’s energy issues were discussed, and it was decided that in later meetings of the committee, the issues will be discussed in the presence of the head of the power department and Jade Glass Company.</li> </ul>

Collaboration Activity	Date	Organization	Key Highlights
Provincial Business Agenda for Hirat meeting	Nov 30, 2015	CIPE and ACCI	The Hirat RM attended the meeting, which was organized by the Center for International Private Enterprise (CIPE) and the Hirat branch of the ACCI. The Hirat governor, the head of the economic department and some participants from different businesses were present to hear recommendations for reforms that will reduce corruption, improve security, reduce taxes, increase access to credit, and improve infrastructure.
Renewable energy presentation by Rahkar Company	Dec 2, 2015	Balkh Chamber of Commerce, AISA and Rahkar company	ABADE's Mazari Sharif office facilitated and hosted a one-day roundtable for 18 PPA partners, presenting solar energy sources in the country that are available for use by the business community, and specifically by production companies. This roundtable was initiated by ABADE to introduce PPA partners to the new solar technology.
Marble Working Group meeting	Periodic meetings	MoCI, MoMP and ABADE	The working group meeting was held to track recent developments resulting from the joint efforts of MoCI, MoMP and the Afghan marble sector (represented by the Marble Association).
Coordination meeting	Dec 2, 2015	AISA	Program updates
Discussion of issues of the northern region PPAs	Dec 5, 2015	MoMP and ABADE	The ABADE COP met with the Special Advisor to the Minister at MoMP to discuss the issue of using gas from Sheberghan for Mazari Sharif PPAs, and specifically for Jade Glass (PPA-A017).
Carpet Working Group meeting	Dec 8, 2015	MoCI, GoodWeave, ABADE, Turkish Airlines, Carpet Exporters Guild	The memorandum of understanding on reduced shipping rates was signed between Turkish Airlines and the Carpet Exporters Guild, and another important topic was discussed by all stakeholders—that of carpets produced without child labor (i.e., child labor-free carpets). This discussion is going to extend to coming working group meetings and the intent of the working group members was to achieve the goal of exporting child labor-free carpets in the near future.
Coordination meeting	Dec 21, 2015	ACCI and ABADE	The Hirat RM met with the head of Hirat ACCI and the Hirat industrial union and briefed them that ABADE is no longer developing new PPAs and is focusing only on implementation of approved PPAs.

Collaboration Activity	Date	Organization	Key Highlights
Potential support to Gemstone Sector National Conference	Dec 30, 2015	MoCI	The ABADE Component 3 team met with the MoCI to discuss preparation for and potential support of the upcoming Gemstone Sector National Conference, expected to be held in mid-February 2016.
AfghanEnterprise.com portal transfer	Dec 30, 2015	MoCI	ABADE transferred the ownership and administration of the AfghanEnterprise.com portal to the MoCI.
Hirat Provincial Development Committee meeting	Dec 30, 2015	Provincial Development Committee	The ABADE West RM attended the meeting.

## 5.2 Links with Other Donor Agencies

Table 10 – Collaboration with Other Donor Agencies

Collaboration Activity	Date	Organization	Key Highlights
Child Labor–Free Carpets	Periodic meetings	GoodWeave	Met the president of GoodWeave International in Afghanistan to explore ways to encourage Afghan carpet producers to become member of this organization and get their carpets certified as child labor–free. Child labor–free carpets have a favorable market in North American and Europe.

## 5.3 Links with Other USAID Projects and Other Organizations

Table 11 – Collaboration with Implementing Partners and Other Organizations

Collaboration Activity	Date	Organization	Key Highlights
11 <sup>th</sup> Annual Business Matchmaking Conference	Periodic meetings	Afghan-American Chamber of Commerce (AACC)	The meeting included discussion of preparations for the AACC annual conference, scheduled for December 8–10, 2015 in Washington D.C., and the commercialization of army bases after the departure of NATO forces.
Financial Access for Investing in the Development of Afghanistan (FAIDA) Innovation Roadshow	Oct 26, 2015	FAIDA	This platform is intended to leverage creativity, expertise, and resources to identify, support and scale innovative solutions relevant to Afghanistan. The objective of the roadshow was to bring various actors together.

Collaboration Activity	Date	Organization	Key Highlights
Implementation of the WSME Action Plan	Oct 27, 2015	Afghanistan Public Finance Management (APFM) – Chemonics International	ABADE met the WSME Gender Advisor to go over the action plan and help her identify activities that could fit her scope of work and that she can implement.
WSME Working Group meeting	Oct 28, 2015	Women in Leadership, Women in Government – PROMOTE	These two projects were invited to provide presentations of their programs, what they have achieved to date and their future plans. Afghan businesswomen had the opportunity to hear about future opportunities and ask questions.
Implementation of the WSME Action Plan	Periodic meetings	Women in the Economy – PROMOTE	ABADE provided a brief introduction of the action plan and explained which parts will be implemented by ABADE and which parts Women in the Economy can work to implement.
Inauguration ceremony of the new Sell More For More (SMFM) program in Mazari Sharif	Nov 15, 2015	USAID’s Regional Agricultural Development Program-North (RADP-N)	SMFM is newly started by USAID/RAD UP North project in North. Under this program, 16 SMEs/farmers from the districts will be trained on how to get linkage to the market.
Introduction meeting	Dec 9, 2015	Promote: Women in Economy JLB	This was an introductory meeting of the two projects.
Exchange of SME information	Dec 15, 2015	Promote: Women in Economy JLB	ABADE provided contact information for SMEs and introduced SMEs.
Communication and coordination meeting	Dec 17, 2015	Checchi Company / USAID	Mrs. Mahbooba Seraj, Gender Specialist, chaired this meeting, which discussed all aspects of communication, including reporting, drafting success stories and best practices in shooting successful photographs. Information was shared on how to report on program activities.
Introduction meeting	Dec 21, 2015	DAI/Musharikat JLB	This was an introductory meeting of the two projects.
Internship-related information	Dec 28, 2015	DAI/AWLE JLB	ABADE provided information regarding the internship program to the AWLE RM and introduced some potential PPAs for their internship program.
Coordination meeting	Dec 30, 2015	Checchi Company / USAID	The agenda of the meeting was updating ABADE on how the success story and filming processes for four ABADE partners were conducted. Checchi found the processes were very successful and well-coordinated, and they appreciated ABADE’s efforts in this regard.

## 6 Management and Administrative Issues

During Q1 of FY2016, there have been no management or administrative issues reported. The customs clearance issue, reported to USAID in 2015, has been resolved.

In December 2015 (December 13 and 14, 2015), ABADE held an all-staff retreat in Kabul. At the retreat, the program close-down plan was introduced and all ABADE personnel attended fraud prevention and reporting training conducted by Office of Inspector General (OIG) representatives M. Jawed Massoud and Abdul Wahid Qanit.

The ABADE Operations and Finance team submitted IESC/ABADE annual tax report on December 22, 2015 and started working on the IESC AISA license renewal as well as on the renewal of the contract between IESC/ABADE and the Afghan Public Protection Force (APPF).

### 6.1 Personnel

#### Expatriate Staff

During the reporting period, only one change in expatriate staffing occurred. Mr. Roelof Smith, ABADE Procurement Specialist, left the program in late December 2015 and his duties and responsibilities are now shared among several other ABADE employees. Mr. Geremie Hopkins is in charge of Capital Investment Specification Forms (CISF) review and development, Ms. Katherine Hill is in charge of the review of PPA deliverables, and Mr. Nasir Ahmad and Mr. Shams Ul-hoda took over Roelof's responsibilities related to international procurement.



*Mohammad Basir Furniture Production employee at work*

#### National Staff

The Deputy Chief of Party (DCOP) – Technical Leadership position has been nationalized with the departure of Alan Saffery, who held the position previously. Given the progress of the program and the proposed candidate's relative experience, ABADE senior management unanimously agreed that Mr. Zabiullah Ahmadyar can capably fulfill the requirements of this position. In November 2015, the Agreement Officer's approval was granted to fill this key personnel position with Mr. Ahmadyar. Mr. Ahmadyar took over his new responsibilities on November 10, 2015.

During Q1 of FY2016, the ABADE program was affected by the special immigrant visa program for Afghans who were employed by or on behalf of the U.S. government. Three ABADE employees resigned from the program for that reason: Zabiullah Dayan Ibrahimi, ABADE Business Advisor; Sohail Shariq, Deputy Team Leader Component 1; and BiBiDil Siddiqi, M&E Coordinator Hirat. Rather than maintaining the existing structure, the decision was made to split the roles and responsibilities of Zabiullah Ibrahimi and Sohail Shariq between existing ABADE personnel. Technical management of two ABADE components was allocated to Mr. Ulfat Yousufzai and Mr. Obaidullah Amini was promoted to the Deputy Team Leader – Component 1. Ms. Palwasha Amini became PPA Development Specialist working within Component 2. Then a new M&E Coordinator, Mr. Abdul Hameed Shazad, joined ABADE on December 27, 2015.

On November 15, 2015, Ms. Faeghen Rahimzadeh, Deputy Regional Manager Hirat, resigned from the program for personal reasons. Her position was announced accordingly and in December 2015 a new candidate was selected. Mr. Wahid Ahadi was offered the position and he confirmed his availability as of January 2, 2016.

In October 2015, Ms. Mahbooba Haidary joined ABADE as Women’s Business Coordinator in the ABADE office in Mazari Sharif.

## 7 Success Stories

During this quarter, USAID published one success story of an ABADE investment partnership on its website, as shown in Table 12.

**Table 12 – Success Stories Published in Q1 FY2016**

Story Number	Title	PPA Title and Partner
1.	Processed Seeds Sprout Bigger Profits For Afghan Company <sup>3</sup>	Sesame Seed De-Hulling Line Establishment: Barakat Bazr Improved Agricultural Seed and Grains Company

Three success stories (listed below) were submitted to USAID and have not yet been published, along with more stories that were submitted in the previous quarters:

- A Competitive Edge(Bander) – Habib Sadat Furniture and Cabinetry Company (PPA)

<sup>3</sup> <https://www.usaid.gov/results-data/success-stories/seeds-sprout-big-change>

- Training Accounts for a New Job – Mohammad Yasin Paktin (Trainee of a PPA partner, Fanoos Accounting Company)
- From Dependent Importer to Self-Reliant Supplier – Sahib Zaman Carpet Manufacturer Company (PPA)

Additionally, USAID issued a press release on its website<sup>4</sup> describing the ceremony held at the U.S. Embassy on November 17, 2015 to recognize Afghan enterprises that are investing in public–private alliances with ABADE.

*NEWS & INFORMATION » PRESS RELEASES » USAID RECOGNIZES AFGHAN ENTREPRENEURS*

## **USAID RECOGNIZES AFGHAN ENTREPRENEURS**

### **For Immediate Release**

Wednesday, November 18, 2015

+93 (0) 700 113 553

**Kabul, November 18, 2015** – The United States Ambassador P. Michael McKinley and the Director of the Small and Medium Enterprise (SME) Development Directorate of the Ministry of Commerce and Industry; Mr. Ahmad Zia Sayed Khaili, recognized 34 Afghan small and medium enterprises that successfully completed investment partnerships with the U.S. Agency for International Development’s Assistance in Building Afghanistan by Developing Enterprise (ABADE) program.

The ceremony took place at the United States Embassy on November 17, during the Global Entrepreneurship Week. Together, they have invested 46 million dollars in expanding their businesses to create 3,500 jobs in the Kabul area over the next several years. The 34 companies range from food manufacturing and agribusiness, clothing and furnishings production, construction materials production, metal fabrication, steel mills, to carpentry, digital printing and geoscience services.

ABADE’s public-private alliances with Afghan small and medium-sized enterprises help reduce the risks involved with business expansion, sustain growth and create new jobs. Under the program, Afghan partners define their growth plans and commit their own financial resources to implement it; ABADE complements their investments by providing capital equipment and technical assistance needed for the new business activity.

“The fact that hundreds of Afghan firms are investing millions of dollars to expand business and create jobs is a testament to their faith in the future of Afghanistan’s economy. Small and medium sized firms, investing in Afghanistan represent the country’s best hope for growing the economy and employing its citizens,” said Ambassador McKinley at the ceremony, which was attended by USAID’s Deputy Mission Director John Cardenas; Mr. Ahmad Zia Sayed Khaili, Director of the SME Directorate, Ministry of Commerce and Industry; representatives of the Afghanistan Investment Support Agency, and Afghan small and medium enterprises.

ABADE is a \$105 million project that runs from October 2012 to October 2016. Up to now, it has developed more than 260 public-private alliances with Afghan SMEs with a combined value of over USD 218 million, resulting in increased sales and employment.



**U.S. Ambassador to Afghanistan, P. Michael McKinley, honors 34 Afghan small and medium enterprises that successfully completed investment partnerships with USAID’s ABADE program.**  
USAID

<sup>4</sup> <https://www.usaid.gov/afghanistan/news-information/press-releases/usaid-recognizes-afghan-entrepreneurs>

## 8 Annexes

### Annex 1: New PPAs in Q1 of FY2016

Table 12 – PPAs Signed in Q1, FY2016

PPA Number	Activity	Organization	Province
PPA-A254	Fruit Packaging Production	Afghan Trade Ltd	Kabul
PPA-A258	Cashmere Dehairing Line Expansion	Cashmere Fibres Afghan Ltd	Hirat
PPA-A259	Raisin Processing Expansion	Jamshid Ramin Dry Fruits Processing & Packaging Company	Balkh
PPA-A260	Plastic Product Manufacturing	Hamed Farhad Industrial Company	Hirat
PPA-A261	Marble Slab & Tile Expansion	National Marble Company Ltd	Nangarhar
PPA-A262	Polyethylene Pipe Production Expansion	Taban Sharq Polyethylene Pipe Production Industrial Company	Hirat
PPA-A263	Cooling System Production	Ramak Turk Chelik Manufacturing	Kabul
PPA-A264	PE Pipe Fitting Production	Milad Wais Polyethylene Industrial Production Company	Hirat
PPA-A265	Modernization of Private Medical Institute	Louy Said Jamaluddin Afghan Medical Sciences Institute	Nangarhar
PPA-A266	Establishment of Macaroni Production Facility	Zohak Shah Foladi Ltd	Kabul
PPA-A268	Marble Slab Production Line Modernization	Koh-e-Safid Stone Cutting Company	Hirat
PPA-A269	Paving/Cobble and Curb Stone Production	Rahmat Fazal Construction and Construction Material Production Company	Nangarhar
PPA-A270	Carpet Weaving Expansion	Darenoor Brothers Carpets Weaving Company	Nangarhar
PPA-A271	Ice Cream Storage & Distribution Network	Hirat Ice Cream Company	Hirat
PPA-A272	Composite Foam Board & PVC Sheet Production	Yarestan Herat Industrial Company	Balkh
PPA-A273	Marble Processing Expansion	Sarallah Stone Cutting Company	Hirat
PPA-A274	Furniture Production Modernization	Afghan Standard MDF Industrial Company	Hirat
PPA-A275	Plastic Furniture Production	Afghan Niazi Plastic Material Production Company	Nangarhar
PPA-A276	Ice Cream Production Expansion	Delnshin Ice Cream Production Company	Kabul
PPA-A277	Expansion of Carpet Producer	Riaz Ahmadzai Carpet Weaving and Handicrafts Company	Nangarhar

PPA Number	Activity	Organization	Province
PPA-A278	Ice Production Expansion	Haroon Zia Brothers Ice Production Company	Nangarhar
PPA-A279	Modernization of Shampoo & Cleaning Products Manufacturer	Jahan Zeeb Wali Detergent Production Company	Nangarhar
PPA-A280	PVC Profile Production	Qasemi Winhouse PVC	Kabul
PPA-A282	Modernization of Food Processor	Masroor Food Processing Company	Nangarhar
PPA-A283	Steel Tube/Pipe Production Expansion	Real Fabricate Production Factory	Balkh
PPA-A284	Expansion of Carpet Production	Abdul Hadi Zada Ltd	Kabul
PPA-A285	Honey Processing and Packaging	Ashraf Zia Pure Honey Processing and Packaging Company	Nangarhar
PPA-B024	Hospital and Enterprise Management Through Software	Impressive Consulting Co	Kabul
PPA-B025	Steel Construction Materials Production	Afghan Farda Construction Materials Production Company	Balkh
PPA-B026	Aluminum Electrical Wire Production	Shinwar Engineering Industrial Company	Nangarhar
PPA-B027	Pharmacy Chain Expansion	786 Pharma Ltd	Kabul
PPA-B028	Producing Oxygen Gas	Said Walid Agha Oxygen Gas Production Company	Nangarhar
PPA-B029	Plastic Slipper/Chappal Production	Gul Khan Plastic Works Company	Nangarhar

## Profiles of PPAs Signed in Quarter 1, FY2016

### 1. Fruit Packaging Production – Afghan Trade Ltd. (PPA-A254)

Afghan Trade Ltd. (Afghan Trade) is a Kabul-based business that owns an apple, apricot and cherry farm and a fruit sorting facility in Maydan Wardak province. The business is establishing a clamshell container production line to improve packing of its own output and to offer the containers for sale to other businesses. The efficiency of producing its own packaging will make the business more profitable. ABADE is contributing an automatic thermoforming machine with stacker, a chiller for clamshell production and transportation costs for the equipment. Afghan Trade is committing all of its existing capital items, renting a new production facility, purchasing stacking parts, a compressor and molds for the thermoforming machine and covering the costs of installation and technical training for its staff. The investment will create 29 direct jobs.

### 2. Cashmere Dehairing Line Expansion – Cashmere Fibres Afghan Ltd. (PPA-A258)

Cashmere Fibres Afghan Ltd. (Cashmere Fibres) is a Hirat-based processor of cashmere fibers that has been operating since 2014. The company's sole product is washed, dehaired and carded cashmere fibers, which are sold exclusively to Cashmere Fibres' sister company Cashmere Fibres International in the United Kingdom. The company is expanding in order to meet established international market demand, reduce the costs associated with shipping raw cashmere and take advantage of Afghanistan's ample supply of high-quality raw cashmere. ABADE is contributing a share of the costs of the new dehairing line and its transportation. Cashmere Fibres is contributing the remaining equipment cost and the costs associated with installation. The investment will create 144 direct jobs.

### 3. Raisin Processing Expansion – Jamshid Ramin Dry Fruits Processing & Packaging Company (PPA-A259)

Jamshid Ramin Dry Fruits Processing & Packaging Company (Jamshid Ramin) has been processing raisins in Mazari Sharif for more than 20 years. The company has struggled to maintain consistent product quality and is investing in modern processing equipment to help them meet ISO 9001 and HACCP standards and establish sustainable buyer relationships. ABADE is procuring a raisin processing line and a water recycling filtration system. Jamshid Ramin is constructing new buildings and procuring a transformer, two generators, a forklift, a water tanker, a water tank and pump, an X-ray sorting machine and laboratory equipment (including ochratoxin and moisture analyzers). The company will also be responsible for equipment installation, staff training on ISO 9001 and HACCP requirements, operations, management and marketing. The investment will create 182 direct jobs.

### 4. Plastic Product Manufacturing – Hamed Farhad Industrial Company (PPA-A260)

The Hamed Farhad Industrial Company was established by Hamed Farhad Ltd. in 2014 to produce plastic bags, frames for windows, rope and string. The company is launching the domestic production and sale of a variety of plastic products. ABADE is participating in the investment by contributing a polypropylene flat yarn production line, rope weaving machines, rope twist and rewinder machines and transportation costs. Hamed Farhad Industrial Company is investing in a bus, a generator, several types of circular looms (some with liner inserting machines), a cutting and sewing machine, a waste plastic crusher machine, equipment installation and technical training. Hamed Farhad Ltd. will contribute its existing assets, including land, a production and stock hangar, a sales facility, a truck and a transformer. The investment will create 99 new full-time jobs.

#### **5. Marble Slab and Tile Expansion – National Marble Company Ltd. (PPA-A261)**

National Marble Company Ltd. (National Marble) is a Jalalabad-based marble processor that manufactures construction materials, including dimensioned marble slabs. National Marble is investing in additional marble processing equipment and facilities to increase its output in order to meet the high demand for marble construction materials for use in homes, offices and hotels. ABADE is contributing a diamond gang saw machine and its transportation costs. National Marble is newly investing in a marble polishing plant, land at the Sheikh Misri Industrial Park and the construction of new facilities. Additionally, National Marble is contributing its existing assets to the project, including stone processing equipment and vehicles. The investment will create 103 new full-time jobs and will nearly quadruple the company's sales.

#### **6. Polyethylene Pipe Production Expansion – Taban Sharq Polyethylene Pipe Production Industrial Company (PPA-A262)**

Taban Sharq Polyethylene Pipe Production Industrial Company (Taban Sharq) is a Hirat-based manufacturer of low-density polyethylene (LDPE) pipes. Demand for these products is high and is currently met largely via imports from Iran. Through an investment in new equipment, the company will increase its production of LDPE pipes and will also begin fabricating high-density polyethylene (HDPE) pipes. ABADE is contributing a new polyethylene pipe extrusion line and covering the associated transportation costs. Taban Sharq is investing in the construction of a new production hangar, procuring a truck, a generator and a plastic grinder and covering the costs of the installation of the new extrusion line and technical training for its staff. The investment will create 42 direct jobs.

#### **7. Cooling System Production – Ramak Turk Chelik Manufacturing (PPA-A263)**

Kabul-based Ramak Turk Chelik Manufacturing (Ramak Turk) manufactures wood stoves, stovepipes and buckets. The company currently operates during the six months of the year leading up to and including the cold season, when demand for their products is greatest. The

company is investing in equipment to improve the quality of their current products and enable them to create fan-based evaporative coolers, allowing them to operate 12 months per year. ABADE is contributing a universal milling machine, a CNC cutting and engraving machine, a CNC plasma cutting machine, a multifunction metalworking machine, a CNC electronic discharge machine (EDM), a small-hole drilling EDM and associated transportation costs. Ramak Turk is investing in a hydraulic press, electrostatic painting equipment and installation and training. The investment will create 32 direct jobs.

#### **8. PE Pipe Fitting Production – Milad Wais Polyethylene Industrial Production Company (PPA-A264)**

Milad Wais Polyethylene Industrial Production Company (Milad Wais) is a Hirat-based producer of polyethylene pipes founded in 2006. Milad Wais is investing in equipment upgrades to establish a pipe-fitting and coupling production line. This product line expansion will enable the production of three different types of pipe-fitting and coupling products. ABADE is contributing three types of injection molding machines, molds for pipe-fitting and coupling items and transportation costs. Milad Wais is committing all of its capital items and paying for the construction of a new production hangar, a bus, a truck, a generator, molds, an industrial scale, installation costs for all new equipment and technical training for its staff. Milad Wais will also open new sales offices in four Afghan provinces. The investment will create 99 direct jobs.

#### **9. Modernization of Private Medical Institute – Louy Said Jamaluddin Afghan Medical Sciences Institute (PPA-A265)**

Louy Said Jamaluddin Afghan Medical Sciences Institute (Louy Said) is a Jalalabad-based provider of medical training courses, including courses in midwifery, nursing, medical technology, radiology, pharmacology and anesthesiology. Louy Said is investing in additional equipment and furnishings to improve the quality and volume of its current courses and add laboratory technician training offerings. ABADE is contributing medical simulation mannequins, autoclaves, a complete blood count (CBC) analyzer, semi-automated biochemical analyzers and a semen analyzer. Louy Said is investing in furniture, an X-ray machine, microscopes, enzyme-linked immunosorbent assay (ELISA) machines, calorimeters, water baths and centrifuge machines. The company is also contributing its existing assets, including land, a building, furniture, existing medical equipment and a valid institute training license from the Ministry of Public Health. The investment will create 33 direct jobs.

#### **10. Establishment of Macaroni Production Facility – Zohak Shah Foladi Ltd (PPA-A266)**

Zohak Shah Foladi Ltd. (Zohak Shah) began importing cooking oil from Malaysia in 2011 under the Marhaba Oil brand and has since built a robust sales network of food wholesalers throughout Afghanistan. Through this network, the company has identified a market need for

macaroni pasta and seeks to establish a suitable production line in Kabul to supply this demand. ABADE is contributing a portion of the new macaroni production line and the transportation costs. Zohak Shah is contributing new production and storage facilities, including a silo, a generator and fuel tank, office furniture and equipment, five trucks, the remaining portion of the macaroni production line and installation and training costs. The investment will create 76 direct jobs.

#### **11. Marble Slab Production Line Modernization – Koh-e-Safid Stone Cutting Company (PPA-A268)**

The Koh-e-Safid Stone Cutting Company (Koh-e-Safid) currently produces cut marble tiles for the construction industry. The company is investing in a modern marble gang saw to greatly increase its rate of production. ABADE will contribute \$90,000 toward the purchase of the new saw and its transportation costs. Koh-e-Safid will contribute all of its existing capital items as well as a new production building, a 630 kW transformer, the remaining cost of the saw after ABADE's investment (estimated at \$67,500) and the costs associated with professional installation. Koh-e-Safid will also invest in establishing a new export sales center and five new regional sales centers and will be responsible for managing all aspects of the expanded business, including finance, administration, operations, sales and marketing. The investment will create 76 direct jobs.

#### **12. Paving/Cobble and Curb Stone Production – Rahmat Fazal Construction and Construction Material Production Company (PPA-A269)**

Rahmat Fazal Construction and Construction Material Production Company (Rahmat Fazal) is an established Jalalabad-based marble processor active in the dimension stone sector since 2003. The company intends to expand its construction materials business by investing in equipment that will allow it to produce granite curb and paving/cobblestones for use in constructing roads, sidewalks and landscaping. ABADE is contributing toward the cost of a line of splitting machines and conveyors in addition to equipment transportation costs. Rahmat Fazal is also contributing toward the cost of the equipment and its machinery installation costs and will leverage its existing assets. The investment will create 107 direct jobs and 20 indirect jobs.

#### **13. Carpet Weaving Expansion – Darenoor Brothers Carpets Weaving Company (PPA-A270)**

Darenoor Brothers Carpets Weaving Company (Darenoor Brothers) was founded in Jalalabad in 2000. To meet the high demand for handmade carpets, Darenoor Brothers is expanding its production capacity by investing in additional carpet weaving equipment. ABADE is contributing 95 carpet weaving frames plus a measuring tape, screw wrench and wooden bench for each frame. Darenoor Brothers has committed all of its existing capital items to this investment and is

procuring additional carpet production tools and accessories as well as paying for the installation of all new equipment. Darenor Brothers will be responsible for hiring and training all new staff and managing all aspects of the expanded business, including administration, finance, operations, sales and marketing. The investment will create 302 direct jobs.

#### **14. Ice Cream Storage and Distribution Network – Hirat Ice Cream Company (PPA-A271)**

Hirat Ice Cream Company (Hirat Ice Cream) has steadily grown to become Afghanistan’s premier ice cream manufacturer. Through this PPA, the company will implement improvements to its main factory, expand the number of stores that carry its products and increase its network of street vendors by investing in additional equipment. ABADE is contributing chest freezers, plate freezers, ice cream pushcarts and cycles and transportation costs. Hirat Ice Cream is investing in a newly commissioned ice cream line, central cold storage, cold storage shelving, chest freezers, refrigerated trucks, a date printer and a clean-in-place system. The company is also contributing its existing assets and a portion of its land, building and machinery. This investment will create the equivalent of more than 1,000 direct full-time jobs and increase sales by more than 17%.

#### **15. Composite Foam Board and PVC Sheet Production – Yarestan Herat Industrial Company (PPA-A272)**

Yarestan Herat Industrial Company (Yarestan Herat) is a Mazari Sharif–based manufacturer of MDF furniture. Through experience and industry connections, the company has identified a need for wood plastic composite (WPC) foam board and PVC sheets for use in the furniture and construction industries and is expanding its production to meet this need. ABADE is contributing a WPC foam board production line and a PVC extrusion sheet production line and is funding the transportation of this machinery. Yarestan Herat is contributing new warehouses for production, storage and administration, a generator, two forklifts, two trucks, a bus, two cars, office furniture, technical training on the new equipment and the electricity transformer required for connection to municipal power. The investment will create 252 direct jobs and 10 indirect jobs.

#### **16. Marble Processing Expansion – Sarallah Stone Cutting Company (PPA-A273)**

Sarallah Stone Cutting Company (Sarallah Stone) produces tiles, slabs and decorative items of marble and travertine. The company is investing in additional processing equipment in order to increase its production volume and begin offering larger stone tiles. ABADE is contributing a portion of the cost of a new calibrating and polishing machine and a horizontal splitting machine. Sarallah Stone is also contributing a portion of the cost of the calibrating and polishing machine and is investing in an additional production hangar, block, cross and head cutters, wagons, trucks, lathes, furnishings for sales centers and equipment transportation. The company is also contributing its existing assets, including land, a production hangar, vehicles,

machinery, office equipment and tools. The investment will create 77 new full-time jobs and more than double the company's sales.

**17. Furniture Production Modernization – Afghan Standard MDF Industrial Company (PPA-A274)**

Afghan Standard MDF Industrial Company (Afghan Standard) is a Hirat-based manufacturer of furniture constructed of wood and medium-density fiberboard (MDF). The company is investing in upgrades to enhance its technical capacity and increase its production volume. ABADE is contributing a woodworking vacuum laminator, a three-row multi-spindle panel drilling machine, a six-spindle wood CNC router machine and equipment transportation costs. Afghan Standard is committing all of its existing assets and investing in the setup of three new sales points, a vertical cutting machine, an air compressor and installation of all new equipment. Afghan Standard will be responsible for providing technical training to new staff and for managing all aspects of the expanded business, including administration, finance, operations, sales and marketing. The investment will create 50 direct jobs and four indirect jobs.

**18. Plastic Furniture Production – Afghan Niazi Plastic Material Production Company (PPA-A275)**

Afghan Niazi Plastic Material Production Company (Afghan Niazi) sells plastic furniture and household items produced by Khan Brothers, its sister company in Pakistan. Afghan Niazi is establishing a factory in Jalalabad to reduce costs by eliminating customs duties and transportation fees. ABADE is contributing an injection molding machine and its transport costs. Afghan Niazi is committing all of its existing capital items and paying for new land, the construction of a new building, the installation of an electrical system, a generator, a crane, vehicles, die sets and a portion of the cost of the injection molding machine. The company will also be responsible for training new staff. The investment will generate employment opportunities for local Afghans in the form of 80 direct jobs and 20 indirect jobs.

**19. Ice Cream Production Expansion – Delnshin Ice Cream Production Company (PPA-A276)**

Kabul-based Delnshin Ice Cream Production Company (Delnshin Ice Cream) produces a variety of individually packaged products for distribution in 10 provinces. The company is expanding its distribution network in order to meet the high demand for its products. ABADE is contributing new ice cream pushcarts. Delnshin Ice Cream is investing in chest freezers and generators, funding the transportation of all new equipment and contributing its existing assets, including a production facility, multiple ice cream and ice pop production lines, packaging machines, milk tanks, homogenizers and pasteurizers, an air compressor, plate freezers, its existing fleet of ice cream pushcarts, refrigerated trucks and freight forward trucks, regional cold storage,

refrigerated containers and generators. The investment will create 667 jobs and increase company sales by more than a third.

#### **20. Expansion of Carpet Producer – Riaz Ahmadzai Carpet Weaving and Handicrafts Company (PPA-A277)**

Riaz Ahmadzai Carpet Weaving and Handicrafts Company (Riaz Ahmadzai) began in Jalalabad as a wool spinning and handicrafts business. The company is expanding its carpet production capacity to capitalize on continued demand growth for quality handmade Afghan carpets. ABADE is contributing 179 carpet looms of various sizes. Riaz Ahmadzai is committing all of its existing capital items and paying for other small equipment (scissors, hooks, combs, meter tape and spare parts) and delivery and installation of the new frames. Riaz Ahmadzai will also be responsible for hiring and training all new staff as well as for managing all aspects of the expanded business, including administration, finance, production operations, sales and marketing. The investment will create 615 direct jobs and 30 indirect jobs.

#### **21. Ice Production Expansion – Haroon Zia Brothers Ice Production Company (PPA-A278)**

Haroon Zia Brothers Ice Production Company (Haroon Zia) is capitalizing on unmet demand for ice by increasing its capacity through an investment in an additional ice block production line. ABADE is contributing an ice block machine and the costs associated with transporting the machine to Jalalabad. Haroon Zia is committing all of its existing assets and paying for a reverse osmosis system, three trucks, setup costs for 25 additional ice selling booths around Nangarhar province, land and the construction of a new production facility in Jalalabad Industrial Park. Haroon Zia will be responsible for hiring and training all new staff as well as for managing all aspects of the expanded business, including administration, finance, operations, sales and marketing. The investment will create 100 direct jobs and 80 indirect jobs.

#### **22. Modernization of Shampoo & Cleaning Products Manufacturer – Jahan Zeeb Wali Detergent Production Company (PPA-A279)**

Jahan Zeeb Wali Detergent Production Company (Jahan Zeeb) is a Jalalabad-based shampoo and cleaning products producer. To eliminate its need to purchase PE preform tubes for use in bottle making, the company is investing in equipment to produce PET preform tubes in-house for its own use and for sale. ABADE is contributing a laundry soap making machine, a liquid detergent production line, a detergent powder plant, a plastic injection machine, molds and transportation costs for this equipment. Jahan Zeeb is committing all of its existing assets, purchasing a cosmetics machine and a vehicle and covering equipment installation costs. Jahan Zeeb will also be responsible for hiring and training all new staff and managing all aspects of the expanded business. The investment will create 119 direct jobs and 20 indirect jobs.

### **23. PVC Profile Production – Qasemi Winhouse PVC (PPA-A280)**

Qasemi Winhouse PVC (Qasemi Winhouse) is a Kabul-based PVC door and window fabricator. To reduce the high cost of importing profiles, the company is investing in equipment to produce profiles in-house. Qasemi Winhouse will also create new sales hubs in six major cities and partner with local entrepreneurs to establish 20 small fabrication workshops. ABADE is contributing three parallel twin-screw extrusion lines, a PVC mixer and equipment transportation. Qasemi Winhouse is committing all of its existing assets and investing in a workshop extension, a power adaptation system, warehouse expansion, production equipment and installation costs, ERP software and technical training. Qasemi Winhouse will be responsible for hiring and training new staff and for managing all aspects of the expanded business. The investment will create 282 direct jobs and 20 indirect jobs.

### **24. Modernization of Food Processor – Masroor Food Processing Company (PPA-A282)**

Masroor Food Processing Company (Masroor Food) is a Jalalabad-based producer of food and beverage products. The company is investing in a new facility and equipment that will allow it to compete with international producers. ABADE is contributing to the purchase of a Tetra Pak juice filling and sealing machine and paying for its transportation. Masroor Food is committing all of its assets; constructing a new production facility; paying for bottle blowing equipment, a homogenizer and pasteurizer, a metal storage tank, a date printer, three vehicles, and equipment installation costs; and contributing to the cost of the Tetra Pak machine. Masroor Food will be responsible for hiring and training new staff and for managing all aspects of the expanded business. The investment will create 72 direct jobs and 20 indirect jobs.

### **25. Steel Tube/Pipe Production Expansion – Real Fabricate Production Factory (PPA-A283)**

Real Fabricate Production Factory (Real Fabricate) is a steel tube/pipe manufacturer established in Mazari Sharif in 2004. To meet increased demand, the company is investing in an additional steel tube/pipe production line and associated equipment in order to double its production capacity. ABADE is contributing a high frequency pipe production line along with associated transportation costs. Real Fabricate is committing all of its existing capital items and investing in the procurement of a CNC precision slitting machine and installation of all new equipment. Real Fabricate will be responsible for hiring and training all new staff and for managing all aspects of the expanded business, including finance, administration, production operations, sales and marketing.

### **26. Expansion of Carpet Production – Abdul Hadi Zada Ltd. (PPA-A284)**

Abdul Hadi Zada Ltd. (Abdul Hadi) is a Kabul-based carpet producer established in 2000. The company produces and sells handmade semifinished carpets to local and international traders

who finish (cut and wash) the carpets and sell them to export companies. The company is expanding its operations in order to meet international demand for Afghan carpets, ensure timely delivery and improve quality control. ABADE is contributing 440 carpet looms of various sizes. Abdul Hadi is committing its existing assets as well as four laptop computers, two plotters, an office, furniture, a generator, two wool yarn dyeing bowls and a newly constructed production hangar. This expansion will lead to employment for an additional 1,310 individuals.

### **27. Honey Processing and Packaging – Ashraf Zia Pure Honey Processing and Packaging Company (PPA-A285)**

Ashraf Zia Pure Honey Processing and Packaging Company (Ashraf Zia), established in Jalalabad in 2000, is upgrading its honey processing equipment to a modern automated system that will increase production capacity and enable quality packaging. ABADE is contributing a honey processing line, a honey filling and labeling machine and a digital honey refractometer. Ashraf Zia is committing all of its existing capital items and paying for 200 new honey boxes as well as construction to expand and improve its production facility. Ashraf Zia will be responsible for hiring and training all new staff as well as for all aspects of managing the expanded business, including administration, finance, production operations, sales and marketing. The investment will create 37 direct jobs and 10 indirect jobs.

### **28. Hospital and Enterprise Management through Software – Impressive Consulting Co. (PPA-B024)**

Impressive Consulting Co. (Impressive Consulting), established in 2008, provides management training, job placement and business consulting services for USAID, donor agencies and private businesses in Afghanistan. Impressive Consulting is broadening its service offering by beginning to install and maintain hospital management information system (HMIS) and enterprise resource planning (ERP) software for private hospitals and other industries. ABADE is contributing HMIS and ERP software packages with source code. Impressive Consulting is committing all of its existing capital items and paying for additional IT equipment to support new staff. Impressive Consulting will be responsible for hiring and providing specialized training for all new staff as well as for managing all aspects of the new business, including finance, administration, operations, sales and marketing. The new business plan will create 42 new jobs.

### **29. Steel Construction Materials Production – Afghan Farda Construction Materials Production Company (PPA-B025)**

Afghan Farda Construction Materials Production Company (Afghan Farda) is a Mazari Sharif-based producer of innovative construction materials. The company is expanding its operations to include the production of structural materials and the provision of installation services. ABADE will contribute shotcrete machines, a stripe flame cutting machine, an H- and box-beam

assembling machine, a gantry-type welding machine, training and the costs associated with equipment transportation and installation. Afghan Farda will newly invest in an H-beam flange straightening machine, a double girder overhead crane and a vehicle. The company will also contribute its existing assets, including land, a building and manufacturing equipment. The investment will more than double the company's sales, establish 88 new full-time jobs and make a complete economical building system available to the domestic market.

### **30. Aluminum Electrical Wire Production – Shinwar Engineering Industrial Company (PPA-B026)**

Shinwar Engineering Industrial Company (Shinwar Engineering) is an AISA-registered, Jalalabad-based engineering workshop producing and servicing agricultural and manufacturing machinery. The company is investing in new equipment to begin production of heavy duty coated electric cables. ABADE is contributing a tubular stranding machine and the associated transport costs. Shinwar Engineering is committing all of its existing capital items and paying for an aluminum wire breakdown drawing machine, an extruding line, equipment installation, new land and the construction of a new facility for the production of coated electric cable. Shinwar Engineering will hire and train all new staff and manage all aspects of the expanded business, including administration, finance, operations, sales and marketing. This investment will generate 112 jobs for local Afghans as well as 40 indirect jobs.

### **31. Pharmacy Chain Expansion – 786 Pharma Ltd (PPA-B027)**

786 Pharma Ltd. (786 Pharma) operates Afghanistan's first chain of pharmacies, currently with seven shops. The company is investing in the equipment and technology required to open 20 additional shops in Kabul, expanding access to high-quality genuine medicine and trained women pharmacists. The investment will be managed by 786 Pharma's CEO and founder, Zabiullah Hidayat Aimaq, an Afghan entrepreneur with substantial experience and a track record in the pharmaceutical sector in Afghanistan. Training will be provided by InFrontier, a London- and Kabul-based investment firm, and Farrington Associates, a specialist in emerging market pharmacies. The business will be further supported by Yousef Mehrabi, 786 Pharma Vice President and an Afghan-American with healthcare investment experience, who will work alongside the CEO.

### **32. Oxygen Gas Production – Said Walid Agha Oxygen Gas Production Company (PPA-B028)**

Said Walid Agha Oxygen Gas Production Company (Said Walid), founded in 2015, is registered with AISA to develop an oxygen gas production facility in Jalalabad. Said Walid will produce oxygen gas to be sold in tanks, mainly to hospitals and manufacturing companies. ABADE is contributing an oxygen production plant and equipment transportation costs. Said Walid is

contributing land, oxygen gas tanks, a generator, three trucks, tools, equipment installation costs and construction costs for a new production facility. Said Walid will be responsible for hiring and training staff as well as for managing all aspects of the business, including administration, finance, production operations, sales and marketing. This investment will create a new business that serves approximately 40 hospitals and benefits approximately 4,000 patients per month. It will also create 79 full-time jobs.

### **33. Plastic Slipper/Chappal Production – Gul Khan Plastic Works Company (PPA-B029)**

After spending 30 years working in a plastic slipper/chappal factory in Lahore, Pakistan, Gul Khan returned to Jalalabad and established Gul Khan Plastic Works Company (Gul Khan) to start producing plastic slippers and chappals for the Afghan market. With his knowledge of the domestic market and his experience and knowledge of the equipment and processes, he believes he will have a very successful Jalalabad-based business. ABADE is contributing an injection molding machine, a crusher (hammer mill), a grinding machine, slipper/chappal molds and equipment transportation. Gul Khan is constructing the manufacturing facility and procuring an air compressor, a generator and additional slipper/chappal molds. The company will also be responsible for hiring and training all staff and all other aspects of managing this new business, including administration, finance, operations, sales and marketing.

**USAID/Afghanistan**

Great Masood Road  
Kabul, Afghanistan

Phone: (202) 216-6288

**ABADE**

Kabul, Afghanistan

Phone: +93 (0) 797-957-209

[www.abade.org](http://www.abade.org)

