

Rebuilding Agricultural Markets Program (RAMP) Afghanistan

Quarterly Progress Report For July 1 – September 30, 2005



Submitted by:
Chemonics International, Inc.

Submitted to:
**Afghanistan Mission
U.S. Agency for International Development
Kabul, Afghanistan**

October 31, 2005



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USAID Contract No. 306-C-03-00-00502-00 to provide services to the Rebuilding Agricultural Markets Program (RAMP) in collaboration with the Islamic State of Afghanistan and the Ministry of Agriculture, Animal Husbandry and Food

Subcontractors: Shorebank Advisory Services, International Fertilizer Development Center

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ACRONYMS

ACRONYMS	
ADB	Asian Development Bank
AED	Agriculture Extension Department
AFC	Afghanistan Finance Corporation
AGE	Anti-Government Elements
AIB	Afghanistan International Bank
The Fund	Afghanistan Renewal Fund
Chemonics	Chemonics International Inc.
COP	Chief of Party
CTO	Cognizant Technical Officer
CO	Contracting Officer
DCOP	Deputy Chief of Party
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GIS	Geographic Information System
GOA	Government of Afghanistan
GPS	Global Positioning System
GUI	Graphical User Interface
Ha	Hectare
IED	Improvised Explosive Device
IP	Implementing Partner
IR	Intermediate Result
IRA	Islamic Republic of Afghanistan
JO	Job Order
Km	Kilometer
Kg	Kilogram
LOP	Life of Project
M&E	Monitoring and Evaluation
MAAHF	Ministry of Agriculture, Animal Husbandry and Food
MEIS	Monitoring and Evaluation Information System
MISFA	Microfinance Investment Support Facility Afghanistan
MIWRE	Ministry of Irrigation and Water Resources
MOC	Ministry of Commerce
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MRRD	Ministry of Rural Rehabilitation and Development
MT	Metric Ton
NGO	Non Governmental Organization
PASA	Participatory Agency Service Agreement
PMP	Performance Management Plan
PPSD	United Nations Partnerships for Private Sector Development
PRA	Participatory Rural Assessment
PRT	Provincial Reconstruction Team
RAMP	Rebuilding Agricultural Markets Program
SME	Small and Medium Enterprises
SO	Strategic Objective
UN	United Nations
UNDP	United Nations Development Program
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
VBSE	Village-Based Seed Enterprise
VFU	Veterinary Field Unit
WOCCU	World Council of Credit Unions

Executive Summary

This quarter was characterized by RAMP's assessing its program impact, setting solid end of project objectives, and organizing to meet those objectives by end June 2006. Regarding program impact we have found that value added to agricultural products by RAMP already has reached \$509 million after two years. The original three year goal given by USAID for value added was \$250 million. Regarding setting end of project objectives RAMP in consultation with our CTO has committed to completing all our current programs by end June '06 and adding two new key projects: extensive irrigation work in Balkh that will nearly double the improved irrigation acreage accomplished to date by RAMP and a doubling of the original RAMP cold room effort. This latter initiative has been given high priority by the Minister of Agriculture and has been endorsed by the president of Afghanistan. Regarding implementation of this ambitious program we have included MAAHF staff more directly in RAMP programs. An example of this is our use of 46 MAAHF staff in the review and improvement of the RAMP Market Collection Centers. In addition we have found our capacity-building project (JO #51 described below) to be an unexpectedly efficient vehicle for interacting with the ministry to accomplish program and project objectives.

Significant Value Chain Developments

Agricultural technology transfer and market development activities focused on the value chain elements of productivity, post-harvest handling, storage, processing, product quality, packaging and shipping, while increasing market access of targeted high value crops. Rural veterinary services and poultry production and marketing projects expanded into additional provinces. The addition of sixty kilometers of farm to market roads will increase the ease of transportation of crops to market, while completion of irrigation and river works will increase quality and quantity of production. More than 28,000 total loans and leasing agreements provided by rural finance services are increasing opportunities for business expansion to micro, small and medium sized enterprises in the agriculture sector. A few of the highlights are noted here.

Identifying Markets and Developing Market Systems

As a result of improved processing and quality control measures the markets are expanding for fresh fruit export. Cold storage facilities and processing plants coming online have contributed greatly to this success. More than 60 metric tons of fresh grapes were supplied to buyers in Saudi Arabia, Kuwait, Dubai and India. As the quality of dried fruit increases through improved processing and laboratory testing, the markets are also expanding. The vegetable dehydration plant in Charikar shipped its first 7.4 metric tons of dried vegetables to the UK. CADG completed its Far East Marketing Study, which points out the large possibilities but also the need for high quality and an aggressive marketing structure.

Improving Value-added Processing

Processing of dried fruits and nuts has been an important focus to increase and ensure high quality for export. Training and technical assistance by RAMP and Implementing Partners is continuing to farmers, associations and traders in drying and processing methods. Laboratory technicians at the Raisin and Other Dried Fruit Export Institute are now professionally testing dried fruit and nuts as a result of training. Construction of processing facilities for fruits and nuts is continuing, and those that have been completed are contributing significantly to increased quality of product.

Increasing On-farm Productivity

Several implementing partners are working intensively with farmers and associations on methods of increasing production. These are primarily through demonstrations and field testing of improved methods and materials, and extension visits for farmers to answer questions and provide advice on site. CADG and Roots of Peace have provided production training to several thousand grape growers in their target areas. CADG, ICARDA and CRS have continued to train and demonstrate improved vegetable production methods using drip irrigation and greenhouses. ICARDA and CADG wheat demonstrations showed an average of \$440 increase per hectare more than local varieties of wheat.

Livestock

The veterinary field units are providing services in 245 districts throughout Afghanistan. Three million vaccinations, medications and other veterinary services were delivered by VFUs, contributing to an increase in health of livestock and the establishment of a sustainable system. Sixty nine new para-vets were trained by DCA during the quarter, expanding the area of services provided by the VFUs. The FAO village poultry project has resulted in more than 100,000 eggs sold by participating women this quarter, adding to their family income.

Value Chain Support Functions**Rural Financial Services**

The grant provided to MISFA to expand the outreach of microfinance loans to agribusinesses was completed during this quarter. The total number of micro loans disbursed under this grant totaled 28,118 for micro enterprises involved with agriculture-related businesses. This number represents almost 200% more than had been projected for disbursements. As of the end of the quarter, Afghanistan International Bank (AIB), RAMP's bank partner, had disbursed the entire \$2 million revolving credit facility to six small and medium sized (SME) agribusinesses. The leasing company, Afghanistan Finance Company (AFC), has disbursed \$176,000 for equipment and machinery to SME agribusinesses. AFC is currently processing another \$1,700,000 for leases to SMEs. Flag International (FI), RAMP's business development services provider, has provided technical assistance to 49 agribusinesses of which six have received financing, so far.

Farm to Market Roads

The infrastructure program has been successfully reoriented from insecure areas in the south to those of relative security in the north and west. While most activities were completed in the south, the transfer to more secure areas will help ensure that infrastructure objectives will be met by the end of the RAMP program. New activities have started in the north and west, and activities continue in the other target areas. Sixty kilometers of farm-to-market gravel roads have been completed during this quarter in Ghazni, Kunduz, and Nangarhar. In Balkh and Herat, construction of roads and bridges has started which will serve the farming communities in these provinces.

Irrigation and Drainage

Irrigation and drainage construction and rehabilitation continues on schedule in Nangarhar, and will provide adequate water and ideal soil moisture conditions throughout the growing season for thousands of farm families. Design of river works and canal systems is underway in Balkh and Herat provinces. Contracts will be awarded and construction started during the coming quarter.

Capacity Building for the Ministry of Agriculture and Food (MAAHF)

Job Order #51, the RAMP capacity-building project to the MAAHF, is having far greater impact and at a faster rate than our most optimistic projections assumed. All four advisors are contributing in their technical areas and also are providing advice directly to the Minister on serious management, strategy, and program matters. One result of this success is that the Minister recently has issued instructions to his staff on which RAMP advisor should be contacted as the conduit for information exchanges between the ministry and specific components of RAMP. Building on the close cooperation existing now between RAMP and MAAHF, we are able through JO #51 to tailor directly with the Minister the types of capacity-building assistance most needed by the ministry. The minister now approaches not just our JO #51 advisors but also RAMP as a whole for advice, guidance, and support in ministry management of the sector. This has been brought about primarily by effective implementation of this capacity-building effort.

Respectfully submitted,

Louis Faoro
Chief of Party

Management Reports

Infrastructure

Overview of this Quarter

The RAMP Infrastructure program was being accomplished during earlier quarters through the award of cost reimbursement contracts and NGOs and companies were being contracted to layout and design works that they then would build. This process has proved to be slow and difficult to administer because few NGOs have the full professional and management capacity to accomplish investigation, design, preparation of adequate contract documents, and construction of the designed works. Therefore, two quarters earlier RAMP/Chemonics began to disaggregate these activities and to follow a three-step process, award of a purchase order or contract for design and preparation of tender documents, tendering for competitive unit price bids for construction, and award of a construction contract to the firm with the most favorable bid. This process has come to full realization this quarter with the award of three road contracts in Nangarhar, the award of a contract for the construction of five bridges in Herat, and the investigation and design of roads, bridges and irrigation works in Balkh, Kunduz, Nangarhar, and Herat provinces.

Rehabilitation of the Guzara and Injil canal systems in Herat Province proceeded apace with: 1) completion of canal surveys and preparation of designs for clusters of structures of the Guzara Canal, 2) tendering for competitive bids for the replacement and repair of four aqueducts, 3) completion of design of a control structure that will exclude flood flows and high sediment loads from the Injil and Haft Qolb canals, and 4) the award of a contract for construction of five bridges that currently are restricting flow of the Guzara Canal.

A contract was let for design of cross-river structures and canal head regulators along the Balkhab River of Balkh Province and foundation drilling for the Qasim Ali Bridge was completed on the Kunduz River. Construction of fruit and nut warehouse processing facilities at Mazar-i-Sherif continued.

Decision Memoranda were submitted to the Mission and approved for redeployment of budget for construction from Helmand, Kandahar, Kunar, and Nuristan to provinces of the north (Balkh, Jawzjan, Kunduz, and Baghlan) and west to Herat.

Major irrigation and road projects that were completed during the earlier quarter in Nangarhar, Balkh and Kunduz Provinces were handed over to private owners of the completed irrigation works of Nangarhar Province and to provincial authorities for maintenance of roads completed.

Construction activities have included the completion of some 60 kilometers of farm-to-market gravel roads during the quarter in three provinces (Ghazni, Kunduz, and Nangarhar) and irrigation and river works progressed for the improvement of irrigation and drainage for more than 300,000 additional hectares of irrigated lands largely in three provinces (Nangarhar, Herat, and Balkh).

Work continued for the construction of warehouse style units for the processing of fruit and nuts at four locations, and the program for the installation of refrigeration units was expanded and additional units were ordered from the manufacturer and installer.

Key Accomplishments

Farm-to-Market Roads and Structures

Roads were under construction in Ghazni, Kunduz, and Nangarhar provinces and more than 60 kilometers were completed during the quarter. Investigations and designs were completed for new roads and bridges in Kunduz, Balkh, and Herat provinces.

Looking forward, weather permitting, construction of roads in Ghazni Province should be completed during the next quarter. If winter comes early, the final few kilometers of road will have to be completed between April and June 2006. Roads and the Qasim Ali Bridge that were designed during the current quarter should be bid and let for construction during the coming quarter.

Ghazni Province

GRSP earlier completed the reconstruction of some 60 kilometers of road extending from Jaghoori toward Malistan an important area of fruit and nut production. Members of the provincial RRD were carrying out final inspections before acceptance of this road by provincial authorities for operation and maintenance. GRSP continued during the quarter with the construction of 24 additional kilometers of road that connects the previously built road to the better road that lies west of the Ghazni City market center. Looking forward, there will be considerable emphasis on completion of this road segment during the fall since the elevation of the terrain is high and winter snows close activities until late spring.

Nangarhar Province

Thirty-eight kilometers of roads of Kama District continued under construction by HADF, a local Nangarhar NGO; the 20 kilometers of the already-built Kama-Ghosta Road were dedicated and turned over to local authorities.

Bids were received from nine pre-qualified contractors for the construction of an additional 75 kilometers of roads divided into three packages of 25 kilometers each. These contracts were awarded and road layout and structural designs were nearly completed by the end of the quarter. Looking forward, these roads should be approximately 50 percent completed by the end of the quarter.

Balkh Province

At a dedication ceremony some 100 kilometers of recently completed roads of Balkh Province were handed over to provincial authorities and local interests.

Designs were completed for the strategic 50 kilometer long Mazar-i-Sherif to Shogera road. At the end of the quarter eight pre-qualified NGOs were informed that they would be receiving tender documents for the bidding of two 25-kilometer road packages.

Looking forward, these roads should be bid, contractors selected, and layouts completed and construction begun.

Kunduz Province

Foundation exploration was completed at the Qasim Ali bridge site with the drilling of a fifth bore that reached a depth of 45 meters below the bed at mid-stream. Design of a 65-meter bridge that will span the Kunduz River at Qasim Ali was begun.

KRA, the Kunduz Reconstruction Agency, was designing a series of road segments in the province and was constructing approximately eight kilometers of road that will connect the future bridge with a neighboring village.

Looking forward, the connecting road should be completed and the contract for construction of the Qasim Ali Bridge executed and work in the river to set piles should be well underway.

Herat Province

BDCIS, an Afghan NGO, was constructing six bridges that span the Injil and Guzara canals. The steel Tariak Footbridge was constructed and needed only to be painted. On-site pre-cast beams had been "launched" at two sites, Kurt Shale Khana and Tariak, and bridge decks were being constructed. Beams were to be launched at the Abu Baki and Ghafar sites early during the coming quarter. The sixth structure is a combination vehicle bridge and flume for carrying a small canal across the Injil Canal. The flume is to be put in place during the coming quarter.

A contract was let to a local contractor, EACC, for construction of five bridges that will span the Guzara Canal and provide canal sections with unobstructed flow. By the end of the quarter concrete abutments had been built at two sites.

Designs were prepared for the construction of a total of 38 kilometers of road that will connect some 15 bridges along the Guzara and Injil canals to regional roads.

Looking forward, BDCIS should have completed all six bridges that they are constructing by the end of the coming quarter and EACC should have completed the decks for three of the five bridges they

are constructing. Up to 38 kilometers of road should have been bid and a contractor selected for construction of the roads that will connect the bridges being built to regional roads.

Irrigation and Drainage

Nangarhar Province

During the current quarter RSSA has completed reconstruction of approximately 50 percent of the length of branch canal #29. This canal serves some 1800 hectares of irrigated land that has suffered partial loss of its water supply due to flooding and scour along a dry-wash.. Works being constructed are to repair a series of breaches of the canal with a three part structure. The canal is being built away from the dry wash separated by a new road that is protected from attack by floods by a sloping embankment protected by a gabion-blanket.

The other major on-going RAMP irrigation project in Nangarhar Province is for the dredging of 114 kilometers of drains in the Kama Region and in the service area of the Nangarhar Valley Development Authority (NVDA). By the end of the current quarter, IF Hope had dredged nearly all the drains of the Kama area and a number of the drains of the NVDA area. With more than 50 percent of the drains dredged, RAMP/Chemonics and IF Hope began the planning for use of dredged spoil for construction of light-duty, local-access roads atop the embankments being created along the drains.

Ceremonies were held to dedicate the Shigee and Koti Taran river intakes and canal works along the Kunar River.

Looking forward to the next quarter, once work on Canal #29 is completed, all the works undertaken at the tail of the NVDA (Nangarhar Valley Development Authority) canal system will have been completed. IF Hope expects to have some 75 percent of the drains dredged and to have undertaken the construction of road segments along the drains that likely will total some 100 kilometers.

Planning has been undertaken for a ceremony to dedicate the works at the tail of the NVDA system during the coming quarter.

Balkh Province

A master design contract was let to NESPAK (National Engineering Services Pakistan) for the investigation, design and preparation of tender documents for construction of three weirs across the Balkhab River and for the construction of feeder canals and eight head regulators. NESPAK fielded a nine man team of a hydrologist, hydraulic engineers, geotechnical engineer, surveyors a site engineer, and design engineers. A four-month program of field investigations was initiated and enough information was carried back to the home office in Lahore Pakistan to permit the assembly by mid-November of a complete tender package for the first of the three weirs and a head regulator for the off taking canal. This is the beginning of a fast-track process to build the three cross river weirs and head regulators over the next eight months. Pre-qualified contractors were invited to visit the sites in preparation for rapid bidding for construction of the first cross river structure during the latter half of November.

A contract was drawn up for award to HAFO (local NGO now working in Balkh Province) for the design of rehabilitation works for the Imam Sahib Canal.

Looking forward, it is expected that mobilization for construction of the first weir will commence early to mid December. Bid packages are expected to be issued for the second and third weirs during late November and early December and awarded in December.

Herat Province

Headworks to control flood flows and to exclude sediments from the Injil and Haft Qolb canals were designed. The construction component of the contract is to be finalized and implemented during the coming quarter.

Designs for regulation of water along the canals were completed and discussed with the water users, mirabs and the Irrigation Directorate.

Designs were completed and tendering was undertaken for the construction of a siphon under the Bandar Aik Wash and for the rehabilitation and construction of four large capacity aqueducts along the guzara Canal and its branches.

Looking forward, organization of water users will be undertaken, and construction of aqueducts, a siphon, canal headworks and water management structures are to be initiated.

Buildings and Market Centers

Construction of a large warehouse type structure was completed at Mir Bacha Kot near Kabul City while construction continued at Mazar-e-Sherif, Kunduz, and Kandahar. All four facilities are for the processing of fruits and nuts to standards that satisfy export to several markets including India, Dubai, and Europe. Refrigeration units for these and other market centers were installed, where security permitted, by an Argentine Team

Challenges Encountered

The infrastructure program was successfully reoriented from areas of insecurity to those of relative security such that the infrastructure objectives may be met by the conclusion of the program during CY 2006. The challenge of reorganizing the contracting process in four-steps (investigation, design, tendering and bid evaluation and award) was accomplished after considerable effort.

Looking Ahead

During the coming quarter, effective, rapid implementation of a program of infrastructure construction across the northern tier of provinces will continue to be pursued.

Agricultural Technology and Market Development

Accomplishments this Quarter

Progress in agricultural technology transfer and market development focused on improving agricultural productivity, post-harvest handling, storage, processing, product quality, packaging, and shipping while increasing market access of targeted high value crops. Rural veterinary services and poultry production and marketing projects expanded into additional provinces. Cold chains were developed for storing animal vaccines and for storing and shipping fresh fruits. Over 34 hectares of drip irrigation demonstrations, 31 hectares of trellis demonstrations, and 180 greenhouse demonstrations have been established in RAMP's priority provinces.

Priority Commodity – Fresh Fruit

New markets in Saudi Arabia, Kuwait, Dubai, and India were identified through trade missions and market contacts and over 60 metric tons (mt) of fresh grapes were supplied to buyers in these countries. A market study was conducted in five east and southeast Asian countries to identify buyers for Afghan fresh fruit and vegetables, and dried fruit and nuts (results to be reported next quarter). Fresh fruit processing plants equipped with cold storage units were established and fit into a cold chain for fresh fruits. RAMP's Implementing Partners' (IPs) support has been focused mostly in targeted districts in Kandahar, Helmand, Parwan, and Kabul with limited technical assistance being provided to grape growers and exporters in Ghazni, Zabul, and Mazar provinces.

Kandahar/Helmand – Over 51 mt of grapes were shipped (in multiple shipments) to Saudi Arabia, Kuwait, Dubai, and India by the Fresh Fruit Exporters' Association (a group of 20 merchants) of Kandahar and other Afghan exporters. These exporters were significantly facilitated by Roots of Peace (RAMP IP), who provided direct assistance with post-harvest activities, packaging, cold storage, refrigerated shipping to Kabul airport, cold storage at customs at Kabul airport, shipping documentation, and buyer coordination. As a result of the additional market demand for grapes in Kandahar, farmgate prices rose at least 30% for all Shindokhani grapes (the dominant grape in Kandahar) sold after the early part of August, when the export shipments started.

Construction of the Fresh Fruit Exporters' Association's processing plant in Habib City in Kandahar province was completed. However, because of security problems in Habib City and some delay in finishing the construction, two cold storage units (to accommodate the grape shipments) were

installed in a RAMP IP's warehouse in Kandahar city. The cold chain was completed by having a RAMP-supplied, refrigerated container transport the boxed grapes to RAMP-installed, refrigerated containers at customs in Kabul airport.

Extension services (sulphur dusting, gibberillic acid, trellising, drip irrigation, and canopy management demonstrations) were provided to over 1,000 grape producers in North Kandahar and in North and Central Helmand. Over 200,000 apricot, plum, and almond trees were budded by farmers and the Central Asian Development Group (RAMP IP) in 16 micro-nurseries owned and operated by farmers in Kandahar, Helmand, and Zabul.

Shamali Plains (Parwan and Kabul) – Over 10 mt of grapes (four varieties) were shipped (in multiple shipments) to Saudi Arabia and Dubai by Afghan exporters who were facilitated in a similar way as in Kandahar by Roots of Peace. The grape shipments were shipped from the newly constructed, RAMP-funded, Fresh Fruit Processing Plant in Mirbachakot (Kabul province). Grapes were taken from the cold storage units at the Mirbachakot Plant to the refrigerated containers at the Kabul Airport customs.

Extension services were provided to over 6,700 grape producers in the Shamali Plains and Ghazni. Over 1,000 farmers attended field days where improved head pruning, trellising, canopy management, sulphuring, gibberillic acid application, shade drying (for green raisins) and crop protection methods were demonstrated.

Priority Commodity - Dried Fruit

Technical assistance by RAMP IPs in drying and processing apricots, improving raisin drying methods and processing plants, and finding new markets for the dried fruits was provided to dried fruit traders, processors, and exporters in Kandahar, the Shamali Plains, and Kabul. Laboratory technicians at the Raisin and Other Dried Fruit Export Institute (Ministry of Commerce) in Kabul were provided hands-on training by RAMP's Food Technologist and were able to professionally test 72 samples of dried fruit and nut samples (from traders and exporters).

Kandahar/Zabul – Thirty Zabul farmers and Kandahar traders were provided training in drying and sulphuring apricots. The traders were also trained in sorting and processing high-quality, dried apricots at the CADG processing plant. Over 30 mt of dried apricots were processed and the traders are in the process of marketing the apricots with the assistance of CADG.

RAMP IPs are assisting the Dried Fruit Exporters Association of Kandahar in establishing a dried fruit and nut processing plant in the new industrial park in Kandahar City. RAMP has made plans to install a product quality testing laboratory in Kandahar City that will be operated by the Raisin and Other Dried Fruit Export Institute.

Shamali Plains (Parwan and Kabul) – Three raisin processors in Kabul have been provided technical assistance and equipment (on a cost share basis) to upgrade their plants to produce better quality raisins. One Afghan exporter was particularly interested in the upgrade since he was able to strike raisin deals with buyers from Ukraine and Russia when he accompanied Roots of Peace on trade missions to these two countries. With RoP's assistance, the exporter shipped, from last year's raisin crop, one hundred mt of raisins to each of these two countries. He will be shipping an additional 400 mt of "new crop", higher quality (and, presumably, higher priced) raisins to these two countries using the upgraded equipment.

Roots of Peace are demonstrating to over 2,000 farmers how to maintain good quality (cleaner) raisins during the harvesting and post-harvest period. Forty-three traditional kishmish khanas have been rehabilitated and 5 new Indian-type, kishmish khanas have been built in farmers' fields to demonstrate how to more efficiently produce green (shade-dried) raisins.

RAMP IPs supplied the Raisin and Other Dried Fruit Export Institute in Kabul with four computers, a generator, printer, copier, cameras, and training in computer and in English language for at least 24 employees. A training program in India to train the Institute's laboratory technicians in microbiological testing procedures has been organized.

Priority Commodity - Nuts

Roots of Peace organized three associations in Kandahar, Kabul, and Mazar and assisted each of them in designing a building (currently under construction) for a nut (almond) processing line, including packaging and shipping. The three associations put up land for their buildings and have paid part of the 50% (their share) of the cost of the nut processing equipment and machinery that is being manufactured. The other 50% of the equipment and machinery plus the building costs are paid by RAMP's IPs.

Mr. Robert Lemos, a nut processing engineer from California, visited with the nut processing associations and designed an appropriate nut processing line for processing Afghanistan almonds. He is now fabricating three lines, one for each of the associations, and will complete the line in November.

Kandahar – The Dried Fruit Exporters Association has completed about 20% of the construction of their nut (and dried fruit) processing plant, located in the industrial park in Kandahar City. The Grain Industry Alliance is funding the building and Roots of Peace is funding 50% of the cost of the processing equipment.

Kabul – The Ghorband Nut Processors Association has completed about 70% of the construction of their nut processing plant, located in Kabul. The Grain Industry Alliance is funding the building and Roots of Peace is funding 50% of the cost of the processing equipment.

Mazar – The Mazar Nut Processors Association has completed about 30% of the construction of their nut processing plant. Roots of Peace is funding the building and 50% of the cost of the processing equipment.

The Strengthening Nut Sector Agribusiness project was awarded to Roots of Peace and FLAG International. As part of that project, Roots of Peace will be providing extension services to nut producers in Samangan, Balkh, and Parwan, and processing and marketing assistance to the three nut processing associations.

The results of the first 72 aflatoxin tests (28 red raisins, 21 shelled almond, 6 unshelled almond, 7 shelled pistachio, and 10 unshelled pistachio) conducted by the laboratory technicians at the Raisin and Other Dried Fruit Export Institute indicate that 17 samples had aflatoxin content less than 4 parts per billion (a level acceptable to send anywhere in the world), 38 samples had aflatoxin content less than or equal to 10 ppb (a level acceptable anywhere except in Europe), and 58 samples had aflatoxin less than 15 ppb (a level acceptable anywhere except Europe, the US, Canada, Hong Kong, and New Zealand). No samples had aflatoxin greater than 25 ppb.

Priority Commodity – Vegetables

Infrastructure for intensive production, off-season production, and processing of vegetables was demonstrated to farmers and processors in RAMP's priority provinces. Dried vegetables were shipped by 40-foot container to a buyer in the United Kingdom.

Kandahar/Helmand – CADG and ICARDA demonstrated vegetable production under drip irrigation and greenhouse technology to farmers in the north and central districts. CADG's 65 drip irrigation demonstrations are for commercial vegetable and other high value crop production. Farmers are taking a serious look at the costs and benefits of the demonstrated drip irrigation system now that the first crops under irrigation have been harvested. The costs and benefits of the greenhouse technology being demonstrated by CADG in 81 tunnels and greenhouses are equally under serious consideration by the farmers. Many interested farmers do not have enough cash reserves to pay for the technologies, but given credit and some grant they are ready to invest.

CADG's and ICARDA's vegetable demonstrations have consistently provided significantly higher yields than the traditional varieties and agronomic practices. The results of the summer demonstrations will be provided in the next quarterly report.

Parwan – Development Works Canada's Vegetable Dehydration Plant in Charikar shipped its first container of 7.4 mt of dried vegetables to J. Priestley Company in the United Kingdom. Over 13 mt of dried vegetables were produced from 224 mt of fresh vegetables that were bought from 675 contracted growers.

ICARDA has installed six greenhouses in each of six provinces, including Parwan. The greenhouses cost about \$2800 each and provide about \$1100 of profit annually (assumes two off-season crops per year in the warmer provinces). Cucumbers, tomatoes, and vegetable seedlings are the most profitable uses of the greenhouses. Over 150 farmers in the five provinces have expressed interest in investing in the greenhouses.

Ghazni – Because of the cooler climate in Ghazni, ICARDA has promoted the production of virus-free potatoes in Ghazni and the storage of virus-free seed potatoes. From Ghazni, virus-free seed potatoes were transferred to Helmand where they were planted in August/September.

Nangarhar and Kunduz – ICARDA's greenhouse demonstrations have interested many farmers who are ready to invest in the technology as soon as a financial package can be developed between ICARDA, Mercy Corps, IFDC, and the farmers.

Herat – Through RAMP funding, Catholic Relief Services established 60 greenhouses and 5 tomato paste processing centers. For those farmers interested in investing in the greenhouse technology, AKDN is providing micro-financing. Over 100 women have been trained in tomato processing and are receiving hand-crank grinding units from CNFA.

Priority Commodity - Livestock

About three million vaccinations, medications, and other veterinary services were delivered by Veterinary Field Units (VFUs) in 245 districts throughout Afghanistan. Sixty-nine new paravets from different provinces received training at the Dutch Committee of Afghanistan's Veterinary Training and Service Centers. To begin to put together a cold chain for properly maintaining vaccines, six cold rooms were installed and 70 solar powered refrigerators were ready for installation at already identified VFUs.

About 6,000 women were trained in poultry production methods in Kunduz, Parwan, Baghlan, Ghazni, and Nangarhar provinces. Over 90,000 pullets, about 7,500 coops, and 45 mt of feed were distributed to trained women. Over 100,000 eggs were marketed by those women who were trained earlier in the project.

Priority Commodity – Wheat

Approximately 2,000 mt of seed wheat was produced by ICARDA's Village Based Seed Enterprises. Three VBSEs in Kunduz received a total of \$48,000 of credit for 374 mt of seed wheat that is being stored in the VBSE's RAMP-built warehouses. Much of that seed wheat was cleaned, treated, and sold to IFDC for the seed and fertilizer distribution program this fall.

ICARDA and CADG wheat demonstrations showed farmers best practices that provided an average of \$365/hectare (ICARDA's) and \$512/hectare (CADG;s) more income than local varieties of wheat.

A preliminary Sunn pest control strategy for the 2005-06 crop year was developed by the Plant Protection and Quarantine Department of the MAAHF, RAMP, and FAO.

Alternative Crops

The RAMP-funded, fish farming demonstration in Kunduz has interested over 72 farmers in investing in fish ponds and forming a Fish Farmers Association. Mercy Corps is providing construction grants for 40% of the construction and operating costs and the farmers are paying for the rest. The construction and annual operating costs for one jerib is estimated at less than \$2,000.

Challenges Encountered

Early indications are that the Sunn pest problems in northern Afghanistan and Helmand province will be worse than last year. As a result, a strategy is in place to enhance the level of effort in training the farmers about mechanical control during the Sunn pest overwintering period, distributing many more nets over a wider geographical area, and have private input dealers purchase appropriate and internationally approved pesticide and make it available for farmers to buy if their wheat fields are extensively infested with the insects.

Because of security problems in the Habib City area of Kandahar Province, the fresh fruit processing (originally planned to be done in the RAMP-funded plant in Habib City) was temporarily operated out of a CADG warehouse where cold storage units were installed.

The Indian Government was very slow (1.5 months late) in clearing designated Afghans (including technicians from the Raisin and Other Dried Fruit Export Institute and the Development Works Canada's Dried Vegetable Plant) for coming to India for training in microbiological testing at the Central Food Technology Training Institute in Bangalore, India. Consequently, training programs in other countries were investigated, until finally the clearance from the Indian Government came.

Looking Forward

RAMP facilitates

- Grape exports via the cold chain
- Pomegranate exports out of Kandahar
- Completion of construction, importation, and installation of the nut processing plants in Kabul, Mazar, and Kandahar
- Dried fruit and nut exports
- Completion of the Far East and Southeast Asia Market Study
- Trade missions to India, the Far East and Southeast Asian countries, and elsewhere
- Importation and installation of twenty more cold storage units in viable business operations
- Investments in greenhouses by farmers in RAMP's priority provinces
- Warehousing (with credit) of seed/grain rice or wheat in VBSE's and Crop Producer Association's warehouses in Kunduz
- Investments in tractors and other farm implements by VBSEs
- Completion of business plans and start of construction of processing plants in Helmand and Herat provinces
- Completion of construction of potato storage units
- Planting of winter demonstrations

Rural Finance

As of 31 August 2005, the grant from RAMP to the Microfinance Investment and Support Facility Agency (MISFA) was completed. As a result of this grant, 28,118 loans were provided to micro sized agribusiness entrepreneurs. This figure is almost double the number of loans projected at the beginning of RAMP (15,000). During the last quarter, MISFA concentrated on strengthening their communications strategy to demonstrate the results/impacts of microfinance and how it reaches targeted rural populations. This public outreach is a vital component of the rural finance initiative to educate the government and the entrepreneurs about the benefits of micro credit.

Several SME agribusinesses received debt financing from the Afghanistan International Bank (AIB) for a cumulative total of \$2,030,000 including two flour mills, a raisin processor, a cumin seed processor, an input supplier and a large farmer. Only one client has experienced problems with repaying and we are working closely with this problem borrower to receive the full loan repayment. The leasing company, Afghanistan Finance Company (AFC) has disbursed a total of \$176,000 worth of leases to several SMEs for tractors, ploughs, rice milling machine and cold storage units. AFC is currently in the process of approving over \$1.7 million in equipment for other SMEs.

The equity fund which RAMP has invested is in the final stages of their closing which was to take place during this quarter. The primary investors, USAID/RAMP, Asian Development Bank, CDC and OPIC are fully committed and are on-board to close the Fund. The Fund is just waiting for signature from the sole private investor, Ronald Lauder. Once this is received, the fund can finally close and begin to work with five serious agribusinesses including snack foods, ice cream, soft drinks, packaging and licorice.

Flag International (FI), the business development services partner of RAMP, experienced a full quarter of operations with positive results. During the quarter, FI interviewed 56 entrepreneurs; provided technical assistance to 49 entrepreneurs; and six of those entrepreneurs received financing from AIB or AFC.

Accomplishments this Quarter

The outreach for financing to agribusinesses increased during the quarter through the RAMP financial partners. Clients were served with operations in Herat, Helmand, Kunduz, Baghlan, Mazar-i-Sharif and Kabul. Microfinance was made available to clients from 12 microfinance institutions with coverage in 17 provinces. There was a 50% increase in number of loans disbursed in this quarter as compared to the previous quarter. Women account for 85% of the loans disbursed.

Our bank partner, AIB, has expanded their branch network during the quarter to include the opening of a branch office in Mazar-i-Sharif. AIB has received Central Bank approval for opening a branch in Kandahar. AIB has found appropriate office space in both Kandahar and Herat and plans to open these offices during the next quarter. The bank has disbursed the full amount of grant funds provided by RAMP and is ready to use the bank capital for solid agriculture-related deals.

During the quarter the leasing company, AFC, went through a thorough audit by KPMG. There were some issues raised by KPMG that need to be resolved thus it was beneficial for AFC to go through this procedure. AFC's staff received substantial training from various organizations including Orix, a Pakistani leasing company, for financial management and systems; MISFA for microfinance leasing; and BRAC for marketing and accounting.

The equity fund made progress towards their first closing. The primary investors, USAID/RAMP, Asian Development Bank, CDC and OPIC signed all the appropriate documentation for the closing. The final hold-up is a signature from the sole private investor, Ronald Lauder, which is anticipated to be finalized soonest as the other investors have instituted a letter campaign to Mr. Lauder to move forward the process.

FI is well on their way towards completing their contractual deliverables. During this quarter FI prepared five business plans for medium sized leases or loans financed (over \$10,000) for three agricultural farms, a seed production company and a fish farm. One business plan was prepared for a medium sized working capital loan (over \$50,000) to a seed production company. Three agribusinesses [seed production company, fish farm and an agricultural cooperative were assisted with pre- or post-finance consulting.

Challenges Encountered

A key event in the political life of the country – the September 18 elections, did not affect the work of the RAMP financial partners. Despite a general countrywide slowdown, the established work mechanisms and smooth relationships with micro and SMEs and counterparts allowed all of the RAMP rural finance subcontractors to continue pursuing their goals without interruptions. It is hoped that the leaders selected through the election process will be ready to prioritize the private sector issues that are necessary for the growth of the sector.

The financial institutions face challenges such as negative perceptions about their interest rates; slow turnaround time in receiving the financial information of a company; inefficient procedures for registering collateral; logistical constraints in visiting clients in the field and no legal framework for recovering loans. All of these issues have to be overcome to meet the deliverables in the institutions' subcontracts with RAMP. The rural finance team of RAMP networks with the other private sector contractors to grow an enabling environment for the various financial delivery mechanisms. RAMP in conjunction with the financial institutional partners is working to stimulate the market for lending so other banks will begin to actively lend to the agricultural sector.

Looking Ahead

RAMP will undertake a review of the impact of microfinance loans to the agricultural sector that were disbursed through the MISFA program. Although the grant is completed with MISFA, RAMP will continue to participate in discussions with MISFA, microfinance institutions and other donors to promote rural finance intermediation. The RAMP Rural Finance Director will actively engage in the rural finance working group that USAID has established and provide input for the new initiatives being considered.

RAMP will continue to press USAID to approve the recommendations for the disposition of grant funds to AIB. Basically, the recommendation is that the funds should remain with AIB so they can continue to revolve the funds to the agricultural sector. AIB is actively raising additional loan capital to

enlarge their portfolio and has asked RAMP to continue to identify applicable agricultural related businesses for financing through their bank. During the next quarter, RAMP plans to begin an initial impact assessment of the loans that have been disbursed to-date through AIB.

The audit of AFC should be finalized during the next quarter. Based on the results of the audit, AFC can make mid-term adjustments to strengthen their operations. AFC will also actively fund raise for further capital so they can expand their business. As part of that fundraising, AFC will revise and enhance their strategic and business plans for distribution to potential investors. AFC will pursue extending their regional presence through branch partnership with AIB.

The Afghanistan Renewal Fund should be finally closed. The businesses that have been selected by the Fund Manager can begin initial negotiations with the Fund.

The major priority for FI over the next months will be to further elaborate technical assistance mechanisms to incorporate as many local businesses as possible. This technical assistance will be focused on increasing the effectiveness of local businesses, developing human capacity and building solid knowledge of reporting and accounting procedures and mechanisms that will enable them to apply for financing. It is expected that 14 SME agribusinesses will receive this technical assistance by the end of next quarter. Also, FI will continue to work on the elaboration of communication channels with local counterparts to ensure timely delivery of information necessary for provision of technical assistance.

Rural Financial Services
Microfinance Investment Support Facility for Afghanistan (MISFA)
Life of Project: 18-Dec-03 to 31-Aug-05
Provinces: Nationwide

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#1-0003-MISFA	18 Dec. 2003	Frances Toomey	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$5,000,000	\$529,216	\$5,000,000	\$0	\$0
Project Description: MISFA is an umbrella microfinance facility which funds microfinance institutions that use a diversified range of products and methodologies and reach various geographic locations specifically targeting an array of clients. This grant of \$5,000,000 to the Ministry of Reconstruction and Rural Development channels funds to the Microfinance Investment and Support Facility Afghanistan (MISFA). MISFA finances a mix of organizations that implement a varied range of microfinance approaches in order to test their applicability to Afghanistan and support the development of a diverse and competitive microfinance sector. This is a World Bank supported activity.				
Expected Results (by end of project):				
<ul style="list-style-type: none"> • Total loan portfolio: \$4,000,000 • Approximately 15,000 loans • Target number of institutions disbursing loans: 11 nationwide 				

Accomplishments this Quarter:

- Completion of RAMP grant on 31 August 2005.
- Created a few marketing/public relations tools including a 2 page summary of MISFA's activities, a newsletter and a poster to promote microfinance.
- Developed a loan criteria and methodology for assisting Kuchi's with loans and identified a microfinance institution, Women for Women, to deliver the loan program.
- Coordinated with the Alternative Livelihood Program (ALP) to develop appropriate rural finance delivery mechanism for the ALP provinces.
- Submitted a proposal for a Loan Guarantee Fund for Opium Debt Refinancing to Agricultural Borrowers that Aga Khan would implement.
- Completed an initial impact assessment analysis for RAMP.
- Continued to work on facilitating linkages between MFIs and agricultural associations, etc.

Challenges Encountered

The budget for MISFA will not satisfy the request for loan capital and operating costs of the microfinance institutions. MISFA needs to continue to raise capital from their current donors to continue the efforts to provide micro credit to the increasing number of microentrepreneurs.

Looking Ahead

The MISFA grant has been closed out during this quarter. Although there will not be further funding to MISFA from RAMP sources, the rural finance team will continue to support and advocate for the microfinance industry. RAMP will collaborate with other donors including the ALP programs to ensure continued funding to the microfinance implementers.



Project Manager Comments

MISFA has far exceeded the results of the number of loans disbursed to micro entrepreneurs involved in agribusinesses. RAMP was one of the initial supporters of the MISFA concept and will continue to offer assistance to their efforts even after the close of the grant.

Kandahar Check Dams
Central Asia Development Group (CADG)
Life of Project: 15-Oct-03 to 15-Aug-04
Provinces: Kandahar and Helmand

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#2-0002-CADG	Oct. 15, 2003	James Huddleston	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$130,271.90	\$0	\$130,271.90	\$0	\$0

Project description: CADG constructed two check dams, Islam Dara II and Tangriz, to store the flow of rainwater runoff, to recharge aquifers and karezes.

Enhanced Livelihood – Improved water supply to two villages from recharged groundwater aquifers for irrigation and water supply to animals and residents.

Accomplishments this Report:

Project was completed in July 2004.

Irrigation Rehabilitation for the Char Dara, Bala Doori and Darqad Systems
Development Alternatives, Inc. (DAI)
Life of Project : 17-Feb-04 to 30-Jun-06
Provinces: Kunduz, Baghlan, Helmand

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#3-0002-DAI	21-Oct-03	Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals</i>	<i>Balance</i>
\$3,779,028	\$0	\$3,487,933.13	\$29,361	\$261,734

Project Description: This contract encompasses 6 separate rehabilitation activities in two productive agricultural regions – the Kunduz and Helmand River basins.

Phase One: Rehabilitation of the Char Dara, Bala Doori and Darqad Irrigation projects, on the Kunduz River, Kunduz and Baghlan Provinces – these were completed March 2004.

Phase Two: DAI started work on 2 of the Phase II activities in March 2004. These activities were the Marja Drain Cleaning Phase II in Helmand and the Bala Doori Canal Structures Activity in Baghlan Province. Work on the third activity, the Dand-e-Gehuri Road Rehabilitation Activity, also in Baghlan Province, began on 1 June 2004. A fourth activity, the Shamalan S10 Lateral Canal Bank Repair activity was postponed and subsequently cancelled. Phase two work was completed during May 2005.

Expected Results:

Phase One – 48,000 Hectares receiving improved irrigation supply and drainage; 35,600 farm families with increased productivity; and 482,000 person days of employment.

Phase Two - These activities are benefiting 13,000 families or 78,000 people, and a total of 28,200 hectares of agricultural land.

PHASE ONE**Projects 100% Complete**

- **Afghan farmers employed for Char Dara, Bala Doori and Darqad segments- 4,400**
- **Total investment in Char Dara, Bala Doori and Darqad Canals – \$1,335, 804 and the total amt spent was \$1,287,036.**
- **Kilometers of canal rehabilitated within these three projects – 111**
- **Implementing Partner: Development Alternatives, Inc., (DAI)**

In Kunduz and Baghlan provinces, Development Alternatives Inc., rehabilitated three rural irrigation systems and returned more than 30,000 hectares of cultivated land to full irrigated production under the Rebuilding Agricultural Markets Program (RAMP) funded by the United States Agency for International Development (USAID). This includes de-silting and widening irrigation canals, repairing and replacing water intakes, canal banks, protection walls, turnouts, and sluice gates. The provision of a reliable, timely supply of water for irrigation resulted in substantially increased crop yields, estimated to be more than double recent output.

The **Char Dara Irrigation Project** in Kunduz employed 2,700 Afghan farmers for removing silt from 60 kilometers of irrigation canals. This system dates from 1891, but lack of proper maintenance had resulted in canals and irrigation structures that were no longer capable of delivering on demand the volumes of water for which the system was designed. Sixty kilometers of canal have been de-silted and repaired.



Mirab Sher Alam of Baghlan, surrounded by community members at the Darqad irrigation project site



Local farmers working to de-silt the Darqad canal

The **Bala Doori Irrigation System** runs through Pul-e-Khumri in Baghlan Province. DAI employed 1,000 Afghan workers to de-silt and clean out 30 kilometers of canal. This system was built in the 1930's and served the community well, irrigating 3,000 hectares in the past, but had deteriorated until it was serving just 2,000 hectares.



Digging out the Bala Doori as it passes under a road

Due to illegal intakes and water theft upstream, the **Darqad Irrigation System** had been unable to provide an adequate water supply to the region for 25 years. Seven hundred Afghan farmers worked to clean 21 kilometers of canal, commencing at the intake on the Kunduz River.

The Governor of Baghlan, Engineer Omar, commented that "I have been on field visits to areas with no water and now there will be plenty of water. When the people see me, they are very happy. I am proud of the support that I have given this project. If I balance these activities with those of other NGO's and the aid community, these projects are more important than all of them put together....I hope that this is not the end of your work in Baghlan, but just the start."

The Char Dara, Bala Doori and Darqad irrigation projects were completed in March 2004, in time for the spring planting season. The rehabilitation of these irrigation systems has been a community building endeavor. Thousands of local farmers were employed on the projects.

The local Irrigation Departments and Mirabs (irrigation water masters) were involved in each step of the planning and implementation process. As a result, the community was benefited by: 1) learning what is necessary to maintain their irrigation systems, 2) benefited from direct employment opportunities that injected cash into the local economies, and receiving timely, adequate water supplies needed to improve their yields and income.

The Bala Doori Irrigation System

- 30 km of canal desilted and widened
- 74,000 days of paid wages for Afghan workers
- 37 community members trained in canal management
- 1,000 hectares of land receiving new water for irrigation
- 2,000 hectares of land gaining an additional cropping cycle



Engineers measure a stump indicating the level of silt that has been removed from Bala Doori

The Bala Doori Canal rehabilitation activity had two major components: de-silting and widening the canal and building 300 meters of protective wall to prevent the banks of the canal being eroded by the Kunduz River. From its intake to the south of Pul-e-Khumri, the Bala Doori flows through the middle of the town until it eventually reaches its command area to the north of town. The canal branches to form two loops. The two loops and the main canal are a total of 30 kilometers long.

Significant portions of the Bala Doori Canal run right through the Herat of Pul-e-Khumri City. This caused two problems during construction. First was the problem of trash disposal in the canal and the second related to property encroachment into the canal right-of-way. People living in the city dump trash and sewage directly into the canal because it was the most convenient option. Further, sediment deposition due to the flow of dry washes entering the canal compounded the problem. In consequence, the Bala Doori Canal was virtually full of solid material leaving very little capacity for water delivery. Second, a number of Pul-e-Khumri residents who live adjacent to the canal extended their properties up to and, in some cases, over the canal. This urban encroachment made removing

sediment from the Bala Doori Canal difficult in large part due to limited or no access being allowed to workers.

A situation that was only partly redressed by the cleaning activity related to the quality of water. The restricted flow of water that passed through the city before cleaning became very polluted by the time it reached the farm fields. For want of an alternative, farm families had for many years been forced to use the highly contaminated water not only for irrigation but also for bathing and, in many cases, for drinking as well. Once the canals were cleaned the rate and velocity of flow increased; this meant that concentrations of pollutants were not as great after rehabilitation as they had been before. However, the threat to public health still exists

The Darqad Irrigation System

- 12 km of canal desilted and widened
- 37,775 paid labor days for Afghan workers
- 80 community members trained in canal management
- 1,000 hectares of land receiving new water for irrigation
- 600 hectares gain a additional cropping cycle



15 August 2003 – before work began



6 January 2004 – during intake construction

The Darqad project is providing new irrigation to 1,000 hectares of land and water for an additional season for 600 hectares in Baghlan. The Darqad intake is located on the Kunduz River. The canal rehabilitation activities had two major components - de-silting and widening of 12 kilometers of canal and re-constructing of the primary diversion weir and intake structures. The Darqad project employed a daily average of 620 workers and injected \$91,000 dollars into the community in wages paid.

Whereas laborers did all the de-silting work, RAMP implementing partner, Development Alternatives Inc. (DAI), used a combination of manual labor and heavy equipment on the diversion weir and intake. Heavy equipment was used to excavate, prepare foundations, deliver construction materials to the site and divert the Kunduz River, and laborers were employed to mix concrete and lay stone masonry. To ensure sustainability at the project's completion, 80 members of the community received training in canal management.

The Char Dara Irrigation System

Impact and Beneficiaries

- 60 kilometers of canals de-silted, repaired and widened
- 56 water turnouts repaired and constructed
- 35,400 hectares of agricultural land benefited by a reliable supply of water
- 10,800 hectares supplied with water for an additional cropping cycle
- 241,000 days of paid work for 1,100 Afghan workers

The years of war, drought, local conflicts, flash floods and landslides have led to irrigation canals on the Kunduz River being silted with some parts totally destroyed. This particular irrigation system dates back to 1891. Maintenance of the system has been neglected either because it has been too dangerous or because human and financial resources have not been available.

As a result, the canal itself and the irrigation structures on it no longer functioned properly and were no longer capable of delivering the volumes of water for which the system was designed. Of the 36,000 hectares of land served by the Char Dara system, 10,800 hectares (30%) were totally unproductive because they received no water, 21,600 hectares (60%) were only partially productive because water was only available sporadically, and only 3,600 hectares (10%) received the quantity of water needed to maintain full productivity.

This highly productive region provides high value crops to the nation including: wheat, cotton, rice, melons, watermelons and potatoes. Rehabilitation of the Char Dara Canal has restored the system to its full carrying capacity and returned the entire 36,000-hectare command area to full agricultural productivity.

PHASE TWO

Accomplishments

Phase 11 – original activities:

- Marja Drain Cleaning – Phase II - Helmand
- Bala Doori Canal Structures - Baghlan
- Dand-e-Gehuri Road Rehabilitation - Baghlan
- Shamalan S-10 Lateral - Helmand

Three activities under Phase II of Job Order #3 were completed at May 2005; the fourth activity, repair of Shamalan S-10 Lateral was deleted from the contract. The three activities completed were:

- Removal of more than 400,000m³ of silt from main drains in the Marja subsystem (to complete work DAI started under a different contracting mechanism);
- Repair or re-build 5 super passages, 20 turnouts and 140 meters of retaining wall on the Bala Doori Canal
- Re-surface, grade and provide proper drainage for 38 km of tertiary roads in the Dand-e-Gehuri region of Baghlan Province. In addition to this, 45 structures for disposal of water under the roads are also being built.

Marja Drain – DAI utilized 6 draglines for dredging the wider deeper sections and manual laborers for the smaller, narrower sections.

Dand-e-Gehuri roads – this district is associated with the Darqad irrigation project. The roads repaired include the Darqad canal road, the Jue Naw road and the Mangal Ha road, all of which link prime agricultural areas to the main road between Pul-e-Khumri and Mazar-e-Sharif. Work.

Challenges Encountered and Remedial Action Taken:

Fortunately all work was completed for this contract before security conditions deteriorated in the Middle Helmand area during May of 2005.

Looking Ahead:

- The project has been completed.

Project Manager Comments:

The 35 kilometers of roads constructed by DAI has opened an important production area to markets of the Baghlan area. The Jui Naw, Darqad and Mangalha roads were dedicated and accepted for maintenance by the Governor of the province and the village elders of the area 31 August 2004. These roads together with the three irrigation projects were the first investment projects undertaken in this area after time lapse of almost 20 years. The roads provide service to a population of 92,804, of whom 59,940 are from the catchment area of the road corridor and the remaining 32,900 reside outside the catchment area, but depend on the road for services. These roads have provided the fundamental base for the socio-economic transformation of the population, and are an indicator of peace, security, prosperity and a better future for the area.

Kunduz Road and Khanabad Irrigation System Rehabilitation
Kunduz Reconstruction Agency (KRA)
 Life of Project: 10-Oct-03 to 31-May 05
 Provinces: Kunduz

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#4-0002-KRA	20-Oct-03	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$508,671	\$0	\$508,671	\$0	\$0

Project Description: KRA upgraded 24.5 km of tertiary roads, and repaired the Khanabad Dam Irrigation System by building a protection wall to prevent erosion from destroying the dam.

Expected Results (at end of project):

Enhanced Livelihood – 21,621 farm families with increased access to markets; 10,300 Hectares receiving improved irrigation; and 34,000 farm families with increased production.

Accomplishments:

The dedication ceremony of 24.5 kilometers of Nek Pai and Jangal Bashi roads and 390 meter Gabion protection walls that protect Khanabad irrigation project was held on 21 February 2005.

Benefits:

These roads have provided the fundamental base for the socio-economic transformation of 32,773 people living in their catchment area. Khanabad dam irrigates 34,000 hectares of land that belong to 90,000 families.

The following photos were taken at 11.5 kilometer of Nik Pai road before and after rehabilitation, i.e., during February 2004 and February 2005, to illustrate the difference on the structure of the road.



Similarly the following photos were taken at 13 kilometer of Jangal Bashi road before and after rehabilitation, i.e., during February 2004 and February 2005, to illustrate the difference on the condition of the road.



After the rehabilitation of these roads, the number of vehicles moving on these roads has increased from

about 15 to 223 between early 2003 and November 2004.

The number of months traffic flows has increased from the previous 8 to 12 months in a year.

The savings in the transport cost of commodities has increased by about thirty per cent in spite of the fact that fuel prices have at the same time increased by about fifty per cent.

The travel time along the road has been reduced from the previous 2 hour 30 minutes to about 15 minutes.

These benefits have generated an increase in the production of melon and water melon by about 35% due to growing urban demands and reduction in wastage during transport to urban markets.

During the dedication ceremony it was a great pleasure to hear from the communities that “after 24 years of war and conflict in this country, rehabilitation of these roads is the first sign of security and peace in our area. Our irrigated water is safely reaching our lands, our roads are rehabilitated and our commodities are being transported within a period of less than an hour. We earn now more than before and the vehicles are plying on our roads whole day.”

Challenges Encountered

Now the greatest challenge facing the Shuras, communities who are benefiting from these roads and the Government is preserve the assets that have been rehabilitated. The challenge is to maintain these roads so that these benefits become sustainable for their and future generation to come.

Project Manager Comments:

KRA had demonstrated that they have the ability to rehabilitate roads to our standards. KRA had shown financial commitment for the construction of farm to market road projects by purchasing a 13 MT roller and a 1 MY hand operated roller. This was one of the reasons for awarding them the contract for the rehabilitation of 7.2 km. of access road to Qasemali Lala Maydan bridge in Kunduz.

Development of Rural Poultry Production Activity**Food and Agriculture Organization (FAO)****Life of Project: November 3, 2003 – June 30, 2006****Provinces: Nangarhar, Kunduz, Baghlan, Parwan, Ghazni**

Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#5-0004-FAO	19-Oct-03	Daad Mohammad Amir	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$3,599,239.00	\$523,814	\$2,189,805	\$200,000	\$1,209,434

Project Description: FAO will provide training in improved poultry care and production to 25,000 village women as well as introducing poultry income generating activities to open new markets for the surplus eggs.

Expected Results (by end of project):

1. Enterprises Developed: 5 feed processing centers established to produce and sale poultry feed
2. Enhanced Livelihood: 25,000 women trained and supported to establish poultry farms; 25,000 families benefit from improved nutrition and supplemental income

Accomplishments this Quarter:

Activities carried out during Jul-Sep,2005	Prwan	Jalalaba d	Kunduz	Baghla n	Ghazni	Total
# selected women trained/new	1664	1429	1675	72	1055	5,895
# interested women trained/new	703	112	605	331	187	1,938
# pullets distributed	32808	17010	3840	11090	26490	91,238
Amount of poultry feed distributed/Kg	54175	28872		17280	28103	45,383
# Village Group Leaders (VGL) trained		38			21	21
# Village Poultry Producer Groups established	5	155	17	19	35	231
# visits made by the GLs to the family	4329	1304	10252	4637	2032	22,554
# chicken coops constructed	2001	1832	589	1418	1656	7,496
# birds vaccinated	13951	46882	70239	36989	8686	302,31
	7					3
# birds treated	19748	4124	2790	16131	8368	51,161
Amount of feed sold by GLs/Kg	34057	9498	24411	4446	600	73,012
# in-service classes organized for the trainers	9	17	16	1	18	61
# classes organized for beneficiaries	597	505	716	625	664	3,107
# Eggs marketed by GLs	20770	6388	71966	2138		101,26
						2

Training

- Trained 5,895 selected women and 1,938 interested women in Kunduz, Parwan, Baghlan, Ghazni and Nangarhar provinces. The project activities are ongoing in the 427 villages of the five provinces.
- 59 new Poultry Producer Groups (PPGs) were established and 50 women were organized in each group.
- To upgrade the technical knowledge of the women trainers, 61 technical classes for the women technicians (in-service training) were organized by the National Professional Project Personnel in the Kabul, Kunduz and Jalalabad centers.
- Organized 3,107 technical classes (on average one hour each) for the selected village women in Nangarhar, Kunduz and Parwan Provinces. Follow up technical assistance and input supplies (at full cost) were being provided to the previous groups of trainees.
- 12 new trainers were trained for further training of village women

Distribution of Materials and Vaccinations

The following items were distributed to the beneficiaries in Jalalabad, Kunduz, Ghazni, Baghlan and Nangarhar:

- 91,238 two-months old pullets
- 5,901 feeders

- 4,494 drinkers
- 128,430 kg of poultry ration, and
- 13,471 meters of wire mesh

PPG activities

- Vaccinated 302,253 chickens against Newcastle’s Disease
- Treated 51,161 chickens with diseases and parasites
- Sold 73,012 metric tons of balanced poultry feed
- Constructed chicken coops for 7,496 selected families
- Village Group Leaders (VGLs) marketed more than 101,262 eggs produced by trained families in the PPGs



Extension Activities

- Organized 74 technical meetings of the technical staff to exchange experiences and to solve field problems. The PPGs organized 453 meetings in which more than 9,546 village women participated. They discussed their common concerns, for example, vaccinations, revolving funds, and other poultry services
- VGLs made 22,854 visits to the houses of other trained families and provided technical assistance.

Looking Ahead

- Expand the project activities to Herat and Bamyán provinces
- Conduct the Train the Trainers (TOT) course in Herat for 23 new poultry trainers
- Select IP and 15 new candidates as poultry trainers and conduct the TOT course in Bamyán provinces
- Continue the training of the newly selected women beneficiaries. About 1,500 interested village women in Parwan, Kunduz, Nangarhar, Baghlan and Ghazni Provinces will also participate in this training
- Distribute 118,000 pullets to the already trained village women in Kunduz, Parwan, Nangarhar, Baghlan, and Ghazni provinces
- VGLs vaccinate 100,000 birds
- VGLs treat and provide other health services for approximately 15,000 birds
- VGLs sell 140 metric tons of feed to PPGs
- Organize english classes for the women trainers

Distribution plan of pullets for next quarter	
Kunduz	25,000
Parwan	25,000
Nangarhar	26,000
Baghlan	21,000
Ghazni	21,000
Total	118,000

Challenges Encountered

- Poultry distribution to beneficiaries requires good logistic and motivated personnel (poultry trainers and coordinators) to effectively operate. The selection of health pullets for distribution is a key factor for the success of future rearing. Therefore, the project is taking severe

measures (that is, exclusion from the list of certified providers) against semi-commercial poultry producers who provide pullets not complying with the high standards set by the project in terms of body development, health conditions, and sex ratio.

Project Manager Comments

- The Project has improved the speed of implementation of project activities and the project is on target to meet its deliverables.
- Project activities in the newly-expanded provinces of Herat and Bamyan will need to be as effective and efficient as possible in order to have trained women producing poultry in these provinces by the end of the RAMP program

Potato Seed Distribution and Technical Assistance

International Center for Agricultural Research in the Dry Areas (ICARDA)

Period of Performance: 10-Nov-03 to 30-Jun-06

Provinces: Ghazni, Nangarhar, Prawn, Kabul

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#6-0004-ICARDA	10-Nov-03	Abdul Qahar Samin	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$695,644	\$72,378	\$299,629	\$44,211	\$351,804

Project Description: ICARDA and its subcontractors shall provide technical guidance in needs assessment, machinery and equipment needs, purchase of start-up inputs, and training for virus-free potato seed production, multiplication, storage and marketing.

Expected Results (by end of project): An operational *in vitro* based seed production laboratory and screen houses established; seed produced through tissue culture available to specific seed farmers.

Capacity Building – 1, 000 farmers trained as commercial seed producers; 24 on-farm storages built and used by potato seed growers, resulting in a reduction of seed storage loss.

Enhanced Livelihood – 10,000 farm families with increased production and incomes from using virus-free potato seed.

Accomplishments this Quarter

- Seed potato growers produced a total of 872 mt of seed potato (variety Kofri Chandra Mukhi) in Nangarhar, Helmand, and Kunduz.
- Trained 325 farmers, staff of MAAHF and NGOs, and ICARDA personnel in Integrated Disease Management for potatoes
- Constructed eighteen country storage units in Ghazni, Helmand, Nangarhar, and Parwan provinces
- A 2-day training course on seed potato marketing for seed producers, farmers, and traders was conducted by Mr. M.B.S. Sandhu, ICARDA consultant
- Mr. Om Prakash, ICARDA consultant, provided tissue culture and micro-propagation training to technicians of the RAMP-built tissue culture laboratory and initiated work on production of mini-tubers of improved potato varieties

Parwan Province

- Forty-six seed producers, extension workers, traders, and staff of MAAHF and NGOs participated in a 2-day training program in seed potato marketing and marketing infrastructure development
- Conducted a Potato Field Day at Qimchaq valley, Surkh-e-Parsa District, that was attended by 140 participants including farmers, extension workers and staff of MAAHF
- Assisted farmers in dehulling of the seed potatoes, insect and disease management, and aphid monitoring
- Completed construction of seven country stores – Tutumdara District (1), Qala-e-Qabez (1), Surkh-e-Parsa (2) and 3 in Bamyan province

Ghazni Province

- Trained farmers involved in ten demonstrations in best practices (ICM, IDM, fertilizer application, and earthing up)
- To ensure clean seed production, aphid monitoring was done on 106 seed producers' fields in four target districts
- Infestation of *Orobanchi* was a major problem and farmers were advised to mechanically eradicate it before seed setting
- Farmers were supervised on mechanical weed control, rouging, irrigation, and fertilizer application.
- Arranged to procure 25 mt seed potato for the seed growers and ICARDA Crop Demonstrations in Kunduz
- Completed the construction of 3 potato stores at Center, Khoja Omari, and Qara Bagh districts

Nangarhar Province

- 48 Farmers of Khogiani district, who were associated with potato seed growers' groups, harvested 153 mt of seed potato.

- Seed potatoes produced by producer groups and through demonstrations were graded, weighed, and packed for storage/marketing
- Sixteen mt of seed potato were shifted to Ghazni for storage in country stores, and another 21.7 mt of seed was shifted to Karim Khel country stores in Khogiani
- Completed construction of one more country store in Khogiani District
- The seed potato stored in six country stores in Khogiani was graded and transported to Jalalabad for fall planting
- Farmers in targeted districts were supervised on Integrated Crop Management measures for fall potato production

Helmand Province

- 15 mt of seed potato were transported from Ghazni to Helmand and distributed to the Helmand farmers on credit (nineteen farmers from Lashkargar Center and Nad-i-Ali produced 65 mt, with an average yield of 17 mt/hectare)
- 6.5 mt of seed potato were distributed in five target districts to farmers who were participating in ICARDA's Crop Demonstration Project (ten crop demonstrations produced a total of 43 mt of potato, with an average yield of 19 mt/hectare)
- Demonstrations and varietal trials (at Bolan research farm) were monitored and participating farmers were provided with technical assistance on best practices.
- Supervised farmers on Integrated Crop Management issues for the fall potato production
- Completed construction of five country stores – Grishk District (2), Nawa (1), Bolan (1), and Garmseer (1)

Kunduz Province

- Provided technical assistance to forty seed potato growers who produced 137 mt of seed potatoes on 9.5 hectares
- Arranged to procure 25 mt seed potato from Ghazni seed growers for the seed growers and ICARDA Crop Demonstrations in Kunduz

Looking Forward

Parwan Province

- Monitor and provide technical assistance to growers on seed production and storage
- Rouge diseased plants and weeds from seed multiplication fields
- Harvest and procure seed potatoes in target areas

Ghazni Province

- Monitor and provide technical assistance to the growers in seed production and storage
- Rouge diseased plants in the demonstration plots and guide farmers on disease and pest control

Nangarhar Province

- Supervise and monitor potato storage in Karam Khel
- Transport seed potatoes to Jalalabad for fall plantation in Nangarhar
- Supervise farmers on land preparation, layout, and sowing of fall potatoes in target areas

Helmand Province

- Evaluate the off season (fall) potato production results

Kunduz Province

- Select farmers and sites for spring planting

Challenges Encountered

- Infestation of parasitic weed (*Orobanche crenata*) is a serious problem in farmers' fields in Ghazni. Farmers were instructed to eradicate the weed before planting seed potato so that the weed would not spread
- A parasitic plant (Dodder) has emerged as a serious threat in Parwan, particularly in Charikar. Farmers were instructed to remove the parasitic plant manually and destroy it

Project Manager Comments

- ICARDA has been directed to provide seed growers more hands-on training and technical assistance in marketing and storage of seed potatoes
- The design and procedures for storing and stacking of the bags of seed potatoes in the storage units needs to be reviewed and improved

Village-Based Seed Enterprises Program

International Center for Agricultural Research in the Dry Areas (ICARDA)

Life of Project: November 10, 2003 – June 30, 2006

Provinces: Nangarhar, Kunduz, Helmand, Parwan & Ghazni

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#7-0004-ICARDA	10-Nov-03	Alem Alemi	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,448,635.49	\$201,638	\$966,986	\$109,914	\$ 371,735

Project Description: ICARDA will develop village-based seed enterprises (VBSE) as well as conduct market surveys, needs assessment ,monitoring and evaluation. Technical assistance will be provided to selected entrepreneurs on appropriate machinery, equipment, storage facilities, start-up inputs, and business management.

Expected results :

- Capacity Building** – 50% of the village-based enterprises achieve financial viability;180 farmers/extensionists trained and 750 farmers exposed,through farmers field days,to technology used in production and marketing of seed.
- Enterprises** developed: 20 village-based seed enterprises developed; 200 farmers operating commercial seed marketing.
- enhanced Livelihood: 2000 MT quality seed produced annually ; 40000 farm families grow quality seed annually;Yield of staples (wheat,rice and legumes) increase by 10 % over the current level; crop diversity and the share of high value crops in the cropping system increased by 15 % and 20 % respectively.

Accomplishments this Quarter

- In Parwan, Helmand, and Nangarhar, the VBSEs sold seed wheat at an average of 30% above the price of grain wheat.
- Supplied 15 seed cleaners and generators to 15 VBSEs. Two seed cleaners were previously given to VBSEs. Four more seed cleaners are needed. The cleaners were used by the Association members for cleaning seed of improved varieties of wheat that they had grown. VBSEs encouraged neighboring farmers to view the seed cleaners in operation.
- Established a new VBSE in Ghazni. ICARDA has now established 21 VBSEs, including 3 in Parwan, 3 in Ghazni, 5 in Nangarhar, 4 in Helmand, and 6 in Kunduz.

Parwan Province

- Based on an agreement negotiated between NPO/RRAA and ICARDA in collaboration with the VBSEs , some VBSEs started selling wheat seed (variety Gul-96) to NPO/RRAA at a negotiated price of 100 Afghanis/ 7 kg, that is 25-30 % higher than the wheat grain price. At a later date, other VBSE in Parwan sold wheat seed up to 45% higher than grain wheat. They also exchanged wheat seed with grain wheat at a very attractive ratio of 1:1.7
- Trained 18 farmers and VBSE members in operating the seed cleaners. Wide publicity was given to the usefulness of seed cleaners to attract other farmers to use the machine. This will help to produce clean seed and generate income for the VBSE
- Introduced VBSEs to Afghan Finance Company for leasing agricultural equipment
- Assisted VBSE members in maintaining their 'Record Book' that accounts for all of the VBSE's business transactions
- Held biweekly meetings with extension workers to get their feed back on progress of the VBSEs in their respective areas.
- Made regular contacts with VBSE members to help them implement their business plans

Ghazni Province

- Established a new, 15-member VBSE, with a collective land holding of 66.5 hectares in Ghazni Center
- After successfully arranging grants to two VBSEs for tractors and accessories of US \$16, 000 from the PRT in Ghazni, ICARDA approached the PRT for a similar grant to the new VBSE.
- Khoja Omari and Qara Bagh VBSEs collectively produced 120 metric tons (mt) of good quality seed wheat of Gul-96 and Solha-2002 varieties that attracted buyers, such as, Coordination of Afghan Relief and Afghan Development Association. The two VBSEs sold 90 mt seed wheat and made a net income of US\$10,798 (Khoja Omari) and US\$10,771 (Qara Bagh).

- A member of the Khoja Omari VBSE, who was trained in seed cleaner assembly and use, trained 18 VBSE members and farmers in using seed cleaners. The VBSEs have promoted the use and availability of seed cleaners and members are encouraging non-member farmers to use this facility.
- Qara Bagh VBSE completed the construction of a seed store
- Held biweekly meetings with extension workers to get their feed back on progress of the VBSEs in their respective areas.
- Made regular contacts with VBSE members to help them implement their business plans

Nangarhar Province

- Handed over one seed cleaner and one electric generator to each of the four VBSEs in Kama, Khewa, Surkhrud and Behsood. In the handing-over ceremony, attended by a large group of farmers and others, the provincial Director of Agriculture, Animal Husbandry and Food (DAAHF) said that the establishment of VBSEs is a strong foundation for the seed sector in Afghanistan. He said the USAID-funded VBSEs have successfully provided farmers in eastern Afghanistan with the only reliable and disease-free seed available in that region.
- VBSEs in Surkhrud, Kama, Behsood and Khewa Districts produced 119 mt, 116 mt, 110 mt, and 81 mt of seed wheat, respectively. The net income of these VBSEs was US\$15,623, US\$15,922, US\$14,316, and US\$10,337, respectively.
- Purchased 8 mt of Lalmi-2 seed wheat from Kunduz to be distributed to Khewa, Kama, Behsood, and Khogiani VBSEs in Nangarhar to broaden their improved varieties being produced.
- Provided technical assistance to the Behsood VBSE that was producing improved tomato seed
- Rice seed multiplication plots of Kunduz-1 on six hectares were monitored and farmers were advised on best practices.
- Assisted VBSE members in maintaining their 'Record Book' with details of the business conducted by each of the enterprises.
- Held biweekly meetings with extension workers to get their feed back on progress of the VBSEs in their respective areas.
- Made regular contacts with the VBSE members to help in implementing business plans.

Helmand Province

- Introduced members of Nade Ali, Grisk, Nawa, and Bolan VBSEs to Mercy Corps to explore possibilities of getting grant support (for tractors and accessories) to the VBSEs.
- Held a meeting with the Helmand PRT field program officer Mr. Pat Irish to explore the possibility of getting support to the VBSEs.
- Helped VBSEs in maintaining the 'Record Book' with details of the business conducted by each of the enterprises.
- Held biweekly meetings with extension workers to get the feed back on VBSEs in their respective areas.
- Made regular contacts with VBSE members to help in implementing business plans
- Bolan VBSE members sold 4.6 mt seed wheat (variety Roshan) to ICARDA's Crop Demonstration Project for \$240/mt for use in the fall (2005) wheat demonstrations.
- Nad-I Ali VBSE members sold 7.2 mt of seed wheat (Amu and Roshan varieties) to ICARDA's Crop Demonstrations Project for US \$240/mt.

Kunduz Province

- Provided technical assistance to the VBSEs on cleaning and storage of seed wheat
- Introduced VBSEs to Afghan Finance Company for leasing equipment.
- Helped VBSE members maintain their 'Record Book' with details of the business conducted by each of the enterprises.
- The Grain Industry Alliance (RAMP IP) completed the construction of Chardara VBSE warehouse
- Members of VBSEs were trained by GIA/RAMP in seed storage and handling.
- Held biweekly meetings with extension workers to get their feed back on VBSEs in their respective areas.
- Assisted VBSE members maintain their 'Record Book' with details of the business conducted by each of the enterprises.
- Made regular contacts with the VBSE members to help them implement their business plans.

Looking Ahead

- Import and install four seed cleaners at the VBSEs that have not received the cleaners yet
- Continue to coordinate project activities with other RAMP-implementing partners (including CADG, IFDC, GIA) and the Provincial Agricultural Directors and Extension Heads in the five priority provinces.
- Assist VBSEs in storing their seeds efficiently and effectively in warehouses, holding bins, etc..
- Report results of post-harvest and seed demand survey
- Continue to assist each VBSE in implementing activities in their business plan, assist them in recording all seed multiplication plot yields, amount of seed sold and cash received from the sale, amount of seed stored, and amount of seed used for own farming.
- ICARDA's Regional Coordinators and Technicians will maintain regular contact with each VBSE in the provinces and provide technical assistance on all aspects of the business plan of each VBSE.
- ICARDA will conduct training of VBSE members in quality seed production and seed processing
- Follow up contacts will be made with Mercy Corps, the PRTs, IFDC, banks, and other credit/grant sources to explore the possibility of getting grant/credit for equipment for 19 VBSEs in four target provinces (2 VBSEs in Ghazni already has equipment).

Challenges Encountered

The security situation in Helmand remained serious. As a result, ICARDA's provincial, technical team has had to maintain a low profile. Although many of the international agencies have withdrawn their personnel from Helmand, ICARDA is maintaining its project activities while taking the necessary precautions in its movements.

Project Manager Comments

- All efforts must be made by ICARDA to get the few remaining seed cleaners to the VBSEs as soon as possible. Members of the VBSEs must be provided additional trained in seed cleaner use and maintenance, seed cleaning, seed storage, handling, and marketing.
- Since AFC and IFDC were not able to provide credit to VBSEs for tractors and other farm equipment, ICARDA and Mercy Corps should work out a grant program that provides the tractor and accessories to the VBSEs given at least a 20% contribution from the VBSE members.

Crop Demonstration Best Practices Project				
International Center for Agricultural Research in the Dry Areas (ICARDA)				
Period of Performance: 10-Nov-03 to 30-Jun-06				
Provinces: Nangarhar, Kunduz, Helmand, Parwan & Ghazni				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager Contact</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#8A-0004-ICARDA	10-Nov-2003	Abdul Qahar Samin	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,678,861	\$193,196	\$930,320	\$121,374	\$627,167
Project Description: ICARDA will develop demonstration plots in farmer's fields throughout the 5 RAMP target provinces to facilitate the rapid diffusion and adoption of new technologies, improved and adapted varieties, improved field irrigation management practices, and appropriate crop management.				
Expected results: : It is expected that about 25% of the farmers observing the crop demonstrations and understanding the improved technologies will adopt best practices. The adoption of best practices by farmers will lead to productivity increases of 25-35%. Farmers adopting the best practices are expected to realize higher net incomes per hectare of cultivation of an average of approximately 20%.				

Accomplishments this Quarter

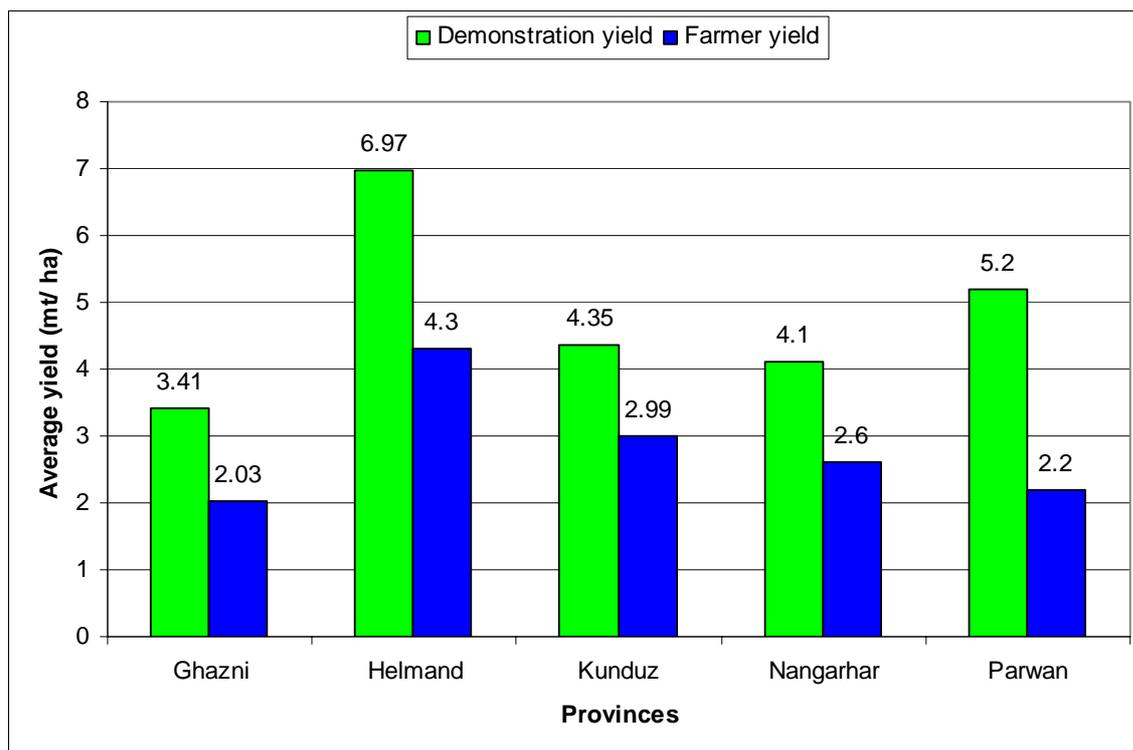
The yields from the wheat, potato, onion, and okra demonstration plots versus the local variety yields in neighboring plots were consistently much higher.

Province	Crop	Average Demo Yield mt/ha	Average Local Variety Yield mt/ha	Demo Yield – Local Yield mt/ha	Value of Increased Yield US\$
Helmand	Wheat	7.0	4.3	2.7	441
Nangarhar	Wheat	4.1	2.6	1.5	214
Kunduz	Wheat	4.4	3.0	1.4	245
Parwan	Wheat	5.2	2.2	3.0	525
Ghazni	Wheat	3.4	2.0	1.4	400
Nangarhar	Potato	22.6	16.0	6.6	606
Helmand	Potato	21.9	11.5	10.4	955
Nangarhar	Onion	25.1	17.0	8.1	661
Nangarhar	Okra	14.0	9.5	4.5	459

The average value of the increased yield of wheat was about \$365/hectare. The productivity gains in Helmand were particularly noteworthy.

A complete set of yield determinations for all crops in all provinces will be presented in the next quarterly report.

There were 9,721 extension contacts with farmers by ICARDA extension agents (including MAAHF provincial extension agents) during the quarter. Ten field days were conducted with 822 participating. 1,739 Farmers were trained in various best practices training programs. Best practice guides in Dari and Pashto (86 copies) were distributed amongst the participants. Over 18,000 farmers visited the demonstration plots.



Parwan

A field day was conducted in Surkh-e-Parsa District and was attended by 123 farmers, extension agents, and Government and NGO staff. During the field day, farmers asked where they could get the Gul-96 seed wheat. Potato harvesting continued in Siahgerd and in Surkh-e-Parsa Districts. Okra picking continued and farmers were satisfied with the yield and the price they got for their produce. Tomato picking continued. Farmers were advised and trained in proper irrigation, disease and pest identification on their onion and mung beans

Ghazni

Three field days on wheat were conducted and attended by 193 farmers. Weekly monitoring of aphids remained in progress. Mechanical weed control was done and rouging was performed. Technical support was extended on best practices. Onion demonstrations were monitored, and farmers were advised on weed control, fertilizer application and irrigation. Seed of Solh-02 wheat variety was purchased by ICARDA and will be planted in the wheat demonstrations

Nangarhar

In Khogiani District, the okra demonstration was completely destroyed by the hail storm after the 5th picking. A field day was conducted in Batikot district and attended by 100 farmers and staff of the Agricultural Directorate. Six potato demonstrations (one in each target district) were planted for autumn production. Rice demonstrations were monitored and farmers were helped in maintaining the fields. Plants were close to maturity. Mung bean demonstration plots were harvested in all targeted districts

Helmand

The percentage germination of Amu-99 and Roshan-96 seed wheat was tested at 90% and 95%, respectively. Extension workers monitored the cotton, peanut, and mung bean demonstrations and provided technical assistance to farmers. Harvesting of cotton began in some places. Eighteen fall season potato demonstrations were planted.

Kunduz

Okra demonstrations were monitored and extension agents provided technical assistance to participating farmers. Okra picking continued and extension agents collected data on yield and sales of produce. Peanut demonstrations were monitored and peanuts were in the pod stage. Farmers were trained in irrigation and plant protection practices. Farmers were advised on best practices on rice,

cotton, and mung bean production. Mung bean harvesting started. Two demonstrations of potatoes were planted to find out the correct summer planting time.

Looking Forward

- Onion, mung bean, tomato, okra, rice, cotton, peanut, and potato demonstration results will be reported
- ICARDA plans to have two improved varieties of wheat demonstrated on each wheat demonstration plot this fall.
- New farmers in new villages will be selected for the fall wheat planting program for demonstrations in the five priority provinces.
- ICARDA will provide assistance to surveyors from RAMP undertaking an adoption rate survey in November

Challenges Encountered

The security situation in Afghanistan in general and in Helmand, in particular, has remained serious and has resulted in the withdrawal of personnel by many national and international agencies. ICARDA staff based in Helmand is working under life-threatening conditions.

Project Manager Comments

ICARDA must be particularly selective when they interview new farmers in new villages for wheat demonstrations. Farmer's interest in getting improved seed is very high.

Direct Seeding Agriculture Project

International Assistance Mission

Life of Project: October 19, 2004 – October 19, 2006

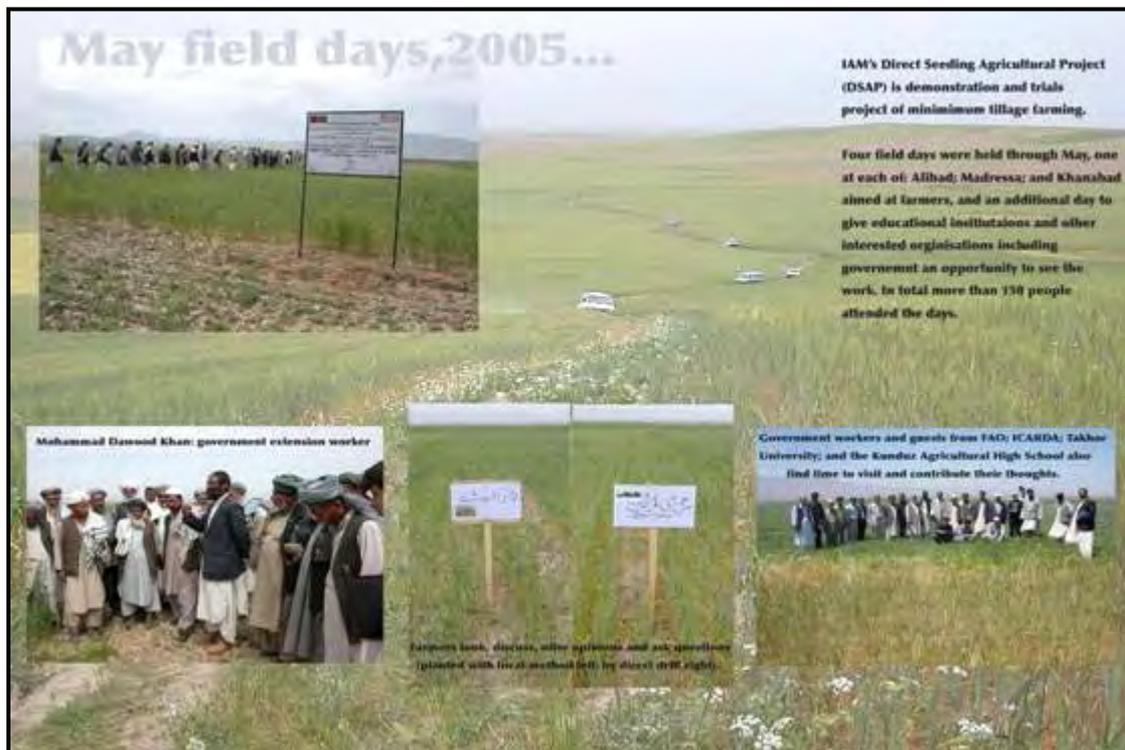
Provinces: Kabul and Kunduz

Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#8B-0004-IAM	19-Oct-04	Dr. Abdul Qahar Samin	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$62,470	\$40,551	\$40,551	\$0	\$21,918

Project Description: The project aim is to examine the use of a John Deere direct seeder for dry land wheat production through trials in Kabul and Kunduz provinces of Afghanistan.

Accomplishments this Quarter

- Four field days were conducted at the project sites in Kunduz province. The field days included consultations with more than 150 farmers and Afghan government officials on their perceptions of the minimum tillage technology and its possible application.



- Best practices for minimum tillage farming were demonstrated and the harvesting and threshing of the harvested wheat in the demonstration plots in Kunduz were completed.

Looking Forward

- Collect and analyze the data from the Kunduz trials, interpret the results and present the findings
- Purchase the wheat seed required for planting during the next season
- Continue to monitor the progress of the Kabul wheat trials under minimum tillage. Harvest, thresh, and report the results.

Challenges Encountered and Remedial Action Taken

A plot thresher was not available, so the wheat from the trials was threshed by hand. The budget allocation for harvesting using a thresher needs to be modified.

Project Manager Comments

IAM has been instructed to:

- collect all data of wheat trials and analysis of data and send it to RAMP office as soon as possible.
- IAM should plant the same number of trials (at least 3) in each of the four districts in Kunduz.

Introducing Protected Agriculture in Marginal and Water Deficient Areas				
International Center for Agricultural Research in the Dry Areas (ICARDA)				
Life of Project: November 10, 2003 – June 30, 2003				
Provinces: Nangarhar, Kunduz, Helmand, Parwan & Ghazni				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#9-0004-ICARDA	10-Nov-03	Alem Alemi	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$1,279,682	\$188,543	\$841,976	\$99,421	\$338,285
<p>Project Description: ICARDA is introducing protected agriculture for cash crop production in marginal and water deficit areas of Afghanistan. The project is promoting the adoption of affordable and sustainable protected agricultural systems to produce high value crops, using marginal or otherwise non-productive lands and water more efficiently, by establishing a central demonstration and training site within Kabul and by installing simple greenhouse structures at selected pilot sites with participating farmers.</p>				
<p>Expected results (by end of project): Capacity Building - Establishment of one private sector plastic greenhouse fabrication shop; Establishment of 25 independent greenhouse enterprises. Establishment of at least 50 private greenhouses Enhanced Livelihood – At least five fold increase in the production of cash crops compared to open field production system; 1.2Ha land under greenhouse technology; Farm families participating in the greenhouse systems of production will experience at least a three-fold increase in annual net returns on a per hectare basis.</p>				

Accomplishments this Quarter

- Over 167 farmers from six targeted provinces have expressed interest in investing in greenhouses. The farmers are willing to contribute 20% to the cost of the greenhouse. ICARDA is working with Mercy Corps and IFDC (credit) to come up with a financial package for these interested farmers.
 - The cost of the ICARDA (“large”) greenhouse (29meters x 9m x 3.25m), water pump, generator for the pump, water reservoir tank, tank stand and pipes, drip irrigation system, and well was estimated at \$2850.
 - The annual income from the greenhouse if two off-season crops of cucumbers is about \$2800. Annual cost of production is about \$1660. Net profit is about \$1140
- Twenty more greenhouses (making a total of thirty-five greenhouses owned and operated by growers, four greenhouses at the PAC, and two at the MAAHF) have been installed or were in the process of being installed (as demonstrations) in the six targeted provinces, including Parwan, Ghazni, Nangarhar, Helmand, Kunduz, and Kabul.
- Conducted two Integrated Plant Protection Management (IPPM) training courses with 131 growers, extension agents, and NGO personnel from 6 targeted provinces participating
- Conducted a Mid-Season Workshop to enable pilot growers from the six targeted provinces to ask greenhouse production questions to ICARDA’s experts in greenhouse technology
- ICARDA greenhouse experts visited 22 greenhouse in four provinces and provided technical assistance to all growers
- Conducted a socio-economic assessment to monitor progress against baseline indicators, farmers’ perceptions and potential constraints to wider adoption of the technology

Parwan Province

- Installed two large greenhouses and one “small” tunnel (18m x 7m x 2.75m) in the premises of the provincial Agriculture Department of Parwan and in Bagram
- Visited greenhouse operators and provided technical assistance on maintaining, cleaning, irrigating, and fertigation

Ghazni Province

- Lay out for two large and two small in various districts was done and greenhouse skeletons were raised
- Visited greenhouse operators and provided technical assistance on maintaining, cleaning, irrigating, and fertigation

Nangarhar Province

- Greenhouses were monitored and cucumber plants were growing well; monitored irrigation and fertigation schedules
- Site selection was done to install two big and two small greenhouses

Helmand Province

- Greenhouses were monitored where cucumber plants were growing well; monitored irrigation and fertigation schedules
- Two small greenhouses were installed as demonstrations for farmers
- Site selection was done to install two big and two small greenhouses

Kunduz Province

- Conducted an IPPM training course in Kunduz with 46 growers, extension agents and NGO personnel from 6 project targeted provinces participating. The course was designed for the new greenhouse operators, who recently received demonstration greenhouses, previously trained operators, extension staff, and staff from different NGOs and the MAAHF
- Conducted a Farmers' Field School (FFS) in Kunduz for the greenhouse operators that attended the IPPM training. The FFS provided an excellent learning opportunity to growers to learn and practice different aspects of greenhouse management in the field
- Two large and two small greenhouses were installed as demonstrations for farmers
- Greenhouses were monitored where cucumber plants were growing well; monitored irrigation and fertigation schedules

Kabul Province

- Visited five greenhouse operators in five districts and provided the farmers expert advice in maintaining the greenhouses and irrigation systems. Trained the farmers on ways and means to get maximum benefits in a sustainable manner from their greenhouses
- At the Protected Agriculture Center (PAC), the Project produced and sold superior quality cucumbers and tomatoes which were in high demand. From July until September, a total of \$4,700 of cucumbers (82,294 in number) and tomatoes (666 kg) were produced at the PAC and at the five pilot greenhouses and sold in Kabul.
- Installed an insect proof net in four greenhouses of the PAC and in five growers' greenhouses in various Kabul districts
- In response to a suggestion made by HE Mr. Obaidullah Ramin, the Minister of Agriculture, one large and one small greenhouse were installed in the Ministry compound. The irrigation system of the large greenhouse was serviced, the soil was changed, tomatoes and pepper seedlings were transplanted, and lettuce was planted in the border spaces, while cucumbers were planted in the small greenhouse
- Cucumber, pepper and tomato seeds were sown to raise the seedlings to be planted in PAC greenhouses and in the greenhouses in various districts
- Greenhouse components, such as, arches, crosses, and supporting pipes, were manufactured at the greenhouse manufacturing workshop (GHMW). These components were used to install ten large greenhouses and ten small greenhouses in target provinces.
- Continued collecting wholesale market prices for vegetables in Kabul

Looking Forward

- Assist up to 50 interested farmers in accessing the greenhouse technologies through a financial package that includes their 20% contribution
- Arrange for all greenhouse construction materials and irrigation needs once farmers contribute their share of the financial package
- Supply necessary agricultural inputs, thermometers, and materials required for maintenance of greenhouses in the targeted provinces
- Finalize the socio-economic assessment
- Monitor crops and sown seeds at the PAC and at growers' greenhouses
- Continue collecting wholesale market price data in Kabul and train extension workers on how to utilize the data for determining the proper timing for off-season vegetable production

Challenges Encountered and Remedial Action Taken

- Security and protection of greenhouses at farmers' fields is a serious concern. Farmers may need to arrange for securing their greenhouses, especially when there is a crop ready for harvest
- Security situation in Helmand hampered the movement of the project team. Project activities will continue but precautions will continue to be taken

Project Manager Comments

- The farmers in the six targeted provinces that are interested in adopting the greenhouse technologies must be provided the information of the financial package available. Once the farmers provide their 20%, immediate construction at the GHMW must start, seeds, plastic and necessary materials that must be imported must be attended to, and follow-up visits by the ICARDA regional coordinators in each of the provinces must be made to identify the sites and prepare the farmers for the installation.
- The cost/benefit information on all the demonstration greenhouses needs to be submitted to RAMP as soon as possible and used by ICARDA to instruct extension workers and farmers so that they can understand the projected profitability and the risks involved.

Shomali Plains Road Upgrade
Agence d'aide a la Cooperation et au Developpement (ACTED)
Life of Project : 01-Dec-03 to 31-Jul-05
Provinces: Kabul, Kapisa, Parwan

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#10-0002- ACTED	01-Dec-03	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$729,255	\$0	\$598,122	\$77,935	\$53,198

Project Description: ACTED has rehabilitated the Main Shakh and Canal roads. They are continuing their work on the Nahri Charikar canal irrigation system.

Expected Results: Rehabilitation of 17.7 km of canal along with an improved water supply to irrigated areas.

Accomplishments

Transport and irrigation improvement are prerequisites for improving the comparative advantage of farmers of the Shomali Plains. Rehabilitation of roads reduces the transport cost of crops exported from the agricultural catchment areas to urban markets. Improvement of canal increases the number of hectares served with a reliable supply of irrigation water and leads to higher yields of crops.

Road Rehabilitation

9.6 kms. of Main Shakh and 11.8 kms. of Canal Road have been rehabilitated.

The following photos were taken on the same spot of Main Shakh and Canal road before and after rehabilitation during September 2004 and May 2005 to illustrate the difference on the structure of roads.



Canal road - 4.6km - before



Canal road - after



Canal road – 5.3km – before



Canal Road - after



Main Shakh Road – 1.8km – before



Main Shakh road - after

The Nahri Charikar Canal

The Nahri Charikar Canal provides irrigation facilities to an estimated 7,000 hectares in 6 valleys. It is fed by Ghorband River and flows from the Bamyan Valley.

In order to restore the original capacity of the canal to deliver water, the debris of the canal were cleared and de-silted. This work was done with a combination of machine and unskilled labor and will allow the canal irrigation water to once again flow freely through the Shomali Plains to beneficiary farmers. The canal is being widened by a meter along its entire length, often doubling the width of the canal, which will allow more water to flow through the canal and provide irrigation to more land.

m ³	April	May	June	July	August	September	October	November	December	January	TOTAL
Earth Removed by wheelbarrow	420	180	200	150	100	300	5950	6400	4500	1617	19817
Earth Removed by track	0		115	80	120	400	435	500	2480	200	4330

Benefits:

Rehabilitation of Sinjid Dara, Canal and Main Shakh road has reduced the time required for traveling on these roads. Time required for traveling from Main Shakh and Canal road to the market centre at Charikar has been reduced from 2 hours to 30 minutes and from 60 to 25 minutes. Similarly the time required for traveling along the Sinjid Dara road has been reduced from 30 to 10 minutes.

Looking Ahead:

Rehabilitation work (cleaning the bed, widening the canal, constructing retaining walls and water outlets) will continue on the Nahri Charikar Canal.

Project Manager Comments:

ACTED has demonstrated that they have the ability to rehabilitate roads to our standard. The results of the California Bearing Ratio tests indicate that the results are higher than the required 60 percent indicating that the structural properties of gravel base are satisfactory. The compacted thickness of the gravel base in different locations is greater than the required 20 centimeter. They adopted labor-intensive construction technologies and provided employment opportunities to farmers from the influence area of the road corridor.

Kanday Road Reconstruction
Mission d'Aide au Developement des Economies Rurales en Afghanistan (MADERA)
Life of Project : 15-Dec-03 – 25-Jun-04
Provinces: Kunar

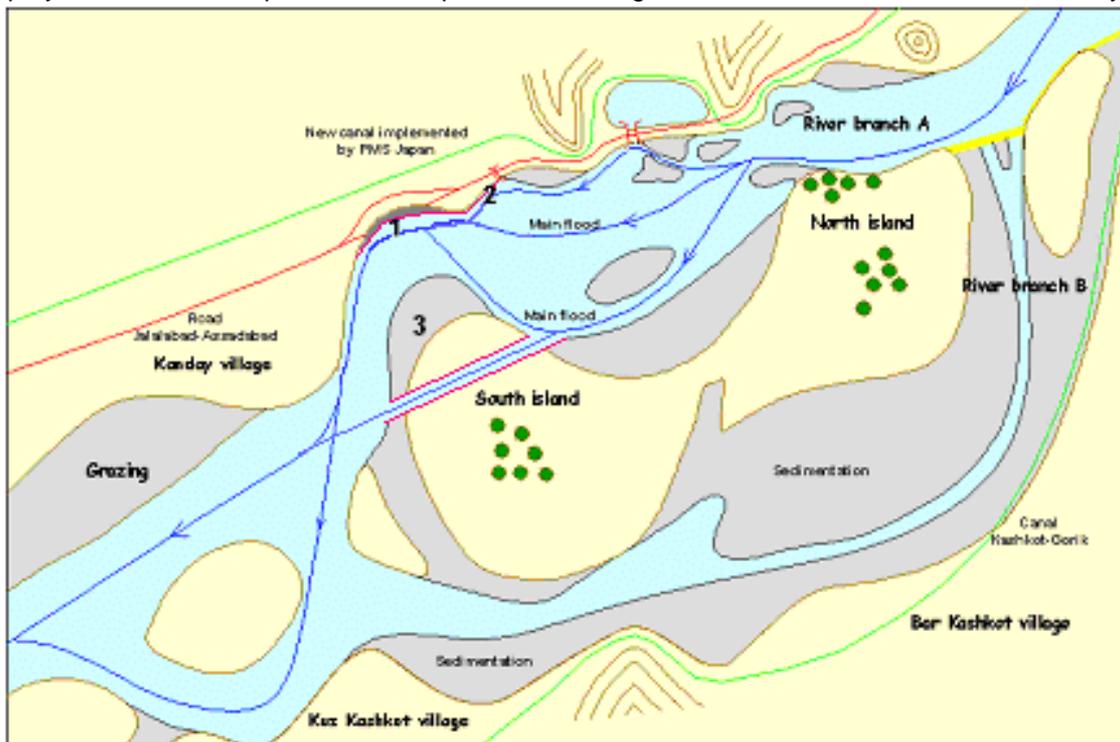
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#11-002-MADERA	15-Dec-03	Khodaidad	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$448,131	\$0.00	\$448,131	\$0.00	\$0.00
Project Description: MADERA has rehabilitated a collapsed section of the Kanday road, connecting Jalalabad and Assadabad, and constructed a stone masonry protection wall, diversion channel and a dumped rock and gabion dike to prevent erosion of the road during floods.				
Expected Results (at end of project):				
Enhanced Livelihood – 500,000 farm families with improved access to markets; 5,100 hectares receiving improved irrigation; and 6,850 person-days of employment.				

Accomplishments

This completed project was undertaken because the Kunar River had, during floods, eroded its 3- to 5-meter high right bank near Kanday Village and effectively severed road communications between Jalalabad in Nangarhar Province and Assadabad in Kunar Province. The restoration work was undertaken in cooperation with PMS, a Japanese NGO who were building a new irrigation canal upstream from the site of the collapsed roadway. Objectives of this project were to redirect flow of the Kunar River away from the right bank, protect villages and agricultural lands, restore the main road between Nangarhar and Kunar Provinces and construct flood protection works for the benefit of the PMS canal.

Elements of Construction included: Retaining Wall, Channel Cut and Road Restoration

The project has been completed and the performance targets have been achieved for each activity.



Several adaptations of the original design were made during construction. Among the most important of these were, extension of the bank protection dike into the channel to further induce the river to move toward the middle of this highly braided river, enlarge the channel designed for river straightening by integrating work with that of PMS, and the combining of gabions and large dumped stone to stabilize the relocated dike.

Sedimentation occurred along the protection wall dike following a major flood during 2004. The sediment deposits provide additional assurance of the stability of the works and indicate that the right bank heights are not likely to be attacked by high flow velocities. A further measure to ensure stability of the works is a possible program of aforestation on the dike and embankment to stabilize it against erosion.

Beneficial sedimentation due to redirection of flow and construction of the protection wall along the river bank



In conclusion, the primary objectives of this project were achieved in that the eroded embankment and roadway were restored, flood flows have been redirected from impinging on the right bank heights to mid-channel, works were built for the protection of two irrigation canals, and erosion of the main road between Nangarhar and Kunar/Nuristan provinces has been forestalled perhaps permanently. A tree planting program has been mooted for the bench area of the reinforced dike and along the adjacent river bank.

Quarterly Report

Q3 FY05

FINAL REPORT

Market Based Production Project Agence d'aide a la Cooperation et au Developpement (ACTED) Life of Project: 21-Dec-03 to 27-Feb-05 Provinces: Parwan, Kapisa, and Kabul				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#12-0004-ACTED	21-Dec-04	Abdul Qahar Samin	Daniel Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$1,800,000	\$0.00	\$610,089	\$109,735	\$1,080,176
<p>Project Description: ACTED will work with farmers in the Shomali Plains to rehabilitate orchards and vineyards, establish nurseries, develop fruit processing by constructing innovative low-tech facilities (greenhouses, solar dryers and storage warehouses) as income-generating activities with a priority on women's involvement.</p>				
<p>Expected Results</p> <p>1. Capacity Building: 3 agriculture cooperatives revitalized; The management and technical competency of 90 DCC members, 16 technicians and 10 cooperative members enhanced through sustained training; 3 women DCCs established and 430 women access the coops; 70 women trained in income generating and small business activities; Agriculture best practices spread among 1,500 persons (1,070 men and 430 women)</p> <p>2. Enhanced Livelihood: 385Ha vineyards and orchards revitalized with the provision of rootstocks and saplings; Average fruit productivity increased by 35% and total marketable output by 40%; Input supplied for 1,200 ha of land to plant with cereals and vegetables; Average cereal and vegetable productivity increased, respectively, by 25% and 15%; 1,290 cooperative members double their income; 102 households double their income by constructing greenhouses for seasonal vegetables.</p>				

Accomplishments

The ACTED subcontract was terminated. ACTED has completed the transfer of project assets and end all project activities.

Livestock Health, Production, and Marketing Improvement Program**Dutch Committee for Afghanistan (DCA)****Life of Project: January 6, 2004 - June 30, 2005****Province: Nationwide**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#13-0004-DCA	06-Jan-04	Daad Mohammad Amir	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$11,994,872	\$1,250,959	\$7,730,254	\$84,288	\$4,180,330

Project Description: This project will create a national network of private veterinary field units (VFU) capable of providing livestock health services in all 380 districts of Afghanistan. DCA will also train sufficient numbers of Para-veterinarians (paravets) to staff and service the national network, and create a livestock health, production, and marketing information system that link this private paravet network with government departments on such issues as disease surveillance, livestock inventories, and trans-border issues.

Expected Results (by end of project):**Capacity Building** – 360 financially sustainable VFUs established; 540 paravets trained**Enhanced Livelihood** – Annual livestock population increased by 10%; 2 Million farm families with increased food security.**Accomplishments this Quarter**

The total number of vaccinations, medications and other veterinary services delivered by DCA and its partners, Afghan Veterinary Association (AVA) and Partners in Revitalization and Building (PRB), during July to September 2005 was 2,999,641. The average number of veterinary services per district in the DCA project was 12,243, including 7523 vaccinations and 4292 medications administered.

Region	Provinces Covered	Districts Covered	Vaccination	Medication	Other Vet Service	Actual Cumulative
DCA-Kabul	4	27	223001	123739	8,031	354,771
DCA-Herat (West)	4	27	524793	188431	13,948	727,172
DCA-Mazar (North)	5	34	252433	192447	21,908	466,788
AVA (South)	14	115	516091	451625	45,634	1,013,350
PRB (North-East)	4	42	326880	95378	15,057	437,315
Total	31	245	1,843,198	1,051,620	104,578	2,999,641

Sixty-nine new paravets from different provinces received training at DCA's Veterinary Training and Service Centers. To begin to put together a cold chain for proper maintaining vaccines, six cold rooms were installed and 70 solar powered refrigerators were imported to be installed at already identified VFUs. The cold chain is being used to store vaccines including the 500,000 doses of CCPP vaccines recently imported from Pakistan, the one million doses of trivalent FMD to be imported from Russia, and the 500,000 doses of fowl pox vaccine to be imported from Cyprus. Foot and Mouth Disease is by far the most problematic disease in the DCA coverage area of Afghanistan.

Headquarters or Regional Office	Paravet Training	Cold Rooms Installed	Vet Instrument Kits Distributed	Most Problematic Diseases [^]
Kabul		3	14*	
Parwan	27 new paravets		56*	
Kunduz			100	FMD, ANT, ENT, PPR
Herat	20 new paravets	1	106*	ENT, S/G Pox, CCPP
Mazar	22 new paravets, 21 in refresher course	1	38*	FMD, NCD, PPR, S/G Pox
Kandahar		1	101	FMD, ANT, NCD, PPR

* Three DCA regional offices distributed a total of 200 kits

[^] ENT – Enterotoxemia; S/G Pox – Sheep/Goat Pox; CCPP – Contagious Caprine Pluero Pneumonia

FMD - Foot and Mouth Disease; NCD – Newcastle's Disease; PPR – Pest des Petites Ruminants; ANT - Anthrax

Training

A new training module for developing business management skills was presented to new paravet trainees to make them aware of financial sustainability of their private veterinary field services. Four NGOs, including BRAC, DACAAR, IAM, and Mercy Corps, approached DCA for various types of training for over 30 of their paravets.

The DCA's Outreach and Extension department is currently preparing fact sheets for farmers on major livestock diseases which clearly inform the farmer what VFU staff can do to prevent or treat these costly diseases. This represents the beginning of a serious marketing effort, which will ultimately include radio and television, to promote awareness of veterinary services.

Government and Donor Coordination

- DCA participated in livestock sub-sector policy reform meetings, particularly with regard to the definition and delivery of public and private sector veterinary activities.
- DCA participated as a member of the MAAHF Master Plan Working Group on Animal Health Production. The Working Group has met weekly through September and will present its recommendations to the Master Plan Secretariat in mid to late October.
- Deputy Minister Jawad of MAAHF has requested DCA and other NGOs to hold meetings to make preparations for initiating an evaluation of VFUs by the Ministry.

Looking Forward

- Install the 70 solar-powered refrigerators/freezers in the five regions of the DCA-RAMP project.
- To organize three business management (skills) training courses at VTSC in Charikar, at VTSC in Herat, and in Kandahar for paravets working with the NGO Mercy Corps.
- Provide full support to the 20 new paravets graduating from the VTSC in Herat.
- Finalize the importation of 500,000 doses fowl pox vaccine and 1 million doses of FMD vaccine.
- The number of required vaccines for 2006 was projected at about 21 million doses of 16 different kinds of vaccines. The tendering of these vaccines will be done the end of October by the DCA Headquarters in the Netherlands. All the vaccines should be in stock by February 2006 and available for distribution.
- Finalize the importation of the first batch of Norbrook medicines by AVA and start the distribution to the regional stores.
- Finalize the official registration of 160 motorbikes and start the distribution to VFUs in DCA and PRB working areas.
- Monitor existing VFUs and recruit new-paravets (including Kuchi para-vets) in regions where there are currently no veterinary field services.
- Develop a training plan for animal health services for the Kuchi community as part of the coordination with the RAMP-funded Kuchi assessment work of Dr. Frauke de Weijer.

Challenges Encountered

- The DCA-RAMP activities are regularly disturbed by different policies on veterinary field services of other NGOs. DCA has to invest a substantial amount of time to solve the friction with these NGOs. The best way is through bilateral dialogue via the ACBAR Animal Health Working Group and the MAAHF Steering Committee Meetings of the main donors in livestock production and animal health. Visits to the sites of conflict are another way to come to joint solutions.
- Foot and Mouth Disease continue to be most problematic disease spreading all over Afghanistan this year. It requires a joint approach of all stakeholders' parties including, among others, the central and local government, FAO and its Transboundary Animal Diseases program, NGOs, and their veterinary field staff. The making of a protocol for short-term control of FMD is a good start, along with the importation of more relevant vaccines. Along with this, better diagnostic facilities are urgently needed along with a more long-term strategy in controlling FMD outbreaks.

Project Manager Comments

- In many VFUs there were shortages of some medications. A better supply chain for these medications is needed.
- The process of supplying VFUs with necessary equipment and standard sign boards needs to be done more quickly.
- The Livestock Steering Committee of which DCA plays a very influential participatory role has proven to be a very effective forum for donor coordination, strategic planning, policy formulation, etc. with the MAAH.

Bridge Construction in Aga Khil Agency for Rehabilitation and Energy Conservation in Afghanistan (AREA) Life of Project : 07-Jan-04 to 15-Feb-04 Provinces: Wardak				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#14-0002-AREA	7-Jan-04	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$2,454	\$0.00	\$2,454	\$0	\$0
Project Description: AREA reconstructed the bridge (24 meters long, 3 meters high with 42 culverts) near Aga Khil in Wardak which connected Ghazni-Hazarajat market centers. Also, 42 km of road rehabilitated including 42 washes and culverts. This project was begun under AQIPS and completed under RAMP in January 2004				
Projected Impact: reliable access to markets for families Wardak and Ghazni				

Project Successfully Completed

Construction of Three Dams for Shomali Plains Reconstruction Authority for Afghanistan (RAFA) Life of Project : 31-Dec-03 31-Jan-04 Provinces: Parwan				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#15-0002-RAFA	7-Jan-04	Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$2746	\$0.00	\$2746	\$	\$0
Project Description: RAFA has completed the design and reconstruction of three water diversion dams along the Ghorband River. This project was begun under AQIPS and completed under RAMP.				
Projected Impact: 18,000 hectares of land provided with a reliable source of water.				

Project Successfully Completed



Rehabilitation of Irrigation Canals in Parwan
Reconstruction Authority for Afghanistan (RAFA)
Life of Project: 01-Feb-04 to 15-Jun-2005
Provinces: Parwan

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#16-0002-RAFA	21-Jan-04	Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$800,000	\$0	\$473,751	\$78,411	\$247,838
Project Description: RAFA is rehabilitating and constructing six new water diversion dams along the Salang and Ghorband rivers to divert water to six canals that provide water for most of the agricultural land in Parwan.				
Expected Results (by end of project)				
Enhanced Livelihood:				
<ul style="list-style-type: none"> • 3380ha new land brought into cultivation and a total of 28,670 hectares receiving an improved supply of water • 28,670 hectares of land benefit from improved water supply 				

Accomplishments this Quarter

While cold weather and seasonal rains hampered planned activities, construction progressed at the Barq, Belawdan, Afghan, Ibrahim Khil and Toghbirdy canal intakes. No activities were carried out at the Bakhshi canal Intake structure because of a mine hazard.

- At the Barq Canal Intake, work has been restarted. Temporary diversions are re-excavated, steel reinforcement that was bended by floods this summer are reworked and construction of the last portion of the main weir is in progress. No big damages had occurred during the flood season while work was stopped.
- At the Belawdan Canal site, RAFA completed the stone masonry wing wall as well as Gabion work of the downstream apron. Work is in progress for construction of intake.
- At the Afghan Canal site, construction progressed on the main wall and the upstream and downstream gabions for the weir. Intake gates are being prepared and concrete of the intake walls is in progress.
- At the Ibrahim Khil Canal site, the stone masonry wing wall in the right bank was completed and construction of the main wall and gabions of the weir is in progress.
- Construction works on Toghbirdi intake is in final stage.



Looking Ahead

Work has been restarted after a stoppage of 3 months due to the rise in the river's water. Toghbirdi Canal Intake and Beawdan Canal intakes along with the diversion dams will be completed. Barq Canal Diversion Dam and Intake will take more time than anticipated to undertake the additional works and design changes to satisfy MEW.

Challenges Encountered

Floods this summer were extremely high and protecting the uncompleted work was a big challenge. Fortunately the temporary flood protection measures that were in place worked well and no big damages occurred.

Project Manager Comments:

Restarting work after a stoppage of three months and removing the material filled in excavated foundations will need additional efforts and cost.

Road Rehabilitation in Balkh Province
Agency for Rehabilitation and Energy Conservation in Afghanistan (AREA)
Life of Project: 07-Feb-04 to 31-Jul-05
Provinces: Balkh

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#17-0002-AREA	17-Feb-04	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,242,867	\$0	\$1,242,867	\$0	\$0
Project Description: AREA rehabilitated 100 km of rural roads in Balkh province.				
Expected Results (at end of project):				
Enhanced Livelihood – 83,000 farm families with increased access to markets; 114,239 person-days of employment.				

Accomplishments

The dedication ceremony of 100 kilometers of Sarakhunha Balkh, Coolombo, Dehbabi/Deragai, Chemtal, Deh Qazi, Langarkhana and Yangri-Arigh roads was held on 13 July 2005. Rehabilitation of these roads included the construction of 329 different types of culverts. These roads provide the fundamental base for the socio-economic transformation of 244,000 people living in 36,681 hectares of agricultural land located on their catchment area. Some of the main benefits of investments on these roads are growth in traffic flows, savings in the transport cost, and reduction in travel time.

Rapid increase in traffic flows on these roads has led to higher economic opportunities. Such examples are 40 and 60 percent increase in traffic on Dehragai and Chemtal roads. On these roads the traffic count was 262 and 900 vehicles per day respectively during the first week of July.

Consequently the savings in the transport cost of commodities ranged from a maximum of 60 percent on Chemtal road to a minimum of 38 percent on Kollombo and Dehragai road. The transport cost has been reduced to \$6 from \$10 per metric ton on Chemtal road. Similarly on Kollombo and Dehragai roads the transport cost has been decreased from \$8 to \$5 per metric ton. This has occurred in spite of the fact that fuel prices have increased substantially over the same period of time.

The travel time along the Kollombo road has been reduced by 50 minutes from the previous 80 to current 30 minutes.

The following photos were taken on the same spot of different roads to show the variation on the structure of roads before and after rehabilitation, i.e., during January 2004 and July 2005.



Chemtal road at 13.6 kilometer – before



Chemtal road - after



Deh Qazi road at 1.8 kilometer – before



Dah Qazi road – after



Deh Qazi road at 3.8 kilometer – before



Deh Qazi road - after



Langarkhana road at 2.5 kilometer – before



Langarkhana road - after

Looking Ahead

The maintenance agreements for the rehabilitation of these roads have been signed with the Government and the communities. Now the greatest challenge facing the Shura, communities, who are benefiting from these roads and the Government is to preserve their valuable assets that have been rehabilitated. The challenge is to maintain these roads so that these benefits become sustainable for their and future generations to come.

Project Manager Comments

During the dedication ceremony the Governor has requested for the continuation of the same road program in Balkh region. There is a high demand for the rehabilitation of other roads to the same standard. This is the first time that the public has been impressed with our road rehabilitation work.

**Rehabilitation of Irrigation Systems and Water Management
Reconstruction and Social Services for Afghanistan (RSSA)
Life of Project: 17-Feb-04 to 1-Aug-05
Provinces: Nangarhar**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#18-0002-RSSA	17-Feb-04	Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,853,549	\$130,539	\$1,618,832	\$140,597	\$94,120
Project Description: RSSA is rehabilitating channels, protection works against overland flood flows from mountain streams, and diversion structures in the tail reach of the Nangarhar canal system.				
Expected Results (at end of project):				
Enhanced Livelihood – restoration of irrigation supply to 6,000 hectares of farm land that have been out of production for several years as well as firming up supply to another two distributaries that were out of use due to canal breaches along a dry floodway. More than 6,000 farm families will be benefited.				

Accomplishments this Quarter

Improving Rural Agricultural Productivity through Enhanced Irrigation Systems and Water Management (RSSA) is implementing this project to restore irrigation to 6,000 hectares of land at the tail of the Nangarhar Valley Irrigation Development Project in Nangarhar Province.

The project was designed for community economic growth based on irrigated agriculture aimed: (i) to respond to the urgent needs of small landholders whose livelihood is irrigated agriculture, (ii) to strengthen the operational and conveyance capacity of canals to assure water availability at farm field inlets for optimal productivity (iii) to provide a sense of ownership to the local farmers through establishing water user associations for maintenance and rehabilitation of the irrigation systems, and (iv) to restore the previous situation by providing the above opportunities to IDPs and returnees and to provide an alternative to illicit crop production in the area. These four objectives are to be realized through; reconstruction/rehabilitation of 6 km of totally destroyed main canal and for reconstruction of lateral canals at the end point of the Nangarhar Valley Irrigation Development Project. Further works will be built for the protection of the canals from overland flooding by hill torrents.



Project beneficiaries, gathered at site

In addition to the irrigation systems rehabilitation activities to meet the RAMP mandate, RSSA will work to reclaim an additional 30,000 Jeribs of new land for seasonal crop cultivation. This will increase the potential of local farmers in producing surplus food at their farms.

The rebuilt siphons on the main canal already are passing water downstream to the end of the main canal. Some farmers already are watering crops on newly reclaimed farm lands after decades of being out of service.



Project completed successfully.

Looking Ahead

- Inauguration ceremony and handing over of the project to NVDA and Local Shinwari Community is planned for November, 2005.

Challenges Encountered and Remedial Action Taken

No major challenges were encountered.

Project Manager Comments

The construction of siphons with inlet and outlet structures is completed. An RCC slab with cutoffs is laid on siphon 29. Another flood diversion dam is built in the wash on up stream side of siphon 29 as a result an additional 2,000 hectares of agricultural land will be protected from floods as well as residential homes and livestock.



**Repair of the Ghazni - Meray Access Road
Ghazni Rural Support Program (GRSP)
Life of Project: 25-May-05 to 30-Nov-05
Provinces: Ghazni**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#19-0002-(GRSP)	25 May-05	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$378,364	\$37,836	\$37,836	\$271,672	\$68,856
Project Description: GRSP is rehabilitating 27.4 km of Loman Qarabagh road in Ghazni, Andar and Qarabagh districts of Ghazni Province. This road provides access to the main Kabul-Kandahar highway from the rehabilitated Jaghuri Malistan road.				
Expected Results (at end of project): Enhanced Livelihood – 146,000 farm families with increased access to markets				

Accomplishments this Quarter

GRSP has mobilized their team and completed the rehabilitation of 5 kms. of sub-base and 4 culverts. The first photo depicts the condition of the road before rehabilitation, and the second shows laborers constructing retaining walls in Tamaki.



Challenges Encountered

A rumor was spread around in villages that the road would be upgraded to asphalt standard. Discussions were held with the communities to inform them that the road would be upgraded to gravel standard, and not asphalt standard. People have welcomed the road project to their area.

Looking Ahead

It is expected that during the next month 10 kms. of sub-base and 5 kms. of gravel surface and will be rehabilitated.

Project Manager Comments:

The road rehabilitation work has started and this could be one of the few projects implemented in Ghazni region.

Reconstruction of Roads in Kunduz
Partners in Revitalization and Building (PRB)
Life of Project: 16-Feb-04 to 31-Jul-05
Provinces: Kunduz

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#20-0002-PRB	18-Feb-04	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$869,652	\$168,591	\$759,532	\$110,120	\$0
Project Description: PRB is upgrading and rehabilitating 56 km. of primary and secondary roads in Imam Sahib district of Kunduz region.				
Expected Results (at end of project): Enhanced Livelihood – 10,800 farm families with increased access to markets.				

Accomplishments this Quarter

10.8 kms. of Aaq Masjid, 23.4 kms. of Alif Berdi and 4 kms. of Ismail Qishlaq roads have been rehabilitated. The first two roads include the construction of 23 and 58 culverts respectively.

Challenges Encountered:

Due to poor work quality PRB was requested to dismantle culvert numbers 11, 13, 15 and 16 on Alif Berdi road, and culvert numbers 13, 15 and 21 on Aaq Masjid road. They have constructed new ones at their own expense.

Looking Ahead

Work is nearing completion on Said Ahamad road. Camber and compaction are being brought up to required standard.

Project Manager Comments

PRB fired their engineers and recruited a new engineer. He is currently employing 15 masons and 45 laborers on Said Ahamad road for the construction of side ditches. The dedication ceremony will be scheduled by the end of July or early August.

Irrigation Rehabilitation in Khewa District
Social and Technical Association for Afghanistan Rehabilitation (STAAR)
Life of Project: 16-Feb-04 to 27-Feb-05
Province: Nangarhar

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#21-0002-STAAR	18-Feb-04	Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$336,448	\$27,378	\$336,448	\$0	\$0
Project Description: STAAR is constructing the main canal intake, rehabilitating a 100m retaining wall, constructing 19 culverts and a waste-way and sluicing gate along the Shegee main canal. Also waste-ways are being constructed for the Koti-Tarn and Kachara canals. Intakes at the heads of the Koti-Taran and Kachara canals are being rebuilt..				
Expected Impact (at end of project): Enhanced Livelihood – 18,050 hectares receiving improved irrigation; 8,250 farm families with increased production; and 14,252 person-days of employment generated.				

Project Design and Objectives

The project was designed for a new era of community economic growth with the aim of providing reliable irrigation deliveries to highly productive agriculture lands along the Kunar River that have for several years experienced uncertain water deliveries and production shortfalls.

In addition to improved deliveries for irrigation, works accomplished to date are providing more reliable access of farming communities to drinking water and restoring to returnees water availability for resettlement and restarting irrigation agronomic practices. These four design objectives are to be realized through; development of three major river intakes, construction of two retaining walls and nineteen culverts in the Khewa District of Nangarhar Province.



Accomplishments

The project was started early during February 2004 and work continued up to the 30th of June 2004 when it was suspended for three months due to rising water levels in the Kunar River. Project work was restarted from the 1st of October 2004. During this period, work has been completed at the Shegee Intake and Kotai and Kachara main canal intakes.

Completed in addition to the Shegee Main Intake with spillway/sediment ejection structures were two agriculture market centers, two retaining walls, nineteen culverts, and cleaning of an 18 km long canal. The result has been delivery of a permanent and reliable supply of water controlled by gated structure and the protection of the canal from flood destruction.

Challenges Encountered and Remedial Action Taken

Twice during the implementation phase of the project, STAAR has had to curtail operations due to high flows in the Kunar River, for three months during summer. Even so progress has been as noted above with considerable benefits accruing to the communities served by the canals.

Project is completed successfully and handed over to Local and Provincial authorities on 24th July, 2005.

Project Manager Comments

Work accomplished at the Shegee Intake has set a high standard for the provision of permanent works to realize reliable water supplies for irrigation and communities of the area.

Region 2: Ghazni
Rehabilitation of Ghazni - Meray and Jaghuri Malistan Road
Ghazni Rural Support Program (GRSP)
Life of Project: 25-May-05 to 30-Nov-05

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#19 and JO#22-0002-(GRSP)	25 May-05 and 17 Feb-04	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$378,364	\$0.00	\$0.00	\$37,836	\$340,528
Project Description: GRSP is rehabilitating 27.4 km of Loman Qarabagh road and 55 kms. of Jaghuri Malistan road in Ghazni, Andar and Qarabagh districts of Ghazni Province.				
Expected Results (at end of project): Enhanced Livelihood – 146,000 farm families with increased access to markets				

Accomplishments this Quarter

- These roads provide access to the national Kabul-Kandahar highway from Malistan, Jaghuri and Ajristan districts.
- To highlight the difference of the roads before and after rehabilitation the following pictures were taken on the same spot of Loman Qarabagh road.

These photos illustrate improvements through the current quarter. Improvements have led to high savings of vehicle operating costs.



Challenges Encountered:

These roads provide access to the population located in the middle hills of the fruit producing regions of Ghazni Province. They are more expensive to construct compared to roads built on the plains.

Looking Ahead:

It is expected that rehabilitation of these roads will be completed by the end of this year or during the next quarter.

Project Manager Comments:

GRSP has completed the rehabilitation of 82.4 kilometers of roads in Ghazni province. Due to the security situation, RAMP/Chemonics has engaged the staff from the Ministry of Rural Rehabilitation and Development to monitor the work. Currently Engineers Mir Abdul Rashid and Safiullah are inspecting the roads instead of RAMP/Chemonics staff. Ultimately MRRD is the owner and must be satisfied that the work is quality and will oversee continuing maintenance of the roads.

Agricultural Production, Processing & Marketing Project

Central Asia Development Group (CADG)

Life of Project: February 17, 2004 - June 30, 2006

Provinces: Helmand and Kandahar

<i>Job Order No.</i>	<i>Date of Award</i>	<i>RAMP Project Manage</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#23-0004-CADG	June-05	Atiqullah Mohibi	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$6,414,318	\$837,413	\$3,296,212	\$508,468	\$2,609,638

Project Description: CADG will establish demonstration farms, contract growing of selected crops, and provide agricultural technical assistance and expertise, processing and marketing, application of technologies to crop development, and implementation of drip irrigation plots.

Expected Results (by the end of project):

Capacity Building - At least 40Ha new vineyards and another 40Ha new orchards developed on land currently being planted with seasonal crops; 10 extension workers from the MAAH trained; Extension service provided to 6,000 farmers; One local fruit and nut processing facility developed and expanded.

Enhanced Livelihood - Grape/raisin yield increased by 35% due to the adoption of the trellis system; Fruit, cash crops and vegetable yield increased by 36% from adopting drip irrigation.

Accomplishments this Quarter

- The average increase in gross income from the 66 wheat demonstration plots (average size 1 jerib or 2000 sq. meters) using improved varieties and best practices over the local farmer's gross income from wheat production using traditional varieties was US\$512/hectare. The difference in the yield was about 2.1 mt/hectare.
- Many of the summer crop demonstrations were harvested, including those for watermelon, tomato, eggplant, and cucumber. Watermelon yields in demonstration plots were 6.5 mt higher than the traditional yields. Comparative yields and values for all the other winter and summer crops will be presented in the next quarterly report.
- Farmers with drip irrigation demonstrations are getting good results with their peanuts, tomatoes, okra, eggplant, cotton, and cucumbers when they follow the water scheduling requirements
- Netafim staff trained the CADG and MAAHF extension agents on the basic principles of drip irrigation that many of them had learned in the Thailand training earlier in the year
- Installed evaporation pans at all CADG district offices. The evaporation rate will be collected regularly and will give CADG's extension workers and the farmers an indication of the need for irrigation
- Completed installation of the 76 trellis demonstration plots
- Established 39 stone fruit tree micro-nurseries (totaling 2 hectares) in all districts where CADG operates
- Budding was completed in September with a total of 217,351 trees budded to selected varieties of apricots, plums, and almonds. At least 90% of these buds and the resultant trees will be available for planting in orchards in the winter of 2006-07.
- Planted twenty-four winter crop demonstrations including cabbage and cauliflower seedling nurseries and direct seeding of turnip and carrot
- Surveyed 80,203 farmers in 596 villages in Helmand, Kandahar, and Zabul to determine the adoption rate by farmers of the best practices demonstrated by CADG.
- Trained 30 farmers from Zabul and traders from Kandahar in drying and sulphuring apricots and trained the traders in processing and sorting the dried apricots at the CADG processing plant. Samples of the dried apricots were sent to international buyers and the traders are in the process of selling about 30 mt of dried apricots.
- One container of Shindokhani grapes was exported to Singapore using cold storage and specialized cartons.
- Thomas Payne conducted the Far East and Southeast Asia market study on fresh fruits and vegetables, and dried fruits and nuts
- Provided radio programs through the local provincial radio station of Helmand on various agricultural technology topics, women association development, public health, drug control, and veterinary programs. According to CADG's assessment, there are approximately 82,000 farmers in Helmand and a further 200,000 young boys that listen to the CADG radio programs.

Looking Forward

- Conduct field days on summer crops and winter crops where there are no security constraints
-
- Report the comparative yields and net income differences between best practices on crop demonstrations and traditional practices used on neighboring fields
- Thomas Payne will complete the final version of the Far East and Southeast Asia market survey of fresh fruit and vegetables and dried fruit and nuts and will present his findings in Kabul at the end of October.
- Evaluate the report and exploit any market opportunities for pomegranates and dried fruit with the private merchants
- Complete and submit the final results from CADG's adoption rate survey of best practices
- Extension workers will continue to emphasize adoption of best practices by farmers. For trellis and drip irrigation demonstrations, farmers will be made particularly aware of the costs and benefits of investing in and operating such technologies.
- Monitor the budding and grafting of micro-nurseries' rootstock to commercial varieties
- Assist apricot traders in marketing their dried apricots
- Process, package, and export about 60 mt of pomegranates

Challenges Encountered

In most of its demonstrations, CADG has to deal with pests, including stem borer, boll worm, red spider mite and nematodes. The remedial action taken has in some cases been the application of insecticides. In the case of nematodes, however, crop rotation has been emphasized to the farmers. Poor security remains a major challenge, both foreign and national staff are taking every precaution when moving around, so as not to attract any unnecessary attention.

Project Manager Comments

- CADG has been requested to provide RAMP the complete results of the dried apricot marketing, pomegranate pilot marketing, and the canola seed and oil marketing results of this year.
- CADG must work with and encourage Afghan entrepreneurs, processors and exporters to develop their marketing activities in both the local and international markets. But unfortunately CADG has not worked significantly with private processors and exporters. RAMP's objective is that the processors and exporters should learn from CADG's experience in processing, packaging, and marketing in order to have a sustainable impact.

Agri-Input Dealer Training and Development Project				
International Fertilizer Development Company (IFDC)				
Life of Project: 17-Feb-04 to 30-Jun-06				
Provinces: Kunduz, Helmand, Ghazni, Nangarhar, Parwan				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#24-0004-IFDC	15-Feb-04	Abdul Samed Nazari Jon	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$ 4,139,935	\$880,076	\$ 1,981,225	\$ 156,830	\$2,001,880
Project Description: IFDC will train 2,000 agri-input dealers, improve market transparency through analysis and dissemination of market information, develop business linkages between Afghan and regional suppliers of agri-inputs and establish five private sector associations of agri-input dealers.				
Expected Results (by the end of project):				
Capacity Building - 2,000 dealers trained; Agri-input dealers increased by 32.3%, from 1,436 to a total of 1,900; 7 sustainable dealer associations formed at provincial and regional levels and 1 at the national level.				
Enhanced Livelihood - Farm production of both foodgrains and high-value crops increased by 25% to 35%. Aggregate wheat production increased by 192,000Mt (valued at US\$19.2M)				

Accomplishments this Quarter

Various Regions

- Conducted 14 agricultural input training sessions in different provinces with 592 input dealers and MAAHF extension agents participating
- Formed and established a board of directors for four agricultural input associations in Kabul, Herat, Balkh and Ghazni provinces.
- Technical publications (including crop recommendation charts, good practice posters, and technology booklets) on fertilizer recommendations were distributed to 725 agricultural input dealers, progressive farmers, MAAHF officials, and NGOs in various provinces

Kunduz

- Redirected RAMP funds provided to IFDC for revolving loans to Helmand/Kandahar input dealers and to other credit requests (such as, seed enterprises in Kunduz). The redirection was necessary because security problems in Helmand/Kandahar prevented IFDC from establishing the credit there
Provided total short-term credit of \$48,850 to three village based seed enterprises (VBSE) for improved seed wheat that was stored by the respective VBSE in the VBSE's RAMP-built warehouses. These loans were based on the amount of improved seed that the VBSEs had produced for sale. By storing the seed wheat until planting date, the VBSEs will be able to get a higher seed price plus they will have money (via the loan) to buy inputs for their summer crops.

Kabul

- Met with the Managing Director of the National Bank of Pakistan to develop a source of credit for the input dealers in Afghanistan
- Provided a \$80,000 loan (at 8%) to a group of input dealers in Kabul for the purchase of agricultural inputs
- Maintained a regional and international data base of seed, fertilizer, and CPP suppliers



Looking forward

- Start input training programs in Helmand and Kandahar in November
- Organize trade missions to India, China, Dubai and/or Turkey
- Develop strategic plans with the board of directors of the provincial input associations; continue efforts in developing a national association.
- Work with the National Bank of Pakistan to develop loan products for the input dealers of Afghanistan.

- Supply credit to input dealer groups and associations in Helmand, Kandahar, and other groups or associations in selected provinces
- Distribute leaflets, booklets, recommendation charts and other useful material to dealers
- Link multi-national agricultural chemicals, fertilizer, and seed supply companies to Afghanistan traders and dealers.

Challenges Encountered

- Security concerns in the south and southwest provinces have greatly affected IFDC's training and technical assistance in those areas. IFDC continues to meet with individual input dealers in these provinces to provide technical assistance
- Representatives of the Afghanistan Fertilizer Company (AFC) have traveled to several of the former Soviet Union countries to purchase fertilizer for Afghanistan. It is reported that AFC has \$4 million in their possession. The actual source of the funds is still not confirmed. Discussions with various dealers in Afghanistan indicate that AFC "forced" the purchase of several products on the dealers. This forced sale was accomplished by threatening to close the shops if they did not purchase the products. The Project staff has discussed this with the dealers and it is planned for the associations to write a letter addressing the problem and sharing it with the Minister of Agriculture.
- With some of the associations being formed, many association members are unwilling to work together. To overcome this problem, two separate associations are being formed with dealers willing to work with each other.
- An on-going challenge that is constantly expressed by many dealers is the lack of outside contact with international suppliers and traders. To overcome this barrier for the traders, efforts will be focused on taking dealers to China, India, and Dubai to introduce them to traders and manufacturers.

Project Manager Comments

- The newly-formed, agricultural input associations should be introduced to the private financial institutions (such as, the National Bank of Pakistan) and assist the associations in getting loans through the private credit channels for importation of greater quantity and good quality of inputs.
- IFDC must involve more provincial and central ministerial staff of MAAHF in the IFDC training programs. Extension agents and MAAHF agronomists should take part in the IFDC presentation.
- More business training should be provided to the more advanced dealers.
- IFDC should fund more seed loans to more village based seed enterprises
- IFDC staff should discuss the association development and the revolving loan program with Helmand and Kandahar dealers as soon as the security situation permits. Input credit must begin to flow as soon as possible to agricultural input dealers in Helmand and Kandahar

Agriculture Sector Training in Afghanistan
International Arid Lands Construction (IALC)
Life of Project: 1 April-04 to 30 June-05
Provinces: Nationwide

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#25-0004-IALC	14-Mar-04	Alem Alemi	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$400,000	\$100,000	\$400,000	\$0	\$0.00
Project Description: IALC is providing training for long term training at the M. Sc. level.				
Expected Results (by end of project):				
Capacity building – Providing training for 10 M Sc Degree				

Accomplishments

The ten Master's Degree students who have been enrolled at the North West Frontier Province Agricultural University in Peshawar, Pakistan are performing well academically and should be able to complete their degrees by December, 2006. The graduate program for the ten students has been funded from the start by RAMP/Chemonics and implemented by UIUC/IALC. The ten students and their biographical profile are given below.

Sakhidad Saleem

Birthdate: [REDACTED]
 B.Sc. 1991 in Plant Protection
 Currently Lecturer at the Faculty of Agriculture of Kabul University
 Research Interest: Mycosis Associated with Root-Knot Nematode on Potato and Tomato in Kabul

Mohammad Saleem Rahimi

Birthdate: [REDACTED]
 B.Sc.:1990 in Plant Protection
 Currently Lecturer at the Faculty of Agriculture of Kabul University
 Research Interest: Sunn pest

Hussain Gul

Birthdate: 1 [REDACTED]
 B.Sc. 1999 in Agricultural Economics
 Currently Lecturer at the Faculty of Agriculture of Kabul University
 Research Interest: Agricultural marketing issues of Afghanistan.

Masood

Birthdate: [REDACTED]
 B.Sc: 1998 in Horticulture and Forestry
 Currently Lecturer at the Faculty of Agriculture of Kabul University.
 Research Interest: Floriculture

Noor Mohammad

Birthdate: 1 [REDACTED]
B.Sc: 1995 in Horticulture and Forestry
Currently Lecturer at the Faculty of Agriculture of Kabul University.
Research Interest: Watershed managemet

Najamuddin Najam

Birthdate: [REDACTED]
B.Sc: 1985 in Plant Protection
Currently Lecturer at the Faculty of Agriculture of Kabul University.
Research Interest: Not specified

Mohammad Bashir Dodial

Birthdate: [REDACTED]
B.Sc: 1983 in Agricultural Extension
Currently Lecturer at the Faculty of Agriculture of Nangarhar University.
Research Interest: Availability and Utilization of Agricultural Extension Services

Abdul Wahab

Birthdate: [REDACTED]
B.Sc: 1997 in Agronomy
Currently Lecturer at the Faculty of Agriculture of Nangarhar University.
Research Interest: Oilseed crop (Brassica) through which he plans to develop canola variety.

Saidajan Abdiani

Birthdate: [REDACTED]
B.Sc: 1988 in Horticulture
Currently Lecturer at the Faculty of Agriculture of Nangarhar University.
Research Interest: Vegetable Seed Production

Mir Hatim Niazi

Birthdate: [REDACTED]
B.Sc: 1984 in Animal Science
Currently Lecturer at the Faculty of Agriculture of Nangarhar University.
Research Interest: Medicinal plants to replace antibiotics and vaccines.

Dried Vegetable Program

Developments Works Canada (DWC)

Life of Project: February 29, 2004 – February 28, 2005

Province: Parwan

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#26-0004-DWC	June-05	Atiqullah Mohibi	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$3,022,887	\$428,685	\$2,544,404	\$163,398	\$315,085

Project Description: DWC will develop a dried vegetable agribusiness that includes the construction of a 6,200 square foot dehydration factory to be used for cleaning, dicing, and drying machinery, a warehouse, a small test laboratory, a classroom for the research farm and training opportunities, and a 70 meter borehole to provide clean water for washing produce and irrigating the research farm.

Expected Results (by the end of project):

Capacity Building - Construction of one fully operational vegetable drying factory; formation of one local Afghan profit-driven corporation to manage factory and marketing of products.

Enhanced Livelihood – Employment created for 400, mostly female farmers, in the sun-dried tomatoes projects; Employment created for 120 persons at the factory.

Accomplishments this Quarter

The first container of dehydrated vegetables was shipped to Europe

- 224 Metric tons of spinach, green beans, courgettes, and fresh and dried tomatoes were processed resulting in a total of 13 mt of dried vegetables
- Total payments to farmers for fresh and dried vegetables was \$14,461
- A total of 675 vegetable growers were contracted to supply their vegetables to the factory, including 116 contracts signed with new farmers for producing coriander, spinach, leeks, turnips, and swede
- A total of 282 women were contracted to supply sun-dried tomatoes to the factory
- A total of 1290 farmers participated in training programs highlighting best practices for producing selected vegetables
- More than 8000 sun dry trays were provided to farmers for sun-drying tomatoes.
- Completed the construction of a raw material shelter to the factory; the shelter was regularly used for storing surplus vegetables

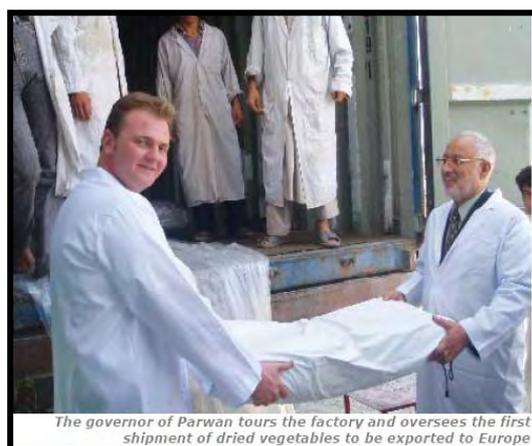
Sales and Marketing

The first container of 5,600 kg courgettes, 870 kg coriander, and 936 kg of spinach was shipped to UK. A second shipment has been prepared and will be shipped the first part of October.

DWC attended an international food convention in New Orleans and was able to develop some links to US buyers interested in buying Afghan dehydrated vegetables.

Factory

The factory employs 123 people, including 53 permanent staff (management, office staff, extension workers, cooks/cleaners, drivers, and guards) and 70 laborers (including forty women) working on two shifts, six days per week. The new Screw Steam Blancher and the Bean Slicing machine imported from the UK have been installed and are in use. Farmers have harvested and brought for processing to the factory spinach, courgettes, green beans, and tomatoes. An insufficient volume of tomatoes was brought to the factory because the crop suffered from blight and bore worms and because many contracted farmers sold their tomatoes in Kabul. The table below lists the quantity of fresh and dried vegetables processed from July to September:



The governor of Parwan tours the factory and oversees the first shipment of dried vegetables to be exported to Europe

Vegetable (month processed)	Fresh (KG)	Dried (KG)	Total Payments (USD) to farmers
Spinach, courgettes, and tomatoes (July)	100,465	5,071	\$6,009
Tomatoes (August)	32,374	950	\$2,104
Green Beans (Sept)	36,822	3,953	\$3,018
Tomatoes (Sept)	54,170	3,225	\$3,330
Totals	223,831	13,199	\$14,461

Construction of a raw material shelter adjacent to the factory has been completed. The shelter has greatly increased the amount of time that fresh produce can be held for processing and has decreased vegetable wastage.

The product quality testing laboratory has been installed and the lab equipment has been set up. Samples of each packaged product are taken to ensure that the product meets international standard.

Research Farms

A field day was held at the Rabat research farm for local farmers who were interested in seeing the new types of vegetables being grown. Celeriac and cabbage seedlings are ready for transplanting to farmers' fields. Tomatoes have been harvested and leeks and onions will soon be ready for harvest. An average of ten farmers per day visit the farm to understand the correct spacing of the vegetable plants and disease and pest control methods.

The second demonstration (research) farm, on the Bagram road, has been closed for the rest of the year because the Rabat canal (the water supply) has been closed for repairs.

Sun Dried Tomato Project

Two hundred eighty-one farmers (including 276 women) from 18 villages were involved (a) in training programs (in maintaining a clean product and in proper sun-drying techniques) provided by DWC, (b) in sun drying of tomatoes, and (c) in selling the tomatoes (117 kg to date) to the factory. Each farmer trained received sun-drying trays, salt, plastic bags, knives, and soap. In addition, women laborers were involved in sun-drying tomatoes at the factory.



A factory worker prepares tomatoes for sun drying.

Agricultural Outreach

The row planter was used to assist farmers in planting carrots. Germination of most seeds supplied to farmers and planted in August and September was poor probably due to the incorrect planting methods used by the farmers. About 50% of the seeds of coriander, carrots, and turnips germinated, while 20% of the leek seeds and only 1% of the spinach seeds germinated.

DWC has had discussions with CADG to have some of their farmers in Kandahar plant celeriac for late season harvesting to enable DWC to be processing vegetables in the factory the entire year.

Looking Forward

During the next quarter, green beans, spinach, coriander, root crops, and a small amount of sun-dried tomatoes will be processed. Two container shipments of dried vegetables to Europe will be shipped to Europe in October. The factory will continue to run as usual, though it will regulate its 24 hour schedule to reflect incoming supplies of vegetables.

As seeds are distributed, DWC will continue providing extension programs on appropriate planting and growing techniques.

Challenges Encountered

DWC has faced some supply problems at the factory. For example, when the courgette season in Charikar finished in the third week of July, there was inadequate amounts of tomatoes for full production. Field Officers traveled to Baghlan, Mazar I Sharif and Kunduz to search for other sources of vegetables but were unable to find anything of sufficient quality or quantity. As contracted farmers become more proficient in cultivation, DWC networks expand, and production estimates become more reliable, DWC is confident this problem will end.

Sourcing furnace oil has been a problem. DWC has been discussing with the Ministry of Mines to purchase furnace oil directly from the government. Depending on the negotiated price, the dependable supply of oil will not only lower the cost of production but will also create opportunities to process crops that were previously not financially viable.

To remedy the incorrect planting methods of seeds supplied by DWC to the farmers, more extension work will be done.

DWC has faced a problem at one of its collection centers. The brother of the man who signed an agreement with DWC to donate the land for the collection center has said that he did not agree to the donation and that he is taking back the land and anything on it. He has begun constructing a wall next to the collection center that will block access from the road. A meeting between all parties is being arranged by the rights office in the community.

Project Manager Comments

- DWC must improve their supply management in order to maintain an adequate supply of vegetables throughout the year. More specifically, DWC needs to work very closely with their contracted farmers to improve the coordination in supplying the vegetables to the factory and the farmers' understanding that they must (as per the contract) bring their vegetables to the factory
- DWC must form the farmers' association as soon as possible in order to address the ownership issues and to organize the overall management and operation of the factory. DWC should, among other things, share their market information and opportunities with the contracted farmers so that the farmers are encouraged to establish the farmers' association
- DWC should try to bring more improvements in the hygiene and handling of products in the factory. The laboratory should become fully functioning and effective in providing the necessary testing results to satisfy the European and other buyers.

Western Afghanistan Irrigation Rehabilitation Project and Agribusiness Program

Catholic Relief Services (CRS)

Life of Project: 15-Mar-04 to 28-Feb-05

Provinces: Herat

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#27-0002-CRS	11-June-05	Abdul Qudous	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$426,585	\$199,911	\$199,911	\$220,587	\$6,087
Project Description: CRS Agribusiness will establish demonstration farms, and provide agricultural technical assistance and expertise, processing and marketing, application of technologies to crop development, and implementation of collection centers and cold storage.				
Expected results (by end of project):				
Enhanced Livelihood - Instillation of 20 Greenhouse, Establishments of 547 demonstration plots 4 extension workers from the MAAH trained; Extension service provided to 6,000 farmers; Two market collection center to be constructed, Two Cold room well be installed Fruit and Vegetable processing facility developed and expanded.				

Accomplishments for the Quarter

The subcontract with CRS ended on June 30, 2005. CRS' key accomplishments are grouped by commodity:

Tomato

- Conducted 49 demonstrations of three improved varieties (Pearson, Super Chief, and PS Palmador). 12 extension workers provided technical assistance to the farmers growing tomatoes, cumin, and saffron in Injil and Guzara districts
- Constructed 60 greenhouse demonstrations (25m x 4m costing less than \$600/greenhouse) on farmers' fields in Injil and Guzara districts in Herat province. For those farmers interested in adopting the greenhouse technology demonstrated, AKDN is offering credit of up to \$500 per greenhouse.
- Established 5 centers in Injil and Guzara for training 100 women in jam, juice concentrate, and tomato paste making. The training programs focused on helping the women in strategic planning for their businesses and planning for sanitation control. CNFA is providing a hand-crank juicer for each woman. The local Super Cola factory in the Herat Industrial Park agreed to supply (at a low price) juice bottles to the womens' centers.
- Assisted 58 women in producing and selling tomato paste to a local retailer who is helping them improve their labeling.

Cumin

- Conducted 156 cumin demonstrations with farmers in Injil and Guzara districts
- The test results on the 10-kg cumin sample sent to the US indicated that the cumin was high in volatile oil (a good thing) but there was some contamination that concerned the buyer who received the shipment. A follow-up, one-ton shipment of cumin (green or white) was sent to a New Jersey (USA) buyer by CRS in collaboration with a cumin exporter. The buyer is ready to pay \$1980/mt (cif US). The domestic market for cumin is very small while the international market is dominated by India, Syria, and Turkey. Last year, up to 1000 mt of cumin was exported to regional markets. Cumin is considered a commodity on the international market.
- Cumin is cleaned at the plant owned by Ramin Zabadi in Herat City. He received a working capital loan from the RAMP-funded Afghan International Bank for purchasing cumin from the farmers, many of them assisted by CRS. Most cumin brought by farmers or traders for cleaning has 5-10% foreign matter. The cleaning charges represent about 14% of the value of the cumin.



Saffron

- Conducted 10 saffron demonstrations with farmers in Injil and Guzara districts
- Saffron is a perennial crop that takes at least three years to reach significant yields. The saffron produced by 10 farmers that CRS worked with was contaminated with e.coli. However, many international buyers irradiate the saffron before using it since most saffron is contaminated. A very small amount (less than 10 kg) of saffron was produced and sold in the first year. A US buyer will buy the expected 50 kg of saffron that may be produced by Heart farmers this November.

Grain Postharvest Training, Storage and Milling in Afghanistan
The Grain Industry Alliance
Life of Project: 15-Mar-04 to 30-Jun-06
Provinces: Kunduz, Helmand, Parwan, Nangarhar, Ghazni

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#28-0002-GIA	15-Mar-04	M. Alem Alemi	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$3,711,820	\$407,880	\$2,165,553	\$346,376	\$1,199,891
Project Description: : GIA will provide training opportunities and demonstration sites for cleaning, storage and handling of grain, develop 25 community level storage sites, 25 full scale farm demonstration units and 25 small farm demonstration units.				
Expected Results (at end of Project): Enhanced Livelihood – Storage loss reduced from 5% to 15%; Approximately 20Mt/per unit saved, valued at wheat equivalent of US\$105,600				

Accomplishments this Quarter

Kabul Province

- Installed two cold storage units at the Mirbachakot processing center where the units will be used by RAMP's IP Roots of Peace (RoP) for cold storing grapes to be exported.
- Installed three cold rooms for RAMP's IP Dutch Committee of Afghanistan (DCA) for vaccine storage
- Installed grain quality inspection equipment at the Kabul Silo Grain Quality Lab
- Facilitated and funded the construction of the nut processing building for the Ghorband Farmers Association
- Continued hands-on training of lab technicians in aflatoxin testing at the Raisin & Other Dried Fruit Export Institute's laboratory in Kabul.

Kunduz Province

- Anuj Maheshwari, GIA's consulting flour miller, provided critical technical assistance and training to Haji Ghulam, the owner and operator of the Kunduz flour mill, and his technical staff.
- Constructed the Grain Quality Laboratory at the Kunduz Flour Mill.
- Completed construction of the Chardara Village Based Seed Enterprise (VBSE) warehouse
- Continued technical assistance and training to the seven VBSEs and Seed Producer Associations
- Worked with IFDC and three VBSEs to secure \$48,850 in operating loans secured against seed wheat stored in the warehouses that GIA built for these VBSEs
- Continued monitoring of the 50 on-farm storage units built and placed by GIA.
- Conducted a one-day training program on bag warehouse storage in Chardara in which more than 40 farmers and other stakeholders participated.
- Completed the installation of the only set of public truck scales (80-mt capacity) in the Kunduz area. The scales, located at the entrance to the city of Kunduz and in front of the new Kunduz flour mill, are in heavy use every day.
- Flour fortification equipment and premix feeders have been donated by the World Food Program (WFP) to be used in the new Kunduz flour mill.

Kandahar Province

- Completed the construction of the fresh fruit processing building for the Fresh Fruit Exporters Association in Habib City
- Kandahar Fruit and Nuts Exporters Association representatives met with GIA and RoP to contract for a marketing warehouse in the new industrial park in Kandahar City
- Two cold rooms were installed for the Fresh Fruit Exporters Association at the CADG warehouse in Kandahar City
- One additional cold room was installed for DCA for storing vaccines in Kandahar City

Helmand Province

- Hired Najiba as Regional Coordinator for Helmand, Kandahar, and Herat, to work directly with producer, trader, and women associations
- By-Laws for the Bolan Producers Association were completed.
- Progress in establishing other processing plants in Helmand was delayed for security reasons

Herat Province

- Hired Malali as Project Manager in Herat to work directly with producer, trader, and women associations
- One cold storage unit was installed in Herat at the private ice cream factory in Herat City
- One cold storage unit was installed for DCA for storing vaccines in Herat City

Mazar Province

- One cold storage unit installed for DCA for storing vaccines in Mazar City

Looking Ahead

- The Crop Producer Associations that own the warehouses built by GIA in Kunduz will use the warehouses to store grain/seed wheat and/or grain/seed rice. The Crop Producers Association will be provided credit (through IFDC) for their grain/seed which will be stored in the respective warehouses until it is sold at higher prices.
- Install 15 cold storage units in RAMP's priority provinces. The tentative plan is given below:

Province	Number	Owner	Purpose
Kandahar	2	Fresh Fruit Farmers Association	Storing, processing, and cooling
Kandahar	2	Fresh Fruit Traders Association	Cooling, processing, storing
Helmand	2	Bolan Farmers Association	Processing, cooling, and storing vegetables and/or fruits
Helmand	2	Nad-e-Ali Farmers Association	Processing, cooling, and storing of vegetables
Helmand	2	Widows Association	Jam and tomato sauce processing
Helmand	2	Greshk Farmer Association	Processing, cooling, and storing vegetables and/or fruits
Helmand	2	Central Market Traders Association	Processing/storing various products
Kabul	1	Customs at the Int'l Airport	Temporary storage of commodities to be exported
Total	15		

- 40 more cold storage units will be ordered by GIA in the near future
- Holding bins that are not being used (for example, a couple bins in Parwan province) are scheduled to be moved to Kunduz province where there are farmers keenly interested in using the bins for storing grain seed

Challenges Encountered

- Due to the present weak organizational capacity of the farmers' and traders' associations in various provinces who own the storage and/or processing plants, significant technical assistance will be needed to improve the handling, sorting, grading, storing, processing, and packaging of their agricultural produce and to transform the associations into viable and sustainable entities. For example, more organizational development is needed to organize the four Crop Producer Associations in Kunduz into viable and cohesive associations

Project Manager Comments

- By having to contribute about 50% of the cost of the processing equipment/cold storage units for the processing plants, the associations are compelled to make their businesses as viable as possible.

- GIA must focus more in Kandahar and Helmand and start the construction work of the warehouses and processing plants. GIA will need to conduct training on the post-harvest use of warehouses, cold storage units, and processing centers.
- GIA will need to quickly hire competent Regional Project Managers to be able to fill the posts vacated at this time by Mr. Gary Gilbert (until he can return) and Mr. Scott Kice.

Grape Revitalization for Afghanistan Productivity and Empowerment

Roots of Peace (RoP)

Life of Project: March 14, 2004 to March 30, 2006

Provinces: Parwan, Nangarhar, Ghazni, Helmand and Kandahar

Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#29-0004-RoP	14-Mar-04	Abdul Samad Nazari	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$5,998,252	\$432,490	\$3,918,905	\$617,499	1,461,848

Project Description: RoP will provide extension services for Afghan farmers, training for MAAH extension agents, develop 10 model farms for best practices, create market/collection centers, improve vine propagation; establish 3 Farmer Owned Businesses (FOBs); promote commercial sales management to re-establish and develop local, regional, and international markets.

Expected Results (by end of project)

Capacity Building - Establishment of foundation nursery and integrated grape/raisin marketing system; 20 horticulture extension agents trained in vine propagation and maintenance; Establishment of 9 association managed processing/packaging centers

Enhanced Livelihood - 22,000ha vineyards upgraded through enhanced agricultural technology; 13,000 farm families adopt agricultural technologies leading to increased income; Grape/raisin export increased by 35%.

Accomplishments this Quarter

Grape/Raisin Marketing

Shamali Plains

- Exported 100 metric tons (mt) of good quality raisins to Ukraine and 100 mt to Moscow as part of 500-mt purchase agreements between a RoP-supported Afghan trader and an Ukrainian customer and a RoP-supported Afghan trader and a Russian customer.
- Air shipments of 10.7 mt of fresh grapes (Shindokhani) were shipped to Saudi Arabia.

Date Grapes Exported	Grape Exporter	Exported to	Quantity (mt)
27-Sep-05	Zabihullah	Jeddah	5.1
29-Sep-05	Zabihullah	Jeddah	5.6

- Introduced several Kabul-based merchants to the market center in Mirbachakot (Shamali Plains). All of them have requested exclusive use of the Market Center during the up-coming season.
- Provided four computers, a 10KVA generator, and computer and English training (of 24 staffmembers) to the Raisin and Other Dry Fruit Export Institute of the Ministry of Commerce.

Kandahar

- Due to construction delays caused largely by insecurity outside of Kandahar, the RoP Marketing Center in Habib City was not completed until the very end of the quarter, not in time for the grape marketing season. As an alternative, RoP set-up a temporary marketing center in a warehouse inside Kandahar and furnished it with a pre-cooler, two cold storage rooms, packaging tables, and all other equipment required for packaging grapes for export.
- Supported the shipment of 51.13 mt of grapes to Dubai, Delhi, Saudi Arabia, and Kuwait. The Fresh Fruit Exporter's Association (FFEAK) and two individual exporters exported Kandahar Shindokhani grapes by air for the first time. New grape markets in Saudi Arabia, and Kuwait were tapped into through aggressive marketing efforts (trade mission, etc.) by RoP and Afghan exporters. The grapes were bought and sorted by the Kandahar traders/exporters with technical assistance from RoP. The grapes were packed in specially imported cartons and stored temporarily in two cold storage units positioned in the CADG warehouse in Kandahar. RoP assisted the exporters in transporting the grapes in a refrigerated truck to refrigerated containers at the Kabul airport from where the grapes were air-shipped.

Date Grapes Exported	Grape Exporter	Exported to	Quantity (mt)
11-Aug-05	FFEAK	Dubai	8
12-Aug-05	FFEAK	Dehli	3

21-Aug-05	Zabihullah Haji Sabith Trading Co	Jeddah	10
29-Aug-05		Kuwait	4.8
30-Aug-05	Zabihullah	Riyadh	5
1-Sep-05	Zabihullah	Jeddah	5.3
3-Sep-05	Zabihullah	Dubai	2.51
4-Sep-05	Zabihullah	Dubai	1.52
12-Sep-05	FFEAK	Dubai	1
13-Sep-05	FFEAK	Dubai	2
13-Sep-05	FFEAK	Dehli	3
22-Sep-05	Zabihullah	Jeddah	5

- Mr. Kishan Lal Gaba of KLG Imports Exports India, one of the largest fresh fruit wholesalers in northern India, has had close contacts with RoP and came to Afghanistan to make deals for importing of fresh grapes, muskmelon, and apricots from Afghanistan to India. With the assistance of RoP, Mr. Gaba was able to make deals for 144 mt of muskmelon.
- Mr. Haji Sabet of Kandahar was linked with the Bangladeshi Trading Company, a Bangladesh fresh fruit exporter/trading company, to export up to 200 mt of Afghan grapes to Bangladesh this year. The grapes will be exported in October.
- Khalid Khyber Ltd. of Kabul has agreed to a test shipment of 500 boxes containing 4.5 kg grape per box to Moscow.
- Kandahar grape traders and exporters and the Kandahar Chamber of Commerce president reported that the RoP export program has resulted in a general rise in the price of grapes in the Kandahar region. The president of the Fresh Fruit Exporters Association of Kandahar (FFEAK) reported that farm level prices have increased 30% since the RoP program began to affect purchases through participating merchants.

Grape/Raisin Extension program

Shamali Plains

- A total of 6,720 farmers received technical assistance from RoP's 25 extension officers and more than 1009 local farmers attended RoP's field days. Introduced improved technology over the traditional system in 109 improved head pruning demonstration plots and 22 trellising demonstration plots. Additional messages of extension agents covered canopy management, sulfur, fertilizer, gibberilic acid application, and crop protection methods against anthracnose and other pests and disease.
- Trained extension workers on grape maturity monitoring using size gauge, refractometer, and penetrometer readings and on wrapping of growing grape clusters into paper bags to protect them from sunburn. Also, trained them on post-harvest care of the vine and the construction of green raisin drying sheds (kishmish khanas).
- Thirty-six farmers participated in RoP's pilot program to assist them in rehabilitating abandoned kishmish khanas. Rehabilitated 43 traditional kishmish khanas, most of them not having been used for over 20 years. Four new, more efficient models of kishmish khanas were constructed as demonstrations.
- Conducted a survey of cicada (chercherak), a pest in vineyards in Bagram and Qarabagh, two districts of the Shamali Plains, and, subsequently, a field campaign with the Ministry of Agriculture on mechanical control of the cicada. With extensive support from the Ministry of Agriculture, a one-page leaflet with pictures showing the life cycle of cicada was prepared and distributed to a total of 829 farmers participating in the cicada intervention campaign. Coverage of the first field days was broadcast over national TV and on nightly radio bulletins in the Shamali Plains.
- After hiring a female extension agent, RoP provided technical assistance to 39 women involved in a pilot green raisin production and marketing program.
- Continued the supervision of 16 private nurseries established through RoP grape development program. In these nurseries, a total of 220,850 Shindokhani and Taiffee cuttings have been planted on farmers' fields.
- Assisted three Kabul raisin processing plants in installing equipment (partially funded by the processors) that would facilitate a better quality raisin product. .

Kandahar

- 1434 Farmers received technical assistance from RoP's extension workers in different aspects of grape production. 14 Farmers of Arghandab and Panjwai districts attended a one-day field day in the Shamali Plains on kishmish khanas and using dipping emulsion for drying raisins.
- Extension workers were trained in grape fertilization, pest control, harvesting, soil sampling, post-harvest care of the vine, kishmish khana construction and use of dipping emulsion in raisin production.
- Extension workers learned techniques for assisting farmers improve grape quality, how to select grape for harvest in the field, and how to package them for export.
- During the month of August, 2005, the RoP extension agents in Kandahar spent 46 working days helping the RoP marketing department in Kandahar in sorting, packing and shipping refrigerated grapes from the Kandahar region.

Nut Production, Processing and Marketing**Kabul**

- Formed three nut processing associations, one each in Kabul, Mazar, and Kandahar provinces, and made agreements with the associations to build and furnish nut processing plants for each of the association.
- RoP provided logistical support to Trans Sierra Consultants, who designed an appropriate processing line for almond processors in Afghanistan. RoP followed up the consultants work with placing an order for three almond processing lines (for the three nut processing associations) to be fabricated and shipped from California.
- Commenced the implementation of the expanded nut production and marketing project with a funding level of \$ 812,690.

Kandahar

- The Dry Fruit Exporters Association of Kandahar (DFEAK) began construction of their nut processing building with partial funding from the Grain Industry Alliance, a RAMP IP. DFEAK made the first \$25,000 payment on almond shelling machinery to RoP.

Looking Forward**Grape/Raisin Marketing – Shamali Plains**

- Facilitate Mr. Gaba of KLG (India) in his trip to Afghanistan to prepare producers and traders in Shamali Plain for the shipping of fresh grapes to India.
- Assist Afghan traders in cold storage and exporting of fresh grapes from the Shamali Plains
- Facilitate the shipment of raisins to Ukraine and Russia.
- Send trade missions to India and the Far East where buyers have been identified
- Prepare an implementation plan for installing and operating nut processing plant equipment and machinery (as per the design of Bob Lemos, the Trans Sierra nut processing consultant from California) in the three nut processing plants.
- Work with the nut processors associations in Mazar, Kabul and Kandahar in getting their nut processing plants established.

Grape/Raisin Extension – Shamali Plains

- Select the best vineyards in the for harvesting and exporting fresh grape to the international market. Select progressive farmers and suitable sites for establishing new vineyards and new nurseries on farmers' land for the next crop year
- Train local community farmers on nursery and vineyard management
- Train farmers on how to take care and maintain the grape cuttings and saplings at the Bagram market center and at the many private nurseries.
- Establish/strengthen more linkages between grape producers, traders and outside customers.

Challenges Encountered**Marketing**

- Because of security problems, RoP's marketing staff were not able to go into the field in Kandahar to direct the harvesting operations and assure that grapes of the appropriate ripeness were harvested. Extra time and effort were needed to deliver the quality of grapes required by the export market.

- The poor security conditions in Kandahar will likely mean that RoP will have to curtail its provision of technical assistance to producers, processors, and exporters. Remedial action will be to minimize staff exposure on roads and streets within Kandahar and cease travel by expats outside of Kandahar.
- RoP and participating exporters encountered many problems during the start-up phase of the grape exporting activity in Kandahar. The problems encountered should be expected as part of the process of assisting merchants with virtually no experience in the demanding international market. This lack of experience influenced the merchants' decision on required grape quality and pricing. They under-appreciated the quality demands and over-rated the value of their products (making unreasonable pricing demands).

Agricultural Extension

- Cicadas have presented a problem to the grape growers in Parwan. More investigation for controlling of cicada will be done.
- Farmers have had mealy bug problems in their vineyards in Farza District (Parwan) are a major concern. Additional extension assistance to farmers will be provided

Project Manager Comments

- Farmer or trader associations need to be identified that have interest in owning and operating the three market centers (Mirbachakot, Laghmani, and Bagram) in the Shamali Plains.
- Trade missions to the Far East should be organized to meet (fresh and dried fruit and nut) buyers identified in the Far East Market Study completed by CADG
- The members of FFEAK and DFEAK in Kandahar should be included in training programs held outside the south and southwest provinces, where security remains a problem
- Processors and exporters (other than FFEAK) of fresh fruit in Kandahar should be approached to see if they would be interested in investing in cold storage

Quarterly Report Q3 FY05

FINAL REPORT

Locust Control Program Northern Afghanistan
GOAL
Life of Project: 11-Mar-04 to 31-Dec-04
Provinces: Balkh, Baghlan, Kunduz, Takhar, Samangan.

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#31-004-GOAL	11-Mar-04	A. Samad Nazari	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$423,383.38	\$ 0.00	\$ 423,383.38	\$0.00	\$0.00
Project description: GOAL implemented a program to mitigate the impact of Moroccan locusts on rural livelihoods in Northern Afghanistan. Key activities included the chemical control of locusts with the provision of technical support, plastic sheeting, nets, barrels for water, ploughs and tents; mobilization of the rural population to areas of locust infestation, through the provision of transportation; full logistical support to the FAO and Ministry of Agriculture for chemical control intervention; monitoring of locust-infested sites and program advances through constant feedback, crop damage assessments, and locust egg-bed surveys; and final evaluation and provision of data for the locust database, the FAO, and AIMS.				
Projected Impact:				
<ul style="list-style-type: none"> • Control of about 90% of the potential locust damage to agricultural crops in five provinces in Northern Afghanistan. • Determine the remaining locust problem as assessed through a locust egg-bed survey completed at the end of the locust control period. 				
Enhanced Livelihood				
<ul style="list-style-type: none"> • A crop damage less than the 2002 level of 9% • About 120,000Ha agricultural land protected from locust infestation • Food security improved for more than 150,000 farm families. 				

Quarterly Report Q2 FY05

Final Report

Locust Control Program, Northern Afghanistan
Food and Agriculture Organization (FAO)
Life of Project: March 11, 2004 – Dec. 31, 2004
Project Sites: Balkh, Samangan, Baghlan, Kunduz and Takhar

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#30-0004-FAO	11-Mar-04	Abdul Samad Nazari	Dan Miller	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$606,651	\$0.00	\$606,651	\$0	\$0.00
Project Description: FAO will implement an emergency locust control program in northern Afghanistan and supply essential laboratory equipment to the Plant Protection and Quarantine Department (PPQD) in the Ministry of Agriculture and Animal Husbandry				
Expected Results (by end of project):				
Capacity Building - 8 PPQD technical staff, over 1000 operators, and over 100 organizers/supervisors trained to carry out locust control operations.				
Enhanced Livelihood - A total of over 100,000 hectares of agricultural land (with a potential production of 400,000 metric tons of wheat) protected from locust damage to crops. Food security improved for more than 270,000 farm families				

Key Accomplishments

Locust control is proceeding as planned. The locust is being controlled by spraying a pesticide. The pesticides are not purchased by the Project but through another donor (not USAID). The possible delay in delivering the outstanding pesticide orders causes concern.

The Sunn pest programme is active in Faryab, Juzjan and Sar-i-Pol. However, it is hampered by the delay in procurement of motorcycles.

The laboratory equipment for the Plant Protection Department laboratory at the Ministry of Agriculture, Animal Husbandry, and Food was installed. The laboratory will allow the Ministry to identify crop pests and diseases.

Locust Control

Spraying operations against hatching egg-beds are proceeding, mainly in Kunduz and Balkh, where the first hatching occurred. Good results are being obtained with diflubenzuron. Overall, it appears that the greater part of the locust population is being treated during the first instar.

Sunn pest

Training of Sunn pest organisers was carried out in Shiberghan for Juzjan (14) and Sar-i-Pol (13) and in Maimena for Faryab (19). The Shiberghan course was also attended by workers from the RAMP funded Sunn pest control project in Helmand.

The project also funded a ten-day mission by the President of PPQD and three of his staff, to enable them to participate in the training courses and the surveys. Very large numbers of *Dolycoris* (a species of Sunn pest) have been observed migrating from the hibernation sites and the local authorities are extremely concerned at the prospect of heavy damage.

Twelve motor-cycles from the Mazar store have been distributed. Five more are being withdrawn from Supervisors in the locust area, who have the use of rented vehicles. Those Organisers who own their own motor-cycles have been offered \$50 per month for the use of them until the new ones ordered by the project are delivered. A waiver to procure the nets locally has been obtained from HQ and the tendering process is underway. Timely delivery of the pesticide order is also essential.

Meetings

In Kunduz, Dr. Harvey visited UNAMA Regional office and met Mr. Dragan Ilic, Acting Head of Office, and Lt. Col. Dag Liden, Military Liaison Officer. The purpose of the visit was to see if the Kunduz PRT (Provincial Reconstruction Team), which is under German command, would support a request for an airlift of pesticide, in view of the difficulties with the Belgian airlift. Dr. Harvey went to the PRT with Col. Liden and met Lt.Col. Thomas Fischer, Chief of Staff, who referred Dr. Harvey to Mr Peter Schaller, the Civilian Head of the PRT and a German diplomat. He expressed willingness to support FAO's request and Dr. Harvey passed this information to TCEO for their further action.

Challenges Encountered

Some difficulty was experienced with Dimilin, the new formulation of diflubenzuron, which is rather more viscous than that previously used. Dr. Harvey consulted the supplier by phone, who explained that the higher viscosity is to maintain the stability of the product in storage, but it becomes less viscous when passed through the pump of a sprayer. However, the hand-held sprayers are gravity-fed, so it is necessary to ensure that the chemical is well agitated before use.

Stocks of diflubenzuron are now getting low and replenishment is urgently needed.

It has not yet been possible to visit Herat. This will be done as soon as possible, but the flights from Mazar and Herat are such as to require an entire week to make a visit.

Looking Forward

Locust control measures will continue to spray those areas where the locust hatch has occurred and those areas where locusts in advanced stages have migrated to.

The immediate task for the Sunn pest control program is to survey the breeding areas. Then the Organisers will visit villages in their area and establish contact with the leaders. They will train farmers in mechanical control with nets and chemical control using ULV sprayers. This programme requires the use of motor-cycles.

Project Manager Comments

With the locust program under control and the locust populations being controlled by the time of the first instar, it is possible that this year's locust control program may so drastically cut the locust population to a level where next year's emergency program can be eliminated or cut back significantly.

Green Kabul Program
United Nations Office for Project Services
Life of Project: 10-Mar-04 to 30-Jun-05
Provinces: Kandahar and Helmand

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#32-004-UNOPS	20-July-05	M. Alem Alemi	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,038,595	\$145,342.	\$983,935	\$18,493	\$36,167
Project description: UNOPS will procure and distribute approximately 1 million trees throughout Kabul. Its key activities will include: planting fruit and forestry trees in various public locations throughout Kabul, including schools, government buildings, parks, roadsides, and the Kabul Green Belt; organizing Kabul Green Week activities, including public events, children's activities, receptions, entertainment, and education; and coordinating an ongoing public information campaign to raise public awareness of environmental issues in Afghanistan.				
Expected Results (by end of project):				
Capacity Building - 2.5 million Kabul residents receive Environmental Education through media.				
Enhanced Livelihood – activities will generate 30,000 labor hours of employment in and around Kabul.				

Accomplishments

170,000 Trees were distributed in and around Kabul.

Location of Tree Distribution	Number of Trees Distributed
At Municipality	40,000
Kabul Green Belt	40,485
Residential/Public/Ministries in Kabul	89,515

UNOPS conducted a public awareness campaign by distributing 50,000 calendars and 80,000 brochures on sapling planting.

Repair of the Fil Koh Chute
Gulson Cucurova
Life of Project: 07-Apr-04 to 08-May-04
Provinces: Kandahar

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#33-0002-Gulsan	29-Apr-04	Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$45,000	\$0	\$45,000	\$0	\$0

Project Description: GULSAN-Cucurova assessed the damage and repaired the hole, finished the floor, constructed an energy dissipation structure, repaired the wingwalls and installed riprap.

Expected results: maintaining reliable irrigation supply for 35,000 hectares of land

Project Successfully Completed

The Fil Koh chute is part of an irrigation/hydroelectric project that was implemented by USAID long before the Soviet occupation of Afghanistan. As a result of military action, the chute was damaged, threatening approximately 35,000 hectares with disruption of irrigation.

Governor Pashtoon of Kandahar Province confirmed that the repair of the Fil Koh chute was an immediate priority for reconstruction. USAID repair efforts were coordinated with representatives of the Japanese government, who were in the process of developing their master plan for rehabilitating the Kandahar agriculture sector.



The damaged chute before repairs

The repair effort was more complicated than anticipated, due to undermining of the structure by attempts to run water through the chute while damaged. Repair work proceeded quickly, starting April 7, 2004 and was completed in time for farmers to start planting for the 2004 crop cycle.



The repaired chute and rebuilt wing-walls

Project Manager Comments

This project was the result of good planning and collaboration. Because the GULSAN-Cucurova group was already in the region working on other contracts, they were able to dedicate resources to this project at very low overhead cost.

**Agricultural Produce Market Centers
Relief International (RI)
Life of Project : 15-Apr-04 to 30-Apr-05
Province: Nangarhar**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#34-0002-RI	23-June-2004	James Huddleston	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$252,765	\$0	\$252,765	\$0	\$0
Project Description: RI built small Market Collection Centers (MCCs) at 19 locations in Nangarhar and designed a larger Agricultural Produce Market Center (APMC) that was planned to receive produce from the MCCs.				
Expected Results (at end of project): Enhanced Livelihood – 53,500 farm families with increased access to market				

Project Completed:

RI built small market collection centers (MCCs) at 19 locations in Nangarhar to provide shade for produce gathered from fields at harvest time. RI also designed typical Agricultural Produce Market Centers (APMCs) that were planned to receive produce from the MCCs and other production units.

RI completed this work in August 2004.

Quarterly Report

Q3 FY05

30 September 05

Reclaiming Salinized and Waterlogged Farmland

International Foundation for Hope IF Hope

Life of Project: May 23, 2004 to August 10, 2005

Provinces: Nangarhar

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#35-IFHope	1 June 2004?	M. Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,996,653	\$0	\$365,069.40	\$549,905	\$1,081,679
Project Description: IF Hope is to clear trees and vegetation and dredge silt deposits from 114 kilometers of blocked drainage ditches in two areas of highly productive irrigated agriculture in Nangarhar Province. Dredged spoil is to be used to rehabilitate roadways along the drains.				
Expected Results (by end of project):				
<ol style="list-style-type: none"> 1. Restore adequate subsurface drainage to 13,700 hectares of irrigated farmland, that has become salinized due to blocked drains, in Nangarhar Province. 2. Directly benefit 135,000 residents of Bati Kot and Momandara Districts that are served by the Nangarhar Valley Authority (NVDA) canal (government owned) and Kama District with its traditional (semi private) canal system. 3. Improve vehicle access to these areas. 				

Accomplishments this Quarter

IF Hope entered into a subcontract agreement with SKB of Pakistan to bring additional long boom and dragline equipment on site to clean the deep drains of the NVDA area. During the reporting period brush clearing and dredging of 15 kilometers of drains were accomplished in Kama District and 21 kilometers of drains of the NVDA system were cleared and cleaned. Dredged spoil was dressed and incorporated into roads along 10 kilometers of these drains.

Looking Ahead:

The pace of work has substantially increased since SKB joined the IF Hope team, and it is expected that the entire 114 kilometers of drains will be rehabilitated before the end of March, 2006. Additional drains are also included in the program and app. 50 km of the roads along main drains will be improved to provide access for villagers to carry their products to markets..

Project Manager Comments:

Considerable technical input and encouragement by RAMP has been required for IF Hope to realize the selection and preparation of a full set of designs for drains of each of the two areas. Only a partial review and field proofing of submitted designs had been accomplished by the end of the quarter. RAMP technical staff will continue interaction with IF Hope for the completion of a full set of accepted designs during the coming quarter.

Roads for Nangarhar Humanitarian Assistance Development Foundation (HADF) Life of Project: January 2005 to November 2005 Province: Nangarhar				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#36-0002-HADF	1-Apr-05	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$534,466	\$167,178	\$340,851	\$78,573	\$115,042
Project Description: Road rehabilitation in Kama and Ghosta districts of Nangarhar includes: Kama Ghosta road (10.0 kilometer); Landa Booch road (10.45 kilometer); Zarshoe road (5.45 kilometer); Qalae Akhun Sangarsrai road (6.65 kilometer); and Arbaban Kalaiakhun (1.95 Kkilometers).				
Expected Results: High savings in vehicle operating costs due to substitution of limited or non-vehicular transport mode by vehicular transport mode. Maximum use of local labor that is in harmony with the construction of high quality compacted gravel farm-to-market roads. Increased revenue to growers because buyers can access production areas and because produce can be moved rapidly without damage. Increased social services to areas that become accessible.				

Accomplishments this Quarter

- HADF has completed the rehabilitation of 32 out of 34,5 kilometer of roads in Kama district.
- To highlight differences of the road before and after rehabilitation, the following pictures were taken on the same spot of Zarshoi and Landa Bouch road.

The photos below were taken on Zarshoi road at 5.2 km. highlight the difference to road surface before and after rehabilitation. The width of the road has increased from 4 to 6.5 meters due to the donation of land by the local population.

Before



After



These photos confirm improvements made at kilometer 2.6 along the Landa Bouch road before, during and after rehabilitation. They demonstrate how gravel ingredients are hauled to the area, wet with water and upgraded to RAMP standards. The California Bearing Ratios (a standard test of

compaction of the road surface) are required to exceed 60 percent.

Before



After



Challenges Encountered

During the dedication ceremony of 20 kilometer of Kama Ghosta road scheduled on 28 August 2005, the District Governor, Mohamad Ali, told the audience that gravel roads built by RAMP/Chemonics are rehabilitated to higher standards as comparison to paved roads constructed by UNOPS in adjacent district centers.

Project Manager Comments

During the rehabilitation of roads, local people have donated their land to increase the width of the roads from 4 to 6.5 meter. This illustrates the demand for rehabilitation of rural roads; the sacrifice of productive lands for public works is only grudgingly granted or refused normally..

HADF is scheduled to complete the rehabilitation of 34.5 kilometer of roads by the end of November. Since they have demonstrated that they have the ability to construct roads to our standards and to negotiate adequate rights-of-way (ROW) with local communities, negotiations are ongoing for the rehabilitation of an additional 13 km. of the Shergar road in Kama District.

**Rehabilitation of Roads, Drainage and Crossings
Afghanaid (AAD)
Life of Project : 01-July-04 to 30-Jan-05
Province: Nangarhar**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#38-0002-AAD	July 11, 2004	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$140,000	\$0.00	\$0.00	\$140,000	\$0.00
Project Description: The project has been completed. Five kilometers of road were rehabilitated along a segment from Saiphon to Lagarjoi in Nangarhar Province. A dedication ceremony was held during July 2005 and the road was passed to the Ministry of Public Works.				
Impact: Enhanced Livelihood: <ul style="list-style-type: none"> • A reduction in damage to marketed output of 10% • Farmers income increased by at least 10% due to improved and efficient transport service 				

Accomplishments

Afghan Aid completed the rehabilitation of 5 km of Saiphon Lagarjoi test road that includes 10 structures on 15 February 2005. This required continuous inspections from our staff almost on a daily basis.

Project Manager Comments

Afghan Aid has been reimbursed for their costs.

Rural Financial Services Afghanistan Renewal Fund (Fund) Life of Project: 15-Feb-05 to 1-Jul-06 Provinces: Nationwide				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#39-0003-Acap	15 Feb. 2005	Frances Toomey	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$4,000,000	\$0	\$2,200,000	\$0	\$1,800,000
Project Description: The purpose of this Grant is to fund a contribution to the Afghanistan Renewal Fund, a venture capital fund to be managed by Acap Partners. The Fund will create a finance delivery mechanism to fulfill the unmet financing needs of small and medium enterprises (SMEs). The Fund's total capitalization will be close to \$20 million initially, and could grow to \$30 million. The Fund will generate market-based returns for investors by contributing to the regeneration of the private sector.				
Expected Results: Finalize capital raising by an additional \$16.2M in capital to have a first closing of the Fund by October 2005. Increase the amount of financing available to SMEs along the agribusiness value chain. Provide equity partnerships for up to 7 agribusinesses.				

Accomplishments this Quarter

- Contract documentation has been signed by RAMP, the Asian Development Bank, CDC Group and Acap Investments. OPIC have committed a US\$5 million loan to the Fund and USAID/Economic Governance section is supporting the Fund with \$1.5 million for technical assistance.
- The Minister of Finance endorsed the Fund by signing a no-objection letter on ADB's investment in the Fund.
- The Asian Venture Capital Journal highlighted the Fund in their 18 July 2005 issue.

Challenges Encountered

The Fund is experiencing a further delay in the final closing of the Fund due to the completion/signing of the documents by the only private investor, Ronald Lauder. All of the other investors are working in concert to push Mr. Lauder to honor his expressed commitment to the Fund. The only sticking point is a signature on the Fund's documents and each of the investors have demonstrated their extraordinary commitment by helping to engineer several calls on the Fund's behalf to urge Mr. Lauder to follow through with his investment thus there is still real commitment to getting this Fund launched by all involved.

Looking Ahead

- Complete first closing of the Fund within the next quarter in the amount of \$20.5M.
- Fast track the investment deals with the identified agribusinesses.
- Finalize the lease for office space in Kabul.

Project Manager Comments

The RAMP rural finance team has given the Fund Manager extreme leeway in closing this Fund so that the agribusinesses can receive a capital injection within the timeframe of the RAMP program. We have been very close to exiting out of our commitment to the Fund but have been convinced [again and again] to stay the course. The main reason for staying with the Fund is that the RAMP investment is an important contribution to the overall success of the Fund. This next quarter will be the make –or- break for the RAMP commitment.

Rural Financial Services
Afghanistan International Bank (AIB)
Life of Project: 22-Aug-04 to 4-July-06
Provinces: Nationwide

Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#40-0003-AIB	22 Aug. 2004	Frances Toomey	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$2,000,000	\$0	\$2,000,000	\$0	\$0
Project Description: This revolving credit facility through AIB undertakes to extend medium and large sized loans in the range of US\$50,000 to \$500,000 to entrepreneurs, enterprises and value added processors along the agricultural value chain. These enterprises may already be receiving technical assistance and support through other RAMP implementing partners, and this activity provides the best opportunity to quickly meet an identified credit need and create linkages with other sections of the RAMP program. AIB will be a self-sustaining partner that will have the capacity to continue to provide financial services to agribusinesses beyond the life of the RAMP project.				
Expected Results (by end of project):				
<ul style="list-style-type: none"> • Disburse 20 medium to large loans with an average loan size of \$100,000 • Portfolio at Risk – average 5% • Growth of the Agricultural Portfolio through the leveraging of other sources of funds 				

Accomplishments this Quarter

- One loan was disbursed during the quarter to a cumin/sesame seed processor from Herat. This working capital loan will be used to buy the raw cumin and sesame seed from the farmers in the Herat province and surrounding provinces. The processor has an agreement to clean, package and transport the processed seeds to wholesale buyers in Dubai, UAE and Turkey.
- AIB extended their operations to the provinces when the opening of a branch office in Mazar-i-Sharif. Also, they signed leases for office buildings in Kandahar and Herat for openings during the next quarter.
- A report was completed regarding the disposition of the funds granted to AIB with the recommendation that the funds should remain with the bank and continue to revolve within the agricultural sector.



Challenges Encountered

One of the borrowers of agricultural credit to buy a tractor was in default during the quarter. The borrower is a large farmer from the Andkhoy district and his projected revenues to rent the tractor he purchased with his loan proceeds did not meet his expectations. As a result, he reinvested his limited proceeds from the tractor rental into the procurement of a flock of sheep. He then sold the sheep on credit and was not able to meet his repayment obligations to the bank. With the assistance of the RAMP rural finance team, the borrower was contacted and has been given a strict warning to repay or risk the loss of his collateral which is his ancestral land. The bank and RAMP are keeping a close eye on the repayment capacity of this borrower to determine if his loan needs to be rescheduled –or- if his collateral needs to be seized [and test the strength of the court system in this regards!].

Looking Ahead

The main tasks for the final Quarter of 2005 are:

- Identify qualified agribusiness clients for the new branches of AIB in Mazar-i-Sharif, Kandahar and Herat.
- Assist with the coordination of AFC to lease office space within the AIB branches.
- Begin an impact assessment of the SME borrowers.

Project Manager Comments

AIB has been very pro-active in working with clients in the agricultural sector that have been identified through RAMP partners. AIB is ready to utilize their own capital resources to fund further agribusinesses. RAMP will take advantage of the opportunity to finance more borrowers through AIB's capital.

Rural Financial Services
UNDP - Business Mentoring Program
Life of Project: 4-Nov-04 to 30-Apr-05
Provinces: Nationwide

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#41-0003-UNDP	4 Nov. 2004	Frances Toomey	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$116,094	\$0	\$116,094	\$0	\$0
Project Description: The purpose of this Grant is to provide support to implement a Business Mentoring Pilot Program. The program will primarily be a resource for targeted agribusinesses, identified by USAID/RAMP in cooperation with UNDP. The Business Mentoring Program will assist with a variety of activities, including designing an efficient program with a revenue stream; profiling the agribusiness' current depth of skills and needs for additional capacity; and identifying appropriate experts to deliver specific technical assistance. The program will deepen enterprise skills to improve the business' ability to comply with the conditions of the loan/lease.				
Expected Results (by end of project):				
<ul style="list-style-type: none"> • Identify potential agribusiness projects along with the RAMP Rural Finance team to receive pre or post finance business development services; • Serve at least 20 clients; • Select 3 key personnel to deliver business mentoring services to the customers; • Design a fee structure for business advisory services to use towards self-sustaining their operations; and • Set-up office spaces and premises for meeting with customers. 				

The grant to UNDP was completed during this quarter and a new business advisory services activity was awarded through a Request for Proposal. The new activity will be managed by Flag International.

There was only one month during the quarter that the activity worked. This month primarily consisted of closing out the project. The expected results for the project were completed approximately 80%.

Accomplishments

- Served 28 clients with some business development services.
- 3 key personnel worked on the project during this pilot phase. The expatriate staff was twinned with national staff, who were trained in providing business development services.
- Office space for the Afghanistan Business Center (ABC) was set-up by the team.
- The fee structure for business development services was not fully completed during this pilot phase.

Lessons Learned

As warned by many prior to the project, UNDP proved to be so bureaucratic that a private sector initiative was not highly successful. Although, the project did meet many of their objectives, the pilot phase ended without a renewal. The UN policies and procedures were too much of a burden to untie and meet the needs of entrepreneurs seeking assistance to develop business plans to access the various financing options available to them.

A Request for Proposal for an implementing partner to manage a business advisory service operation was posted in March 2005. UNDP expressed interest in coordinating with this new entity and possibly providing some funding to it. The latter did not materialize although the former is expected to take place as the new implementing partner launches their operations.

Rural Financial Services
Flag International - Business Development Services (BDS)
Life of Project: 1-Jun-05 to 30-Jun-06
Provinces: Nationwide

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#41-0003-FI	1 June 2005	Frances Toomey	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,013,000	\$47,736	\$47,736	\$271,629	\$693,635
Project Description: The purpose of this subcontract is to provide Business Development Services (BDS) to Afghan agribusinesses with the goal of supporting their access to credit in support of RAMP's ongoing projects. The Subcontractor will target small and medium sized agribusinesses along the value chain and offer BDS services to Afghan agribusiness to access loans, leases, equity and post-finance assistance in order to grow their businesses.				
Expected Results (by end of project):				
<ul style="list-style-type: none"> • 10 Small to Medium Sized Leases or Loans facilitated (over \$10,000 each); • 2 large Leases or Loans facilitated (over \$50,000 each); • 100 agribusinesses interviewed and screened for assistance, results provided to RAMP; • 10 marketing or sales linkages developed; • 25 agribusinesses assisted with pre- or post-finance consulting; • Training provided to at least 100 entrepreneurs, of whom 50% should be female. 				

Accomplishments this Quarter

Flag International's (FI) BDS program was fully underway during this quarter and they have made tremendous progress including the following:

- Interviewed 56 clients and provided technical assistance to 49 clients. The clients were a mix of sectors representing fresh and dried fruits, nuts, vegetables, livestock, grains, dairy, fish, cotton and fertilizer.
- Two of the clients received debt financing and 4 clients received leases.
- FI partnered with the Herat Chamber of Commerce and conducted two training sessions in accounting/finance for SMEs.
- FI linked with Roots of Peace, AISA and FAO for client referral.

Challenges Encountered

- FI's work is at times impeded by the companies' inefficient approach to information disclosure resulting in non-productive communications and delays in our work.
- FI also faces logistical problems, i.e. field visits are time consuming and communications can be expensive. In time and with training, more SMEs will have regular access to computers, email and our training is designed to use it effectively.
- Very few financial institutions are actively lending. This is improving, but limits the amount of funding that SMEs can attain in the relatively short project duration.

Looking Ahead

- Elaborate the TA mechanisms so as to incorporate as many local businesses as possible. This technical assistance will be focused on increasing the effectiveness of local businesses, developing human capacity and building solid knowledge of reporting and accounting procedures and mechanisms that will enable them to apply for financing.
- Focus on improving the level of coordination between businesses, banks, government institutions.
- Work on the elaboration of communication channels with our local counterparts to ensure timely delivery of information necessary for provision of technical assistance and completion of goals.
- Finalize the plans of up to 14 agribusiness SMEs by the end of 2005.
- Conduct a follow-on business planning seminar in Herat. Conduct a seminar to women's business owners in Kabul on 31 October and a business planning seminar in Mazar planned for early November.

Project Manager Comments

The Flag International BDS program is an excellent subcontractor. They are always forthcoming and timely when asked for updates about their program. They have demonstrated much collaboration with all the other private sector contractors in Afghanistan and, of course, have had an impact on the businesses that they have provided technical assistance.

Rural Financial Services Afghanistan Finance Company (AFC) Life of Project: 1-Sept-04 to 1-Jul-06 Provinces: Nationwide				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#42-0003-AFC	1 Sept. 2004	Fran Toomey	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$3,500,000	\$0	\$3,490,000	\$0	\$10,000
Project Description: The AFC will be a leasing credit delivery mechanism to fulfill the unmet financing needs of small and medium enterprises (SMEs), specifically in the agricultural sector. The primary aim will be to finance SME activities along the value chains that are receiving support through RAMP funded projects. There is currently very limited lending available to SMEs, especially for agro-businesses. Making leasing available in Afghanistan will not only encourage processing to begin taking place, but will also allow business owners to obtain other types of equipment without having to front the full cost of the equipment. A finance and leasing company will be an integral part of the financial sector continuum in providing access to credit and making equipment available in country for agribusinesses.				
Expected Results (by end of project): <ul style="list-style-type: none"> • 40 Small to Medium Sized Leases or Loans (\$10,000-\$50,000) • 10 large Leases or Loans (over \$50,000) • Lease/Loan Size Range \$10,000 - \$250,000 • Portfolio at Risk – Average 5% during year 1, average 3% during year 2 • At least \$1 million in cumulative disbursements by Year 1 • At least a 20% growth of the Agricultural Portfolio through the Leveraging of Other Sources of Funds 				

Accomplishments this Quarter

- Draft completed of Annual Audit by KPMB.
- Revised business plan, marketing plan. Prepared a 5 year income statement projection.
- Four regional trips made to Kunduz and Mazar by the leasing officer teams.
- Approved 9 clients and disbursed 6 leases.
- CFO and Accountant attended training conducted by Orix Leasing Company in Pakistan. Leasing Officers attended Microleasing training conducted by MISFA.
- Submitted ALP-East Microfinance Proposal

Challenges Encountered

- Lack of clear legislation regarding asset registration, collateral, and legally binding contracts. A local law firm has been hired to research and provide clear legal guidance.
- Clients not wanting to pay interest above 9-11% and requesting longer term leases. Marketing team and management continue to spend a lot of time with clients to explain the advantages of leasing and why our current rate structure is fair.
- Training leasing officers is a long-term investment.

Looking Ahead

- Finalize Annual Audit Report by KPMG
- Expand operations into Mazar and Herat
- Continue with the Terms of Reference with Orix Leasing/Pakistan financed partially by the International Finance Corporation (IFC)
- Hire more leasing officers
- Negotiate with AIB for office space within their regional branches

Project Manager Comments

AFC continues to show progress towards their deliverables but not as quickly as anticipated. They have built a strong foundation upon which they can build a successful portfolio of leases. The RAMP rural finance team spends most of their time with this implementing partner as they need as much assistance as they can receive. We are convinced that the leasing concept will take hold and be strong in Afghanistan although it will just take some time to educate our targeted clients that leases are advantageous to grow their businesses.

Quarterly Report Q3 FY05

30 September 05

Helmand Institution Building and Advisory in Support of Alt. Livelihoods**Development Alternatives, Inc.****Life of Project: 01 November 2004 to 31 October 2005****Provinces: Helmand**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#44-0002-DAI	01 November 2005	John Priest	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,021,612	\$165,705	\$244,115	\$277,183	\$500,314
Project Description: This project was designed to realize the chartering at the national level of water user associations (WUAs). The charters are to empower water users with the authority and responsibility to operate, manage, maintain, and rehabilitate canal systems from the farm gate to river intakes while collecting revenues adequate to be self financing. By-laws are to be developed in consultation with the local water user groups so that each group can adapt their chartered operations to harmonize with past practices. DAI has chosen the Marja and Nadi Ali areas of Middle Helmand as the initial areas for introduction of the several models to be developed. It is expected that the models will be transferred to other areas of the country where traditional, rather than government owned systems, are functioning.				
Expected Results (by end of project):				
<ol style="list-style-type: none"> 1. Development of a charter and modification of laws to permit the chartering of WUAs at the national level. 2. Adoption of the self-financing water user organizational structure by one or more groups of an important canal command. 3. Packaging of the process for transfer to other areas of the country. 				

Accomplishments this Quarter

A workshop was held at RAMP for internal review and modification of the work accomplished during the first six months of project work. A draft charter and by laws were reviewed. DAI carried out liaison with several ministries including the Ministry of Energy and Water Resources, Ministry of Agriculture and Animal Husbandry, and the Ministry of Justice.

Looking Ahead

It is expected that laws will be modified and a draft charter will have been adopted at cabinet level.

Project Manager Comments

It is anticipated that the model will be transferred to the north, possibly Baghlan, and to the west in Herat Province.

Quarterly Report

Q3 FY05

30 September 05

Provincial Alternative Livelihoods Program (PALS)**CADG, ICARDA, IFDC, GIA****Life of Project: N/A****Provinces: Helmand, Kandahar**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#45-0002-CADG, ICARDA, IFDC, GIA	N/A	N/A	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
N/A	N/A	N/A		

Project Description: This initiative increases activities previously directed under job orders #6, 7, 8, 9, 23, 24, and 28 in support of alternative livelihoods.

Expected Results: Please refer to the reports for the respective job orders listed above.

Alternative Income Project (AIP)				
Chemonics International Inc.				
Life of Project: November 19, 2004 – November 18, 2005				
Provinces: Helmand				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#46-0002- Chemonics International	24-Oct-04	Carol Yee	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$8,245,450	\$0	\$8,245,450	\$0	\$0
<p>Project Description: AIP, implemented by Chemonics International in Helmand province, is an integral part of USAID/Kabul's Alternative Livelihoods Strategy for Afghanistan. In close consultation with all levels of the Afghan government, communities and donor agencies, and in support of the larger government of Afghanistan counter-narcotic initiative, AIP efficiently implements community-driven quick impact activities that provide:</p> <ol style="list-style-type: none"> 1. Immediate cash infusions to communities through labor-intensive activities 2. Economic growth in the community, as a foundation for future economically-viable alternatives to poppy production 3. A strong message that the Government of Afghanistan and donors will assist communities through emergency programs that will lead to sustainable development. 				
<p>Expected Results (by end of project):</p> <ul style="list-style-type: none"> • Generation of 50 days of employment for 50,000 laborers (2,500,000 labor days) through cash-for-work activities. • Completion of social and enterprise development activities targeting vulnerable populations. 				

Accomplishments this Quarter

During the life of the project, AIP rapidly implemented **22 cash-for-work infrastructure projects which generated 1,066,823 labor days and infused US\$4.1 million in wages into local economies.** These individual labor-intensive projects employed community members of 10 districts in Helmand to clean minor drains/irrigation canals, excavate debris from karezes, rehabilitate farm to market roads, and weave metal frames for gabion baskets.



To promote economic security for those unable to participate in cash-for-work activities, AIP issued grants to INTERSOS, Mercy Corps International and VARA to lead community development activities and facilitate vocational training courses. These programs focused on particularly vulnerable segments of the population – women-led households and internally displaced people. Collectively the grantees enrolled 536 participants in vocational training programs and reached a total of 3,946 beneficiaries through literacy courses, social protection campaigns, and instructional agriculture radio programs.

AIP Helmand Drain Cleaning Activities

December 3, 2004 – May 18, 2005

Location	Km. Cleaned		Labor Days Generated	Wages Paid	% of Project Complete
	Target	Actual			
Babaji	50	1	9,370	\$ 36,677	2%
Bashran	0.8	0.8	20,210	\$ 77,882	100%
Bolan	27.38	16.19	13,955	\$ 57,606	59%

Darweshan	110	40	62,886	\$ 253,914	36%
Kajaki	45	45	74,256	\$ 286,155	100%
Lashkar Gah City	33	0.86	760	\$ 3,286	3%
Marja	676	386.6	214,616	\$ 862,488	57%
Nad-i-Ali	600	304.5	237,999	\$ 922,847	51%
Total:	1542.18	794.95	634,052	\$ 2,500,854	52%

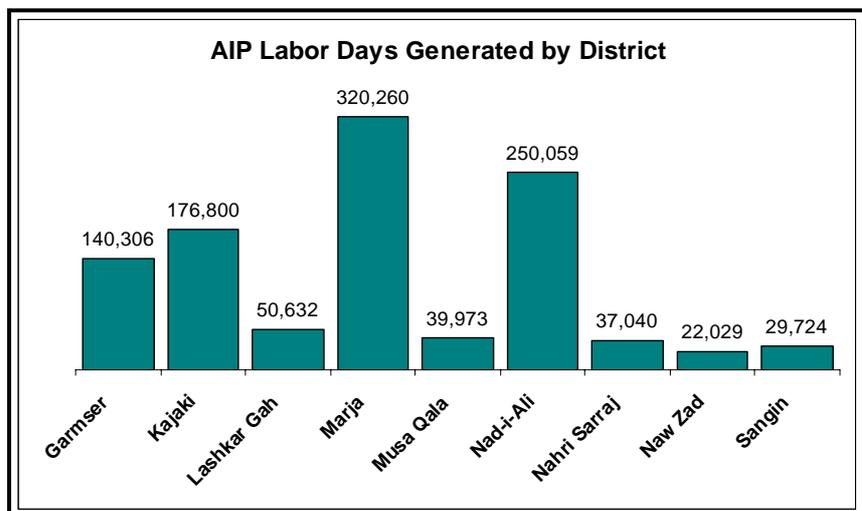
Although AIP's tremendous impact was felt by its intended beneficiaries, the work did not go unnoticed by hostile forces in the region. Seven months into the project, the security environment in southern Afghanistan tragically deteriorated. From May 17 to May 19, 2005, AIP suffered three attacks resulting in the death of four staff members and seven associated individuals. AIP immediately suspended all cash-for-work activities, and instructed its grantees to only continue those community development activities which could be safely implemented. Chemonics and USAID/Afghanistan proceeded to engage in discussions to determine the most effective means for AIP to safely resume its activities.

On July 30, 2005, Chemonics and USAID/Afghanistan mutually agreed that the best way to maintain AIP's programmatic momentum was to contractually discontinue the project and fold its existing activities into other USAID-funded programs managed by Chemonics. Both parties decided that AIP's cash-for-work activities and the majority of its staff and assets would be incorporated into Chemonics' Alternative Livelihoods Project in southern Afghanistan (ALP/S); AIP's community development grants would be managed by Chemonics' Rebuilding Agricultural Markets Program (RAMP/Chemonics).



Throughout its duration, AIP attracted significant attention from a range of Afghan and American officials and counter-narcotic policy designers including US Ambassador Zalmay Khalilzad, John Walters - Director of the White House Office of National Drug Control Policy, Habibullah Qaderi, - Afghan Counter Narcotics Minister, Mark Kirk – US Congressman of Illinois, Ross Wherry – USAID Senior Reconstruction Advisor, and Patrick Fine – USAID/Afghanistan Mission Director. AIP was able to clearly demonstrate to these delegations the effectiveness of its cash-for-work and vocational training components, and how they can be easily replicated to assist in larger counter-narcotic initiatives.

AIP's final report illustrates that the project's seven months of operation were extremely successful in quickly implementing community-driven activities that responded to the immediate needs of its targeted beneficiaries. Although the project ended prematurely, AIP made a visible and lasting impact in its host communities and laid the foundation for further alternative livelihood activities in the region.



On February 15, 2005, USAID awarded to Chemonics a US\$119.9 million contract to manage ALP activities in the southern region (ALP/S). ALP/S is working to achieve two strategic objectives (1) Help accelerate licit economic growth and business activities in selected provinces in which poppy cultivation is thriving, and (2) Help provide an immediate source of income to poor households whose livelihoods depend, directly or indirectly, on the temporary opium economy.

AIP's cash-for-work activities feed directly into ALP/S' second objective of providing an immediate source of income to its target beneficiaries. AIP is transferring over 12 cash-for-work projects that can resume in a matter of a few days under ALP/S' management once the security situation improves. ALP/S will adopt AIP's cash-for-work management structure to build on the momentum and community recognition that AIP had already achieved.

AIP's Remaining Cash-for-Work Activities		
Location	Activity	Percent of Work Complete
Babaji	Drain Cleaning	2%
Bolan	Drain Cleaning	59%
Darweshan	Drain Cleaning	36%
Lashkar Gah	Drain Cleaning	3%
Marja	Drain Cleaning	57%
Nad-i-Ali	Drain Cleaning	51%
Lashkar Gah	Canal Cleaning	25%
Kajaki	Karez Cleaning	14%
Musa Qala	Karez Cleaning	34%
Naw Zad	Karez Cleaning	5%
Kajaki	Road Rehabilitation	11%
Sangin	Road Rehabilitation	29%

The majority of AIP's local staff will be transferred over to ALP/S office in Lashkar Gah to manage the cash-for-work component of the larger program. At the project's closure, AIP had 102 national staff on its payroll. (These figures do not include the 14,000 cash-for-work laborers who were not full time staff members, as they were hired on a project specific basis). AIP's staff members have acquired significant institutional knowledge and will be able to easily resume administering and monitoring cash-for-work activities with little advanced preparation. Engineers from AIP have already begun working with ALP/S staff to determine which activities would be the most appropriate to resume first.

Additionally, AIP will transfer the majority of its physical assets to ALP/S, so the program will not need to spend additional time procuring office/technical equipment before resuming cash-for-work activities.

Nangarhar Emergency Seed Wheat and Fertilizer Distribution Program

Social and Technical Association for Afghanistan Rehabilitation

Life of Project: December 4, 2004 – June 30, 2005

Provinces: Nangarhar

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#48-0004- IFHOPE, RSSA, STAAR, GAA, RDRO, ICARDA, Relief International	4-Dec-04	Naqib Ahmad	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$554,142	\$0	\$554,142.16	\$0	\$0

Project Description: This action arose mainly as a result of the US Mission to Afghanistan, responding to a request by the Governor of Nangarhar Province for help to encourage farmers to start cultivating licit crops in lieu of illicit crops (opium poppy). In order to respond, therefore, the US Mission is launching an emergency distribution program of seed wheat and fertilizer in 23 districts of Nangarhar Province.

In response to a request from the Governor of Nangarhar and the Minister of Rural Rehabilitation and Development, the U.S. Ambassador to Afghanistan, Dr. Zalmay Khalilzad mobilized the U.S. Agency for International Development (USAID) and the U.S. Department of Agriculture (USDA) to organize the distribution of 490 MT of wheat seed and 1,478MT of fertilizer to Afghan farmers in all 23 districts of Nangarhar.

The wheat and fertilizer distribution campaign is just one part of a broader, anti-poppy initiative to ensure alternative livelihoods for Afghan farming families. The effort is coordinated by the USAID funded Rebuilding Agricultural Markets Program, as implemented by Chemonics International. RAMP is the largest agricultural development initiative in Afghanistan.

Key Accomplishments during Reporting Period

The average production for wheat as reported by the Implementing Partners ranged from 2.4 to 3.8 metric tons per hectare.



Name of IP	# of Farmers received the seed	Land cultivated (hectares)	Total wheat seed distributed (MT)	Total fertilizer distributed (MT)		Average Production Kg/Jerib* (mt/hectare)	Total Production (MT)
				DAP	Urea		
Relief International	10792	2158	269.8	269.8	539.6	720 (3.6)	7772
ICARDA	1718	344	43	43	86	640 (3.2)	1100
RDRO	1700	340	42.5	42.5	85	525 (2.6)	892
GAA	1560	312	39	39	78	617 (3.8)	963
STAAR	1284	258	32.2	32.2	64.4	499 (2.5)	640
RSSA	840	160	21	21	41	490 (2.4)	392
IFHOPE	1680	336	42	42	84	577 (2.9)	970
Total	19,574	3,908	489.5	489.5	978		12,729

* One jerib is 0.2 hectare

Challenges Encountered

- During data collection and surveying some farmers were not present in villages, they were gone for work
- In some villages, the farmers redistributed the specified amount of wheat (25kg) due to their traditional regulations
- Some of the villages are so far away and either have no road or only a poor road to carry their necessary items by donkey

Project Manager Comments

- The farmers were, generally, pleased and asked for more programs such as this one. Most of the farmers are very poor and are unable to find and purchase improved seed and fertilizer.
- The distribution program proved very useful for all farmers especially for those farmers whose poppy was eradicated by the Government.
- If such a program is repeated, it should be on time. This year most of the fields were already sown with wheat and other crops while the seed and fertilizer was being distributed.
- This program played a significant role in reducing and eradicating poppy

Qasim Ali to Sayed Ahmed Road
Kunduz Reconstruction Agency (KRA)
Life of Project: 10-Oct-03 to 31-May 05
Provinces: Kunduz

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#49-0002-KRA	1-June-05	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$164,583.00	\$33,831.30	\$33,831.30	\$72,699	\$58,053

Project Description: KRA is upgrading and widening 7.2 kilometers of the Qasim Ali to Sayed Ahmed tertiary road in Aliabad District of Kunduz Province.

Expected Results (at end of project):

Enhanced Livelihood – 45,000 farm families with increased access to markets; the value of one hectare of land expected to increase from \$220 to around \$440.

Accomplishments this report

KRA has completed the rehabilitation of 6.5 out of 7.2 km. of compacted-gravel surface based on community mobilization and with the support of Government.

Communities have donated their land throughout the length of the road corridor and this has permitted an increase of width of the road surface from 2.5 or 3 meters originally to 7 meters project width..

For changing the alignment of the road the local people have donated their land for the entire road surface for the first 800 meters. The road is been constructed through the fertile agriculture land.

In addition to land, communities from Qasamali village have donated their houses and have demolished them to enlarge the width of the road. The photo shows the demolition of buildings at Qasamali Village No. 2 located at 3.6 km. and the difference made to the structure of the road after rehabilitation.

During rehabilitation



After



Another contribution made to the project is the donation of gravel from his land by Sakhi Dat to the project.

The following photos were taken at kilometer 3.5 of the road before and during rehabilitation, i.e., during February 2005 and October 2005. They highlight improvements made to the road surface and width.

Challenges Encountered

Local people have donated their houses, gravel and land to increase the width of the road. This road demonstrates sacrifices that local people are prepared to make to ensure that they have access to rehabilitated roads.

Project Manager Comments:

KRA has demonstrated that they have the ability to rehabilitate roads to the high standards of RAMP/Chemonics through the mobilization of local communities and the Government.

Locust and Sunn pest Control Program, Northern Afghanistan

Food and Agriculture Organization (FAO)

Period of Performance: March 11, 2005 – Feb 26, 2005

Project Sites: Northern Afghanistan

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#50-0-FAO	March 1, 2005	Abdul Samad Nazari	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,470,000	\$0	\$1,270,000	\$0	\$200,000

Project Description: FAO locust and Sunn pest emergency control program

Expected Results (by end of project): Approximately 200,000 families and 1.3 million families benefiting.

Capacity Building

Enhanced Livelihood – To safeguard the food security and stability of the target provinces by ensuring that locusts and Sunn pest do not cause disastrous losses of wheat and other crops in these provinces during 2005.

Accomplishments this Quarter

Emergency Locust Control

- Control operations against locust had been completed in June. Data from the oviposition survey, which had also been completed in June, were entered into the database and analysed. In 2004, Baghlan and Balkh were the two most heavily infested (with egg beds) provinces of the five provinces surveyed. In the 2005 survey, Balkh was the only province that had a relatively high number of hectares with egg beds. Twenty of 27 districts surveyed had a decrease of 90% or more in the number of hectares with egg beds detected, and only 3 districts had a higher number of hectares (see below).

Areas of egg-bed detected in surveys, 2004 and 2005

Province	District	2004	2005	% Decrease
Baghlan	Andarab	170,071*	0	100
Baghlan	Baghlan	1,574	62	96
Baghlan	Baghlani Jadid	42,705	2,713	94
Baghlan	Burka	276	0	100
Baghlan	Dahana-I- Ghor	2,068	0	100
Baghlan	Dushi	2	0	100
Baghlan	Nahrin	52	0	100
Baghlan	Puli Khumri	29	0	100
Balkh	Chahar Kint	916	0	100
Balkh	Chimtal	649	0	100
Balkh	Dihdadi	4,239	3,795	90
Balkh	Khulm	8,649	22,902	(265)
Balkh	Marmul	12,458	57	100
Balkh	Nahri Shahi	10,135	2,847	72
Kunduz	Ali Abad	3,483	0	100
Kunduz	Archi	0	1,163	(?)
Kunduz	Chahar Dara	7,044	723	90
Kunduz	Imam Sahib	1,594	967	39
Kunduz	Khan Abad	5,458	404	93
Kunduz	Kunduz	544	201	63
Kunduz	Qalay-I- Zal	1,622	0	100
Samangan	Aybak	10,652	56	99
Samangan	Dara-I- Suf	0	12	(?)
Samangan	Hazrati Sultan	12,713	1,843	86

Takhar	Eshkamish	17	0	100
Takhar	Rostaaq	196	0	100
Takhar	Taloqan	55	0	100
Total		129,134	39,750	

* the data from Baghlan-Andarab are suspect and are excluded from the total area calculation.

- The table does not include the relatively small area in the desert (in the Kunduz, Baghlan, and Samangan provinces) identified (after most of the locust control activities were completed in 2005) as being heavily infested. The added hectares in this desert area may bring the total area to 50,000 ha, a 61% drop from the 2004 survey results. The results indicate that the locust population will be significantly lower in most districts next year and will pose a significantly less control problem than in 2005.
- Equipment used in the campaign was recovered from the field, cleaned, repaired and stored.

Emergency Sunn pest Control

- Control activities against Sunn pest, which had begun in late-May, continued into August at the higher elevations as the wheat ripened later. On completion of operations, the equipment was recovered and returned to the Mazar store. Some spray equipment has still not been recovered from remote districts. Information on the coverage of Sunn pest and other field information from the campaign were entered onto a spreadsheet for analysis.

Plant Protection and Quarantine Department (PPQD) Laboratory and Staff Training

- The PPQD lab, with three sections (disease, entomology, and nematode), was installed. A training course for staff of PPQD Kabul in laboratory procedures was carried out in the new PPQD laboratory by the FAO project staff in July and August. Further in-service training, including sample collection trips into the field, followed the laboratory training. The PPQD laboratory technicians have begun the work of collecting the dominant economic pests, such as Sunn pest, Colorado potato beetle, and melon fly, and creating slides of plant diseases. Also farmers are bringing plants with various diseases to be diagnosed.

Looking Forward

- A population survey of Sunn pest overwintering sites will be carried out in November-December in the provinces stretching from Herat to Balkh.
- Plant protection staff from 34 provinces will be brought to Kabul in early November for a training course and workshop on integrated pest management. At that time, each of the PPQD staff members in the Sunn pest control provinces will be interviewed to obtain information for planning the upcoming overwintering survey.
- The Sunn pest over-wintering survey data will be analyzed and disseminated.

Challenges Encountered

- The challenges encountered in this reporting period are those that emerge retrospectively in examining the data from the Sunn pest campaign period. There is a clear need to strengthen the extension effort for Sunn pest control. Moreover, it was apparent that the distribution of free pesticide for Sunn pest blunted the effectiveness of the extension message to rely primarily on mechanical control using sweep nets.

Project Manager Comments

- The motorcycles needed for the survey need to be registered as soon as possible
- The Sunn pest over-wintering survey teams should be well trained and equipped with all the necessary equipment and all transport arrangements completed prior to moving to the field for conducting the survey.

Ministry of Agriculture Institutional Capacity Building

Chemonics International

Life of Project: 12-May-2005 to 12-May-2006

Provinces: Nationwide

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#51-0004- Chemonics	12-May-2005	Louis Faoro	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$873,000	\$0	\$0	\$141,000	\$732,000
Project Description: Chemonics will provide a cadre of senior officials to enhance the capabilities of the MAAHF. These officials will coordinate and develop a strategic plan for the Ministry.				

Accomplishments this Quarter

Four senior advisors have arrived and are established in their areas of expertise. The areas of responsibility for the three long term advisor are Policy and Planning; Alternative Livelihoods; and Infrastructure, Public Relations and Foreign Affairs. The fourth advisor, Dr. John Mellor, is working closely with the Minister on developing the Master Plan during his several short term assignments. All three long term advisors are working closely with the Minister on a daily basis, providing valuable input and advice in a wide variety of areas. Specific activities and accomplishments for each advisor are described in the following sections.

Policy and Planning Advisor

Dr. Mohammed Usman arrived in mid June and has made significant contributions in several key areas. A major area of focus has been in development of the Master Plan, participating as a member of the Coordination Committee. Twelve key sectoral areas were identified. For each area, working committees have been established, an expert identified to head each team, and terms of reference developed and discussed with the teams. Much emphasis has been placed on developing a General Economic and Planning Department, which is anticipated to function as a "Think Tank" for the agricultural sector and the Ministry. This department has been approved by the Civil Service Commission and the Minister. The six sections are: Policy and Analysis; Project Planning and Program Development; Monitoring and evaluation; Statistics and Market Information; Foreign Relations and Coordination; and Legislation Review and Analysis. The ministry is in the process of recruiting heads for each section. Working with the Civil Service Administration Reform as a member of the committee, an agreement was reached in structuring the Ministry's central main department, and work is progressing in developing the organizational structure of the Ministry at the regional and district levels. Other Activities and Accomplishments include review and comment on several project and program proposals, protocols, and technical reports for the Minister. These included protocol on national vaccine, input quality control, land policy, cooperation between India and Afghanistan, and several FAO reports.

Alternative Livelihoods Advisor

Mr. Yaqub Roshan arrived in early July, and has focused on three key areas. Active participation in development of the Master Plan as a member of the Domestic Market Development and Market Infrastructure group has resulted in focusing the group on developing plans and activities for three specific components: defining areas of production, identifying areas of demand, and market development issues. Participation in the newly created MAAHF Alternatives to Poppy Directorate have been focused on developing the organizational structure, recruiting the director, and developing terms of reference for staff, all contributing to creation of an efficient and competent body for advancing alternatives to poppy farmers. As part of this effort, visits have been made with MAAHF staff to three key provinces (Balkh, Farah, Kandahar) to discuss alternatives to poppy. Discussions were held with provincial, district and community leaders to present the Alternatives to Poppy program, build confidence in the MAAHF, and answer questions and concerns. As part of the work with the Agricultural Input Supply Project, upcoming activities were discussed with community leaders and farmers during the three trips mentioned above, as well as other trips with AISP staff. Assistance

was provided as necessary to AISP in setting up the distribution systems through strategy and planning meetings with representatives from the three participating ministries.

Infrastructure-Public Relations- Foreign Affairs Advisor

Mr. Rahman Habib arrived in mid September, and in the short time that he has been here has developed effective contacts with Ministry officials, donor agencies, and national and international NGOs. In consultation with the Minister and senior ministry officials, he has begun a review of institutional needs of the Minister's office, including ministry-wide procedures, policies and approaches that will lead to appropriate reforms. He has also facilitated discussions on public relations and public service with relevant officials in the ministry, as well as participating in organization of Ministerial press conferences.

Project Manager Comments

This project has had a surprisingly rapid and direct impact on coordination between RAMP and the Ministry of Agriculture. This impact, in turn, has enabled RAMP to extend effective outreach in implementing projects and resulted in a marked step forward by the Ministry in developing their own capacity to implement field projects.

Agricultural Input Supply Program

International Fertilizer Development Company (IFDC)

**Life of Project:
Provinces: Nationwide**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#52-0004-RAMP	August 24, 2005	Tom Fattori/Michael Courtney	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$800,000	\$0	\$0	\$0	\$800,000

Project Description: IFDC will procure and coordinate the distribution of 500,000 technical packages of improved wheat, potato, and onion along with vouchers redeemable for fertilizer, subject to repayment at the end of the crop season.

Accomplishments this Quarter

The month of September was a period of intense activity in preparation for the "Seeds for Your Future" distribution which was slated to begin in October 2005 to meet the needs of the coming cropping season for all agro-climatic zones. Along with the seed, each technical package contains best practices information and anti-popy messages.

Graphic design, layout and production of technical package materials included:

- 500,000 sacks for the seed and informational materials
- 550,000 specially designed vouchers for redeeming fertilizer and monitoring repayment
- 22,000 12 page, color fact sheets on best practices for wheat production for training MAAHF extension agents and fertilizer dealers – Dari and Pashto
- 500,000 brochures on best practices for wheat production for farmers Dari and Pashto
- 4,000 posters advertising the campaign and designating participating fertilizer dealers
- 26 radio dramas containing best practices information for wheat, onion and potato along with information about the AISP program and anti-popy messages for national distribution and broadcast – Dari and Pashto
- 8,000 potato best practices fact sheets – Dari and Pashto
- 16,000 onion best practices fact sheets – Dari and Pashto.
- 100 Seeds for Your Future Banners
- Fact sheets for press conferences held by Minister Ramin, MAAHF

Procurement of seed

By September 23, nine contracts to purchase 5,134mt of locally produced wheat seed and 19.9mt of onion seed had been signed.

Coordination Meetings

- Hawalas were contacted and negotiation completed to facilitate the transfer of funds needed to pay fertilizer dealers.
- Meetings were held in the Central Region provinces of Ghazni, Wardak and Bamyān to outline tasks of the provincial authorities and ensure proper selection of District level implementing



The "Seeds for Your Future" Poster



Displaying technical package materials in Sar-i-Pul

partners and the individual beneficiaries. These meetings included the Provincial Governors, PRTs, MAAHF and MRRD representatives.

Selection of Beneficiaries

Regional representatives of the Provincial governments, MAAHF and MRRD agreed to submit beneficiary lists by September 15. There were some delays in this process.

Distribution of Vouchers

Each province received 12,396 vouchers.

Looking Forward

Coordination meetings have been held in the tranche two provinces of Parwan, Panshir, Kapisa, Kabul and Logar. The process of hiring regional coordinators and has begun, and distribution is in full swing.

Security Report

The Situation This Quarter

The period July – September has been dominated by the build up to the Parliamentary Election held on the 18th September. The security situation throughout the country has generally deteriorated with large numbers of Anti - Government Elements (AGEs) having infiltrated into many regions.

Throughout the July – September period we have seen regular confrontation between AGEs and government and coalition forces. These contacts have continued to be in the form of shootings and IEDs. Numerous AGEs and coalition forces have been killed in this time period. The threat of suicide bombings continued throughout the period.

Kabul:

The period has seen the arrival of two armored Land Cruisers to the RAMP project. All movement east of Abdul Haq Square (Jalalabad Road) and Massoud Roundabout (Airport Road) now takes place in these vehicles. The only exceptions are movement of soft skinned vehicles to and from I M Jensen for servicing purposes. Five drivers have attended a course run by SCG International Risk to ensure that they are fully trained and aware of the difficulties in driving these vehicles.

The main threat in the capital has remained IEDs and Kidnapping of Europeans for Ransom. There have been a number of shootings between criminal elements and government forces.

RAMP has instituted an out of town movement policy which includes a low key Personal Security Detail (PSD) provided by Olive Security. This security detail will be available to all members of staff traveling within the following regions; Kapisa, Kabul, Logar, Wardak, Ghazni, Parwan and Baghlan.

Mazar I Sharif:

The Balkh region has remained benign during this period. There have been occasional election related incidents but nothing of any interest with regard to operations by Anti – Government Elements (AGEs).

Herat:

The Herat Province has continued to be relative quiet with regard to Anti – Government Element activity. There have however been a considerable number of election related incidents; shootings, kidnappings etc. The province south of Herat and Farah does however continue to prove worrying with ongoing AGE activity.

Risk and Risk Mitigation:

The major risks throughout the country remain shootings, IEDs, and the potential for kidnapping. All staff have been made aware that with certain threats such as the IED there is little that one can do to plan against it. The use of the armored vehicles will undoubtedly make traveling somewhat more secure.

The one-off shot against a vehicle that is known to be run by an International NGO is difficult to avoid. Once again however the use of armored vehicles which are equipped with run flat tires should provide an excellent level of protection.

The main area of concern remains that of kidnap for ransom. Historically the kidnappings of foreigners that have taken place in Afghanistan have been done at night. The requirement for all staff to adhere to the curfew of 2130 hrs is essential. The requirement for all staff to travel in RAMP vehicles at night is also essential. There are no exceptions to these requirements.