



USAID | **AFGHANISTAN**
FROM THE AMERICAN PEOPLE

ALTERNATIVE LIVELIHOOD PROGRAM – SOUTHERN REGION (ALP/S)

Quarterly Report: January – March 2007

PREPARED BY:

Chemonics International

IN COLLABORATION WITH:

Abt Associates Inc.

The Louis Berger Group

NRECA International Ltd.

Making Cents International

Global Strategies Group

ALTERNATIVE LIVELIHOODS PROGRAM – SOUTHERN REGION (ALP/S)

QUARTERLY REPORT

Contract Number	GS-23F-9800H
Task Order Number	306-M-00-05-00516-00
Task Order Duration	15 February, 2005 - 14 February, 2009
Contractor Name	Chemonics International Inc.
Cognizant Technical Officer	Rory Donohoe
Contracting Officer	Margaret Kline
Total Task Order Budget	\$121,143,244
Geographic Coverage	Helmand, Kandahar and Uruzgan Provinces

TABLE OF CONTENTS

EXECUTIVE SUMMARY

PROGRAM OVERVIEW

QUARTERLY RESULTS

- I. Agricultural Cluster Development
- II. Improved Access to Productive Infrastructure
- III. Business Development Services
- IV. Public Information
- V. Gender Integration and Strategic Activities
- VI. Program Management
 - Operations
 - Operating Environment
 - Monitoring and Evaluation

PLANS FOR NEXT QUARTER

APPENDIX I: ALP/S Budget Summary

APPENDIX II: Required Performance Data: Activity Level Indicators

APPENDIX III: Status of ALP/S Agricultural Cluster Activities

APPENDIX IV: Status of ALP/S Productive Infrastructure Activities

MAPS

EXECUTIVE SUMMARY

January through March 2007 was a successful quarter in that many of the staffing issues that have plagued the project have been resolved and a new long term Chief of Party has joined the team, given the program the needed direction and leadership. Many of the program initiatives have finally begun to move in a positive direction and gaining momentum in implementation despite the heavily constraining environment imposed by the security situation. Serious challenges continue to persist such as the increasingly volatile security environment and turnover of program staff. In this quarter, four long term expatriate staff left the program: Infrastructure Manager James Huddleston, Subcontracts Director James Crowther, Gender Specialist Homira Nassery, and Electrification Specialist Shahid Ahmed. However, the quarter also experienced the addition of several long term expatriate staff to include; Mr. David Flood Chief of Party in January, replacing Acting Chief of Party Stephen Vance. Dr. Enrique Rieger from Abt Associates as Livestock Specialist in February, Chris Payne, Chemonics Home Office staff person is Program Manager for Kandahar in January, and Ms. Marielos Zelaya joined ALP/S in March as Sub-Contracts Director.

ALP/S agricultural activity during the quarter focused on providing services and inputs to remote areas of Helmand and Kandahar. During the last quarter ALP/S took significant steps toward the development of a livestock cluster and finalizing a focused approach to agricultural activities. Feed for cattle, sheep and poultry for winter supplementation became available in January 2007. Seeds and fertilizers for the spring planting season became available by the end of March 2007. Activities continued at a rapid pace and are being achieved through local professional staff and employing contracted local staff working in an environment where insurgents occupy many areas. ALP/S also continued implementing emergency repair and rehabilitation of vineyards, irrigation systems, and raisin drying facilities in Kandahar in the wake of Operation Medusa in Panjwai and Zhari districts in Kandahar Province. Plans were made and subcontracts prepared for implementing agricultural programs that focus on extension services, introduction and improvement of horticultural crops and cultivation practices, commercialization of various varieties of chilies, and development of horticultural nurseries. The concentration of these efforts is in Helmand Province and in close collaboration with the Ministry of Agriculture and Irrigation.

Progress was made in implementing livestock cluster development. The animal feed program is ongoing and ALP/S implementing partner has delivered 6056 tons of ruminant feed and 442 tons of poultry feed. The program implemented by Afghanistan Veterinary Association (AVA), both training and health care of livestock, progressed well and 118 Basic Veterinary Workers have been trained including 14 women in Helmand Province. A step toward manufacture of commercial feed was achieved for the first time in Southern Afghanistan when the mini-feed mills provided to Kandahar Veterinary Association and Nava Zarya Dairy Cooperative in Bolan in Helmand were installed and commenced operation. Work is ongoing to complete installation and begin operation of two additional mini-feed mills.

In horticulture rehabilitation ALP/S has been rehabilitating vineyards and making needed repairs in Kandahar. Presently 200 projects are on going and 60 projects have been completed. The projects consist of rehabilitating vineyards by providing grape vines, small irrigation drains, kishmish-khana (raisin drying chambers), wells, and drip irrigation systems.

The spring seed and fertilizer distribution program got underway in February after consent was received from USAID. All of the vegetable seeds have been supplied during this quarter and nearly 75% of fertilizer received. A total of 4,749 MT of fertilizers will be provided along with 146,722 KG of seed. The estimated number of families that will benefit from the program of distribution of seed and fertilizer are 7513 in Helmand, 7933 in Kandahar and 4500 in Uruzgan.

The Infrastructure component continues to implement a successful irrigation system rehabilitation program and steps are being taken regarding the electrical sector. During this quarter, ALP/S expanded its irrigation system cleaning activities through the inclusion of new private sector contractors to accelerate canal and drain rehabilitation efforts. For a period of 40 days beginning in January water is not released into the irrigation canals in Helmand so that maintenance and repair operations can be accomplished. Three critical contracts were issued that allowed for cleaning operations to be conducted while the canals were in a dry condition. The contractors responded to the call and as a result three canals were cleaned at the only time of the year they could effectively be cleaned. These included 14.4km on the Darweshan Main Canal and the three kilometer spillway number 25, 19km of the Nahre Saraj Canal located near Grishk and the 18km Marja Branch Canal.

Drain cleaning during the quarter was completed for Main Drain B in Darweshan in the Garmser district of Helmand, Shamalan Main Drain A in Bolan and Marja Main Drain C by HCC. HCC has also progressed with drain cleaning for Darweshan Drain C, Marja Drain G and Darweshan Spur Drain B in Helmand Province for a total of 18.19 km. A total of 136km of drains and canals were cleaned in the quarter in Helmand and Kandahar and Uruzgan Provinces through direct subcontracting and cash for work programs.

During this quarter under cash for work, ALP/S identified a total of 25 new project activities in Uruzgan that includes drain, canal and karez cleaning, culvert repairs and replacements and flood protection. Nine projects are currently under implementation and one project, a flood protection wall, completed in Tirin Kot. In total, for this quarter, these activities employed 1,911 laborers over 24,016 labor days and generated \$86,657 in wages for the community.

During this quarter under cash for work in Kandahar ALP/S completed irrigation rehabilitation projects in Panjwai and Arghandab Districts. A total of 19 projects have been identified and submitted for approval. Four projects are currently being implemented. During this reporting period, 1,032 laborers worked 37,553 labor days and earned \$125,337 in wages.

The electrical substation project continued in that the bid for the transformers for the Lashkar Gah substation has been finalized and the negotiations for a contract are ongoing.

In this quarter, the Public Information component has been impacted by the lack of a long term PI specialist. However, the PI component was able to develop information brochures that will be used at the upcoming AgFair to be held in Kabul, produce a slide and video presentation and work with the Ministry of Agriculture for local advertising regarding feed, seed, and fertilizer distribution.

ALP/S made significant progress to support income generation and capacity building for women in Southern Afghanistan despite the charged and volatile operational environment for effecting change in this conservative culture. In this quarter, efforts focused on the midwifery program, BVW training, community development, and supporting the expansion of women owned and operated enterprises.

Some of the key gender integration achievements during the quarter include support of the successful expansion of Arghand Cooperative, a woman-owned hand-crafted soaps

enterprise, through financial support to product research, development and marketing activities, investing in women's livestock management training by hiring and fielding female feed distribution monitors and supporting a female BVW training course, continuing financial support to Kandahar Treasures, a new, woman-owned embroidered clothing and home goods company, and identifying and engaging potential partners such as women-serving local NGOs and government institutions in Helmand.

In March, Chemonics CEO, Richard Dreiman and the Senior Vice-President for the Asia Region. visited the ALP/S field offices in Kabul and Lashkargah. This visit gave the executive office at Chemonics an opportunity to see the project, discuss the issues with the local and expatriate staff, review security and meet with the USAID Mission Director and the Helmand Provincial Governor. The visit gave them the perspective needed to better focus home office support to ALP/S in achieving the program's goals and objectives.

In spite of the challenges of implementing technical assistance in the volatile, debilitated and conservative southern provinces, ALP/S continues to implement activities laying the foundation of licit, sustainable, economic growth in order to improve lives of Afghan citizens in collaboration with the Government of Afghanistan.

PROGRAM OVERVIEW

STATEMENT OF WORK

The overall objective of the Alternative Livelihoods Program is to improve the licit income opportunities and well being of thousands of rural families by integrating them into a growing regional economy. By providing licit, alternative income and employment opportunities, ALP/S will contribute to a reduction over time in the growing of opium poppy in targeted areas. The following objectives form the basis of all proposed ALP activities in Southern Afghanistan, and advance the primary Strategic Objective of USAID/Afghanistan: *a thriving licit economy led by the private sector*:

1. Improve public works and infrastructure;
2. Develop agribusiness clusters and associated income-generating activities;
3. Accelerate business development; and
4. Increase capacity of local institutions to facilitate ongoing economic growth.

OPERATING ENVIRONMENT

Afghanistan's south has been in a perpetual state of war for much of the last 25 years. Existing infrastructure is poor and often damaged, the number of potential implementing partners, both Afghan and international, is limited, and the Afghan partners often have low capacity to implement activities. Additionally, there is little access to financial services. With few educational facilities, the workforce is largely unskilled and uneducated. The percentage of local population receiving education varies from an estimated 10% in Uruzgan (ALP/S) to 14.8% in Kandahar (ALP/S). Almost half the population is under 16 years of age (ALP/S). As a result, ALP/S has to provide much capacity building for partners and on the job training for its local employees, resulting in short-term slow rate of implementation, but long term capacity and investment in the area, which furthers ensures sustainability.

The three provinces covered by ALP/S, Helmand, Kandahar and Uruzgan, are characterized by poverty, insecurity, tribal conflict and weak local governance as well as the role of illicit poppy production in the Helmand economy. The rise in the number of incidents involving body borne improvised explosive devices (BBIED) in Lashkar Gah included four suicide bombs that included one targeting ALP/S compound in late January, two suicide bombs targeting a convoy returning from the Lashkar Gah airstrip to the PRT resulting in two fatalities, a suicide bomb on the same day targeting the ANA and a suicide bomb in late March targeting the Afghan National Police resulting in five fatalities besides the bomber. ALP/S has had a few limited discussions with the current Governor Asadullah Wafa in an effort to establish a positive working relationship. A visit by Chemonics Senior management in March included a meeting with the Governor and the USAID Mission Director to discuss needs for the region and to help in solidifying a positive working relationship with the Governor.

One of the most influential challenges that ALP/S faces in the implementation of its activities is operating in the high risk environment in which it works. Southern Afghanistan is extremely insecure, characterized by frequent military operations of coalition and Afghan military and police against insurgent forces, as well as Taliban and anti-government elements (AGE)

activity. Spring has ushered in the start of poppy eradication and stepped up insurgent operations in the region. Ambushes and improvised explosive devices (IED) are constant threats to program implementation. Traditional power politics also influence conflict resolution in the region. The operating environment effects project implementation in several different ways: restricted movement to and from project sites, and in and out of Helmand, Kandahar and Uruzgan provinces, and the willingness of local stakeholders to collaborate with ALP/S.

QUARTERLY RESULTS

I. AGRICULTURAL CLUSTER DEVELOPMENT

ALP/S agricultural activity during the quarter focused on providing services and inputs to remote areas of Helmand and Kandahar. During the last quarter ALP/S took significant steps toward the development of a livestock cluster and finalizing a focused approach to agricultural activities. Feed for cattle, sheep and poultry for winter supplementation became available in January 2007. Seeds and fertilizers for the spring planting season became available by the end of March 2007. Activities continued at a rapid pace and are being achieved through local professional staff and employing contracted local staff working in an environment where insurgents occupy many areas. ALP/S also continued implementing emergency repair and rehabilitation of vineyards, irrigation systems, and raisin drying facilities in Kandahar in the wake of Operation Medusa in Panjwai and Zhari districts in Kandahar Province.

LIVESTOCK CLUSTER DEVELOPMENT

ALP/S continued working in accordance with the approved Work Plan for 2006-07. Substantial progress was made in implementing the livestock cluster development and spring seed and fertilizer program with award of the contracts to implementing partners through a competitive bidding process. ALP/S is developing this cluster through collaborative efforts with the Ministry of Agriculture and a network of farm and livestock associations. The program implemented by Afghanistan Veterinary Association (AVA), both training and health care of livestock, progressed well with training also being provided for women basic veterinary workers (BVW). A step toward manufacture of commercial feed was achieved for the first time in Southern Afghanistan when the mini-feed mill provided to Kandahar Veterinary Association and to the Nava Zarya Dairy Cooperative in Bolan in Helmand Province were installed and commenced operation. Work is ongoing to complete installation and begin operation of two additional mini-feed mills.

COMMERCIAL FEED SYSTEM

A major activity taken up in the last quarter was provision of feed to livestock owners in Southern Afghanistan during the winter as a supplement of nutrients to their animals during the months of feed scarcity. The focus of livestock feed delivery was in the provinces of Helmand and Kandahar. The feed provided was manufactured in Pakistan and a testing and quality assurance program was implemented to assure that good quality feed was being supplied. The implementing partner, the Noor-Havari Brothers, did an excellent job of supplying quality feed in large quantities. The amount of feed delivered and distributed during the quarter was as follows:

Province	Qty. Delivered (M. Tons.)		Qty. Distributed (M. tons.)		Qty. balance	
	Ruminant	Poultry	Ruminant	Poultry	Ruminant	Poultry
Helmand	2790.87	241.02	2665.18	85.94	125.69	155.08
Kandahar	3265.55	201.16	3056.53	46.25	209.02	151.65

The implementing partner has supplied 6056.42 tons of ruminant feed and 442.18 tons of poultry feed through the end of March 2007. The balance of livestock feed to be supplied will be completed by the end of April 2007.

The commercially manufactured compounded feed was distributed in districts of the provinces of Helmand and Kandahar. In Helmand Province, the districts supplied include Nad-i-Ali, Dishu, Marja, Lashkar Gah, Wasir, Naher-e Sarja, Gerishk, and Kajaki. In Kandahar Province the livestock feed was distributed to the districts of Maiwand, Daman, Arghandab, Zerai, Dand, and Panjwai. ALP/S hired field monitors, both male and female, to assist in distribution of feed and monitoring the livestock health and care. Despite an insurgent activity at peak levels, the monitors persevered in assuring that distribution of the feed was successful. Some of the monitors were forced to resign early due to the high risk due to threats to themselves and their families. ALP/S retained the services of paravets to monitor the health of livestock and progress made in increase of production. The monitoring work is still in progress and will be completed in the next three months. Weekly training is being provided to the monitors by the Livestock Advisor that has recently come aboard ALP/S program.

Under the feed distribution program, Kochis were also beneficiaries from the district of Helmand. The feed was distributed to approximately 4025 Kochi families. The feed was distributed to Kochis in the remote districts of Dishu, Garem Ser and Kajaki. The monitors appointed from Kochi tribes took significant risk in distributing the feed to these remote districts.

The details of feed distribution beneficiaries have been given in the table below:

Provinces	Kochi	General	Total
Helmand			
Dishu	108.60	40.90	149.50
Kajaki	35.30	0	35.30
Nawa-Barkzai	63.33	582.97	646.30
Lashkar Gah	110.48	1644.47	1754.95
Wasir	16.10	0	16.10
Nadi Ali	43.01	69.83	112.84
Garem ser	161.00	0	161.00
Marja	352.70	453.67	806.37
Naher-e Sarja	141.60	0	141.60
Gerishk	0	83.62	83.62
Nawzad	55.60	202.53	258.13
Kandahar		314.41	314.41
Arghandab	0	546.82	546.82
Daman	0	327.19	327.19
Dand	0	100.44	100.44
Panjwai	0	0	0.00
Zerai	0	196.02	196.02
Maiwand	0	203.31	203.31
GRAND TOTAL	1087.72	4766.18	5853.90

Distribution in some of the above districts was not possible due ongoing insurgent activities and military operations. The cooperatives and associations were unable to arrange transport under such conditions. Distribution has also been phased in some distant districts based on delivery schedule from the supplier.

Livestock has the potential to be a major driver of licit economic development in southern Afghanistan. The livestock feed program is guided by two fundamental premises:

- For the majority of beneficiaries with small livestock herds, the feed received from the program represents an important supplement to the scarce forage and feed grain diet typically available during the winter season, and will maintain milk production and animal weight during the winter months.
- For producers with large herds, the feed represents a small fraction of what would be needed to offset seasonal feed shortages and consequent losses in production and animal weight.

Preparations are underway for providing extension services and workshops that will train livestock owners and project personnel in the monitoring of feed distribution. As women contribute significantly to livestock, particularly poultry production, the program anticipates that a select number of these courses will train female extension agents to work with women on an appropriate village level.

VETERINARY SERVICES

AVA is the implementing partner for livestock health care and training and has been aggressive in program implementation since their services began in September 2006. ALP/S is on pace to exceed the training targets (n=120) as 118 BVW have been trained to date. AVA also has trained 14 women BVWs in Helmand Province for providing basic livestock health care services in the villages surrounding Lashkar Gah. These women have been provided with basic veterinary kits and have been trained to provide vaccinations and administer medications to poultry and conduct health management services to large ruminants. Another BVW course for women has been planned to commence in early April 2007.

- During the last quarter AVA conducted three courses for BVWs and in total trained 29 BVWs of which 14 are women.
- A course was conducted in Helmand during the quarter for 28 paravets to be trained as laboratory technicians. ALP/S designed the training to assist paravets in disease diagnoses for certain targeted diseases. Laboratory kits consisting of a microscope, chemicals, oven, and sterilizer as well as other related equipment were provided to these laboratory technicians for conducting diagnoses.
- A five month training course for 14 paravets, started in the previous quarter and continued through the present quarter, was conducted in Kandahar. The training was focused at establishing new Veterinary Field Units (VFUs) in the region. The paravet course is due for completion in April. The paravets will work in different districts and will be provided with free medicines and instruments for treating livestock as part of the program. Solar refrigerators are being provided to keep the medicines under controlled temperature.

AVA provided livestock health care services during the reporting quarter as follows:

- Vaccinations – 126,832
- Medications – 208,880
- Other Services – 7,540

AVA conducted two promotional programs and public meetings at district level. Farmers were invited to the Lashkar Gah AVA office and to the office in Kandahar City. On average 300 livestock farmers were present for each of the programs. The programs consisted of:

1. Promotion of health care through regular examination of livestock and taking preventive measures.
2. Distribution of information on cure for various common health conditions and diseases.
3. Holding of a seminar and discussions with livestock owners from the district.

AVA took part in an Agriculture exhibition held at Kandahar Stadium in Kandahar City attended by many farmers from surrounding villages on the occasion of Nawroz (New Year). AVA presented the different medicines and instruments used in the care of livestock. AVA also distributed pamphlets, other information, and some free medicines to farmers. AVA officials explained the importance of animal health management to livestock owners and farmers.



AVA participated in Agriculture fair in Kandahar on the occasion of Nawroz organized by Ministry of Agriculture.

MINI-FEED MILLS

Mini-feeds mills were loaned to two cooperatives and two associations in Southern Afghanistan. ALP/S signed Memorandums of Understanding (MOUs) with the Daman Dairy Cooperative (DDC) in Kandahar City, Nava Zarya Dairy Cooperative, (NZDC) in Bolan-Helmand, the Kandahar Veterinary Association (KVA) in Kandahar and the Helmand Veterinary Association (HVA) in Lashkar Gah City. Two of the four mini-feed mills have been installed and started with the other two mills installed and operational by the middle of April.

The installation of the mini-feed mill of KVA, located at Daman, was completed and began operation on March 25th 2007. During assembly and installation of the mini-mill over a two day period training was provided to KVA and DDC operators and members of the association and cooperative. The training included operation and maintenance and the main operating parts were disassembled and reassembled to demonstrate the usage of the parts and the installation of spare parts. A trial batch production of cattle feed in the amount of 350 kilograms was processed through the mini-feed mill of KVA. A batch requires just 40 minutes to process and hence the feed mill can produce 3 tons of feed per day on a single shift basis.



First Trial production of cattle feed at KVA being bagged. KVA will distribute the feed through Veterinary Field Units in Kandahar province.

Trial production of livestock feed at DDC being bagged by its' members. The feed would be commercially sold to farmer members of the cooperative. This feed mill was self commissioned by DDC members after training.



Based on the training imparted to DDC, the mini-mill located at Kandahar City was self commissioned by DDC members and operators on March 28, 2007. ALP/S could not visit the site due to security concerns as earlier DDC had to give up a location when ALP officials visited the site. DDC and KVA will commence commercial production of feed shortly as soon as they receive printed bags.

An operation and maintenance manual for the feed mills and generators in Pashto is being prepared and will be delivered to the cooperatives and association by the end of April.

ALP/S is investigating feed formulation using various ingredients to attain the best quality feed using local feed materials. ALP/S is conducting a survey of various materials available in the market and pricing for producing high quality livestock feed economically.

HORTICULTURE CLUSTER DEVELOPMENT

The horticulture rehabilitation program being implemented in Kandahar Province was extended due to the ongoing military operations and security constraints. Even under difficult conditions the implementing partner Roots of Peace continued with the rehabilitation activity. Farmers were provided with grape vines, pomegranate, apricots, etc cutting and grafts. Working collaboratively with farmers, RoP provided assistance for the development of irrigation facilities and trellises for grape vineyards. Presently 200 projects are on going and 60 projects have been completed. The different projects consist of rehabilitating vineyards by providing grape vines, small irrigation drains, kishmish-khana (raisin drying chambers), wells, and drip irrigation systems. About a dozen of kishmish-khana has been repaired during the reporting period, which included repairing of walls or ceilings.

SUPPORT TO FRUIT AND NUT FARMERS AND TRADERS IN KANDAHAR

DFEAK representative Mr. Abdul Rahaman traveled to Dubai from January 12 – 17, 2007 to arrange for the export of dry fruits. Mr. Abdul met with the officials of Al Ras Dried fruit Market, Royal Golden trading Co., Rashwel Company, Al Maya Trading Co. and Best Food Co. These companies are large buyers of almonds, raisins and pistachios. DFEAK realized there is also good market for clean cumin seeds and have plans to set up a plant for grading and packaging cumin seeds. The trip was funded by ALPS and organized by Roots of Peace.

Mr. Haji Abdul Ahad, President – DFEAK traveled to the Netherlands for trade discussions from February 4 to 8, 2007. He visited various wholesale markets and, in particular, had discussions with DELI NUTS and Yme Kuiper B.V. that were interested in dry fruits from Afghanistan. The objective of the trip was to identify potential buyers and also to obtain information on the quality of dried fruit products and packaging of dried fruit in various packaging sizes. Mr. Abdul also visited a large bakery – “Bake for Life”- producing cakes using various dried fruits of which raisins are a major constituent of the product.

As a result of these trade visits DFEAK has realized the potential for quality products, especially raisins, and established contacts with companies that will be customers for dried fruit products from Afghanistan. DFEAK has sent a 20 foot container (15 metric tons) of various dried fruits to Yme Kuiper B. V. as an initial sample to help establish a demand for Afghanistan dry fruits in Netherlands. The export of raisins for use in bakery products is scheduled for the coming season when fresh stock will be available.

CHILI TRIAL PLOT ACTIVITY

ALP/S is pursuing a number of investor-based, agribusiness cluster opportunities for Helmand province. One recently completed activity is the cultivation, drying and processing of chili peppers. ALP/S subcontracted with Development Works Canada (DWC) to test the growing, drying and processing of chili peppers in Helmand province, as a viable alternative to opium poppy cultivation. The trial chili pepper crop that ALP/S planted and tested has

been deemed successful by the Regional Department of Agriculture. A proposal for the commercialization phase for implementation and promotion of chili was developed and submitted to ALP/S by DWC during this quarter.

SPRING SEED AND FERTILIZER DISTRIBUTION

Consent for the spring seeds and fertilizer program was obtained from USAID on February 5th 2007. The implementing partner, Noor Agriculture Seeds Company (NASC), was selected for the seeds and fertilizer program through a competitive bidding process of 21 vendors. Selection was based on qualifications, pricing and delivery schedule. Companies from Helmand, Kandahar, Kabul, Nangahar, Herat and other provinces submitted quotes.

The seed and fertilizer distribution program began the last week of March 2007 in Helmand and will begin soon in Kandahar and will continue through the end of April 2007. The vegetable seeds were procured in Holland and India while graded and treated seeds such as green mung, black mung, corn, etc are procured from local suppliers. Testing and certification measures have been implemented to assure the quality of the seeds provided. Local seeds have been tested at the FAO test laboratory in Kabul while certificates for imported seeds have been provided by the seed producers. All documentation for imported seeds has been submitted by NASC.

The estimated number of families that will benefit from the distribution of seeds and fertilizers are 7513 in Helmand, 7933 in Kandahar, and 4500 in Uruzgan. After distribution of seeds and fertilizers a monitoring program for planting and production will continue over the next four months. Monitors appointed by ALP/S will work hand in hand with extension agents from the Regional Agriculture Departments to evaluate the cultivation of vegetable and other crops from the provided seeds.

The details of the seeds and fertilizer being made available for farmers of Southern Afghanistan which include Helmand, Kandahar and Uruzgan are as follows:

FERTILIZER SUPPLY

Sr. No.	Type of Fertilizer	Quantity (M tons)	Location
1	Urea	1,866	Kandahar/ Uruzgan
2	Di-ammonium Phosphate	933	Kandahar/ Uruzgan
3	Urea	1300	Helmand
4	Di-ammonium Phosphate	650	Helmand
TOTAL		4,749	

Fertilizers are being supplied in 25 kilogram bags while the seed is being supplied in various quantity of packing based on the number of geribs (one fifth of hectare) of land to be planted by farmers and rate of seed per gerib.

All the quantity of seed was supplied before March 2007 while nearly 75% of the fertilizer has been supplied and balance is in transit.

SEEDS SUPPLY TABLE

Type of Seed	Variety	Kandahar Kg	Helmand Kg	Uruzgan Kg	Total Kg
Watermelon	Charleston Grey	1725	4412	2475	8612
Squash	Maru	130	0	0	130
Onion	Red Mazina, Stone	3,360	2,000	3,900	9,260
Carrot	Local: Nintife	196	2,000	0	2,196
Leek	Local: Prelima	0	50	0	50
Radish	Red Silk, Therbillei	49	500	0	549
Black Mung Bean	Local: Nayab	15,600	0	0	15,600
Green Mung Bean	Local: Type Nine	14,475	0	0	14,475
White Bean	Local Cowpea: Herat	150	0	0	150
Alfalfa	Buffalo	0	10,000	0	10,000
Musk Melon	Local: H. Sherai, Mazari	800	1,000	1,400	3,200
Tomato	Roma, Gola	600	144	486	1,230
Eggplant	Kandalary, Long Purple	390	182	376	948
Chile	Big Banana 1	216	168	60	444
Cucumber	F1 Hybrid Zina	900	1,600	580	3,080
Okra	Clemson Spineless	4,470	4,500	4,920	13,890
Corn	Sarhad Yellow	24,480	35,296	0	59,776
Red Bean	Red Special	290	892	0	1,182
Peanut	Virginia	0	1,680	0	1,680
Soybean	1827082	0	270	0	270
Total		67,831	64,694	14,197	146,722

II. IMPROVED ACCESS TO PRODUCTIVE INFRASTRUCTURE

A rehabilitated infrastructure is a vital and necessary condition for the economic growth of the region. Infrastructure activities, such as road and irrigation system rehabilitation and rebuilding the electrical substation and distribution system in Lashkar Gah contributes toward the area-based economic development of Southern Afghanistan. These activities demonstrate the commitment of the GOA in partnership with the USG to the development of economic assets that are visible and perceived by a large number of residents as being of great value in improving their economic opportunities.

ALP/S selected the activities implemented during the quarter for their potential to promote the growth of licit economic development in Helmand, Uruzgan, and to a lesser extent Kandahar province. ALP/S worked in collaboration with provincial and community leaders and with HAVA in Helmand Province to identify those irrigation and road projects that are a high priority for the region and contribute to economic growth to the farm community. Key activities and accomplishments during the quarter include:

REPAIR AND RENOVATION OF GRAVEL COMPACTED ROADS

Through a competitive bidding process ALP/S selected four contractors to rehabilitate gravel compacted roads in Helmand and Kandahar Provinces. The contractors selected will rehabilitate 144 kilometers of roads in Helmand Province and 112 kilometers of roads in Kandahar Province. Contracts have been prepared and ALP/S is presently waiting to receive consent from USAID for the contracts. Some technical questions and issues have been brought up which require resolution before the contracting process can be completed. ALP/S anticipates work commencing early in the upcoming quarter.

IMPROVED CAPACITY TO MANAGE THE IRRIGATION AND DRAINAGE SYSTEMS

MAIN DRAIN CLEANING

Rehabilitation of Helmand Province's irrigation and drainage system is essential for improving the livelihoods of this agricultural based region. Removal of silt and sediment from drains and canals allow for a less restrictive flow of water and is the first step in rehabilitation of the canal and drain system for Helmand Province. The next step of rehabilitation will focus on the repair of essential structures, re-routing of river flow, and rehabilitation of controls that allow for unimpeded irrigation operations. ALP/S is nearing the completion of the Year Two Plan to dredge and rehabilitate canals and main drains using draglines on the Darweshan, Shamalan and the Marja drainage systems.



Marja Branch Canal before and after cleaning

During this quarter, ALP/S expanded its irrigation system cleaning activities through the inclusion of new private sector contractors to supplement the efforts of the Helmand Construction Company (HCC) for cleaning drains and canals. For a period of 40 days beginning in January water is not released into the irrigation canals in Helmand so that maintenance and repair operations can be accomplished. Three critical contracts were issued that allowed for cleaning operations to be conducted while the canals were in a dry condition. The contractors responded to the call and as a result three canals were cleaned at the only time of the year they could effectively be cleaned. These included 14.4km on the Darweshan Main Canal and the three kilometer spillway number 25 cleaned by NBCC (New Bost Construction Company), 19km of the Nahre Saraj Canal located near Grishk and the 18km Marja Branch Canal, both cleaned by NNCC (Niamat Nasrat Construction Company). Failure to complete the cleaning process would have required waiting for next year's dry canal condition.

Drain cleaning during the quarter was completed for Main Drain B in Darweshan in the Garmser district of Helmand, Shamalan Main Drain A in Bolan and Marja Main Drain C by HCC. HCC has also progressed with drain cleaning for Darweshan Drain C, Marja Drain G and Darweshan Spur Drain B in Helmand Province. During the quarter ALP/S has cleaned 18.19 km of the planned Main Drains through its subcontractor HCC. A total of 136km of drains and canals were cleaned in the quarter in Helmand, Kandahar, and Uruzgan Provinces through direct subcontracting and cash for work programs..

REHABILITATION OF LASHKAR GAH ELECTRICAL SUBSTATION AND DISTRIBUTION SYSTEM

ALP/S has designed the upgrade to the Lashkar Gah electrical substation and distribution system that will begin implementation later in 2007. During the quarter the questions and responses between the selected vendor and ALP/S was completed with the final questions resolved in late March. A contract is being prepared for the fabrication, delivery and installation of the two required transformers. The vendor's schedule calls for fabrication to take place over a 330 day period with delivery and installation adding another 65 days for a total time of 395 days. Placing of the order for the transformers has been the critical path item that is dictating the schedule for the completion of the design and procurement of the balance of materials for the substation and for the distribution system. Rebuilding the electrical sub-station in Lashkar Gah and improving local distribution will prepare the area for the planned rehabilitation of the Kajaki-Lashkar Gah 110 kV transmission line and will deliver a reliable source of electrical energy to the planned industrial park and the surrounding community.

CASH FOR WORK ACTIVITIES

In October 2006, ALP/S subcontracted with Central Asian Development Group (CADG) to implement cash for work activities in districts located in the volatile Provinces of Uruzgan and Kandahar. This new subcontract provides for continued cash for work efforts in Uruzgan and cash for work in Kandahar Province. Cash for work in Kandahar follows up on the Operation Medusa military action and work began in November 2006 and goes through the end of 2007. Work in Uruzgan commenced in January 2007 following close out of the previous contract that closed in December 2006.

URUZGAN

During this quarter, ALP/S identified a total of 25 new project activities that includes drain, canal and karez cleaning, culvert repairs and replacements and flood protection. Nine projects are currently under implementation and one project, a flood protection wall, completed in Tirin Kot. In total, for this quarter, these activities employed 1,911 laborers over 24,016 labor days and generated \$86,657 in wages for the community.

Work on the Malizo Dikes started on February 1, 2007 and was completed during the quarter. Although progress had been slowed due to the level of water in the river, workers were able to make up for lost time. The project is now 100% complete. In total 2,072 labor days were used on this project, and during the last half of March 64m in length of gabion wall was constructed totaling 128 cubic meters of gabion wall for the two week period alone, affording protection to the surrounding community, their land and homes from the rising water of the spring melt.



Malizo Dike Rehabilitation in Tirin Kot Uruzgan

KANDAHAR

ALP/S continued cash-for-work activities in Kandahar during this quarter. During this quarter ALP/S completed irrigation rehabilitation projects in Panjwai and Arghandab districts. A total



Kandahar cash for work, Amarah Village

of 19 projects have been identified and submitted for approval. Four projects are currently being implemented. During this reporting period, 1,032 laborers worked 37,553 labor days and earned \$125,337 in wages. Projects on the Amarah village road and Panjwai culverts began in January. Mobilization on the Amarah road project is advanced with materials and tools for the road having been purchased and the first stage underway. Laborers are digging the drains for the sides of the road. Additional materials for the road are being brought in. Once a reasonable distance has been covered, further laborers will

be brought in to mix the materials and finish off the road surface in preparation for compaction with a roller.

III. BUSINESS DEVELOPMENT SERVICES

The Business Development Services (BDS) component has begun to refocus on the promotion of private sector business investment in both Helmand and Kandahar. Near the end of the quarter a long term BDS component manager, Paul Bell, who has begun to investigate the development of an industrial park for Lashkar Gah, and promoting and supporting private sector investments in Helmand and Kandahar.

INTERNET CONNECTIVITY IN LASHKAR GAH

The ALP/S Internet Connectivity activity is designed to provide internet connections for the Helmand governor's office, Ministry of Agriculture and Irrigation, Helmand Widow's Association, as well as a public internet café operated by a private sector entrepreneur, selected from ten applicants who competed for the private sector opportunity. During this quarter all equipment has been provided to the Ministry of Agriculture, The Governor's Office, and the Internet Café. The Office of Women's Affairs had previously received computers but the RAM had been removed from the computers. ALP/S replaced the RAM in the computers to make them operational. Memoranda of Understanding were prepared and signed between ALP/S and the recipients of the computers regarding the responsibilities of the recipients. The computers are on loan and will either be returned to the project or ownership will be transferred during project close out.

ALP/S has developed basic computer training modules for use by the trainer to provide basic computer training for the Governor's office and the Department of Agriculture. Training will commence during the next quarter. As an expansion of this activity during the next quarter ALP/S will provide an additional three computers and internet connections to the office of the Lashkar Gah Mayor along with basic computer training. This will further assist in providing an access link with local and central government as well as access to the information available on the internet.

The Abdaly Internet Café opened for business in February under the proprietorship of local entrepreneur Mr. Zabe Ullah, a native of Helmand's Nowzaad District. Based in the bazaar area next door to the office of Lashkar Gah's Mayor, fifteen customers a day use the eleven computers the Café has received on loan courtesy of ALP/S - including three women regulars who attend with male relatives. The Café has already held two internet skills classes on basic tasks like sending and receiving e-mails. Each course was held for an hour a day over a fifteen day period. Seven participants completed the course which cost Afs 1,000 per person.

Plans for future sustainability of the Abdaly Internet Café at the bazaar are ongoing between the Proprietor and the ALP/S BDS team.

BUSINESS SKILLS FOR LOCAL ENTREPRENEURS

ALP/S BDS has initiated the process of building a comprehensive set of business planning training materials titled "Planning and Running Own Your Business". Currently being adapted from last year's successful World Bank / Kabul University program, this tailored offering for Kandahar and Helmand's prospective entrepreneurs is an integrated effort by the ALP/S BDS and Agribusiness Teams.

The package can be accessed as a complete 10 module / 2 week certified program or through individual component modules that deal with stand alone topics like marketing, basic bookkeeping and financial analysis or production planning.

“Planning and Running Your Own Business” will be available in soft and 120 page hardcopy textbook in English, Dari and Pashtu. Stand alone modules will be available in hardcopy pamphlet form only. The complete package also comes with a useful CD containing financial planning templates, sample business plans and research / market information files many of which have been translated into Dari.

Modules are being piloted throughout their development via an in house training program for ALP/S Afghan counterparts and the BDS team is currently engaged in researching the viability of an audio version suitable for radio transmission.

INDUSTRIAL PARK

Further investigation of the Bolan site for the Industrial Park shows that it may not be as ideal for the IP as construed in the feasibility study conducted during the period of the first quarterly report for 2007. Much of the land for the proposed IP may have, in fact, been deeded over to individuals to construct houses and the impediments to development may preclude the site as suitable for the IP. A more suitable site may be the vacant former Russian army depot on the south side of the main Herat Road. The location is highly proximate to the town center and straddles this main road to Helmand’s most productive agricultural areas of Marjah and Nad Ali and the main road down the valley to Garmser and Nawa Barakzayi. The area is already reasonably served by electrical, water and transport support utilities and is secure with regular patrols along the busy road and a visible security presence.

The site is opposite one currently being held vacant for the relocation of the Lashkar Gah vegetable market. Combining the two into one development could produce a regional hub to attract major private sector investment and magnetize current traders and agricultural support businesses. Hub usage would be further compounded by locating a proposed feed mill funded through private / public partnership and whose inputs would further stimulate the region’s farmers with supply side activities and outputs would greatly increase the livestock sector’s quality and productivity. Both sites currently possess cold storage facilities owned by the Traders and Farmers Associations. Once refurbished these will add further value to local market sales activities and function as consolidation / distribution points for regional, national or even international trades. The Governor, Mayor and both the Traders and Farmers Associations all support the relocation of the vegetable market. Incorporating it with the ABP will consolidate many assets in a highly visible and transparent development.

IV. PUBLIC INFORMATION

The program developed the Alternative Livelihoods Public Information Campaign at the request of USAID to accurately define ALPS' activities to the people of Helmand. The campaign was developed in partnership with local stakeholders and Kabul based subcontractor Sayara Media and Communications.

ALP/S loss of its Public Information Specialist has put a constraint on the continued development and implementation of its Public Information campaigns. However, during the quarter ALP/S prepared a revised Investment Opportunities brochure which will be available for distribution at the upcoming Agfair in April. Additionally, a slide and video presentation was developed for showing at the display booths at Agfair.

The Public Information office also assisted other departments in communicating important messages via local media. During this quarter, the leaflet previously designed to provide information for the livestock feed distribution program was distributed. Also, working with the Ministry of Agriculture, local radio in Kabul, Kandahar and Helmand was used to advertise requests for proposals for the upcoming spring seed and fertilizer distribution program and was also, in Kandahar and Helmand, used the radio to advertise the feed distribution program.

V. GENDER INTEGRATION AND STRATEGIC ACTIVITIES

INVOLVING WOMEN IN REGIONAL DEVELOPMENT

In the past quarter ALP/S expanded the scope and reach of its women-focused activities through broader livestock management and health training. ALP/S has also identified short, medium and long-term women's development strategies, allowing the program to take advantage of current opportunities while laying the ground work for future opportunities to involve women and vulnerable groups in the region's economic development.

Key achievements in the reporting period include:

- Supporting the successful expansion of Arghand Cooperative, a woman-owned hand-crafted soaps enterprise, through financial support to product research, development and marketing activities.
- Investing in women's livestock management training by hiring and fielding female feed distribution monitors and supporting a female basic veterinary workers training course.
- Continuing financial support to Kandahar Treasures, a new, woman-owned embroidered clothing and home goods company.
- Identifying and engaging potential partners such as women-serving local NGOs and government institutions in Helmand.

FEMALE BASIC VETERINARY WORKERS TRAINING COURSE

In February 2007 ALP/S provided financial support to the first female Basic Veterinary Worker course in Helmand Province. The two-week course, organized by the Afghan Veterinary Association, trained 15 women from Helmand districts in basic animal health and hygiene. The graduates are now working in their communities, providing fee-for-service veterinary care to villages throughout the province. The female BVW course mirrors the long-running male BVW

“As our services become known over time we will earn lots of money. And we are happy that it will be a good income opportunity for our families.”

-BVW Trainee Quote #3



Dr. Fazl Urehman, AVA BVW training, giving graduation advice & per diem to the first class of Female BVWs in Helmand Province. (Photo by Shah- ALP/S; 2007)

course that AVA offers with ALP/S's support. ALP/S provided veterinary supplies and training supplies to the female BVW course participants. The Gender Integration and Livestock Teams conducted a joint debrief with training program participants the day of their graduation. Participants were overwhelmingly pleased with their new careers and looked forward to advertising their services upon return to their respective districts. ALP/S is planning a second female BVW course with AVA.

COMMUNITY DEVELOPMENT

This quarter ALP/S began positioning itself to support some of the existing work taking place at the Department of Women's Affairs. In March ALP/S refurbished the Women's Affairs training room that had been damaged in a fire. The training room is used for basic veterinary worker, knitting, sewing and other job training courses for Helmand women. ALP/S also began coordinating a women's gabion weaving cash for work project with Women's Affairs; through this, ALP/S will provide short-term, home based employment to approximately forty Helmand women for the construction of protective barriers for the new ALP/S property.



Women listening to presentation during the ALP/S-sponsored International Women's Day event at Helmand's Department of Women's Affairs. (Photo by Shah- ALP/S; 2007)

On March 24, 2007 the ALP/S Gender Team sponsored an International Women's Day Celebration on behalf of the Helmand Department of Women's Affairs. The momentous event brought together nearly 100 women from throughout the province for a morning of song, poetry and other expressions of women's contributions to Pashto culture and

community in Helmand. ALP/S provided a catered lunch and one-hundred pieces of cloth (measured out at 5 meters each)

which were distributed as gifts to the event guests. During the celebration, Women's Affairs announced the launching of the ALP/S Basic Computer Literacy one month course that is scheduled to begin in May simultaneously at Women's Affairs, the Governor's office and the Department of Agriculture.

ALP/S also began discussions with female members of Helmand's Provincial Council and the Afghan Women's Development Association (AWEDA), both of which ALP/S may support through grants for a broader set of women's development initiatives. Suggested areas of intervention emerging from these discussions include vocational training and support to artisan enterprises such as hand embroidery, soap making, rug making, and tailoring.

MIDWIFE ENTERPRISES AND TRAINING

In an effort to promote culturally appropriate alternative livelihoods for women, ALP/S will support a community midwives training program in Helmand. The 18-month program has been established with USAID funding in many parts of Afghanistan. Through the community midwife training program ALP/S will create nearly 90 year-round jobs, including posts for approximately 20 community midwives that will provide life saving safe motherhood services throughout Helmand Province. Through this innovative investment in the health of women and families, ALP/S will increase the ability of southern Afghan households to engage in productive alternative livelihoods.

This quarter ALP/S conducted site inspections of the future community midwife dormitory at the Bost Provincial Hospital complex. Construction on the 20+ bedroom dormitory, sponsored by the British PRT, will be complete in spring 2007. In addition to bed/bathrooms the two-story building features a dining hall, study rooms and a nursery for CME trainees who need child care. Gender Integration Team members met with hospital administrators to review plans for the CME training as well as for the proposed behavior change

communication radio program promoting birth spacing. Overall program plans were well received by Bost Hospital partners; the training itself is scheduled to start in August 2007.

During the quarter ALP/S also began discussions with the Lashkar Gah PRT/CIMIC to establish a cost-sharing arrangement for the safe motherhood radio campaign associated with the CME program.

ARGHAND COOPERATIVE



Arghand Cooperative members preparing a batch of hand-crafted soap. (Photo by Williams- ALP/S: 2007)

Arghand Cooperative, a burgeoning woman-owned business based in Kandahar, creates and markets high-quality hand-crafted soaps using locally grown products. With financial support from ALP/S Arghand has provided steady employment to more than 20 Kandahari women and men (including soap factory workers and farmers). Through this support Arghand has conducted market trials and analysis, developed a business plan, conducted product research and development, expanded its product line and established a

cooperative business model for the commercial production, processing, marketing and export of high quality

bath goods using local raw materials and labor. As this reporting period comes to a close, ALP/S is negotiating the terms of its continuing financial support to the Cooperative under a new subcontract.

KANDAHAR TREASURES

Kandahar Treasure is an Afghan woman-owned and operated hand-embroidery business that employs over 400 home-based women artisans. The company started in 2005 as an outgrowth of the income-generating projects of Afghans for Civil Society, a Kandahar-based NGO. ALP/S provides financial support to Kandahar Treasure for business start and technical assistance. The highlight of the company's recent accomplishments through its subcontract with ALP/S is its inclusion to the invitation-only Santa Fe International Fashion Expo. Kandahar Treasure will travel to New Mexico in July to exhibit and sell nearly 1300 items, including over 700 newly created pieces over the next few weeks, such as: bed spreads, decorative pillows and runners, shawls, place settings and shirts. The company's fifteen master embroiders continue to design and partially develop patterns for outsourcing to the home-based embroidery team, in preparation for this event.

Kandahar Treasure is actively establishing a domestic and international market; ALP/S has funded the development of a Kandahar Treasure website (<http://www.kandahartreasure.com>) as part of the company's market trials and analysis efforts. The website is scheduled for completion at the start of April 2007

FEMALE AGRICULTURAL EXTENSION WORKERS

In an on-going effort to integrate women into livestock cluster activities, ALP/S successfully hired and fielded three female animal feed distribution monitors for Helmand Province. The

monitors work with their male counterparts to educate feed recipients on proper animal health and hygiene practices. Using female monitors, ALP/S has increased its public information reach to a broad network of rural women at the household level.

STRATEGIC ACTIVITIES

NATIONAL AGFAIR

ALP/S will participate in the first annual AgFair sponsored by the Ministry of Agriculture, Livestock & Irrigation and ASAP, from April 16-23, 2007. The goal of the fair is to provide a networking opportunity for a wide variety of agricultural interests including farmers/cooperatives, agricultural product processors, exporter/importers and investors. ALP/S will send a delegation of approximately 20-30 people consisting of a) key clients such as DFEAK & FFEAK, AVA and Kandahar Treasure to display their goods & services; and b) other local partners such as cooperatives participating in the ALP/S feed, seed & fertilizer distribution programs. The delegation will participate in the AgFair professional development sessions from April 16-20th and participate in the open days of the AgFair on April 22 and 23rd.

BASIC COMPUTER LITERACY PROGRAM

During this quarter ALP/S designed a Basic Computer Literacy Program to compliment its 2006 Internet Access activity. Through *Internet Access*, ALP/S provided new computers, software and one year of internet service to a series of Helmand government offices, such as the Governor's Office, the Department of Agriculture, the Department of Women's Affairs and a private business, Abdaly Internet Café. The BCL program will provide intensive computer and essential software training to ALP/S clients; thereby increasing their professional capacity in their current jobs. ALP/S hired a new IT Manager and began advertising for a dedicated IT Training Assistant to coordinate the pilot one-month computer course, which is scheduled to begin in May 2007.

REGIONAL PARTNERSHIPS

ALP/S began program coordination discussions with other USAID-funded programs operating in southern Afghanistan, such as DAI/ASMED and ARIES. The programs identified key areas of collaboration on providing access to credit to southern Afghan agribusinesses, promoting greater investment opportunities in the region and possibly jointly undertaking business development service activities in the future.

VII. PROGRAM MANAGEMENT

OPERATIONS

STAFFING

This quarter saw key changes in the ALP/S team. During the quarter the staff departures included Director of Infrastructure Jimmy Huddleston, Public Information Specialist Sally Cooper, Sub-Contracts Director James Crowther, NRECA's Electrification Specialist Shahid Ahmed, and Gender Specialist Homira Nassery. Mr. David Flood joined the project as Chief of Party in January, replacing Acting Chief of Party Stephen Vance. Dr. Enrique Rieger joined the ALP/S team from Abt Associates as Livestock Specialist in February, Chris Payne, Chemonics Home Office staff person joined ALP/S as Program Manager for Kandahar in January, and Ms. Marielos Zelaya joined the ALP/S team in March as Sub-Contracts Director.

During January Serena Williams arrived as a short term Gender Consultant. She will become the long term Gender Specialist beginning in April. ALP/S will be fielding long term Business Development Specialist Paul Bell in April and a long term Monitoring and Evaluation Specialist Sonya Valencia mid April 2007. In addition a long term Director of Community Action Programs, a Financial Controller and a Program Support accountant will be arriving during the next quarter. ALP/S continues to recruit for the positions of Infrastructure Director, Public Information Specialist and Communications Specialist.

OPERATING ENVIRONMENT

TRANSPORTATION

ALP/S continues to use armored vehicles on a daily basis for the transportation of staff to meetings within Lashkar Gah and between its guesthouse facilities within Lashkar Gah as well as to locations outside the city limits of Lashkar Gah. During the quarter security conditions allowed for road movements between Lashkar Gah and Kandahar. With eradication efforts underway and stepped up offensive by AGE, road movements between Lashkar Gah and Kandahar have been curtailed. With the build up of activities in Kandahar and increased demands on transportation due to program needs four armored vehicles, two in Lashkar Gah and two in Kandahar have been leased until the newly procured armored vehicles can be delivered to the project. These leased vehicles will allow for the repair of vehicles that have been damaged by the severe operating conditions and service imposed by the region. Delivery of the four new armored vehicles is expected by the middle of May.

COMMUNICATIONS

The ALP/S office in Lashkar Gah currently has two internet connections from the companies IO-GLOBAL and Quicklink IO-GLOBAL was chosen as a replacement of IVSAT, because of downgraded service being received from IVSAT. The service provided by IO-GLOBAL is much more reliable and faster than IVSAT. The second ISP, Quicklink, has been chosen as the backup ISP in case of failure and service interruption of IO-GLOBAL. The Internet connection bandwidth has been improved and a load balancing device has been installed to manage internet traffic overload automatically. This load balancing has improved reliability and 24x7 availability of the internet for ALP/S project activities. The security for wireless network has been installed to protect the network from use by unauthorized users. Previously, the wireless was accessible from outside the ALP/S compound due to the

strength of the signal. A Sonic WALL firewall has been also activated to secure network and keep data safe.

SECURITY

The security situation in Helmand Province has remained volatile for the quarter. As suggested in the previous quarterly report, the usually slower security incidences during the colder months has not been the case during this past winter.

Four Body Born Improvised Explosive Device (BBIED) attacks have been carried out in Lashkar Gah City during the reporting period. Most notably, the Chemonics ALP/S Palace Compound was targeted by a BBIED on January 26. Fortunately, alert compound guards prevented the bomber from entering the compound and the bomber initiated the device outside the compound entrance killing himself and wounding a guard. The other three targets were a private security company working in support of the Poppy Eradication Program (PEP), the Afghan National Army (ANA) and the Afghan National Police (ANP). The bombers were successful in reaching their intended targets with the exception of the ALP/S attacker.

Of concern is the integrity of the local Lashkar Gah police force. A new city police commander has taken office. The commander has voiced his concern and frustration at the sub standard caliber of the police force which he inherited and their obvious lack of integrity. Much of the crime in the city is attributed to local police elements. Low and irregular wages, lack of resources and support from central government are reasons for the ineffective police force.

Several kidnappings have occurred during the quarter. Dr Shakoor who worked with Abni Sina NGO at the Mukhta refugee camp north of the city was kidnapped by unknown persons and killed shortly afterwards.

A journalist and two local Afghan colleagues were kidnapped by insurgents a few miles west of Lashkar Gah. One of the Afghans was killed and the others released after a deal was reached with central government. It is assessed that kidnappings of unprotected westerners may continue if insurgents believe that they could be used as bargaining tools.

Combined military forces operations have been ongoing in the districts of Garmser, Sangin, Kajaki, Nahri Sarraj, Nad Ali Naw Zad districts. The district of Musa Qala remains under Taliban control with no indication that coalition has immediate plans to regain control of the district.

The PEP commenced a 60 day eradication program in January. Operations were predominantly in Nad Ali and Nawayi Bara Districts. The PEP field camp was attacked on numerous occasions. Recently 300 hostile farmers blocked the road which PEP was using to access poppy fields. The PEP was forced to return to their camp which was attacked that night. The camp was moved to Lashkar Gah airfield where it remains at the time of this writing.

All ALP/S compounds are undergoing security upgrades such as the thickening of sandbag barriers and the installation of Hesco barriers which are designed to absorb a blast wave and fragmentations of an explosive device.

SECURITY SERVICES FOR KANDAHAR

In addition to the existing static guard security at the Chemonics Compound Kandahar, a Mobile Security Team (MST) was deployed on March 7, under the supervision of two

expatriate team leaders to provide security on a permanent basis for Chris Payne who is now located in Kandahar. Compound security is being improved on a daily basis.

Most security incidents in Kandahar over the past quarter have been directed at coalition forces. The placement of the Kandahar MST has lessened the requirement for road moves between Lashkar Gah and Kandahar along a treacherous stretch of road. Clients traveling to Kandahar from Lashkar Gah can now move by air and be met at the Kandahar airfield by the Kandahar MST.

AIR TRANSPORTATION

While much of this quarter was characterized by the smooth running of all ALP/S operations, the uncertainty of PRT flights to Lashkar Gah throughout the quarter presented numerous challenges to ALP/S staff both in Lashkar Gah and its support office in Kabul. ALP/S has had to look to alternatives for air transportation service due the unreliability of the PRT. These alternatives have included using CADG transportation services, special charters, and at times helicopter transport from the PRT in Lashkar Gah to KAF in Kandahar in order to connect with reliable air service to/from Kabul.

ALP/S has been investigating more reliable air transportation service including charters, leasing, cost sharing or other alternatives. Reliable air transportation service will enable staff members to more effectively plan, implement and monitor project activities.

This quarter, as with the previous quarter, also saw a significant rise in the number of security incidents in Kandahar City, in part due to the spring offensive of Taliban forces and the poppy eradication activities. These security incidents have focused not only in the areas adjacent to Kandahar such as the Panjwai and Zhari districts but within Kandahar itself particularly on the road leading to the Kandahar Airport. Incidents have included various types of suicide bombs and roadside IEDs. Targets have been typically the military and law enforcement authorities but more recently have been expanded to include international NGOs

During this quarter, the security situation in Lashkar Gar and the immediate surrounding districts has deteriorated in that the eradication efforts in Helmand have resulted in increased violent activity in various districts of Helmand Province and suicide bombings within the city of Lashkar Gah itself. ALP/S became the target of suicide bomber on January 26th and it was due to the alertness of ALP/S security forces that a tragedy was averted. In response to the possible threat of a suicide bomber ALP/S has taken certain measures to improve security at all of its compounds in Lashkar Gah. Sandbagging has increased from two layers of protection to three layers, HESCO barriers have been or are being installed to add a layer of protection at all compounds for the potential of larger explosive devices, reinforced glass has replaced conventional glass at ALP/S facilities, and mylar blast film is being installed to reduce glass fragmentation as a result of an explosive device. The compound south of ALP/S headquarters in Lashkar Gah has been leased and is being modified to allow for a more secure entrance to the compound, expand office facilities, provide for local staff parking, and relocate security to provide for a more secure access to the ALP/S compound.

MONITORING AND EVALUATION

During this quarter ALP/S continued efforts to implement a more structured monitoring systems by having Team members provide regular updates to the Master Tracking System that regularly updates ALP/S' work and achievements. Updating has been sporadic during

the quarter as the project still lacks a dedicated long term M&E person. This position will be filled at the beginning of next quarter as the arrival of a long term M&E person, Sonya Valencia, is scheduled for mid April. The system established under the previous ST M&E specialist can then be applied in a more systematic fashion. The data from this system is being used to update the USAID GeoBase for detailed documentation of ALP/S and AIP activities in Helmand, Kandahar and Uruzgan.

During the quarter, the GIS unit, headed by Ebadullah Rahmani, continued providing the requisite data for the project reporting system and has been preparing and updating maps showing ALP/S project activities in Helmand and Kandahar. Additionally Hamid Sarwari, a short term consultant working out of our Kabul office completed a satellite mosaic of Central Helmand that identifies land usage, canal and irrigation systems, as well as roads and other infrastructure. This mosaic adds to the project's repository of AIMS maps and data layers and makes it possible to conduct analysis of land cover data used in our impact assessments.

PLANS FOR NEXT QUARTER

I. AGRICULTURAL CLUSTER DEVELOPMENT

During the April-June 2007, ALP/S agribusiness department will continue its ongoing programs with implementing partners Roots of Peace, the Afghan Veterinary Association, the Noor-Heravi Brothers, the Ministry of Agriculture and Irrigation as well as develop new projects. During the next quarter, ALP/S will:

- Sign three new sub-contracts to support agricultural cluster development that include; Helmand Agriculture Extension Program with the Implementing Partner CADG (Central Asia Development Group), Chili Commercialization Project with the Implementing partner DWC (Development Works Canada), and the Horticulture Nursery Program with the Implementing Partner VARA (Voluntary Association for Reconstruction of Afghanistan).
- Complete distribution of seeds and fertilizers to match the months for planting of the various crops. Subsequently, monitor the cultivation of the crops and provide extension services to farmers to improve production and measure the benefits from the program.
- Complete the distribution of livestock feed and monitor livestock health and benefits from supplied supplemental feed. This will be done under the livestock specialist and local staff and monitors that have been appointed for a period of four months.
- Strengthen the extension services within the department of agriculture in Helmand Province by commencing a horticulture extension program for development with assistance from CADG and in cooperation of Ministry of Agriculture and Irrigation at the district level.
- Commence cultivation of chilies on an expanded scale that would benefit nearly 4,000 farmers in the next year and half. Development Works Canada, the implementing partner, will develop chili nurseries for different chili varieties and provide planting materials and technical guidance for cultivation of chilies and their safe harvest. DWC will also provide drying trays and training for sun drying of chilies in Helmand Province.
- Continue assistance for war rehabilitation program to farmers in Kandahar Province in Zharai and Panjwai districts through our implementing partner, Roots of Peace. The period of performance will be extended due to security concerns and military disturbances.

- Provide technical, business development and marketing assistance to DFEAK and FFEUK over a long term for export of fresh and dried fruits. Quality management and better packaging methods will be major aspects of the program.
- Complete preparation of a Livestock Program Action Plan (LPAP) for implementation in the coming year. :

II. IMPROVED ACCESS TO PRODUCTIVE INFRASTRUCTURE

In this next quarter, ALP/S infrastructure department will advance its goal of rehabilitating roads and irrigation facilities in Helmand, Kandahar, and Uruzgan provinces. ALP/S will:

- Complete the cleaning of Darweshan Drain C that was started and interrupted due to security concerns.
- Begin the rehabilitation of 256 kilometers of gravel compacted roads in Helmand (144 km) and Kandahar (112 km).
- Sign three contracts and begin de-silting and cleaning of the final portions of the Darweshan Major Drains (51 km), the Shamalan Drains in Nawa (46 km), and the Nad-i-Ali Wasteway and Drains I and J (27 km). Completion of this drain cleaning work will conclude all major drain and canal cleaning described in the 2004 Assessment Report.
- With the assistance of a short term irrigation engineer develop plans for strengthening HAVA and identify and develop clear scopes for irrigation projects to be pursued over the next year.
- Begin rehabilitation and reconstruction of 12 parks within the city of Lashkar Gah as a component of municipal development
- Begin cash for work projects in Middle Helmand from Grishk north in support of larger road construction efforts.
- Sign the contract for the supply and delivery of two 110/20 kv, 20 MVA transformers to Lashkar Gah.
- Issue request for proposal for substation design and balance of material.
- Finalize list of materials for 20 kV distribution lines and issue request for proposal for their supply.

III. BUSINESS DEVELOPMENT SERVICES

- The long-term BDS Specialist will apply the results of our completed local association needs-assessment and implement business skills trainings, and provide technical support for expanding agribusiness opportunities in Helmand.
- Survey the Lashkar Gah industrial park site in greater depth in order to know exactly how much property is clear of encroachment and available for development.
- Provide management assistance to the Widow's Association after will receive a dairy processing plant. ALP/S will need to consider viable solutions to provide needed

support, including the suggestion proposed by the consultant, which was to link the Widow's Association with a skilled entrepreneur who can assist in managing the dairy processing component.

IV. PUBLIC INFORMATION

In addition to managing the timely submission of deliverables to USAID and the Governor of Helmand, the Public Information office will, in the next quarter:

- Work with other stakeholders (for example, PEP) to ensure the community understand ALP/S work and its benefit to them.
- Enhance the relationship between ALP/S and the local Helmand media.
- Work with Agribusiness, Infrastructure and Business Development components to circulate information about forthcoming activities including the Livestock Feed Distribution and the Spring Seed Distribution.
- Hire a long term Public Information person to be fielded within the coming quarter.

V. GENDER AND DISADVANTAGED GROUPS

During the next quarter, the Gender office will:

- Execute a subcontract between ALP/S and JHPIEGO to start implementation on the CME activity.
- Identify a temporary training facility and dormitory in Helmand for activity use while the PRT continues to complete construction of the permanent facility.
- Prepare for and participate in Agfair to be held in Kabul in collaboration with the ASAP project at the end of April.
- Target women owned and managed businesses for ALP/S support and integrating gender into program components. Next quarter, KT plans to conduct its full inventory on raw materials and products as well as to continue its recruit for a Marketing Director. Arghand Cooperative will incorporate its new electric seed oil press into oil and soap production to boost productivity.
- Build capacity of ALP/S local gender officer through a two-week gender training program at one of Afghanistan's premiere gender training institutes in Kabul. This is critical as the national gender officer is from Helmand, has not had the benefits higher education, and is not fully versed in the concepts of gender as a field.
- Continue efforts to further integrate gender into the ALP/S components, especially agribusiness. The main gender activity in agribusiness is the livestock feed distribution, for which three female livestock feed monitors were hired and subsequently one left due to security concerns. ALP/S will continue to work with subcontractors and beneficiaries such as AVA to include or expand the number of women in the training basic veterinary workers for Kandahar, and to be incorporated into the future agricultural work activities.

VI. MONITORING AND EVALUATION

During the next quarter, ALP/S will field a long term M&E manager. In terms of capturing data and impact, the program will continue with its master tracker used for reporting and management. Additionally, ALP/S will use the data in this tracker to create a GeoBase

reporting template for USAID. Continue submitting GeoBase data to USAID to support their efforts for tracking and maintaining a comprehensive database on ALP/S projects.

The GIS system will continue to evolve and gather forthcoming project data. New data layers will be integrated, and assessment of land use and farming behavior will continue.

APPENDIX II

REQUIRED PERFORMANCE DATA: ACTIVITY LEVEL INDICATORS

Indicator	As of March 31, 2007	
% of cluster (economic area) that meets standards	15 %	
# of ha devoted to licit agricultural production	363,552 ¹	
% change in production of selected high value agricultural products	\$17,851,000	
# of jobs created through the expansion of licit activities	Full time	# of jobs created through the expansion of licit activities
	30	9,300

Indicator	Unit	Added	Total (LOP)	Target FY 06)	Target (FY 07)	Target (FY 08)	By Province (Life of Project)					
							HELMAND		KANDAHAR		URUZGAN	
							Target	Actual	Target	Actual	Target	Actual
Kilometers of irrigation and drainage canals and karezes	km	136	1,664.4	1,492	1,642	1,792	1847.3	1,558.4	0	72.6	27	33.37
Kilometers of rural roads repaired in poppy regions	km	0	72.8	63	200	400	259	30.7	141	36.1	0	6
Hectares of improved irrigation as a result of ALP infrastructure works	ha	0	56,595	55,000	65,000	82,000	80,500	55,358	0	0	1,500	1,238

¹ Per UNODC for Uruzgan, Kandahar & Helmand

REQUIRED PERFORMANCE DATA: ACTIVITY LEVEL INDICATORS, CON'T

Indicator	Unit	Added	Total to Date (Life of Project)	Target (FY 06)	Target (FY 07)	Target (FY 08)	HELMAND		KANDAHAR		URUZGAN		By Gender (Life of Project)	
							Target	Actual	Target	Actual	Target	Actual	Male	Female
Amount paid in CFW in AL programs	USD	215,220	6,099,930	5,154,880	8,000,000	8,700,000	2,900,000	5,107,528	2,900,000	303,846	2,900,000	688,556	6,099,930	0
Afghans paid through CFW salaries	#	2,866	38,776	37,903	39,000	41,000	13,667	32,052	13,667	3,119	13,666	4,605	39,776	0
Total labor days for CFW	#	60,808	1,542,661	1,323,323	2,000,000	2,200,000	733,334	1,298,159	733,333	79,401	733,333	165,101	1,542,661	0
Afghans trained in business skills	#	11	687	500	1,000	1,500	800	551	700	136	0	0	414	273
Farmers trained in agricultural practices in targeted poppy provinces under ALP	#	155	16,758	14,355	16,355	18,355	9,178	5,622	9,176	11,136	0	0	16,758	0
Farmers receiving seed and fertilizer	#	13,128	34,128	21,000	41,000	41,000	20,500	17,331	20,500	10,457	0	6,340	34,128	0
Afghans receiving credit through ALP	#	0	0	0	TBD	TBD	TBD	0	TBD	0	TBD	0	0	0

APPENDIX III

ALP/S AGRICULTURAL CLUSTER ACTIVITIES STATUS AS OF MARCH 31, 2007

Project Name	Location	Province	% Designed	% Implemented	IPs	Activity Start Date	Activity Completion Date	Comments
Chili Trial Plot Activity	Lashkar Gah	Helmand	100%	100%	DWC	May 18, 2006	December 2006	Chilies test results and report submitted.
Training, TA to Fresh/Dried Fruit Exporter Associations (FFEUK/DFEAK)	Kandahar	Kandahar	100%	100%	Roots of Peace	August 2006	February 2007	Completed by RoP, but installation and operation of nut cracking machine not completed
Rehabilitation of War affected Horticulture Fields	Kandahar	Kandahar – Panjwai and Zeria	Extension of FFEUK/DFEAK Activity	60%	Roots of Peace	Sept 2006	May 2007	Rehabilitation of vineyards and Khismis Khana (raisin drying chambers) in process
Veterinary Field Unit Operation (VFU)	42 Districts	Helmand, Kandahar, Uruzgan, Nimroz, Zabol	100%	40%	Afghan Veterinary Assoc. (AVA)	August 2006	October 2008	BVW for women completed & participated in Kandahar Agriculture Fair.
Feed Mill Placement, Implementation	Lashkar Gah	Helmand	50%	0%	Local Investors	TBD	February 2009	STTA report delivered
Mini-Feed Mills (grinder / mixer)	Helmand/ Kandahar	Helmand / Kandahar	100%	100%	Assoc/ Coops	October 2006	May 2007	Four mills and generators placed, two mills commissioned.
Livestock Feeds Procurement and Distribution	Multiple Districts	Helmand / Kandahar	100%	60%	Noor-Heravi Brothers	January 2007	April 2007	Feed delivery in process
Spring Seed Program	Multiple districts	Helmand / Kandahar / Uruzgan	100%	10%	Noor Agricultural Seeds Co.	February 5 th 2007	April 2007	Seeds delivered and 70% of fertilizer delivered. Distribution commenced.
DWC Chili project implementation	Helmand	Helmand	100%	0%	DWC	Mid April 2007	End of project	Proposal in final stage
CADG Horticulture Project	Helmand	Helmand	100%	0%	CADG	Mid April 2007	End of Project	Proposal in final Stage

APPENDIX IV

ALP/S PRODUCTIVE INFRASTRUCTURE ACTIVITIES STATUS AS OF MARCH 31, 2007

Project Name	Location	Province	% Designed	% Implemented	IP	Activity Start Date	Activity Completion Date	Comments
CFW CADG	Tirin Kot, Chora, Dihrawud,	Uruzgan	50%	20%	CADG	January 2007	Ongoing	2 projects completed. Other projects ongoing
CFW CADG	Panjwayi Dand, Arghandab, Daman	Kandahar	60%	25%	CADG	November 2006	Ongoing	One project completed
Main Drain Cleaning	Marja G (7 km)	Helmand	100%	80%	HCC	Feb 2007	September 2006	6 km during reporting period
Main Drain Cleaning	Darweshan B (6.28 km)	Helmand	100%	100%	HCC	August 2006	March 2007	6.28km completed during this quarter.
Main Drain Cleaning	Darweshan C (10.3 km)	Helmand	100%	70 %	HCC	November 2006	Ongoing	1.01km completed in this quarter.
Canal and Spillway #25	Darweshan (14.4km canal and 3km spillway)	Helmand	100%	100%	NBCC	Feb. 13, 2007	March 15, 2007	Completed
Marja Branch Canal	Marja (18km)	Helmand	100%	100%	NNCC	Feb. 15, 2007	March 6, 2007	Completed
Nahre Saraj Canal	Grishk (19km)	Helmand	100%	100%	NNCC	Feb. 16,2007	March 8, 2007	Completed
Waste Way Marja	Marja (15.3km)	Helmand	100%	33%	EZCC	March 11, 2007	Ongoing	5km completed during period
Upper Boghra (Drains)	Nahre Saraj	Helmand	100%	68%	MWCC	March 9, 2007	Ongoing	7.21km completed during period
Shamalan Drains	Lashkar Gah and Nad-i-Ali (10.06km)	Helmand	100%	0%	QNCC	March 28,2007	Ongoing	Project has just begun