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AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

QUARTERLY REPORT – OCTOBER THROUGH DECEMBER 2008

Fourth Quarter 2008

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QUARTERLY REPORT OCTOBER THROUGH DECEMBER 2008

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ABBREVIATIONS

ABA	Afghan Builder's Association
AIBM	Afghan Institute of Business Management
AIB	Afghan International Bank
AIRES	Agriculture, Rural Investment and Enterprise Strengthening
AISA	Afghanistan Investment Support Agency
ARFC	Afghanistan Rural Finance Center
AKF	Aga Khan Foundation
AICC	Afghanistan International Chamber of Commerce
ASMED	Afghanistan Small and Medium Enterprise Development
AWBC	Afghan Women's Business Council
BDC	Business Development Center
BDS	Business Development Services
CTCC	Construction Trades Training Center
DIAG	Disbandment of Illegal Armed Groups
GDA	Global Development Alliance
MDG	Marketplace Development Grant
MOU	Memorandum of Understanding
NGO	Non-governmental Organization
NSDP	National Skills Development Program
NSP	National Solidarity Program
PMP	Performance Monitoring Plan
PRT	Provincial Reconstruction Team
SME	Small and Medium Enterprise
STTA	Short-term Technical Advisor
TLO	Tribal Liaison Office
VARA	Volunteer Association for Rehabilitation of Afghanistan

EXECUTIVE SUMMARY

Market Information:

ASMED-supported businesses and associations participated in several important trade events in this quarter. Twenty-eight export-ready SMEs participated in the India International Trade Fair in November, displaying goods that included carpets, saffron, dried fruits and nuts, and handicrafts. ASMED also sponsored the attendance of several SMEs at the Jalalabad and Mazar Agricultural fairs, where businesses had the opportunity to experience the competitive landscape within different agricultural value chains, sell products, network, and form future cross-regional business relationships. ASMED also sponsored a Carpet Exhibition and a Saffron Conference in Herat, both of which focused on the development and organization of improved export strategies. The National Union of Craftsmen and Classes began the distribution of a bi-weekly newsletter in which information about market conditions and trading prospects are disseminated to member companies. ASMED facilitates the dissemination of market information so that Afghanistan's private sector can continue to expand with yet unformed market linkages. Many interventions in the following four components are designed to build the capacity of firms in order to capitalize on these same linkage opportunities.

Business Development and Management Skills:

The Fourth Quarter of 2008 focused on implementing many of the initiatives undertaken in the previous quarter, while expanding successful interventions into new provinces. BDS firms contracted to assist the top contestants of the Fekr Wa Talash (Dream and Achieve) television show, completed the contestant business plans, with a full business assessment awarded to the top contestant. Mass media coverage of this process has proved valuable in establishing a public awareness of the benefits of business service providers. Illustrating the varying needs within different regions, ASMED's Kabul BDS team initiated a series of Business Cash Flow Trainings and Advanced Accounting Courses, while new BDS firms were installed in the Jalalabad Business Development Center, and a large upgrade of training standards was adopted by ASMED's regional office in Mazar. In Herat, a BDS Survey, meant to inventory current firms and services provided, is still underway. New training has begun for the first time in Panjshir, Bamyan, and Parwan provinces.

With ASMED's adoption of a new sector approach, BDS activities began to devote more attention to the handicraft, gemstone and marble sectors. Two handicraft firms were selected to participate in the Aid to Artisan's Market Readiness Program and another supported firm earned entrance into the New York International Gift Show in January 2009. ASMED initiated a series of kick-off stakeholder meetings in the gemstone and marble sectors to coordinate Government, donor, and private sector actions within these sectors. ASMED has begun a marketing campaign for Afghan gemstones and will sponsor a large advocacy event for Marble producers, through the Afghan Marble and Granite Processors Association (AMGPA), in the first quarter of 2009.

Business Associations:

ASMED continued supporting several major national associations in Kabul as well as the formation and development of smaller, local associations in rural districts of Afghanistan. USAID's Deputy Administrator, James Kunder, selected ACCI to hold a meeting with in order to discuss the effect that human capacity constraints have on private sector growth

and Afghanistan's business environment. The Afghan Women's Business Federation (AWBF) signed a cooperative agreement with the Ministry of Women's Affairs, held a successful Christmas handicraft exhibition, and began planning for its major outreach conference to be held in February 2009. Part of this conference will be devoted to responding to the findings of a member satisfaction survey also completed within this quarter. Demonstrating the versatility of business association partners, ASMED Jalalabad assisted several small Beekeeper Associations, of Nangahrar and Laghman provinces, with new processing equipment and training on its usage. These income-generating procurements and others are especially valuable to smaller business associations in terms of achieving financial sustainability.

Global Development Alliances and Grants:

In this quarter, seven new GDAs were finalized and several important benchmarks were reached within ongoing GDAs. New GDAs like Afghan Earthworks and Low-Cost Pharmaceuticals were particularly important, because of their base of the pyramid benefit, while other GDAs like Baghlan Mining will help to unleash the potential of two of ASMED's targeted sectors, marble and gemstones. Tolo TV's Dream and Achieve received wide acclaim and media coverage for the success of its first season and preliminary planning for the next season will begin next quarter. The Insurance Company of Afghanistan and Zarif Designs silk company both established a physical presence in Kabul and have rapidly expanded since inception, initiating websites and launching other marketing initiatives.

Although the Grants department faced the challenges of new architectural and environmental clearances, it continued to monitor and guide existing grants, while identifying promising new opportunities. In this quarter, six different projects were completed and 10 grants were approved. New and noteworthy grants in this quarter include a value chain improvement grant to the Saill Food Production Company in Nangahrar province and several strategic, stabilizing Marketplace development grants in areas such as Kunar, Uruzgan, and Paktiya.

Human Capacity-Building:

The end of Project Year Two marked the graduation of many young Afghan entrepreneurs in ASMED's Internship and Mentorship programs. To date, over 2/3 of ASMED interns have received full-time position offers at host institutions. As ASMED proceeds with multiple iterations of these programs, it continues to incorporate feedback from training institutes, host companies, and volunteer mentors while considering lessons learned in such areas as candidate selection, trainee placement, and training curricula.

MONITORING AND EVALUATION (M&E)

TABLE 1: SUMMARY OF PROGRESS TOWARDS INDICATORS FOR QUARTER 4, 2008

PMP Ind	PERFORMANCE INDICATOR	Region of Coverage	QTR 04 08			Cumulative (2007 - 2008)			PROJECT Totals		
	Indicator		October - December			Target	Total	%	Target Committed	Project to date	%
	<i>(source of information)</i>		Target	Total	%						
I. ACCESS TO MARKET INFORMATION											
Sub Intermediate Result: Increase access to and use of market information among private enterprise											
1.1	12 market assessments completed with help from local partners.	Afghanistan-wide	0.5	0	0%	10	12	120%	12	12	100%
<i>(Copies of Assessments)</i>											
II. BUSINESS DEVELOPMENT AND MANAGEMENT SERVICES											
Sub Immediate Result: Improve Business Development and Management Services											
2.1	135 Business Development Service Providers operating	TOTAL	25	8	32%	100	66	66%	135	66	49%
		Central	8.75	3	34%	35	30	86%	40	30	75%
		Eastern	6.25	0	0%	25	13	52%	35	13	37%
		Western	5	3	60%	20	7	35%	30	7	23%
		Northern	3.75	1	27%	15	14	93%	20	14	70%
		<i>(BSP Reg Forms)</i>	Southern	1.25	1	80%	5	2	40%	10	2
2.2	6,000 businesses supported.	TOTAL	500	1327	265%	2900	3988	138%	6,000	3988	66%
		Central	187.5	267	142%	750	682	91%	1,600	682	43%
		Eastern	100	379	379%	700	1371	196%	1,450	1371	95%
		Western	100	129	129%	700	801	114%	1,450	801	55%
		Northern	87.5	336	384%	500	893	179%	1,000	893	89%
		<i>(Enterprise and Association Reg forms)</i>	Southern	25	216	864%	250	241	96%	500	241
2.3	800 new SMEs created.	TOTAL	75	34	45%	450	381	85%	800	381	48%
		Central	18.75	18	96%	75	43	57%	150	43	29%
		Eastern	18.75	1	5%	125	21	17%	200	21	11%
		Western	18.75	0	0%	125	10	8%	200	10	5%
		Northern	12.5	15	120%	75	307	409%	150	307	205%

	(Enterprise Reg forms)	Southern	6.25	0	0%	50	0	0%	100	0	0%
2.4	30 SMEs accessed bank loans/equity as a result of USG assistance.	Afghanistan-wide	2.5	8	320%	20	26	130%	30	26	87%

(Enterprise Survey DB, Reg. and Survey Forms)

III. BUSINESS ASSOCIATION

Sub Immediate Result: Formalize and strengthen business associations o create economic reform and maintain sustainability

3.1	100 business associations established	TOTAL	10	18	180%	100	120	150%	100	120	120%
		Central	3	1	33%	18	8	67%	18	8	44%
		Eastern	2	0	0%	24	41	205%	24	41	171%
		Western	2	2	100%	22	31	172%	22	31	141%
		Northern	2	13	650%	27	31	135%	27	31	115%
	(Association Reg forms)	Southern	1	2	200%	9	9	129%	9	9	100%
3.2	225 existing business associations supported	TOTAL	26.25	46	175%	105	208	198%	225	208	92%
		Central	6.25	22	352%	25	64	256%	50	64	128%
		Eastern	6.25	4	64%	25	83	332%	50	83	166%
		Western	6.25	1	16%	25	24	96%	50	24	48%
		Northern	5	18	360%	20	28	140%	50	28	56%
	(Association Reg forms)	Southern	2.5	1	40%	10	9	90%	25	9	36%
3.3	4,500 new members in business associations as a result of USG assistance	Afghanistan-wide	375	1245	332%	2500	14360	574%	4,500	14,360	319%
	(Association Survey)										

IV. PUBLIC-PRIVATE SECTOR ALLIANCES - GDA

Sub Immediate Result : Establish private-public sector alliances to strategically invest in enterprises

4.1	37 private-public partnerships (GDAs) formed as a result of USG Assistance	TOTAL	3	2	67%	20	14	70%	37	14	38%
		Central	0.75	0.4	53%	5	3	56%	9	2.8	31%
		Eastern	0.75	0.4	53%	5	2	36%	9	1.8	20%
		Western	0.75	0.4	53%	5	3	56%	9	2.8	31%
		Northern	0.5	0.4	80%	3	4	127%	6	3.8	63%
	(GDA Agreements)	Southern	0.25	0.4	160%	2	3	140%	4	2.8	70%
4.2	\$5.4 million leveraged through Private-Public partnerships (GDAs)	TOTAL	\$393,750	\$1,061,000	269%	\$2,500,000	\$10,412,797	417%	\$5,375,000	\$10,412,797	194%
		Central	\$93,750	\$212,200	226%	\$625,000	\$1,588,187	254%	\$1,375,000	\$1,588,187	116%
		Eastern	\$93,750	\$212,200	226%	\$625,000	\$1,222,580	196%	\$1,375,000	\$1,222,580	89%
		Western	\$93,750	\$212,200	226%	\$625,000	\$1,626,870	260%	\$1,375,000	\$1,626,870	118%

		Northern	\$62,500	\$212,200	340%	\$375,000	\$4,172,580	1113%	\$750,000	\$4,172,580	556%
	(GDA Agreements)	Southern	\$50,000	\$212,200	424%	\$250,000	\$1,802,580	721%	\$500,000	\$1,802,580	361%
V. HUMAN CAPACITY DEVELOPMENT											
Sub Intermediate Result: Build Capacity of Afghan work force to secure greater income through employment and improve performance of their enterprises											
5.1	900 internship opportunities provided	TOTAL	100	370	370%	500	826	165%	900	826	92%
		Central	20	180	900%	100	302	302%	180	302	168%
		Eastern	20	69	345%	100	184	184%	180	184	102%
		Western	20	61	305%	100	125	125%	180	125	69%
		Northern	20	60	300%	100	155	155%	180	155	86%
	(Internship lists)	Southern	20	0	0%	100	60	60%	180	60	33%
5.2	450 participants in Professional Learning Mentorship Program	TOTAL	50	0	0%	250	315	126%	450	315	70%
		Central	10	0	0%	50	108	216%	90	108	120%
		Eastern	10	0	0%	50	57	114%	90	57	63%
		Western	10	0	0%	50	52	104%	90	52	58%
		Northern	10	0	0%	50	49	98%	90	49	54%
	(Participant lists)	Southern	10	0	0%	50	49	98%	90	49	54%
A	1,275 SMEs that have added value and/or diversified into higher value products and services as a result of USG assistance	TOTAL	81.25	158	194%	475	562	118%	1,275	562	44%
		Central	25	19	76%	100	73	73%	300	73	24%
		Eastern	18.75	84	448%	125	107	86%	350	107	31%
		Western	18.75	9	48%	125	17	14%	350	17	5%
		Northern	12.5	46	368%	75	343	457%	175	343	196%
	(Enterprise Survey DB, Reg and Survey forms)	Southern	6.25	0	0%	50	22	44%	100	22	22%
B	95% increase in number of clients of Business Development Service providers	Afghanistan-wide	6%	84%	1344%	0.5	26%	52%	95%	26%	27%
	(BSP Survey)										
C	15,000 full-time equivalent (FTE) jobs created by USG supported activities	Afghanistan-wide	1250	4344	348%	7000	14955	214%	15,000	14955	100%
	(Enterprise Survey DB, Reg. and Survey Forms)										
D	3,500 firms investing in improved technology as a result of USG assistance	Afghanistan-wide	300	372	124%	2000	956	48%	3,500	956	27%

PROGRAM COMPONENT 1:

MARKET INFORMATION

FIELD ACTIVITIES - NATIONWIDE

KABUL:

- ASMED sponsored the 2nd Kabul International Carpet Fair at Bagh-e Babur from Oct. 26-28. The Export Promotion Agency of Afghanistan (EPAA) was the lead partner at the event, which attracted

more than 90 carpet dealers from across the country. Other attendees included Dr. Mohammad Amin Farhang, the Afghan Minister of Commerce and Ambassador Christopher Dell, the U.S. Deputy Chief of Mission. In addition to coordinating the event itself, ASMED also provided financial support for the attendance of Afghan vendors from around the country and for the construction of display stands. Preliminary data collected indicates that about \$2M worth of sales were recorded, either in direct sales or forward contracts.



Above: 2008 Kabul International Carpet Fair

- Twenty-eight Afghan vendors from the fresh fruit and vegetable, dried fruit and nuts, carpet, and handicraft sectors attended the 28th Annual India International Trade Fair (IITF) in Delhi. Vendors selected from across the country presented their goods to the Indian market under a custom-made Afghanistan pavilion (shown below), which was inaugurated by Afghanistan's ambassador to India. Initial estimates of direct sales are between \$5,000-10,000/day during the two-week event. ASMED collaborated with the Afghanistan Investment Support Agency (AISA) to sponsor the Afghan delegation.



Above: Afghanistan Pavilion at the 2008 IITF

FIELD ACTIVITIES – WEST

- An AgFair was held from 25-26 Oct 2008, in Jalalabad City. The fair had vendor booths for livestock, agriculture, carpets, handicrafts, industrial machinery, manufacturing, commercial services and more. There were keynote speeches given by successful eastern region exporters and industry experts, business roundtables for networking opportunities, cultural events, and contests with chances to win prizes. ASMED sponsored the following companies from western region to participate in Jalalabad AgFair.

- ✓ Golchine Tomato Paste Manufacturing Co
- ✓ Asr-e-Sania Service Group
- ✓ Pamir Cola
- On 30 to 31 October 2008, the following companies were sponsored by ASMED to participate in Mazar International AgFair.
 - ✓ Golchine Tomato Paste Manufacturing Co
 - ✓ Asr-e-Sania Service Group
 - ✓ Pamir Cola
 - ✓ Karokh Tomato Paste Company (KTPC)
 - ✓ Celab Agriculture and Service Co
- The following Companies participated in India International Trade Fare (IITF) from 14 – 27 Nov 2008 in Delhi. Upon their return to Herat, the results of the show will be reviewed and potential “next steps” discussed regarding ASMED support.
 - ✓ Herat Gardeners Association
 - ✓ Afghan Red Gold Company
- USAID/ASMED in cooperation with Faizi Saffron Processing & Production Co. LTD, MCN, MoAIL and UNDP organized and sponsored the 3rd National Conference of Afghanistan Saffron in Herat on 12-13 November 2008.
 - Two hundred and fifty representatives including 20 women saffron growing associations attended the conference including Herat Governor and Deputy Governor, Herat Director of Agriculture, Ministerial staff from MAIL and MCN Kabul, District Governors, Saffron producers, University of Herat agriculture Department, processing companies, and NGOs including CRS, DACAAR and others.
 - ASMED staff presented “ASMED Support for Saffron” and participated in roundtable discussions as to needs of the saffron industry in Afghanistan. ASMED Gender Specialist met with women representatives to discuss their specific needs.
 - Topics presented included assessment of the potential of Saffron as a viable alternative livelihood for rural communities in Afghanistan.
 - Shared lessons learned on production, processing, quality control, and marketing of saffron. Research on Iranian Saffron Industry. Linkages between saffron growers associations with various stakeholders in Afghanistan and abroad for processing and sales. International market opportunities
 - Capacity building of Afghan institutions MAIL, Afghan universities, NGO partners and farmers associations. Future research and development activities on saffron could be coordinated.
 - ASMED is following up with stakeholders including processors, growers, University and MAIL regarding publication of conference proceedings ISO certification and establishing national standards
 - International conferences to present original research from Afghanistan on domestic saffron industry; Training Center; Laboratory testing; Other Market Linkages
- Afghanistan Carpet Exporters Guild Workshop & Exhibition ASMED sponsored a two-day Workshop on 16-17 December, and an Exhibition on 18-19 December, open to

the public in cooperation with the Afghanistan Carpet Exporters Guild. The Workshop discussed carpet designs, market and sector challenges. Attendees developed recommendations to address existing constraints to the sector. Four hundred carpet dealers, weavers and exporters from western region attended with design consultant from Kabul and other government and private sector representatives, including Deputy Minister of Commerce Dr. Sharif Sharifi. The Exhibition presented carpets and handicrafts from 42 dealers and 4 weaver groups.

Planned Activities:

- **Domotex 2009 – Germany:**
Fatima Zaifi, owner of Sear Zaifi to participate in the DTX 2009 carpet show 17-20 January in Hanover Germany.
- **Mushroom Growing Trainings:**
We received approval to conduct a three-month training program of mushroom growing for 30 women. This will provide supplemental income to the women following germination to harvest of the mushrooms. Marketing & sales has been provided. Training will start by mid January.
- **3rd National Saffron Conference Proceedings Magazine:** ASMED is supporting publication of proceedings of the 3rd National Saffron Conference held recently in Herat. Publication is anticipated in January 2009.

FIELD ACTIVITIES – EAST

- **India International Trade Fair (IITF) 2008:**
November 17-27 2008, ASMED sponsored a delegation of four participants from eastern region for IITF 2008 in New Delhi, India. They exhibited their products and services in their booths for eleven days and held many meetings with government authorities and other private sector representatives for sharing of information and market research. The following are the sponsored SMEs/Associations.
 - Arab Afghan Carpet Company
 - Nangarhar Dry Fruits Sellers Association
 - Hussein Zada Co Ltd
 - Afghanistan Eastern Agriculture Development Company



- **Mazar International AgFair 2008:**
On October 30-31 2008, ASMED sponsored a delegation of six SMEs from eastern region for Mazari Sharif International AgFair 2008 Balkh Province, Afghanistan. They exhibited their products and services in their booths for two days and held many

meetings with government authorities and other private sector representatives for sharing of information and market research. The following SMEs/Associations participated in the fair and:

- ☛ Sahil Marble Factory
- ☛ Samsor Ban Enterprise
- ☛ Javid Afghan Tractor and Agriculture machineries productions Co
- ☛ Afghan Crafts Cut & Wash Facility
- ☛ Nangarhar Beekeepers Association
- ☛ Nuristan Pine Nuts Producers Association



Business Newspaper:

A six-month purchase order was signed with National Union of Craftsmen/Classes Association of Nangarhar province for a bi-weekly business newspaper publication, the Workforce Assistance for Development & Achievement (WADA). The newspaper will be publishing in 1000 copies on biweekly basis and will be distributed in Nangarhar. The newspaper will highlight problems of business community as well as advertise products being produced in Eastern region and introduce SMEs to ASMED activities such as the BDC. This business bulletin will also draw the attention of key ministries to the problems faced by the business community.



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The newspaper officially started on December 4, 2008 and around 80 people participated in the opening ceremony held in the training hall of the Jalalabad Municipality Cooperation.

FIELD ACTIVITIES – BADAKSHAN

QUANTITATIVE SUMMARY

Offices/Reporting Departments	LOP Target	Total To Date	Total 4 th quarter	Men/women owned SMEs	Remarks
ACCESS TO MARKET INFORMATION					
SMEs with added value	1,275	379	372	141 Female	
Market assessments (studies and policy papers)	12	7	3	N/A	

- The PBSC is currently conducting a range of research activities for its clients including; project baseline surveys, Rapid Market Appraisals, Impact Assessments; Value-Chain studies; and Business Potential Surveys. The PBSC is also able to develop and provide tailored research services to prospective business / INGO clients on request.
- The project continued to collect market information from local markets to feed into the market information database that is being created. In addition, the project discussed the market info system with a Tajik based development agency and has made an agreement to integrate the system with theirs starting in 2009. It is expected that the result of this collaboration, local Afghan agricultural producers will be able to receive updated information on the value of products in both, national, regional and cross-border markets, facilitating them to make informed choices in obtaining the highest possible price for their produce.
- The project conducted a Rapid Market Assessment of the value and scale of regional potato production during the Fall harvest period. This information is being utilized to inform the project's support for agricultural business associations to identify, during the sowing season, which products and markets offer the highest potential at harvest time.
- In November, the project facilitated the conduction of a Rapid Market Appraisal in the availability of biomass and other combustible material for the purpose of manufacturing bio-briquettes, for sale in Badakhshan markets. The analysis of this RMA is being used to inform the projects support for developing new enterprises in these sectors in 2009.
- The project initiated a Comprehensive Employment Survey to gather current information on levels of actual employment in Badakhshan. This information will be used to inform the project's future interventions and will be made available to potential contractors through regional business directories.
- **Obstacles:**
The target populations for surveys are spread over a wide rural area that lacks infrastructure, making travel difficult and often impossible. Increasing insecurity in the province has increased the difficulties associated with travel and it has been necessary to suspend certain activities during periods of particularly high risk. Consequently, conducting market research has taken longer than anticipated.
- **Planned for next quarter:**
The project intends to conduct an RMA in fish farming possibilities in the region. Continue collection and dissemination of market prices for goods and services, in regional and cross-border markets.

FIELD ACTIVITIES – NORTH

Key Accomplishments

One of the key accomplishments was a significant promotion of carpet sector at international arena. The carpet sector is a major source of economic activity in the northern region. The project contacted several carpet traders and helped them in submitting documents for attending Domotex – 2009 Carpet Exhibition in Germany. There are eleven carpet traders and carpet producers planning to attend this carpet exhibition in January of 2009. The project supported attendance of several carpet traders from the northern region in Indian International Trade Fair held on 14-17 November in New Delhi.

The project processed a grant proposal for creation of business information center under Afghanistan Carpet Export Guild (ACEG), Northern Region branch. The creation of a business information center will allow the services provided by ACEG to members to move to a new level. Furthermore the ACEG will put additional effort into verifying market information for members regarding direct export opportunities, further increasing the revenues of carpet producers.

Activities:

- On the 29th to 31st of October, the project supported attendance of 10 entrepreneurs from various economic sectors (carpet, handicraft, dry fruit, bakery, and karakul) in attending of Agriculture Fair in Mazar, organized by ASAP/Chemonics. The project also facilitated to other entrepreneurs from other ASMED Regional Offices.
- On the 10th of November, the project held a meeting with carpet traders and carpet producers on dissemination of information on carpet exhibition in Germany. During the meeting, the project explained the procedure and demonstrated forms to be filled out.
- On the 1st of December, the project held a field trip to the quarries in Faryab and Samangan Provinces to find potential companies for marble extraction projects. During the meeting with companies, the project provided information on ASMED grant opportunities.
- On the 15th of December, the project supported attendance of Mr. Satar Begzoda, Regional Director of Afghanistan Carpet Export Guild, in the Carpet Exhibition in Herat, organized by the Carpet Producers and Exports Union of Afghanistan, and with the support of Department of Export Development of Afghanistan. During the visit, Mr. Satar Begzoda established a working relationship with local carpet traders and carpet producers.

Obstacles:

- Security situation does not allow traveling of expatriates to Kunduz Province.

Planned for next quarter:

- To conduct a conference with invitation of carpet traders and carpet producers in the northern region
- To develop a business information center based on Afghanistan Carpet Export Guild/North Region Branch within grant activity.
- To create a data base for all carpet producers and carpet traders within grant activity.

- To increase cross border opportunities with other countries including Uzbekistan and Tajikistan and to conduct an analysis of export opportunities through these countries



ASMED support entrepreneurs at the Agriculture Fair in Mazar



Marble Quarry in Faryab Province



Marble Quarry in Samangan Province

Meeting the Department of Economy

PROGRAM COMPONENT 2:

BUSINESS DEVELOPMENT & MANAGEMENT SKILLS

FIELD ACTIVITIES – NATIONWIDE:

- The fourth quarter of 2008 focused on implementation of many initiatives begun in the previous quarter. ASMED has continued to focus on improving the quality and diversity of services offered by these firms, while contracting the top firms to conduct a wide variety of direct BDS services.

Business Development Services to SMEs:

- ASMED has engaged BDS firms to provide BDS services to 10 of the top contestants of the Fekr Wa Talash business competition television show. These services have resulted in finalized plans for 9 contestants and an overall business assessment for the 10th. The plans of these entrepreneurs include a fish hatchery, a jam and sauce processor, a textile factory, a plastic recycling facility, a dairy, a rice polishing and processing plant, a sewing factory, wool spinning facility, a mushroom production facility, and the expansion of an herbal line of hair care products.
- ASMED also contracted BDS services to assist the Dutch Committee for Afghanistan to transform their network of 347 DCA supported Veterinary Field Units into a private sector, sustainable entity that can continue to provide top quality veterinary care, vaccines and medicines. The BDS firm completed an analysis of the strengths and weaknesses of various legal options (corporation, NGO, association, cooperative) for the new entity. DCA will continue to work with ASMED's GDA department to seek sources of investment for this entity, and will contract the BDS firm to complete a more detailed implementation plan for the transformation.

Capacity Building for BDS Firms:

- ASMED began to implement a capacity building program for the BDS firms based in Kabul. The capacity-building program will focus on improving business skills training curriculums, improving business planning and financial analysis skills, and improving the BDS firms' proposal writing skills.
- Eight BDS firms participated in ASMED's training "SME Cash Flow Statements - Getting the Real Story". SMEs have a difficult time presenting the true financial picture of their business. Writing a cash flow statement forces the business (and their consultant!) to analyze deeply how the business actually functions, and what the impact of new investment or expansion would be. Often the information given by the business owner is confusing. How can a good consultant recognize the problems, and do the detective work necessary to figure out "the real deal"? This challenging seminar did not present any templates or rules – instead it used a series of real business cases and worked with the participants to identify the problems, and come up with solutions. This will help BDS firms to provide a truly valuable service to their clients.

- Two BDS firms were selected to participate in the intensive “SME Accounting Training - Going to the Next Level”. The First Microfinance Bank requested that ASMED work with several BDS firms to develop materials appropriate for their SME clients, many of whom keep no financial records at all. ASMED paired an international consultant with two BDS firms to review and upgrade the firm's materials and trainers. One of the BDS firms developed and presented a pilot training for 14 FMFB SME clients. The revised training materials presented a basic and practical accounting training that actually initiated record keeping at each participating SME. The BDS firm will continue to do follow up over the next 6 months, to provide support and troubleshooting for the firms financial records. In addition, a second BDS firm upgraded their sophisticated accounting training to be more interactive and practical. This training will be useful for firms that maintain records and have an accounting staff.
- ASMED also assisted the ARIES program to recruit BDS firms to prepare a series of 14 research papers. ASMED provide a sample RFP, reviewed the RFP prepared by ARIES, provided a list of candidate BDS firms, and did personal follow up with the firms. Unfortunately, ARIES did not make an award to any firm. At this time, ASMED is awaiting further guidance from ARIES.

Expanding Services to Central Region Provinces:

- Following up on last quarter's reconnaissance trips and research to identify needs for BDS and Association Development services in Parwan, Bamyan and Panjshir, ASMED sponsored a series of trainings, needs assessment, and market research.

- **Parwan Province:**

The Charikar Training Center (created by ASMED and AMSP) was formally inaugurated in a ceremony that included the Parwan Provincial Governor, a number of District Governors, the President of the Parwan Provincial branch of ACCI, the USAID Deputy Mission Director, the USAID Director of Economic Growth, the USAID representative of the Parwan PRT, and others. ASMED began programming in the Centre, in collaboration with the Parwan Chamber of Commerce and Industries and the Afghan Women's Business Federation Parwan regional office. ASMED sponsored four business skills trainings on SME Business Management and SME Business Accounting. Two trainings were targeted specifically for women. Twenty five to thirty participants attended in each training, which were seen as a great success for the PCCI, the AWBF, and the Municipality.

In collaboration with the PRT Parwan/Kapisa, ASMED contracted a BDS firm to complete an initial business plan for a multi-faceted agricultural project near Bagram that is seeking funds from the PRT.

- **Bamyan Province:**

ASMED conducted a series of 5 trainings for members of 3 women's business associations. The AWBF Bamyan regional members, the Tolo-e-Bamyan Women's Business Association, and the Bamyan Women's Business Association benefited from training for their associations and for their individual SMEs. Twenty-five to thirty participants attended the following trainings:

1. SME Business Management training plus ToT
2. SME Financial Management training plus ToT
3. Monitoring and Evaluation training (for Association leaders)
4. Proposal Writing training (for Association leaders)
5. Financial Management for Associations (for Association leaders)

ASMED also contracted a BDS firm to conduct market research on the carpet sector in Bamyan. This research will analyze carpet production and processing in terms of a value chain that includes wool washing, wool production/procurement, and carpet production reproduction/procurement, and marketing of produced carpets in local, Kabul, and/or international markets. The study will consider which interventions might be most profitable for the local businesses under consideration. Assuming the investment feasibility study identifies significant opportunities for upgrading carpet value chain, this will lead to the development of formal business planning once suitable local investors are identified.

ASMED provided technical assistance and oversight to the BDS Department of ACCI's central office to train the ACCI Bamyan staff to conduct this training needs assessment themselves. The ACCI Bamyan staff have successfully conducted the survey, and determined priority training needs for their members, and ASMED will assist ACCI Bamyan to provide these trainings.

- **Panjshir Province:**

In the Panjshir, the strong agricultural base demands assistance with increasing value addition in the fruit sector. ASMED has contracted with a BDS firm to provide food processing training to women's associations in five locations in the Panjshir. The Panjshir PRT has joined ASMED in this effort, providing CERP funds to cover 38% of the training costs while ASMED provides 62%. This training will begin in February 2009.

ASMED also provided Association Management training to four business associations in the Panjshir. The Anaba Agricultural Cooperative, Shast Agriculture Cooperative, Safidcheher Agricultural Cooperative, and Panjshir Province Precious Stone Sculptor Association benefited from the first training they had ever received on how to govern their business associations, how to set strategic goals, and how to work together to achieve those goals.

GSP Trainings: ASMED BDS partner firm Ariana Afghan Business Consulting Group is conducting a regional training series on the US Generalized System of Preferences and its importance for Afghan exports, particularly for key sectors such as dried fruits and nuts. During the fourth quarter, trainings were conducted in Herat and Kandahar. The training workshop contains an introduction of GSP policies, procedures, and regulations; custom clearance and US port procedures; overview of US Import Standards and FDA regulations particularly for dry fruits and nuts; and description of available transportation and shipment facilities.

Market Research – Food Processing: Food processing / value addition to agricultural production is part of ASMED's target agribusiness sector. In support of the sector development strategy, ASMED contracted with BDS firms to conduct two market research studies on the sector. The Panjshir research determined that local production of jams, chutneys, tomato paste can be a viable product, and therefore ASMED has contracted a firm to conduct training in this industry. The Kabul research has documented the volumes of such products currently produced in the Kabul metropolitan area, and the potential for import substitution (products from Iran and Pakistan). ASMED is using this information to determine the feasibility of a packaging/labeling plant serving the many associations producing these products but lacking the resources for proper preservation, packaging, sealing and labeling.

Gemstone Sector:

- Gemstones are one of ASMED's target sectors. To kick off a broader engagement in the sector, ASMED hosted a networking and information sharing meeting of key

development stakeholders in the gemstone sector, including the US Embassy Commercial Office, the Ministry of Mines, the Afghan Geological Survey, Turquoise Mountain Foundation, EPAA, and USAID. None of these actors had previously met to discuss common activities and objectives in this sector. During the meeting the Ministry of Mines expressed a commitment to unsealing the existing gemmological laboratory at the AGS. EPAA announced that the gemstone sector is one of four key sectors for EPAA/GTZ investment for 2009-2010. EPAA has begun the construction of two gemstone cutting schools and committed to funding additional training nationwide. ASMED will continue to hold these "advisory group" meetings in collaboration with EPAA, assuming a leadership role in guiding the "mines to market" development of this important sector, and providing appropriate direct assistance including support of gemstone sector associations, public private partnerships with gemstone industry firms, and establishing market linkages.

- ASMED has contracted a marketing and publicity firm to produce a set of marketing materials that can be used for trade shows, program events, promotional events, etc. The marketing materials will feature a broad range of images of gemstone locations, gemstone value chain images (mining, cutting, trading), and information about the gem resources of Afghanistan, the current mining practices and the potential for development. The materials will include striking backdrop images for gemstone displays; informational boards with text and images about the mines of Afghanistan and the quality, variety and value of Afghan gemstones; and an 8 minute film loop to be played during events and used for educational purposes in collaboration with TMF.

Artisan Sector:

- **Artisan Sector Trade Show Readiness Training:** ASMED requested applications from 11 top artisan firms, and selected two to attend the Aid to Artisans Market Readiness Program at the New York Gift Show. Exposure to the Gift Show itself, the most important international show for commercial trade in artisan products, is actually one of the most important aspects of the training. Attendance at the show is woven into the training itself, where the "theory" is experienced daily, directly on the floor of the show, and the trainees get the opportunity to talk with exhibitors, critique products and booths, and compare their products to others, and with this knowledge create a work plan for preparing to participate in the show next year.
- **Zardozi Accepted to NY International Gift Show:** ASMED supported artisan firm Zardozi Enterprise submitted their product line developed specifically for the NY International Gift Show, and was approved by the jury to participate in the show. This was a significant hurdle for Zardozi, and for the Afghan artisan sector. No other Afghan artisan group has been accepted to participate in this top industry event. Zardozi was assigned a prime location at the show, which will take place in January 2009. Attendance at these shows drew attention from several well known U.S. news blogs including the *Huffington Post*.

Marble Sector:

- **Advocacy and Industry Promotion Conference March 25:** With the support of ASMED, the AMGPA began to carefully strategize the approach to the government and to private sector participants. Issues to be raised with the appropriate government ministries include land issues, royalty, import and export fees and payment requirements, custom duties on imports, security matters, and infrastructure requirements. Presentations of the resources and opportunities available in Afghanistan will be made by Afghan private firms and Ministry of Mines. Anticipated

participants include representatives of the Afghan Ministries of Mines, Commerce and Finance; representative from the Afghan Office of the President; US State Department Commercial Officer; US Department of Commerce; OPIC; Italian Embassy Commercial Attaché; Simest (Italian "OPIC"); USAID; Italian Marble Association; and the AMGPA.

- **Training workshop March 26:** Following the advocacy conference, a training workshop on quarry development and improved mining techniques will be held. This combination of advocacy and practical training will be a very valuable service provided by the AMGPA for its members, leading to increased member participation, membership growth and retention, and improved financial sustainability.
- The AMGPA signed an MOU with the primary Italian marble industry association for cooperation and training. This has increased participation by the Italian Embassy Commercial Officer.
- AMGPA was provided with a template and technical assistance for the preparation of a strategic plan and a draft of suggested categories of critical goals. The strategic plan will be finalized by AMGPA with the assistance of the ASMED Association Specialist.
- **Participation at Dubai Big 5 Trade Show:** Two firms (Equity Capital Mining and Mir Brothers), the AMGPA, and ASMED's marble sector expert attended the show. The AMGPA and ASMED's marble expert met with buyers from the Middle East to discuss partnerships in training, trade missions, and investment.
- **Display case:** A marble display case was completed for the use of AMGPA and its members in representing and promoting Afghan marble resources.
- **Market Information:** A literature review was conducted and the resulting documents were compiled and are in the process of being translated. This information includes the preliminary results of the USGS Non-Oil Mineral Resources Survey (marble sector), the OTF marble sector development analysis, and other documents. This resource will be delivered to the AMGPA.

FIELD ACTIVITIES – EAST

- Three new BDS providers have been given offices in the Jalalabad BDC these new BDS providers are 1) Comprehensive Business Services (CBS) a business consulting firm 2) Yoon Network—a company dealing in media and 3) Afghan Women Social Business Development Association that work mainly with women's associations in the region.
- The following SMEs that received ASMED support are being closely monitored in order to have them achieve their production targets for which they had been provided grants.
 - ❖ Afghan Craft Cut & Wash Facility: An environmental firm has been contracted to analyze the waste water system of the facility in order to streamline the production of the factory and assess the environment risk of the factory.
 - ❖ Sahil Marble: The company will start production after machinery is transported to it quarry. ASMED is working with them to get the equipment from Pakistan.

- ❖ Sheharyar Plastic Recycling: The Company was closed in the previous quarter; there was no operation due to the lack of power. The company started receiving 6-8 hours of city power in the 4th quarter and is able to process plastic into pellets. The pellets are sold to a Jalalabad-based producer of plastic jugs.
- ❖ Aimal Carpet Weaving Centre Kunar Province: This Company has been provided with new looms. They have started production; its production will be available in the market by early 2009.

FIELD ACTIVITIES – WEST

- **Future Activities:**

The Scope of Work for a BDS Survey for the Western Region has been revised to include additional types of firms supplying goods and services to businesses. A revised RFP will be issued in January.

- **Other Events:**

Event: Opening of Lincoln Center – Herat
Date: 16 Nov. 2008
Participants: Timothy Ham, ASMED Regional Manager
 Brad Hanson, US Dept. State Representative
 Aref Abdullah, USAID Deputy Rep.
 Alhaj Sayed Hussein Anwari, Governor Herat Province
 Various dignitaries from Herat City and Province

Sponsored by Public Affairs Section of US Embassy, the Lincoln Center joins others in the country as a center for English training, research and community.

FIELD ACTIVITIES – NORTH

Key Accomplishments

Over the reporting period, the project continued successful collaboration with partner BDS Companies, based in the Northern Region. With ASMED technical support, Balkh BDS and Beacon BDS conducted a number of training courses in Kunduz, Baghlan, and Balkh provinces. Based on project objectives to support BDS providers, the project encouraged establishing of the two new BDS Companies, Sina and Tokhi BDS Companies, in the Northern Region. The registration of these companies at the AISA as a consulting company is in process and will be completed by January 2009. This will help in reducing the prices of BDS company services and support the capacity development of trainers based in the Northern Region.

The most important accomplishment was a revision of training course processes. With BDS companies close assistance, the project made a new design of training course. In stead of 3-day training, it was decided to have from 15 to 50-day training course depends on specific training subject and to have only 2 hours per day. Prior to approval of training course, the project requires a short course syllabus, CV of trainers, schedule, and list of participants. In addition to that, the project requested BDS Companies to submit a letter of confirmation of identity and position of the trainees.

Another vital factor for training approval by ASMED is the availability of a modern classroom. Each classroom should have a proper set of training equipment and enough space for all participants. As a result, some BDS Companies made an investment in

placing modern classrooms. In particular, Balkh BDS Company invited a number of qualified trainers from Pakistan to increase the capacity of local trainers. Also, Balkh BDS Company rented a private compound, purchased 12 computers, flat screen projectors and other training equipment.

The project subcontracted BDS Companies for writing a Business Plan and financials. In general, it should be noted that BDS Companies provided the best local services in writing business plans and financials. However, the quality of documents should be increased next quarter. The appropriate signal was given to all BDS Companies.

Activity:

- **Balkh Province:**

For the reporting period, Balkh BDS Company held the training courses for SMEs and Associations as described below. Balkh BDS submitted a short course syllabus, CV of trainers, schedule, and list of participants to ASMED. In addition to that, all participants provided a letter of confirmation of identity and position of the trainees. The selection was made based on preliminary testing of all participants to meet the training requirements.

- Business accounting training: Total number of participants was 25 different SMEs and association in Mazar-e-Sharif city. The training course was conducted from 08 October to 25 October.
- Marketing communication training: Total number of participants was 30 members of Balkh Bastan Handicraft Association in Mazar-e-Sharif city. The training course was conducted from 05 October to 07 October.
- Training workshop on role and responsibility of board of directory: Total number of participants was 30 members of Balkh Livestock Development Union in Mazar-e-Sharif city. The training course was conducted from 02 November to 04 November.
- Business Development training: Total number of participants was 30 members of Balkh Women Entrepreneurs Association in Mazar-e-Sharif city. The training course was conducted from 11 November to 13 November.

For the reporting period, a new BDS Company registered with AISA and joined ASMED Mazar office. The Ahmadi BDS Company held the roundtable meeting carpet weaver of Kaldar district as described below.

- Roundtable meeting: Total number of participants was 50 carpet weavers of Kaldar district, Balkh province, attended a one-day roundtable on 28 December.

- **Baghlan Province:**

For the reporting period, Beacon BDS Company held training courses for SMEs and associations as described below. Beacon BDS submitted a short course syllabus, CV of trainers, schedule, and list of participants to ASMED. In addition to that, all participants provided a letter with confirmation of identity and position of the trainees. The selection was made based on preliminary testing of all participants to meet the training requirements.

- Business communication training: Total number of participants was 30 tailoring and embroidery association of Pul-e-Khumri. The training course was conducted from 21 October to 23 October.

- Business communication training: Total number of participants was 30 SMEs of tinsmith association of Pul-e-Khurmri. The training course was conducted from 18 October to 20 October.
 - Business marketing training: Total number of participants was 30 SMEs of Metallic Workers Association of Pul-e-Khurmri. The training course was conducted from 20 November to 22 November.
 - Business Computer learning: Total number of participants was 25 different SMEs and association of Pul-e-Khurmri. The training course was conducted from 22 December 08 to 22 January 09.
 - Business English learning. Total number of participants was 25 different SMEs and association of Pul-e-Khurmri. The training course was conducted from 22 December 08 to 22 February 09.
 - Business accounting training. Total number of participants was 25 different SMEs and association of Pul-e-Khurmri. The training course was conducted from 27 December 08 to 27 February 09.
- **Samangan Province:**
For the reporting period, Beacon BDS Company held roundtable meetings and business development trainings as described below. Beacon BDS submitted information on current business status of target beneficiaries. The selection was made based on target sectors and in consulting with National Union of Afghan Employees:
 - Roundtable meeting. Total number of participants was 125 from two of group of enterprises carpets and metal workers; the roundtable was conducted for day on December 25. By the end of day, two new associations were created.
 - Business development training. Total number of participants was 25 the training course was conducted from 3 November to 5 November for National Union of Afghan employee.
- **Kunduz Province:**
For the reporting period, Beacon BDS Company held training courses for SMEs and Associations as described below. Beacon BDS submitted a short course syllabus, CV of trainers, schedule, and list of participants to ASMED. In addition to that, all participants provided with a letter from companied with confirmation of identity and position of the trainees. The selection was made based on preliminary testing of all participants to meet the training requirements.
 - Business communication training: Total number of participants was 30 members of Afghanistan Women association. The training course was conducted from 16 October to 18 October.
 - Business marketing training: Total number of participants was 30 members of Goldsmith Association/Crafts Union. The training course was conducted from 17 November to 19 November.
 - Business computer learning: Total number of participants was 25 members of 10 different association /Crafts union. The training course was conducted from 13 November to 16 December.
 - Business accounting training: Total number of participants was 30 members of shopkeeper's association/Crafts union. The training course was conducted from 23 November to 25 November.
 - Office management training: Total number of participants was 30 different SMEs and associations. The training course was conducted from 28 December 2008 to 19 January 2009.

- **Takhar Province:**

For the reporting period, Beacon BDS Company held a training course for Ishkamish fruit association. All participants are members of association.

- Business marketing training. Total number of participants was 30 members of Ishkamish fruit association. The training course was conducted from 05 October to 07 October.

Obstacles

- One of the major obstacles in association section was delay of processing grant funds and approval of new grants due to USAID environmental and vertical structure review of all grant activities. The project received phone calls and visits from association representatives every day to know about progress of their grant application.
- Lack of capacity of associations in developing and writing a grant proposal.
- Limited market opportunities for association members and SMEs

Planned for next quarter:

- To increase capacity of BDS Companies in developing and writing business plans by subcontracting and encouraging them to invite specialists from other countries for capacity development processes.
- To conduct a course on training of trainers to BDS Companies
- To conduct a training session to BDS Companies on the preparation of income statements, balance sheets and cash flow projections to be prepared for private companies' demands.
- To extend training courses to other provinces, particularly to Faryab, Jawzjan, Takhar Provinces.
- To assist private companies in writing of concept paper including financials in order to submit to ASMED for technical assistance and other financial support.

Badakshan

Faizabad District:

- The project continued to support the development of the commercial poultry farming sector in Faizabad through the conduction of counselling sessions with Faizabad based poultry farmers to introduce new feeding systems technology, which will improve productivity. In addition the project is developing a business plan to facilitate a local entrepreneur to establish a medium scale 2,000 plus broiler poultry farm in Faizabad. This farm would be the first broiler farm in the region, and its feed making facilities and hatchery would bridge gaps in the Badakhshan poultry value-chain.
- As part of a new focus to start supporting tourism based SMEs, the project supported a group of local musicians to make a recording for the production of CDs/cassettes and for a national radio broadcast to increase their publicity. As traditional music from this region is particular respected in Afghanistan, the group aim to enhance their number of performances from the publicity and retail their cassettes in the national market.

Baharak District:

- The project continued to support the development of the commercial poultry farming sector in Baharak with the conduction of counselling session poultry farmers to introduce new feeding systems technology, which will improve their productivity.

- In addition to the support provided by the honey production sector specialist, the project continued to support the development of the honey sector in Baharak by providing technical and marketing support through regular counselling sessions. In addition to that the project made a full assessment of the prevalence of the Viroa mite in Badakhshan hives to inform the projects response to ensuring the complete eradication of the parasite, before encouraging the restocking of hives.
- During the reporting period, project-supported BDSPs continued to conduct counselling sessions with the 45 female tailoring entrepreneurs and 25 female food processing entrepreneurs operating out of their respective WBCs in Baharak. These sessions assessed their participants' business performance with the aim of exploring new strategies for them to improve their businesses, as well as, providing further training in marketing and technical assistance in product design.
- The project continued to conduct regular counselling sessions with 12 female entrepreneurs based in the Baharak soap making centre. These sessions provided them with technical assistance in product manufacture, marketing, as well as evaluating their business performance with the aim of identifying gaps and formulating further interventions.

Jurm District:

- In addition to the support provided by the honey production sector specialist, the project continued to support the development of the honey sector in Jurm by providing technical and marketing support through regular counselling sessions. In addition to that the project made a full assessment of the prevalence of the Viroa mite in Badakhshan hives to inform the projects response to ensuring the complete eradication of the parasite, before encouraging the restocking of hives.
- During the reporting period project-supported BDSPs continued to conduct counselling sessions with the 50 female tailoring entrepreneurs and 20 female food processing entrepreneurs operating out of their respective WBCs in Jurm. These sessions assessed their participants' business performance with the aim of exploring new strategies for them to improve their businesses, as well as, providing further training in marketing and technical assistance in product design.
- The project continued to support the development of the commercial poultry farming sector in Jurm with the conduction of counselling sessions for poultry farmers, to introduce new feeding systems technology, which will improve productivity.

Ishkashim District:

- The project supported the establishment of two new male operated poultry farms in Ishkashim based on the new poultry farm business model. The project provided technical support and limited financial support to match the entrepreneurs' initial investments. The entrepreneurs have established their new farms according to the specifications of this new business model and were supplied with the inputs (chicks, feeders, etc.) for them to start their operations. The project will continue to provide technical and business support to the farmers, who will be encouraged (and supported logistically) to rapidly expand.
- The project conducted a series of business management training sessions for 30 Ishkashim shop keepers aimed at encouraging the traders to foster greater market linkages with the more profitable cross-border markets in Tajikistan.
- The project held review session with the 37 female entrepreneurs operating from the Ishkashim & Wakhan woman's business centres. This review was to help the

participants assess their first year achievements and stimulate them to brainstorm new ideas.

Khosh District:

- In addition to the support provided by the honey production sector specialist, the project continued to support the development of the honey sector in Khosh by providing technical and marketing support through regular counselling sessions. In addition to that the project made a full assessment of the prevalence of the Viroa mite in Badakhshan hives to inform the projects response to ensuring the complete eradication of the parasite, before encouraging the restocking of hives.
- The project continued to support the development of the commercial poultry farming sector in Khosh with the conduction of counselling sessions for poultry farmers, to introduce new feeding systems technology, which will improve productivity.
- During the reporting period, the project supported BDSPs conducted counselling sessions with 64 Khosh based female tailors to assess their business performance and monitor their productivity.

Sheghnan District:

- During the reporting period, EDP conducted a series of counselling sessions with 12 female Tthan and Namad producers from Sheghnan that were recently linked with a Tajik based handicraft retailer, De Pamiri Handicrafts (See meetings above). The sessions aimed to internalise the feedback received from the retailer regarding quality standards and designs in high demand. EDP will continue to support the introduction of technologies in line with the feedback.

Shohada District:

- The project continued to support the development of the commercial poultry farming sector in Shohada with the conduction of counselling sessions for poultry farmers, to introduce new feeding systems technology, which will improve productivity.
- In addition to the support provided by the honey production sector specialist, the project continued to support the development of the honey sector in Shohada by providing technical and marketing support through regular counselling sessions. In addition to that the project made a full assessment of the prevalence of the Viroa mite in Badakhshan hives to inform the projects response to ensuring the complete eradication of the parasite, before encouraging the restocking of hives.

FIELD ACTIVITIES – SOUTH

Kandahar:

- Association Management, Basic Accounting and Marketing Training for KCA (Kandahar Carpenters Association):

The trainings aimed to build the capacities of 60-participants whom are management and key members of Kandahar Carpenters Association (KCA) under grant# 001 - 030. Specifically the topics of Association Management, Basic Account and Marketing are included in the training and it started on December 22, 2008, 30-training hours will be completed in 8-days for almost 4-hrs each day. The training contract is awarded to ACCC (Afghen-Canadian Community Center).

- Management, Financial Management, Association Management and Industry Development Training for KIA (Kandahar Industrial Association):

The trainings aimed to build the capacities of 30-participants whom are management and key members of Kandahar Industrial Association (KIA) under grant# 001 - 026. Specifically the topics of Management, Financial Management, Association Management and Industrial Development and it started on December 22, 2008, 32-training hours will be completed in 8-days for 4-hrs each day. The training contract is awarded to ACCC (Afghen-Canadian Community Center).

- US Exports Standards / GSP (Generalized System of Preferences) Training in Kandahar:

The training for almost 35-participants started on December 22, 2008 in Khusbakht Saloon, Kandahar city. The training is conducted by a BDS firm (Ariana Afghan Business Consulting Group) and it lasted for four days, started on 22 – Dec and ended 25 – Dec; each day's hours are 0830 to 1330hrs. The participants are introduced from KIA, DFEAK, KWBA, KCA, KEA, KWCWA, ZWTEBWA, ACCI and Maryem Durrani Association.



Business communication training for Balkh Bastan Handicraft association – Mazar city



Roundtable meeting for Samangan carpenters

TABLE 2: SUMMARY OF COMPLETED AND ONGOING BDS TRAININGS AND SEMINARS IN 4th QUARTER, 2008

Province Name	Date	Participants		Type of SMEs	Type of Training
		Male	Female		
Takhar	10/05-10/07	0	30	SMEs (Various)	Marketing for SMEs
Balkh	10/06-10/08	28	2	SMEs (Various)	Business Management
Hirat	10/11-10/14	8	27	SMEs (Various)	Miscellaneous
Kunduz	10/11-10/16	30	0	SMEs (Various)	Business Management
Balkh	10/16-11/02	0	30	SMEs (Various)	Business Management
Baghlan	10/18-10/20	0	30	SMEs (Various)	Business Management
Baghlan	10/21-10/23	30	0	SMEs (Various)	Marketing for SMEs
Balkh	11/02-11/04	0	50	SMEs (Various)	Business Management
Hirat	11/08-11/10	20	20	SMEs (Various)	Miscellaneous
Samangan	11/12-11/14	16	90	SMEs (Various)	Business Management
Kabul	11/15-12/31	0	0	SMEs (Various)	Business Management
Kunduz	11/16-12/15	0	0	SMEs (Various)	Computer
Balkh	11/16-11/18	0	0	SMEs (Various)	Marketing for SMEs
Kunduz	11/22-11/24	0	0	SMEs (Various)	Business Management
Panjshir	11/22-11/26	0	0	SMEs (Various)	Miscellaneous

Kabul	11/24-11/24	0	0	SMEs (Various)	Miscellaneous
Kunduz	11/25-11/28	0	0	SMEs (Various)	Business Management
Kabul	11/25-11/26	0	0	SMEs (Various)	Business Management
Panjshir	11/28-12/02	0	0	SMEs (Various)	Miscellaneous
Parwan	12/02-12/04	0	0	SMEs (Various)	Business Management
Bamyan	12/24-12/18	25	0	SMEs (Various)	Business Management
Kabul	12/15-12/22	0	0	SMEs (Various)	Business Management
Parwan	12/16-12/18	25	0	SMEs (Various)	Business Management
Bamyan	12/21-12/29	0	0	SMEs (Various)	Business Management
Panjshir	12/21-12/25	0	25	SMEs (Various)	Miscellaneous
Parwan	12/25-12/30	0	25	SMEs (Various)	Business Management
Panjshir	12/28-01/01		25	SMEs (Various)	Miscellaneous

PROGRAM COMPONENT 3:

BUSINESS ASSOCIATIONS

FIELD ACTIVITIES - NATIONWIDE

Association Component:

- **ACCI:** Deputy Administrator James Kunder visited Afghanistan and requested a meeting with leading businesspeople to discuss human capacity constraints to private sector growth, and the business and investment environment in Afghanistan. ACCI organized a roundtable including the CEO and First Vice Chairman of the Chamber, ten business leaders and two private sector professional and vocational training institutes. The discussion emphasized on the need for increased investment in education, increased professional of teaching staff, and increased opportunities for Afghan firms to subcontract on USAID projects in order to develop capacity to produce to international standards. The event was greatly appreciated by the Deputy Administrator and USAID Mission Director Michael Yates.

AWBF:

- Signed Memorandum of Understanding with Ministry of Women's Affairs. The main objective of the agreement is the bilateral cooperation and collaboration between the ministry of women affairs of the Islamic Republic of Afghanistan and the AWBF in order to support the women's business union and to strengthen and improve the participation of the women in all sectors and regions of the country.
- The ASMED contracted audit was completed and the final management report was submitted along with financial documentation. Recommendations were reviewed and accepted by ASMED and AWBF. ASMED contracted with the audit firm to provide new standard operating procedures and financial management training to the AWBF Finance Manager to address weaknesses identified in the audit. Key weaknesses included lack of record keeping for funds received, lack of record keeping for transactions with regional offices, and limited use of bank account (most transactions done in cash).
- AWBF held their annual Christmas exhibition in early December where a considerable quantity of handicraft products was sold to high value customers. Sales information is still pending and will be reported in January's Monthly Report.
- AWBF is sponsoring an important stakeholder conference and General Assembly at the end of February 2009. In preparation, AWBF conducted a Membership Satisfaction Survey in each AWBF region and with each individual and association member, in order to identify the strengths and weaknesses of AWBF member services and to gather information about member needs. Based on this survey, and on the challenges identified through the recently held GTZ/AWBF conferences on Women Entrepreneurship, AWBF will develop a strategy of advocacy and member service activities that will clearly define AWBF roles and expectations for supporting women businesses.
- Short term consultant Bob Stapp and ASMED Gender Specialist provided technical assistance for a review and update of AWBF's Strategic Plan/Work plan. The consultant and the AWBF Executive Committee reviewed and documented the

accomplishments against the goals and objectives for the first six months (June-November 2008) of the AWBF 2008-2009 Strategic Plan. They also developed the specific actions to be undertaken against the goals and objectives of the Strategic Plan for the next six months (December 2008 – May 2009) and created work plan.

- AWBF is currently creating an Advisory Council of leading professional Afghan women that can provide pro-bono consulting and guidance to AWBF Board of Directors and CEO. This group of 8-10 professionals has been contacted and is in discussions about the most effective way to support AWBF.
- **Afghan Banks Association (ABA):** The Afghan Banks Association began their ASMED grant funded training series with a training for over 30 member bank staff on Basic Banking with an emphasis on SME lending.
- **Afghanistan Marble and Granite Processors Association (AMGPA):** The marble sector is a key ASMED sector. ASMED can play an important role in the development of this resource by supporting the AMGPA in its advocacy role, in providing targeted service to its members, and by offering relevant training on state-of-the-industry skills and techniques.
- ASMED has previously supported the AMGPA with a grant for production of a newsletter and funding for an upcoming advocacy event. Short term organizational development consultant Bob Stapp and marble sector expert Paul Lamoureux worked intensively with AMGPA on planning a major advocacy and industry promotion conference at the end of March, strategic planning, trade show participation, and market information. See Marble Sector section.
- **Association Management Training of Trainers:** International short-term consultant Bob Stapp initiated the creation of a Training of Trainers in Association Management. While many BDS firms and business association staff currently conduct training in association management topics, there is a need for improved quality of those trainings and skills. Three ASMED staff will work with Mr. Stapp to create the training materials and trainers' manual, and to conduct the Training of Trainers (currently scheduled for April 2009). These ASMED staff "master trainers" will remain available to associations and BDS firms for additional consultation and assistance as needed when these groups begin conducting the training themselves.

FIELD ACTIVITIES – EAST

- **Honey Processing and Packaging Facility:** ASMED Jalalabad Office assisted Nangarhar Beekeeper Association with a grant to buy honey processing and packaging equipment to process and pack Afghan honey in a proper way to increase its market inside and outside the country. The equipments have been ordered in Pakistan which will be ready for loading by the end of January. The project will significantly improve and develop beekeeping business in Afghanistan especially in Eastern Region. The facility will benefit more than 500 beekeepers in the region as their honey will be processed and packed in the facility.



- **Food Processing and Packaging Facility:** ASMED Jalalabad assisted Afghan Women's Agricultural Association with the procurement of food processing and packaging equipment to develop and support its business. The quality and standard of the food process by the association has been improved significantly after the association received grant from ASMED. According to the association, after being properly packed and processed, the demand for the products has increased by 30% in the market. Thirty members of the associations are currently benefiting from the facility directly and indirectly.
- **Supported AWSBDA:** Provided office space to AWSBDA (Afghan Women Social and Business Development Association) in BDC (Business Development Center) supported by ASMED to increase and strengthen their activities. The office space will considerably improve and develop their activities by holding regular meetings, trainings, workshops and etc
- **Association Incubator:** ASMED signed a purchase order with ADAA for the management of association incubator where six agri-business associations created or supported by ASMED are operating. Under the PO ADAA will be responsible for the overall management of the incubator and will provide favorable environment for the associations to take forward their activities smoothly.
- **Beekeeping Training:** ASMED signed a PO with ADAA for beekeeping training in Laghman Province. Under this PO, ADAA will be expected to train 60 beekeepers in Laghman Province in proper beekeeping techniques.
- **BBA Teacher Training Program:** Started BBA teacher training program for 8 instructors of Economics Faculty of Nangarhar University to teach BBA subject in future when ASMED and AIBM leaves the project. The project is implemented by Khursan Institute of Higher Education, which is a registered institute with the Ministry of Higher Education. The BBA teacher training program will help ensure sustainability of the ASMED-funded BBA program at Nangarhar University. The teachers from the training program will start teaching the first semester of the BBA program in January.

FIELD ACTIVITIES – WEST

Completed Activities:

- Danesh-e-Nawen Agricultural Productive & Development Services conducted a training on Marketing, Sorting and Packaging of Saffron for the Jebrahil Saffron Processing Association Training conducted by for 45 members of the association from 8-10 November, just prior to the saffron harvest. The Association has 500 members, including 400 women. The Jebrahil Saffron Association's Director also attended the 3rd National Conference on Afghanistan Saffron.

Ongoing Activities:

- In November 2008, at the request of the Guzara District Governor, the ASMED Regional Manager and Grants Manager met with the Governor and his staff to discuss the opportunity to develop a wool wash facility and other efforts in Guzara District to support the 7,000 families of Kuchis and 250,000 sheep. Most of the wool is currently bundled and shipped out of the country for washing and thread production, often then returning to Afghanistan. Additional meetings are anticipated with community leaders and Guzara District administrative staff in February.

- An approved proposal was received from Zinda Jan Women Social Vocational Association for a three-day design training for 50 women silk weavers. (Zinda Jan is 25 km from Herat). Training will be conducted in January
- ASMED is evaluating a proposal request received from Women Silk Weavers Company (Herat), for equipment used in dyeing wool and silk
- A Request for Proposals (RFP) was sent to BDS firms to bid for establishment of Associations in Ghor and Farah provinces and conduct needs assessments. Responses to the RFP are due by 13 January.
- Staff scheduled to travel to Badghis 12 January to follow-up on Association development work previously completed. Focus will be additional needs assessment and specific plans for consulting or grant proposals.
- Initial meeting was conducted for expanded Construction Service Company Association to determine opportunities for affiliation with national associations and training needs for accounting, project management and bid preparation for future US Corps of Engineers and other international and domestic construction contract bids. US Corps of Engineers and the Herat PRT will be approached to support development of training program regarding their individual bid procedures. Initial discussions with the Association representatives have been positive, pending a meeting with Board member representatives.
- Reviewing proposal for support of the Herat Industrial Union through support of publication of monthly magazine The Industrial Union has published this for previously but ceased publication when the number of firms and employees reduced because of continued crime and kidnappings of family members of businesspersons expanded greatly. Sustainability plan has been received. The Industrial Union represents over 250 firms at the Herat Industrial Park, the largest in the country. The magazine is one way to support the Industrial Union in returning and adding more employment.

Future Activities:

- Meeting scheduled with leading member of Herat Silk Processors Association regarding needs for upgrading silk production in the province. Meeting had been delayed as a result of travel of the Director.

FIELD ACTIVITIES –NORTH:

Key Accomplishments:

The project provided support and assistance to several associations in obtaining grants. Number of grant approved was increased to compare with previous quarter. The project uses a new approach in developing and funding a grant proposal for associations. The focus of ASMED technical support is on equipment and empowerment of association members. One of the major income sources of association is fee from sales made by members.

Activities:

- A grant for training Provincial Council of Crafters Traders' National Union of Kunduz is on going and will be close after disbursement of last installment. The last installment requests three trainings, which will be conducted on February 2009.
- Advanced Grant Project for Afghan Carpet Knotting/Weaving and Export Association is completed 80%, remaining 20% grant activities pending on ASMED last payment.
- The grant for the Faryab Fruit growers Association received first installment and procured office equipments.
- Grant for Faryab leather processing is on going and first installment is disbursed, which was for registration with MoJ and they obtained license certificate.
- Prepared and submitted Advance Grant Application for carpet cut and wash facility for Kunduz Carpet Association, Seed Grant for Crafts Union in Polikhumri/Baghlan.
- Development grants applications for Qataghan Seed Improvement and Ajmeer Honeybees business association are completed.

Badakhshan Province

- During the project period the project began working with 34 private-sector veterinarians in order to facilitate them in forming a local Veterinarian Business Association. The sessions have explored other similar associations' business models which aim to assist Veterinarians to maximize their profits, by using the association to jointly market, and import veterinary and livestock husbandry inputs wholesale.
- During the reporting period, the project began a process of comprehensively assessing the maturity of all the business associations supported by the project. This assessment takes in consideration such aspects as the management structure and membership requirements, the business model and level/type of services provided to the membership. The assessment will assist the association in formulating its strategy for the continued support these associations to expand their business promoting potential.

PROGRAM COMPONENT 4:

GLOBAL DEVELOPMENT ALLIANCES AND GRANTS

GDA

During the 4th Quarter, seven new GDAs were finalized and four STAs were mobilized to support implementation, making this our most productive quarter so far. Two of the new GDAs were focused on key Base of the Pyramid sectors, housing and health-care, and also two were focused on Nangarhar. In total, there are now 12 active GDAs, with three more pending approval, and four, which have been completed (see summary table at end of section).

New 4th Quarter GDAs:

Wool and Cashmere spinning: Northern Provinces Mill

This GDA was established with the Agha Khan Enterprise Development program to build a small scale wool mill in Badakshan with a local entrepreneur. The mill will become the centre of the Northern Provinces textile industry, creating a stronger economic autonomy for the region and completing the value chain for both local and exported finished products. The mill will process raw inputs (wool and cashmere and also blends with the exotic fibers of yak and camel) and produce finished yarns and other products in commercial quantities. The overall assessment of the cashmere crop suggests that there is a possible 4,000 kilos of fiber available for processing in Badakshan, and the mill will support improved fiber quality, herd management, and a better pricing structure for the local farmers. If successful, the model can be adapted to other parts of the country, such as Bamyan and other western provinces.

Microhydro Turbine development: Remote HydroLight

Remote HydroLight (RHL) has been operating in Afghanistan for the past 13 years, producing micro-hydro turbines and manufacturing parts for turbines which are made and installed by Afghan SME's that RHL has established. The business has effectively enabled the production and installation of approximately a thousand micro-hydro units across the country, nearly all in rural areas with no access to grid power. This GDA will support Remote Hydro Light in developing local cross-flow turbine installation and transferring Kaplan turbine technology to local workshops. While the cross-flow turbine used today is well suited to small fast flowing streams found in mountainous areas, in the East, South, and South-West of Afghanistan, where rivers are larger and slower, the cross-flow turbine is ineffective and so only about half the potential



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for micro-hydro in the country can be developed with existing in country technology. It is expected that when this project is completed approximately 3 – 5 of the workshops would enter the manufacturing of the Kaplan turbine. These shops will produced 20 Kaplan turbines/year of about 10 – 30 kW size and then larger Kaplan turbines may also be built of up to about 100 kW, while more workshops will be opened that can build these turbines in other regions.

Baghlan Mining

The Baghlan mining GDA was approved to improve mine safety and productivity using advanced mining equipment in the extraction of minerals and gemstones. Equipment is now being sourced and procured.

Afghan Earthworks

Afghan EarthWorks is a new business aimed at establishing, training, and financing locally owned SMEs that will provide modular earth housing that is flexible, easy and cheap to build. The modular design can be expanded or changed to suit different family circumstances, incorporates many features for enhanced seismic stability, and is ideal for returnee refugee communities.

The first phase of this GDA is to assist Afghan EarthWorks to refine the design so that it complies with the New Zealand Construction Code Standards for earth buildings in Seismic areas. Phase II is to re-engineer the basic prototype so that it can be built faster and cheaper, by the private sector, to set up 5 Nangahar based SMEs that will develop the local market for inexpensive housing, and then to develop a prototype designed for colder regions of the country.



The key advantages of the Afghan EarthWorks housing solution are as follows:-

- No use of expensive imported materials – such as cement and steel
- Environmentally friendly – this is a “zero carbon” building (no baked bricks)
- Uses much less wood than any other shelter design (by incorporating dome brink roof)
- Incorporates life-saving seismic engineering design
- Is built by people recruited within the local communities with no prior skills, creating viable livelihoods for unemployed youth
- Adaptable to the families changing needs. Refugee families can get a decent house at a cost to them of under \$800, which is less than UNHCR housing grants.

Low-cost Pharmaceutical retail franchise

The objective of this GDA is to create a new Afghan business in partnership with MedPlus India, a pioneer in low cost retail franchising. The expectation is that Alokozay Resources International (ARI), a major Afghan business with experience in procurement, logistics, and sales and marketing, will invest in this opportunity and partner with MedPlus to create a major new enterprise that will have a significant social impact and become the leader in the estimated \$300 Million plus market for pharmaceutical and medical supplies.

The main outcome is expected to be the launch of a retail pharmaceutical chain with low cost/high quality service. By building a strong brand associated with quality and service, stores will sell low-cost drugs, provide diagnostic lab tests, and have a trained paramedic or nurse for basic consultations and awareness creation on specific ailments. By partnering with quality generics companies a chain of pharmacies brings a certain scale and can begin to address the problem of vast spread of fake and counterfeit medicines in Afghanistan and the over-prescription of medicines. The retail chain can furthermore improve awareness regarding critical health problems through focused interventions.

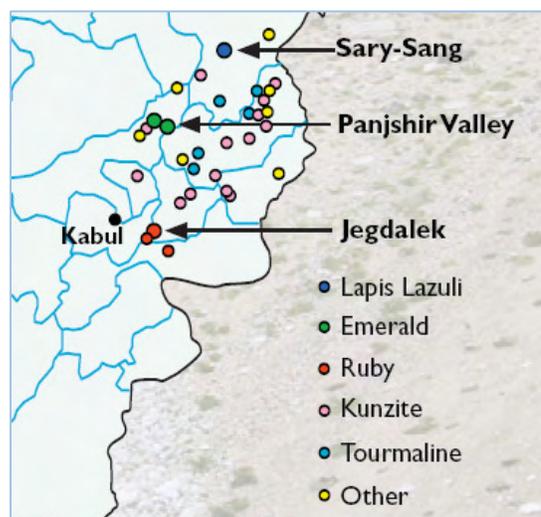
Cold Storage SIP manufacturing

The objective of this GDA is to meet the growing need for durable refrigeration and cold storage systems by locally producing *Structural Insulated Panels* (SIP's). The long term goal is to facilitate the establishment of national Cold Storage & Refrigeration capability for commercial and governmental markets.

Preliminary market research indicates there is an extensive need for SIPs for refrigeration panels used in food storage and transport vehicles, and in the commercial building market. It is anticipated that the panels will be produced in Kabul, and maximizing local employment and training, the production process shall be labor intensive and low tech.

Nuristan gem-cutting in J-bad

The gemstone sector has the potential to be a major contributor to the Afghan economy, with estimates of potential exports of \$300 million annually. This GDA will support a Jalalabad based mining company that is currently exporting raw gemstones from a Kunzite mine in Mawe , an Emerald mine in Shama, a Tourmaline mine in Korgal, and an Aquamarine mine in Mathave Valley. The GDA will lead initiatives to upgrade and eventually legitimize the entire mining operations in the area, with the intent of paying royalties to the Afghan government and improving conditions for local communities. The GDA will follow a comprehensive "Mine to Markets" approach to develop the Gemstone Sector.



Gemstones in Eastern Region

This includes the following interventions:

- 1- Upgrade mining equipment and provide training on productive and efficient mining techniques
- 2- Provide training to mine and lapidary operators including gemology courses on gem identification and sorting, gemstone cutting and polishing, marketing and exporting to international buyers
- 3- Sponsor mine operators and traders to visit international trade fairs where they will be mentored and supported in international sales
- 4- Develop a facility to develop the skills of Afghan gem cutters and to house lapidary equipment in Jalalabad.

Progress and issues with current GDAs:

WPCO GDA with Roshan

In the past three months efforts have been made to reinvigorate outreach efforts to recruit more women entrepreneurs, however this GDA has not received the full support of Roshan in implementation and has suffered from delays and somewhat cumbersome approach to improving the process to establish WPCOs. A stakeholders meeting will be held in January to address these issues and it is expected that ASMED will launch a new initiative that will change the way the GDA is managed and developed going forward.

Tolo TV “Dream and Achieve”

The Tolo TV nationwide entrepreneur contest was completed and received significant press, notably by Reuters, and the International Herald Tribune: <http://www.iht.com/articles/2008/09/01/business/reality.php> the grand prizewinners are now establishing their operations and Tolo is planning a follow up filming of their progress, as a lead up to next years repeat series. A DVD about the “making of” the GDA is being edited and will be completed by January for use by USAID.

One Laptop Per Child (OLPC)

The first five hundred machines have now arrived in Kabul and cleared customs (duty free) and are being tested and set up in a demonstration lab at the Ministry of Education. Paiwastoon Networking Services has also established a new project office to house the project team of Afghan and international staff which have been recruited to manage the deployment and training of teachers has begun. The initial roll-out is now being planned for Jallalabad where schools are open all winter. A project web site has also been established at www.olpc.af

Silk “Value Chain” GDA Partnership

The silk value chain GDA was launched and silk weaving production for all natural silk scarves has been set up by Azana in Karte Char district of Kabul, now employing about 20 women. Zarif design moved to larger facilities and is expanding production in its new workshop and showrooms. Zarif design has also launched a new marketing development project with boutiques in the US and Europe placing their first orders.

Insurance Corporation of Afghanistan (ICA)

ICA has begun issuing policies and with support from ASMED has established its offices and Afghanistan's first claims processing center with advanced software for managing policy issuance and claims management. The official opening will be scheduled for the first Quarter 2009.

Licorice Processing

The licorice-processing factory in Mazar was completed but is not yet operational for export. An environmental review is planned for the first Quarter 2009.

Upcoming GDA pipeline for 2009:

Upcoming priorities for the GDA department include hiring two local staff to support processing, monitoring and implementation of the growing number of new GDAs. The successful outreach conference in Jalalabad will also be followed by similar regional GDA

conferences in Herat and Mazar. In the first Qtr. 2009, three different technical consultants will be visiting Afghanistan to help launch the solar lighting and renewable energy GDA, the low-cost pharmacy GDA, and to identify and develop opportunities for organic food processing and value-chain development. See full chart below.

GRANTS:

ASMED Grants Department Quarterly Report: October 2008- December 2008

Section A: Quantitative information:

A.1. Quarter Highlights:

- During this quarter, 6 different types of Grants Projects are completed and are ready for the use of local community in various regions.
- During this quarter, 10 different types of Grants Projects were approved and the implementation process has started in various regions.

A.2.Total Grants Projects approved from beginning to December 2008:

Type of Grant	Number of projects		Total Projects	Total committed Value	Total Disbursed	Balance
	Closed	Active				
Associations	34	22	56	\$844,017.00	\$ 672,192.00	\$ 171,825.00
MDGs	35	18	53	\$566,591.38	\$ 420,625.00	\$ 145,966.38
Value Chain Improvement	10	7	17	\$1,828,188.00	\$ 1,539,155.07	\$ 289,032.93
Enterprise	1	0	1	\$5,000.00	\$ 5,000.00	\$ -
Grand-Total	80	47	127	\$3,243,796.38	\$ 2,636,972.07	\$ 606,824.31

Pipeline Grants	14	\$210,856.00
Total Grant Line budget		\$4,000,000
Grants Balance to be spent		\$545,347.62

A.3. Grants submitted to USAID and approved during this quarter:

Grant #	Description	Type	Location	Amount	Status
002-044	Wama Bazaar Water Drainage	MDG	Nuristan	\$18,000	Approved
002-021	Construction of Shah-ri-Safa District Market Shops	MDG	Zabul	\$10,294	Approved
002-056	Faryab Waste Collection System	MDG	Faryab	\$9,400	Approved
004-018	A Sail food production company	VCDG	Nangarhar	\$24,860	Approved
001-052	Faryab Fruit Processing and Exporting Association	Association/Seed	Faryab	\$ 9,850	Approved
002-051	Towrghondi Town Latrines	MDG	Hirat	\$9,971	Approved
001-053	Afghanistan Banks Association	Ass/Advance	Kabul	\$52,001	Approved
001-054	Faryab Leather Producers Association	Ass/Seed	Faryab	\$10,000	Approved
002-052	Watapur District Market stalls	MDG	Kunar	\$10,999	Approved
002-053	Marawara District Market Stalls	MDG	Kunar	\$10,000	Approved
Total 15 Grants				\$155,414	

Section B. Qualitative Information:

B.1. Approved Grants during this Quarter:

Grants approved in October 2008:

Grant No.: 002-044
Grantee: Wama Bazaar Water Drainage
Location: Nuristan
Grant Amount: \$18,000
Grant Type: Market place Development Grant
Approved Date: October 11, 2008

Supported Activities: This MDG (Water Drainage) project will facilitate the waste and rain water outlet from Wama bazaar. This will result in a clean and healthy environment in the bazaar.

The construction of the Water drainage facility will address the following key constraints:

- I Non availability of proper drainage system.
- II Lack of job opportunities in the area.
- III Construction of this water drainage facility will provide the chance and will encourage the local community to make more shops and start their own businesses.

Beneficiary's category for this project will be approximately 9,000.

Grant No.: 002-021
Grantee: Construction of Shah-ri-Safa District Market Shops
Location: Zabul
Grant Amount: \$10,294
Grant Type: Market place Development Grant
Approved Date: October 11, 2008

Supported Activities: The grant area (Shah-ri Safa district market) is located on highway from Kandahar to Kabul, approximately 60-kms from Kandahar city and 75-km from Qalat city (capital city of Zabul). People from the district are coming to Kandahar and Qalat cities for shopping due to non-availability of proper market facilities.

The grant from USAID/ASMED and contribution of district Shura/authorities will be used for constructing 5-shops in district Market of Shah-ri Safa district in Zabul province. The contribution of district authorities and district shura will include land, unskilled labor costs (preparation and cleaning of construction site after completion of project), partial salary of municipal engineer and full salary of one security guard during grant period. Moreover district authorities will provide free electricity for the shops for one year and an amount of US\$ 600 will be used for future maintenance of shops to ensure longer sustainability.

The implementation of this project will positively impact the security situation, local population, and highway passengers in the area. People from surrounding areas will be hired to work in the project activities. Consumer products from the city and agricultural products of the district will be accessible to the local population.

The local population travels long distances to obtain daily provisions of food and other consumable products. Building market stalls for local producers will reduce the amount of travel time for both buyers and sellers leading to a higher level of commercial activity.

Beneficiaries for the local residents of the district will be 36,000 for the highway passengers will be 30,000.

Grant No.: 002-056
Grantee: Faryab Waste Collection System
Location: Faryab
Grant Amount: \$9,400
Grant Type: Market place Development Grant
Approved Date: October 11, 2008

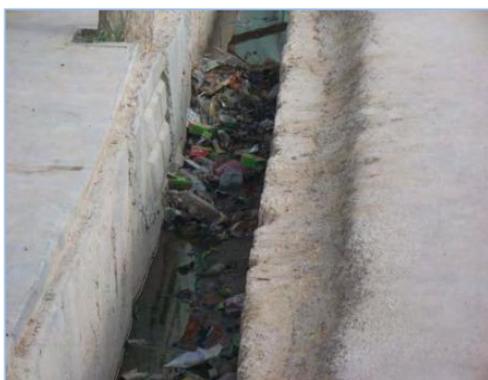
Supported Activities: With an ASMED Marketplace Development Grant, the Maimana Municipality will establish waste collection in areas where most of the street shops and street vendors are placed. The trashcans will be manufactured by the local workshops. The idea of placing the trashcans around the city comes from the Mayor of Maimana.

With support of UNDP Project, all streets were cleaned; however, project funds did not include the installation of trashcans, which means that streets will be full of waste material.

The street shopkeepers are willing to take part in improving the sanitary system around shops if the Maimana Municipality will install the trashcans and start collection of waste.

The project activities will be to:

- a. Produce 60 trashcans.
- b. Install of trash cans in the city next to street shops and street vendors
- c. Start the waste collection system in various places of the city. An estimated 5000 men and 2000 women will benefit from this project.



Grant No.: 004-018
Grantee: A Sail food production company
Location: Nangarhar
Grant Amount: \$24,860
Grant Type: Value Chain Improvement Grant
Approved Date: October 11, 2008

Supported Activities: The company owners are Izat Ullah Saill and Shireen Agha. Both are brothers who have vast experience in the production of food items. The company initially started a business in Pakistan but after the formation of the current government in Afghanistan it was moved back to Jalalabad in July 2007. The company produces a variety of snack foods sold widely in Afghanistan through wholesalers and retailer.

The ASMED grant will be used to buy new equipment for processing potato chips for the Afghan market.

Most if not all potato, chips are imported from Pakistan and Iran. Adding this line of product to A. Saill Food Products Company will help to achieve the following:

- Reduce the importation of foreign products
- Increase direct employment at the company
- Assist 60 families/farmers in production of potatoes (with the help of ADP/E)
- Formalize the company by registering with AISA

Grant No.: 001-052
Grantee: Faryab Fruit Processing and Exporting Association
Location: Faryab
Grant Amount: \$ 9,850
Grant Type: Association seed Grant
Approved Date: October 11, 2008

Supported Activities: The association has carried out a rapid survey of fruit production in Faryab province and a comprehensive survey of solving potential problems, obstacles, barriers and ways forward for addressing these issues in twelve districts of Faryab province.

In addition, the association is struggling to mobilize resources by exploring different financial channels to construct a well air-conditioned warehouse to be used commonly by all the association members. This will greatly increase the revenues due to temperature regulation, which will prevent fruit from rotting.

Furthermore, the association will put its additional effort on verifying market information for its members to direct their exports to proper channels and consequently assist on increase of their revenues.

Despite the fact that the association assists its members on accounting and financial management it also would like to take the lead on assisting the members in proper packaging of their products for transportation purposes that vastly implicate the increase of revenues. To achieve the certain tasks on financial management and packaging the association requires the following equipment and material;

- *Computer:* In order to have a proper financial system the computer is required to be placed in association main office. The computer will be used for financial management, internet services and data management.
- *Printer:* is required for printing documents, charts, tables and graphs of the association.
- *Copy Machine:* Economically using a printer for printing documents to all members of the association is not sound, thus copier machine can be justified since the number of association members are increasing day by day.
- *Scanner:* This is a vital tool for scanning important documents of the association.
- *Office Desks & Chairs:* The association needs office desk & chairs for its main office and sub-offices to be used for administration purposes.
- *File Cupboards:* File cupboard will be used for proper filing system.

- *Hard Non-disposable Carton boxes*: It is required for proper packaging of the dried fruit products. The non-disposable carton boxes will be used for a long period of time in order to ship the dry fruits for processing (washing) and further exports.
- *Jude Bags (Seamed Bag)*: It is mostly used for almond, walnut, pistachio, cumin seed, sesame, flax, licorice, Hing (one kind of natural plant used for medicine), morel mushroom and other kind of dry fruits. The bags will be used for a very long period of time as the bags will not be disposable.
- *Large Scales*: In order to weight the products of the association in different areas, large scales are considered as a crucial requirement to be procured.
- *Solution Sprayer*: This will be used for anti-insects efforts by gardeners in different period of time. It greatly affects the quality and quantity of the products.
- *Shear (Garden scissors)*: It is meant to be used by the gardeners to improve the trees and garden in order to increase the products.
- *Baskets*: It is used for transportation of the fruits from gardens to drying areas. Baskets are non-disposable items and are considered as tool. They are expected to get used for a long period of time.
- *Workshop*: One day workshop will be conducted for association members to explain new techniques used the business and to brief on technical support provided by ASMED.
- *Registration*: The process will start from the very beginning; however, it might take 1-2 months for final registration at the Ministry of Justice.



Grant No.: 002-051
Grantee: Towrghondi Town Latrines
Location: Herat
Grant Amount: \$9,971
Grant Type: Marketplace Development Grant
Approved Date: October 11, 2008



Supported Activities: Towrghondi is the entrance gate of the country, located 120 km north of Herat city, within this ASMED Marketplace Development Grant. Sarwary Brothers Planning and Construction Co, will construct four public latrines (flush system), water facility (Deep well), and septic tank near a key market place in Towrghondi border town. The municipality will contribute sufficient land to the project with an estimated value of \$3,000. It is estimated that there will be up to 20 laborers will be employed by the SBPCC in the border town of Towrghondi. The project beneficiaries for the men will be 1000 Shop Keepers and Travelers and 300 will be for women.

The building of the public latrines will improve the hygiene and sanitation in the area. The construction of the latrines is part of the overall bazaar infrastructure improvement, demanded by community and municipality authority, which will have a positive impact on over all market position in the area.

Grant No.: 001-053
Grantee: Afghanistan Bankers Association (ABA)

Location: Kabul
Grant Amount: \$ 52,001
Grant Type: Association Advanced Grant
Approved Date: October 11, 2008

Supported Activities: In consultation with the ARIES Program, ABA will invest ASMED's Grant contribution in Capacity Building of banks personnel, SMEs, and of BDS providers that assist SMEs to gain access to credit. The expected outcome should be increased lending to SMEs and better collaborations between banks and BDS providers.

In addition to that, the requested/proposed trainings will considerably help the ABA to increase services to its members and strengthen the association's management capabilities.

Grant No.: 001-054
Grantee: Faryab Leather Producers Association
Location: Faryab
Grant Amount: \$ 10,000
Grant Type: Association Seed Grant
Approved Date: October 11, 2008

Supported Activities: The annual rainfall in Faryab province is very low, and water shortages are always felt in the region. During rainy seasons, a small amount of water flows in the rivers and is collected by the members for leather processing. This water is transferred to the processing ponds and is used for leather processing. The ASMED grant will change the life of the members, as it will be used to dig wells to produce water for leather processing. The deep well will be used by all members, providing clean water for their leather processing and drinking.

Grant No.: 002-052
Grantee: Watapur District Market stalls
Location: Kunar
Grant Amount: \$10,999
Grant Type: Market Place Development Grant
Approved Date: October 12, 2008

Supported activity: With an ASMED Marketplace Development Grant, The IHSAN TAPORI Construction Company (I.T.C.C) will construct market stalls comprising of 12 complete shops with individual closing doors. The local municipality will contribute land, security and an engineer to oversee the contractor's work.

Watapur District in Kunar province is located approximately 15 km northwest of Asadabad city on main road to Nuristan province. The District has one market area with several shops made from mud and wood. The market bazaar, consisting of 18 permanent vendors and 30 temporary vendors, provides services to several hundred families who travel here to purchase their daily supplies of food and nonperishable items. Installing 12 new modern market stalls will increase trading/selling capacity in an area that is in great need of more permanent market stalls. Benefits of building modern market stalls:

1. Covered stalls with individual doors will provide greater protection to shop keepers who sell food and other perishable items.

2. Increase the number of permanent shop keepers.
3. Provide approximately 20 temporary jobs during the construction phase.
4. Create 24 to 36 permanent jobs with each market stall employing 2 to 3 people.
5. Support local producers of food, clothing, and other items who will sell their product to shop keepers.
6. Increase tax revenue for the local municipality.
7. It will improve the community relationship with the local government in the area.
8. A market will improve sanitary conditions for exchange of food products.



Grant No.: 002-053
Grantee: Marawara District Market Stalls
Location: Kunar
Grant Amount: \$11,000
Grant Type: Market Place Development Grant
Approved Date: October 12, 2008

Supported activity: This ASMED Marketplace Development Grant will enable Marawara District to build much needed market stalls for 12 new businesses. Abbas Mamund Construction Company has been identified as the implementing partner who will construct the facility. The District will provide land for the facility, security during construction, and a community engineer to help monitor the construction.

The Marawara District of Kunar Province is located approximately 10 km East of Assad Abad City. The province and the district have experienced deterioration in security in recent months. Building market stalls will help improve commerce in the region creating stability within the community. New market stalls will provide the following:

1. Shelter for the local merchants and farmers to sell food and perishable items in good condition.
2. Improved commerce will provide more permanent employment opportunities for local residents. Twelve stalls will provide approximately 24 to 36 direct long-term jobs.
3. The project implementation will create approximately 20 short-term jobs during the construction phase of the project.
4. It will improve the community relationship with the local government in the area.
5. A market will improve sanitary conditions for exchanging of food products.

Grants approved in November 2008:

None

Grants approved in December 2008:

None

B.2. Grants projects completed and closed out during the quarter:

Grants completed and closed out in October 2008:

Grant No.: 002-020
Grantee: Shkin Border Solar lighting
Location: Paktiya
Grant amount: \$10,000
Type of Grant: Market Place Development Grant
Date Closed: October 5, 2008

Supported Activities: The project was successfully completed. The primary focus of this project is to enhance commerce, keep vendors in Shkin, and to demonstrate tangible progress. There will be some temporary jobs created during construction, however, an increase in local jobs will depend on how many vendors set up permanent shops in the newly constructed commercial center.

The new facilities encourage more people to buy and sell goods in the Angorada/BCP 213 bazaar after daylight. Additional lighting at nights will reduce petty crime, create a safer environment for the local population, and benefit the ANP and ANA as they patrol the bazaar area. Improved infrastructure within the bazaar area provided more commercial space and instilled a sense of pride in the community.

Grants completed and closed out in November 2008:

Grant No.: 001-040
Grantee: Afghan National Business Association for Peace
Location: Kabul
Grant Amount: \$21,000
Grant Type: Association Development Grant
Date closed: Oct 15, 2008

The grant set up the Afghan National Business Association for Peace as an association and also created a functional office where the ex-combatants can meet and discuss or act on their affairs. The grant also facilitated training in the following subjects:

1. Business Management
2. Marketing
3. Basic Accounting
4. Micro Business Administration
5. In addition, the grant was utilized for payment of salaries and office supplies for the association.

Through the association, the ex-combatants are able to advocate their needs and support each other in civil society. Two permanent jobs were created through this grant

Grant No.: 002-035
Grantee: Trinkot Local Radio Upgrading
Location: Uruzgan
Grant Amount: \$10,000
Grant Type: Marketplace Development Grant
Date closed: Sep 30, 2008

This local radio station is located in Trinkot, Uruzgan. The radio was broadcasting in low-band frequency of 50Watts to a range of less than 20km. The radio station had limited equipment and was unable to do recorded interviews, and the sound was not very clear.

The ASMED grant was used by Local Radio to upgrade its programming and its facilities to broadcast business information and instructions to the community. The equipment procured included a new system to broadcast at 300W, an upgrade from the current 50W broadcast. It also included computers and sound equipment for use in generating business programming and storing program data. The Director of the Radio procured the equipment locally in Kabul. USAID-AIR flew the equipment to Trinkot with the engineer who installed the equipment for the radio station. The Radio is now able to transmit its broadcast to as far as 180km and reach a population of 100,000 people. The computer system and software will be able to make the sound clear so all within the range can hear the message clearly.

The Danish PRT in Trinkot will fund development and broadcast of economic and business programming on the local radio.



Grant No.: 004-016
Grantee: RWA Road and Construction Engineering Company (RWA)
Location: Ghazni
Grant Amount: \$150,000
Grant Type: Value Chain Improvement Grant
Date close out: Nov 22, 2008

Ready-mix concrete (also referred to as RMC) is a type of concrete that is manufactured in a factory or batching plant, according to a set recipe, and is then delivered to a worksite, by truck-mounted transit mixers. This results in a precise



mixture, allowing specialty concrete mixtures to be developed and implemented on construction sites.

ASMED grant supported RWA Road Construction Company to import the complete plant of concrete mixing from Zhen Zhou Unique Industrial Equipment Co. Ltd of Zhen Zhou City, China. The equipment was made to RWA specifications. The order for the equipment was placed through a confirmed letter of credit on August 5 2008 through Azizi Bank of Kabul. The plant was shipped on Sept 23 2008 by sea to Kabul via Karachi Pakistan. The shipment arrived in Karachi on October 13th 2008 and was transferred to the Karachi-Kabul leg by road on October 31 2008. The shipment arrived in Kabul on November 3 2008. After the customs clearance in Kabul, the whole shipment was then transported to Ghazni on November 9 2008.



RWA Ready-mix

Due to the weather, freezing temperatures and snow, the plant could not be assembled immediately but will have to wait until warmer weather in the spring. However, some of the smaller parts were assembled on the ground.

Grants completed and closed out in December 2008:

- Grant No.:** 002-038
- Grantee:** Market Stalls –Batikot District
- Location:** Nangarhar Province
- Grant Amount:** \$9,494.00
- Grant Type:** Marketplace Development Grant
- Date close out:** December 3, 2008

With ASMED Marketplace Development Grant, the Muqadas Saeed Construction Co LTD constructed a small wholesale market comprising of 12 of stalls with surrounding wall, which has sufficient space to accommodate a great number of people in the bazaar of the district.

The district municipality contributed land and maintenance.

By implementation of this project, local inhabitants can do their business in this market now, which can encourage the investors to construct other market places there that will make the local economy growth for the district. It will provide a shelter facility to the local



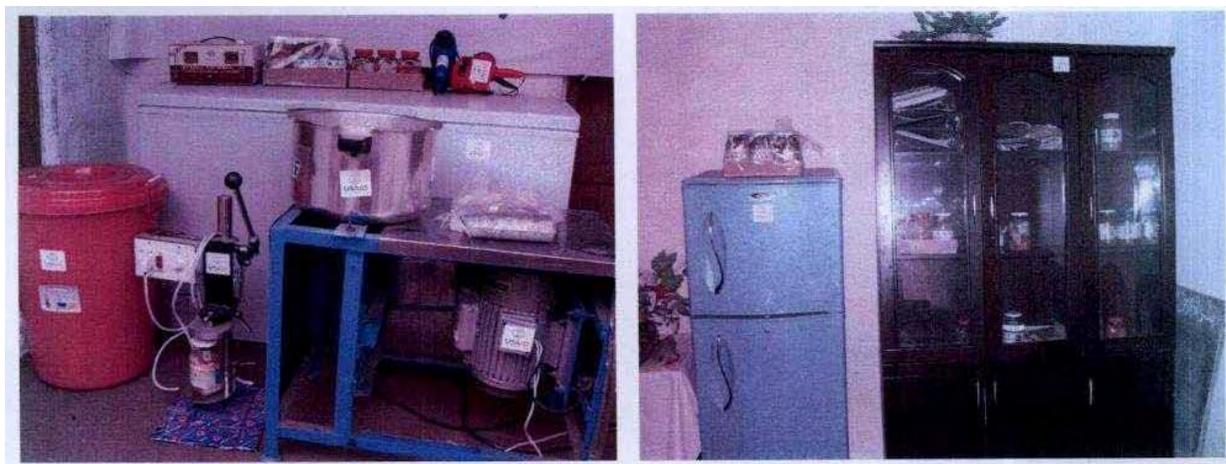
merchants and farmers to sell their food and vegetables in good condition, which will increase their income. A market will improve sanitary conditions for exchanging of food products. Estimated beneficiaries include 1,000 men and for 180 women. Job creation through the construction company meant that about 40 laborers were employed.

Grant No.: 001-049
Grantee: Afghan Women Agriculture Association (AWAA)
Location: Jalalabad city
Grant Amount: \$3,040
Grant Type: Association Seeds Grant
Date close out: December 18, 2008

This ASMED Grant has been used to purchase a packing machine, potato paste machine, carton packing machine, showcase, freezer, plastic barrels, manufacturing and expiry date putting machine, delivery cost of equipment from Pakistan to Jalalabad.

One month training was then delivered to 60 members in processing of foods and usage of equipment. After procuring the appropriate equipments, the association is now able to provide high quality services to its members. It is now able to have following:

- a) Technical & Professional trainings for its members
- b) Expanded markets for their products.
- c) Resolved problems between members and governmental agencies (lobbying activities)
- d) Holding regular meetings with its members and governmental authorities to ensue smooth running of the business.
- e) Participate in AG Fair trade show in order to establish market link for members produced improved seeds.



The general assessment of the association is that the residents of Jalalabad city including other provinces of Afghanistan can get high quality of hygienic foods items at low prices.

Many jobs opportunities have been created for the members of the association through the implementation of this project. Direct beneficiaries are all members of the association about 170. Indirect beneficiaries are residents of Jalalabad who will now be able to get high quality of hygienic foods items at low price.

B.3. Important meetings held during the quarter:

N/A

B.5. Important field visits during the quarter:

N/A

B.6. Activities planned for the next quarter:

ASMED's Grants Department is working on number of recently submitted grant applications. These are already identified grant projects for next quarter and more projects will be identified during the quarter.

Proposa I No.	Grant Names	Activity Summary	Province	Grant Program	Amount (USD)
001-067	Ajmeer Beekeeping Association	Procurement of beekeeping equipment and training	Baghlan	Ass/Dev	\$17,714
002-051	Charblok district Marketplace	Dig two well in the market place for drinking water and gravel the road in the market	Balkh	MDG	\$10198
002-048	Etifaq Market MDG	Gravel Market road and put concrete on the sidewals	Shervaghan	MDG	\$9,950
001-070	Wahdat Saripul Dry & Fresh Fruit Association		Sair Pul	Ass/Seed	\$8630
001-068	Afghan Carpet Exporters Guild		Balkh	Ass/Dev	\$21,410
001-005	Joma Bazaar Market	Expansion of the bazaar through advertising	Kabul	Ass/Dev	\$11,050
002-051	Ali Abad Marketplace	Construction of 3 market sores and open marketplace	Balkh	MDG	\$15,330
002-052	Kaldar Marketplace Grant	Paving the the sidewalk in the market	Balkh	MDG	\$10,000
	Qataghan Seed Production Association	Equipment for cleaning seeds, Training, Brochures and publications	Baghlan	Ass/Dev	\$16,950
001-072	Turkmen,s Women Actives Rights Association	Equipment Furniture, training and well	Jawzjan	Ass/Dev	\$18,670
001-069	Kod Bark Women Traders Association	Sewing equipment , generators and training	Balkh	Ass/Dev	\$16,954
004-011	Rose Water Essentail Oils Company	Grant will buy Distillation equipment and generator	Nangarhar	VCDG	\$5,400
SUBTOTAL					\$162,256

PROGRAM COMPONENT 5:

CAPACITY BUILDING

INTERNSHIPS

KABUL

Sixty-one interns, including 25 females, have successfully completed another three-month Kabul-based program. Business training on accounting, business management and marketing ended on 7 December, 2008. Following up the training all the 60 interns were placed at various companies in Kabul. The interns officially began the practical work with the concerns companies on 25th Dec, 2008.

Below is the list of host companies with the accepted number of interns in each company:

No	Host Companies /Organization	Number of Interns Accepted
1	Roshan Telecommunication Company	15
2	Afghanistan International Bank	10
3	Paiwastoon Networking Company	2
4	EPPA(Export Promotion Agency of Afghanistan)	11
5	BRAC Bank	10
6	Azizi Bank	4
7	Ministry of Finance	1
8	Coca Cola	7
9	Hasib Printing Press	1
TOTAL		61

Internship Graduation Ceremony:

USAID's Afghanistan Small and Medium Enterprise Development (ASMED) project honored 120 interns in a graduation ceremony held at Kabul University on Dec 24.

This program provides a training and work opportunity to students studying Economics, Science and Agriculture at Afghan national universities. The interns are selected for a 3-month training in Management and Modern Accounting, followed by a 3 month practical work period in the Afghan private sector.

ASMED's implementing partner, Afghanistan Institute for Business Management (AIBM), gave a qualifying exam to 490 students (including 93 females) in June 2008. One hundred and twenty students that also included 40 females were selected to participate in two batches of 60 students in the internship program. The first batch of 60 completed their training phase, and the after training work phase with various private sector firms including the Afghanistan International Bank, Azizi Bank, Brac Afghanistan, Paiwastoon, Lema

Network, Plus technologies, ABCD Consulting, Roshan Telecommunication, Breshna Technologies, and EPAA. Forty of these students were offered permanent jobs by their host companies. The other batches of 60 students completed their training phase and are now undergoing their practical work period at the mentioned firms.

Certificates were distributed to the 60 interns who completed the ASMED six months internship program. Chancellor of Kabul university, dean of faculties, respected representative from USAID, Local government official, host companies were the guest of the ceremony.



MEETINGS:

- Meeting was held with Ms. Bargigul Mahazi HR coordinator of the Roshan Telecommunication Company regarding the performance of the interns. The company was advised to send a signed copy of the evaluation form along with the attendance sheet of the interns to the ASMED office on monthly basis. Interviews were conducted with the interns regarding their internship with Roshan company. They were satisfied with the assignment given by Roshan. Roshan is willing to offer permanent jobs to some of the ASMED interns. The HR coordinator said.
- Meeting was held with Mr. Asmatullah Enayat, HR Director of Afghanistan International Bank regarding the intern's practical training at the bank. Evaluation report and attendance sheet of the interns were requested from the Bank. According to their evaluation, the performance and attendance sheet of the interns are good and AIB Bank is interested to offer job to some of the intern's. Also AIB is willing to host the next group of the interns at their bank.
- On 27th of October, 2008 Meeting was held with Mr. Deepak Shirwastva CEO of Azizi Bank regarding ASMED internship placement. Azizi Bank is willing to host a group of 5 ASMED interns and will provide them practical training for three months.

NANGARHAR:

On 16th of October 48 interns including 28 female completed the six months ASMED internship program. As of now and according to the report that we have received from Nangarhar, more than 80% of the graduated interns have received job offer from their host companies. Following up the successful completion of the ASMED internship program, on 21st October ASMED in Jalalabad arranged an internship graduation ceremony. More than 200 people participated in the ceremony. Chancellor of the Nangarhar University, Professors from various department of Nangarhar University, representatives from private sector based in Nangarhar and students of the



Nangarhar University attended the Ceremony. At the end certificates of completion were awarded to the graduated interns.

In the month of November ASMED Office in Nangarhar has placed 70 Interns including 20 female with various afghan leading business in Nangarhar for three months internship. The interns officially began their internship on 23 November. Placement organizations include Banks, Telecommunication Companies, BDS firms and other private business.

Below is the list of host companies with the accepted number of interns in each company

No	Name of Company	Contact person
1	AWBF	Mohammad Usman Safai
2	NIFC	Mohammad Naeem Nizami
3	GTZ/PAL	Peter
4	KUMSA	Mohammad Kamal Tariq
5	MIBEST	
6	DBA	Inayatullah Selab
7	ADF	Dr.Perviz Mojaddadi
8	Baidara Hospital	Dr.Rafiqullah Shiwari
9	Masroor food processing co	Mirzaman Hesaraki
10	ASMED Association	Rahmatullah
11	AISA	Dr.Mujeeburahman shirzad
12	AWAA	Mohammad Usman Safai
13	ASMED M&E/Admin	Ajmal Sahil
14	Women referral	
15	Baghicha Kindergarten	Hemayoon wafa
16	AWSBDA	Zainab Hakimi
17	NCCI	Eng.Qasim
18	No lemon	MARK SCAMMELL
19	Ali baba Ltd.	Haji Atiqullah
20	Pashtani Tajarati Bank	
21	Omar Farooq group of co.	Haji Farooq
22	Spinghar poultry association	
23	ADAA	Mirzaman Hesaraki
24	Hamraz Group of Co.	
25	A RCC	
26	WADAN	
27	Itehad Aftab Ltd.	
28	Temorzada Ltd.	
29	Rikshaw company	Haji Haligul Ahmadzai
30	Classes association	Gulrahim shir
31	Spinghar poultry association	
32	Bee Keepers association	Riaz
33	Fish producers association	
34	Seed production association	Gholam Nabi
35	Sahil Marble factory	Haji Rohullah
36	Azad construction company	Dr.Samad Ali
37	Business School	
38	Super Jahan Ltd.	Haji Adam
TOTAL		38 Companies

Balkh

Sixty-two interns, including 18 females, have successfully completed the three months training program. Business training on accounting, business management and marketing ended on 9 December 2008. Following up the training all the 60 interns were placed at various private companies in Balkh Province. The interns officially began the practical work with the concerns companies on 20th December 2008.

Below is the list of host companies with the accepted number of interns in each company:

No	Name	F/Name	Faculty	Company
1	Nargis	Khalilulah	Sharia	Aria Private Educational Org
2	Muzhgan	Ramazan	Litrature	
3	Saida	Sayed Ashraf	Litrature	VIAR
4	Habibullah	Gul Mohd	Litrature	Masoud Educational Org
5	Ahmad Tamim	Mohd Nahim	Litrature	
6	Abdul Shahim	Safar	Economic	
7	Arzoo	Mir Habibullah	Litrature	Mawlana Educational Org
8	Farzana	Dadullah	Economic	AISA
9	Ahmad Qobad	Mohd Kabir	Economic	Safi Brothers Ltd
10	Friba	Abdul Ahad	Economic	Wasel Telecom
11	Zarpana	Mohd Zahir	Economic	
12	Esmatullah	Abdul Wahid	Economic	
13	Sultana	Mohd Rafiq	Litrature	Literature Computer
14	Sanallah	Ahmatullah	Litrature	
15	Bahram	Abdul Hamid	Agriculture	FedEx
16	Mirwais	Mohammad Kabir	Sharia	Kohsar Reconstruction Unit
17	Khoshal	Abdul Hamid	law	
18	Abdul Raziq	Abdul Jamil	Sharia	
19	Manizha	Sayed Mohaudin	Economic	Barakat Co. Ted
20	Nilab	Abdullah	Economic	
21	Najibullah	Mohd Zahir	Agriculture	
22	Assilla	Mohd Numan	Economic	
23	Baryalay	Attiquallah	Agriculture	
24	Fawzia	Abdul Matin	Economic	
25	Ahmad Masood	Nahimullah	Agriculture	
26	Hamidullah	Abdul Qahar	Economic	Pamir Air Ways
27	Mir wais	Mesafer	Economic	
28	Naweed	Abdul Saboor	Economic	Barakat Agency in Heratan
29	Walid	Najmuddin	Engineering	
30	Rahimullah	Mohd Zaker	Agriculture	Mazar Subz Amiri
31	Sayed Reza	Sayed Haider	Agriculture	
32	Abdul Haya	Abdul Jalil	Agriculture	Ajeer Institute

33	Frishta	Abdul Salam	Engineering	BAHCC Com
34	Khalida	Noorullah	Engineering	
35	Paiman	Anayatullah	Engineering	Fayz Construction Com
36	Mohd Azam	Mohd Sarwar	Engineering	S.Ibrahim TimorZada Co.Ltd
37	Mohd Daud	Mubarak shah	Agriculture	ARD
38	Noor Mohd	Sayed Mohd	Agriculture	
39	Abdul Rahman	Mohd Akbar	Engineering	Fawad AminConst Company
40	Ahdya	Qalandar	Engineering	IRD
41	Ghulam Reza	Amir Mohammad	Law	Lemar Association
42	Mohd Ismahil	Mohd Sarwar	law	
43	Ghulam Qadir	Rustam	Litrature	
44	Lailee	Habibullah	Litrature	IACD
45	Ghulam Abass	Abdullah	law	Trawesh News Center
46	Mohd Maisam	Mohd Shafi	Litrature	
47	Ahmad Sahim	Mohd Siddiq	Law	Kamal Hkoja Zada
48	Saliman	Habibullah	Law	WOCCU
49	Feda Mohd	Attah Mohd	Economic	
50	Ahmad	Obaidullah	Law	Kahkashaan
51	Fridoon	Abdul Rashid	Engineering	HMCC Construction Comp
52	Omid Dehati	Abdul Ghafoor	Economic	Afghan Narway Construction
53	Abdul Wafi	Abdul Raziq	Engineering	N-CDC
54	Frishta	Abdul Qudoos	Sharia	Aria Organization
55	Mohd Baqir	Mohd Hassan	Economic	Sadaat Tomoto Paste
56	Kambiz	Abdul Wahab	Economic	
57	Mohd Arif	Abdul Latif	Economic	Tajzada Carpet Company
58	Nawin Ahmad	Salih Mohd	law	Insta Telecom
59	Samiullah	Khair Mohd	law	
60	Ahmad Jawad	Ali Panah	Economic	Afghan Wasil
61	Sayed Ahamd Wali	Sayed M Hashim	law	ASMED
62	Palwasha	Mohd Iqbal	Litrature	WAW

MENTORSHIP

- ASMED in partnership with AISA has arranged study tour to the mentees on 15th October 2008 57 mentees including 7 female were taken to Juma mohammad mohammadi Industrial park and coca cola company for practical observation. The participants arrived in Juma Mohammad Mohammadi Industrial park and were welcomed by Mr. Abdul Raheem Faizan Chief Executive officer of Faizan Masood Filter Co Ltd. Mr. Faizan briefed the professionals on Industrial Park and its functioning factories. Later professionals visited the furniture manufacturing factory, where the wood



AISA/ASMED study tour

made stuff were being designed & produced by joint venture of Afghan – Turkish.

- Professionals also visited garments factory, manufacturing company, Faizan Masood filters and coca cola Company, at the end the professionals had briefing of the 6th month study tour and gave their feedback.
- On 25th October 2008, ASMED in partnership with AISA held its six months Mentorship Seminar in Balkh Province at the commerce conference Hall. The seminar was facilitated by Bahman Sahab, lecturer of economic faculty of Balkh University and 55 professionals including 16 female mentees and 2 mentors participated in the seminar. Following topics were delivered in this seminar:



AISA/ASMED Mazar 6th Mentorship Seminar

- Proposal Writing
- Report writing
- ASMED in partnership with AISA has arranged a study tour to the young professionals in Kandahar province on 30th October 2008. 39 participants of the ASMED mentorship program visited the Etehad beverages factory and observed the manufacturing process of the factory. Mr. Hashmat Sahil had introduced factory's products, the production strategy of the factory, and at the end participant returned to the hotel and were briefed on the challenges that investors are facing in Kandahar province.



AISA-ASMED Kandahar 6th Mentorship Seminar

- On November 2nd, 2008, ASMED in partnership of AISA conducted its 6th and final month mentorship seminar in Herat business Center Hotel, Hirat province. The seminar was facilitated by two senior mentors Mr. Ahmad Tamim Kakar and Mrs. Fariha Amin. 44 professionals from various private firms including 11 female participated in the seminar. Following topics were discussed in the seminar:



AISA-ASMED, Mentorship Seminar (Herat)

Mentorship Program Graduation ceremony:

- On 27th of October 2008, ASMED and AISA arranged a mentorship graduation ceremony at Intercontinental hotel in Kabul. The aim of the ceremony was to

celebrate the successful completion of ASMED's six months mentorship program that started in May 2008. During the six months mentorship 57 young professionals including 7 female were mentored in Kabul, 52 professionals including 11 in Herat, 49 professionals in Kandahar and 49 professionals including 16 female have been mentored in Balkh province.

- On behalf of all regions ASMED arranged a big ceremony in Kabul, Around 170 people including senior economic advisor to president, high profile people from the business community, Kabul University professors, dean of economics faculty, mentees and mentors and other heads of business organizations participated in the ceremony.
- The ceremony started at 1:00 PM by recitation of holly Quraan, after words Mr. Zakhilwal senior advisor to president, Mr. Qurban Haqjo CEO of ACCI, Ms. Catherine Johnston, Senior BDS advisor spoke about the importance of capacity building programs in Afghanistan. At the end, certificates were distributed to the graduated mentees from the mentorship program. Media also covered the event.
- On the 27th, November 2008, a Mentorship Program Graduation Ceremony was held in Kandahar city. About 80 people including representatives of the local Government, International Organizations and media were guests of the ceremony. The certificates were distributed to the 48 mentees and 10 mentors who participated in the program. 48 professionals were mentored in Kandahar province over the last six month.
- There was a graduation ceremony in Kandahar on the 27th November in collaboration with AISA to recognize graduated mentors from a 6-month mentorship program.



spoke about the importance of capacity building programs in Afghanistan. At the end, certificates were distributed to the graduated mentees from the mentorship program. Media also covered the event.



AWBF-ASMED Mentorship Evaluation Survey

AWBF Evaluation survey:

- On 23rd and 24th November 2008, ASMED implementing partner Avais Hyder Liaquat Nauman Chartered Accountants has conducted follow up survey of the ASMED –AWBF mentorship program. A total of 50 professional business women participated in the ASMED/AWBF Mentorship Program which included seminar/trainings sessions for mentees on subjects like



New Business Creation, Business Management, Marketing, Building Partnership, and Effective Communication in Business Development, business Association & Accounting, Designing and Exports/Imports...etc.

- The partner BDS proposed methodology was to contact each and every mentee to complete the survey questionnaire and to interview the mentorship participant individually. Thus, all the 50 mentees were called upon at the premises of the AWBF for filling survey questionnaire and interviewing in a group of ten on different timings.
- The results indicate a general trend of satisfaction with the training/seminars approach and its contents. The ASMED/AWBF Mentorship Program should be regarded as a successful initiative with high levels of interest in participation, high level of attendance at training/seminar sessions, high level of satisfaction with training/seminar sessions by mentees/participants and high level of outcomes for the participating individuals and participating employers.

FIELD ACTIVITIES – EAST

- **Internship Program (completed):** Forty eight interns graduated including 28 female from the second internship program of ASMED Jalalabad. More than 60% of the students were employed after the completion of the program.
- **Internship Program (on going):** Seventy interns including 30 female are having their practical learning with different SMEs around the eastern region. They will spend three months in practical learning with their respective companies.
- **Mentorship Program:** Thirty young professional have got their 3 months mentorship program completed.
- **Business Trainings:** The following trainings have been conducted in the last quarter.
 - 36 people trained in business English in Kunar
 - 23 people trained in management in Laghman
 - 18 people trained in accounting in Laghman
 - 14 people trained in IT in Laghman.
 - 99 including 41 female trained in business English in Laghman. All the trainings have been implemented by AIBM.

FIELD ACTIVITIES – WEST

Mentorship program:

- The sixth mentorship seminar (final seminar) was held on Nov 2nd. The seminar was presented by Mrs. Fariha Amin, lecturer professor and Dean of Economics faculty. Eleven female & thirty-eight males participated. After six months training for mentees conducted by AISA, the mentorship program's graduation ceremony was held on Thursday Nov 6th at the Herat City Business Center. Attendees included Herat Deputy of Governor, US Department of State (Mr. Brad Hanson) and USAID (Aref Abdullah) representatives for Herat Province; ACCI Deputy Director; AISA Regional Director; Director and Deputy of Industrial Union; Directors of several Western Regional Banks; ASMED Regional Manager and Staff; mentors, mentees and guests.

Future Activities:

- ACCI will direct a new class of 60 Mentees, starting in January

Internship program:

- The following on-going activities occurred related to the Internship program.

Completed Activities:

- The three-month classroom-training period completes at the end of December and practicum period started 25 December.
- ASMED selected one student from internship program to join ASMED team in Herat.
- Intern placements have been completed for all 60 Interns.
- One intern has already been hired by ARD for Local Governance & Community Development program in Herat prior to completing the classroom training.
- Placements have been identified for 45 of 60 interns, including BAMSA and Industrial Union (15), Asre-Sania BDS (4), CRS (3).

Future Activities:

- Two new classes of 30 Interns each will start in January

QuickBook Accounting Training:

- Two month training has been completed for representatives of Industrial Union companies, including eight women graduates. Evaluating needs for accounting and accounting software training, including members of Construction Association.

FIELD ACTIVITIES – NORTH

Key Accomplishments

The project facilitated smooth implementation of Internship and Mentorship Program. The second group of Interns were successful places at the national and international companies. The Closing Ceremony for Mentorship Program was arranged by ASIA with ASMED technical support. The event was attended by Technical Department of Governor's Office, ACCI, Finance Department of Balkh Province, other government agencies and private companies.

Activities

- On 3rd of December, Afghanistan Investment Support Agency with ASMED technical support conducted a graduation ceremony for Mentorship Program. Technical Department of Governor's Office, ACCI, Finance Department of Balkh Province, other government agencies and private companies attended the graduation ceremony. Total number of 50 mentees successful graduated from the Mentorship Program.
- On 18th of December, the project held a workshop on placement of interns at the hosting companies. Students, professors of the Balkh University and private companies, attended the workshop. During the meeting, the project explained rules and regulations of the program, and responsibilities of students and hosting companies.

Planned activities

- To conduct a graduation ceremony of first phase of Internship program.
- To monitor closely performance of interns at the business companies.
- To start a process of selection of mentees for the second group under the Mentorship Program.



Internship placement in Mazar



Graduation Ceremony of the Mentorship Program in Mazar, at Balkh University

SUMMARY OF PROGRESS TOWARDS INDICATORS FOR QUARTER 4, 2008

Human Capacity Building - Mentorship

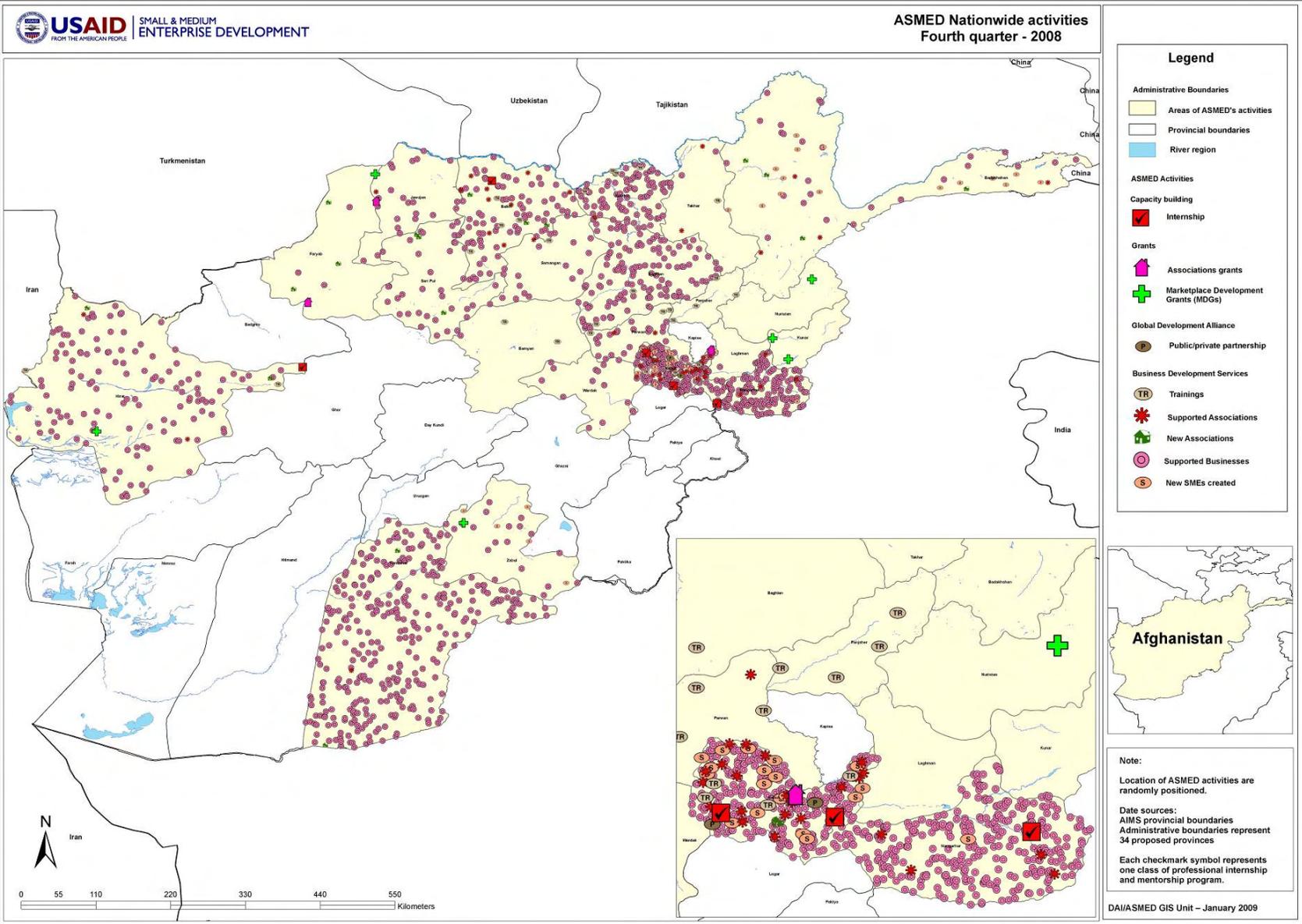
S. No	Description	Implementing Partner	Region	Province	Start Date	End Date	Total Mentees	Female Mentees	Amount Dispersed to Female (USD)	Total Budget (USD)
1	Mentorship Program	AWBF	Center	Kabul	01-Mar-08	30-Aug-08	50	50	14,800	14,800
2	Mentorship Program	AISA	Center	Kabul	01-May-08	31-Oct-08	58	7	1859	15400
3	Mentorship Program	AISA	Western	Herat	01-May-08	31-Oct-08	52	11	3258	15400
4	Mentorship Program	AISA	Northern	Mazar	01-May-08	31-Oct-08	49	16	5029	15400
5	Mentorship Program	Khurasan	East	Nangarhar	01-Mar-08	30-Jun-08	27	27	10,368	10,368
6	Mentorship Program	AISA	South	Kandahar	01-May-08	31-Oct-08	49	Nil	Nil	10,368
7	Mentorship Program	Khurasan	East	Nangarhar	01-Aug-08	31-Oct-08	30	5	1728	10,368
TOTAL							315	101	37042	92,104

SUMMARY OF PROGRESS TOWARDS INDICATORS FOR QUARTER 4, 2008

Human Capacity Building - Internship

Region of coverage	Target Committed	Achieved 2007	Start Date	End date	Completed 2008	Start date	End date	Completed 2008	Start Date	End Date	Total Completed 2008	Achieved 2008-2009 (Practical in progress)	Start Date	End Date
Central	180	0			63	10/20/07	1/20/08	59	9/2/08	12/2/08	*122	61	25/12/08	25/3/09
Eastern	180	37	8/1/07	10/30/07	30	11/1/07	2/29/08	48	6/16/08	9/16/08	*115	70	22/11/08	22/2/09
Western	180	0			65	3/14/08	6/14/08	0			*65	60	25/12/08	25/3/09
Northern	180				0							60	Class in Progress	
Badakhshan		25	8/1/07	10/30/07	10	2/1/08	4/30/08				*35			
Balkh								60	9/9/08	12/9/08	*60	60	12/20/08	03/20/09
Southern	180	0			0			60	9/25/08	12/25/08	*60	0		
Bamyan	0	0			0			0				40	25/12/08	25/3/09
Khost	0	0			0			0				80	26/11/08	26/02/09
TOTAL	900	62			168			227			*457	431		

ACTIVITY MAP 1: Fourth QUARTER 2008



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