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# AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

ANNUAL REPORT 2008

Annual Report 2008

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**ANNUAL REPORT 2008**

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## **DISCLAIMER**

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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# ABBREVIATIONS

ABA	Afghan Builder's Association
ACCI	Afghanistan Chamber of Commerce and Industries
ACEG	Afghan Carpet Exporter's Guild
AEADC	Afghan Eastern Agriculture Development Company
AIBM	Afghan Institute of Business Management
AIB	Afghan International Bank
AISA	Afghanistan Investment Support Agency
ARFC	Afghanistan Rural Finance Center
AICC	Afghanistan International Chamber of Commerce
ASMED	Afghanistan Small and Medium Enterprise Development
AWBC	Afghan Women's Business Council
AWBF	Afghan Women Business Federation
AWDIHA	Afghan Women Designs and Innovation for Handicrafts Association
BDS	Business Development Services
BIC	Business Information Center
BSP	Business Service Providers
EDP	Enterprise Development Project team of the Aga Khan Foundation
GDA	Global Development Alliance
IITF	India International Trade Fair
MDG	Marketplace Development Grant
MAIL	Ministry of Agriculture, Irrigation & Livestock
MOU	Memorandum of Understanding
NGO	Non-governmental Organization
PMP	Performance Monitoring Plan
PRT	Provincial Reconstruction Team
SAARC	South Asian Association for Regional Cooperation
SBHUAW	Social and Business Handicraft Union of Afghan Women
SME	Small and Medium Enterprise
STTA	Short-term Technical Advisor
VARA	Volunteer Association for Rehabilitation of Afghanistan
VTA	Vocational Training Association
WBC	Women's Business Center

# MISSION STATEMENT

ASMED is a three-year development assistance program providing technical assistance and financial support to the very important small and medium enterprise (SME) sector and the organizations that support SMEs throughout Afghanistan. ASMED's activities have national reach – headquartered in Kabul, there are also four regional offices in Herat, Nangarhar, Balkh, and Kandahar, with partner activities in Badakshan.

With an overarching goal to increase opportunities for trade, employment, and investment in Afghanistan, ASMED's activities fall into five main components, as detailed below. The success of the project will be measured by the indicators described under each component.

## **Gathering, analyzing and disseminating Afghanistan market information on 12 sectors;**

- Leading to 1275 SMEs that will have added value and or diversified into higher value products or services in response to market demand.

## **Developing 135 strong business services providers;**

- Resulting in the support of 6,000 businesses.
- Leading to the creation of 800 new SMEs and 15,000 jobs.
- Helping 30 SMEs access bank loans/equity and 3,500 firms invest in improved technology.

## **Strengthening and increasing the numbers of business associations:**

- Resulting in the establishment of 100 business associations, nationwide, 4,500 new members in business associations.
- Reaching and supporting 225 existing business associations.

## **Creating public-private sector alliances;**

- Bringing about 37 private-public partnerships (GDAs) that will leverage \$5.4 USD.

## **Building the capacity of an Afghan private sector workforce:**

- By creating 900 internship opportunities and placing 450 participants in the Professional Learning Mentorship Program, nationwide.

The following pages provide highlights and details of the ASMED project's work over the last year in these component areas. The narrative touches on some of the events that occurred during the year while the tables summarize all the activities.

# EXECUTIVE SUMMARY

At the close of 2008, the Afghanistan Small and Medium Enterprise project (ASMED) completed just over two years of operation, with many notable achievements and much work still to be done. ASMED has continually and rapidly adapted to lessons learned through implementation and to a constantly evolving political and security situation. After establishing a solid foundation of successful activities within our five main components, the ASMED project fully recognizes that significantly more can be done. Throughout 2008, ASMED expanded regional operations, focusing on proven activities within targeted sectors that have the potential to lead Afghanistan's market economy.

## **Market Information:**

The ASMED project continued the dissemination of market information and the support of SMEs who seek business opportunities based on this competitive awareness. After funding ALTAI's market assessments in 2007, ASMED continued supporting other reports focused on various regions, genders, sectors, value chains, and products. The link between all of these studies is that they are meant to be practical at a micro-level, to individual SMEs, so that they may make real decisions about how develop their own businesses. To further the availability of market information beyond reporting, ASMED provided many SMEs and Business Associations with the opportunity to experience competitive landscapes, through participation at regional, national, and international trade fairs. Aside from the inherent importance of this exposure as a capacity-building exercise, these events were immediately impactful in their generation of direct sales and forward contracts; they were also successful in building long-term business relationships and market linkages, sustainable interactions that have resulted in investment, expertise and technology transfer, and increased business opportunities in the long-term.

## **Business Development and Management Services:**

The underdevelopment of Afghanistan's BDS sector has compelled ASMED to adopt a number of creative approaches to improving the quality and quantity of services available. Accordingly, ASMED has learned that opportunities for successful interventions exist within many non-traditional business service areas.

In 2008, with this broadened definition of business services, ASMED identified key value chain weakness, improved the capacity of and/or created new BDS firms that address these weaknesses, and worked to stimulate demand for these services from the SME actor. ASMED also fostered the development of business services offered by national, regional, and local business associations. It is through these service-improving interventions that the ASMED project has supported over 3,900 businesses, assisting in the creation of 380 more.

## **Business Associations:**

The provision of business services is also a key source of sustainability for the many business associations that ASMED has created and/or supported. To this end, ASMED staff has provided technical and financial assistance to associations that demonstrate the willingness and ability to provide business services in areas such as advocacy for business environment reform, market research, industry

promotion, connections to markets, member training, and access to capital equipment. As with each of ASMED's other technical components, a special emphasis will be placed on building the capacity of associations with targeted sectors to perform such services, thereby becoming effective, sustainable, private sector advocates.

### **Global Development Alliances and Grants:**

The general objective of ASMED's GDA component did not change significantly in 2008 and the tangible accomplishments from innovative PPPs reflect this.

ASMED continued to provide small amounts of catalytic capital leveraged against much larger contributions from private and non-governmental and non-governmental partnerships. Through the end of 2008, over \$10.4M had been leveraged in this mechanism. The combination of diverse resources resulted in such impactful partnerships as Dream and Achieve, the Insurance Corporation of Afghanistan, and One Laptop per Child.

The Grants Team supported all of the proceeding technical components through grant types specifically tailored to limit cost, maximize benefit, and achieve long-lasting, sustainable benefit to recipients. Furthermore, ASMED achieved high levels of horizontal and vertical spill over through grants made to the private sector, improving entire value chains. The Grants team also improved their collaborative effort with the U.S. military through the engagement with Provincial Reconstruction Teams. To date, over 50 Marketplace Development Grants and other strategic private sector interventions have been issued to stimulate local economies while at the same time, creating a more robust political stability.

### **Human Capacity-Building:**

ASMED built on the successes of the previous project year with the expansion and improvement of its internship and mentorship programs. ASMED now offers internship opportunities in all major regions of operation, in collaboration with leading private sector firms, NGOs, and government agencies. As human capacity and private sector or university capacity differs regionally, ASMED has adjusted to implement results-oriented programs. The value of the internship training program, implemented by BDS firms and training institutes, has been demonstrated on a national scale by the fact that over 2/3 of interns have received job offers from host institutions. Incorporating feedback from mentors, mentees and implementing partners, the mentorship program's curriculum has also been improved to maximize the benefit from professional seminars, in collaboration with influential private sector entrepreneurs. By the end of 2008, over 1100 Afghans have benefited from these ASMED capacity-building efforts, which have placed special attention on involving women participants.

# MONITORING AND EVALUATION (M&E)

In 2008, the M&E team revamped and improved reported indicators and their verification, according to ASMED's Performance Management Plan (PMP). These adjustments incorporated all recommendations from a USAID performance audit in March/April of 2008 and has created a stronger, more rigorous set of impact data.

Table 1 below summarizes ASMED's progress towards 2008 targets and indicators.

## Progress Towards Indicators - Regional Breakdown

PMP Ind	PERFORMANCE INDICATOR	Region of Coverage	Cumulative (2007 - 2008)			PROJECT Totals		
	Indicator		Target	Ttl	%	Target Committed	Project to date	%
	<i>(source of information)</i>							

## I. ACCESS TO MARKET INFORMATION

Sub Intermediate Result: Increase access to and use of market information among private enterprise

1.1	<b>12 market assessments completed with help from local partners.</b> <i>(Copies of Assessments)</i>	<b>Afghanistan-wide</b>	<b>10</b>	12	120%	<b>12</b>	<b>12</b>	100%
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## II. BUSINESS DEVELOPMENT AND MANAGEMENT SERVICES

Sub Immediate Result: Improve Business Development and Management Services

		<b>TOTAL</b>	<b>100</b>	66	66%	<b>135</b>	<b>66</b>	49%
2.1	<b>135 Business Development Service Providers operating</b>  <i>(BSP Reg Forms)</i>	<b>Central</b>	<b>35</b>	30	86%	<b>40</b>	<b>30</b>	75%
		<b>Eastern</b>	<b>25</b>	13	52%	<b>35</b>	<b>13</b>	37%
		<b>Western</b>	<b>20</b>	7	35%	<b>30</b>	<b>7</b>	23%
		<b>Northern</b>	<b>15</b>	14	93%	<b>20</b>	<b>14</b>	70%
		<b>Southern</b>	<b>5</b>	2	40%	<b>10</b>	<b>2</b>	20%
2.2	<b>6,000 businesses supported.</b>	<b>TOTAL</b>	<b>2900</b>	398 8	138%	<b>6,000</b>	<b>3988</b>	66%

		<b>Central</b>	<b>750</b>	682	91%	<b>1,600</b>	<b>682</b>	43%
		<b>Eastern</b>	<b>700</b>	137 1	196%	<b>1,450</b>	<b>1371</b>	95%
		<b>Western</b>	<b>700</b>	801	114%	<b>1,450</b>	<b>801</b>	55%
		<b>Northern</b>	<b>500</b>	893	179%	<b>1,000</b>	<b>893</b>	89%
		<b>Southern</b>	<b>250</b>	241	96%	<b>500</b>	<b>241</b>	48%
		<b>TOTAL</b>	<b>450</b>	381	85%	<b>800</b>	<b>381</b>	48%
2.3	<b>800 new SMEs created.</b>	<b>Central</b>	<b>75</b>	43	57%	<b>150</b>	<b>43</b>	29%
		<b>Eastern</b>	<b>125</b>	21	17%	<b>200</b>	<b>21</b>	11%
		<b>Western</b>	<b>125</b>	10	8%	<b>200</b>	<b>10</b>	5%
		<b>Northern</b>	<b>75</b>	307	409%	<b>150</b>	<b>307</b>	205%
		<b>Southern</b>	<b>50</b>	0	0%	<b>100</b>	<b>0</b>	0%
2.4	<b>30 SMEs accessed bank loans/equity as a result of USG assistance.</b>	<b>Afghanistan-wide</b>	<b>20</b>	26	130%	<b>30</b>	<b>26</b>	87%
	(Enterprise and Association Reg forms)							
	(Enterprise Reg forms)							
	(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

		<b>TOTAL</b>	<b>80</b>	120	150%	<b>100</b>	<b>120</b>	120%
3.1	<b>100 business associations established</b>	<b>Central</b>	<b>12</b>	8	67%	<b>18</b>	<b>8</b>	44%
		<b>Eastern</b>	<b>20</b>	41	205%	<b>24</b>	<b>41</b>	171%
		<b>Western</b>	<b>18</b>	31	172%	<b>22</b>	<b>31</b>	141%
		<b>Northern</b>	<b>23</b>	31	135%	<b>27</b>	<b>31</b>	115%
		<b>Southern</b>	<b>7</b>	9	129%	<b>9</b>	<b>9</b>	100%
	(Association Reg forms)	<b>TOTAL</b>	<b>105</b>	208	198%	<b>225</b>	<b>208</b>	92%
3.2	<b>225 existing business associations supported</b>	<b>Central</b>	<b>25</b>	64	256%	<b>50</b>	<b>64</b>	128%
		<b>Eastern</b>	<b>25</b>	83	332%	<b>50</b>	<b>83</b>	166%
		<b>Western</b>	<b>25</b>	24	96%	<b>50</b>	<b>24</b>	48%
		<b>Northern</b>	<b>20</b>	28	140%	<b>50</b>	<b>28</b>	56%
		<b>Southern</b>	<b>10</b>	9	90%	<b>25</b>	<b>9</b>	36%
3.3	<b>4,500 new members in business associations as a result of USG assistance</b>	<b>Afghanistan-wide</b>	<b>2500</b>	14360	574%	<b>4,500</b>	<b>14,360</b>	319%
	(Association Reg forms)							

(Association Survey)

#### IV. PUBLIC-PRIVATE SECTOR ALLIANCES - GDA

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

4.1	<b>37 private-public partnerships (GDAs) formed as a result of USG Assistance</b>	<b>TOTAL</b>	<b>20</b>	14	70%	<b>37</b>	<b>14</b>	38%
		<b>Central</b>	<b>5</b>	3	56%	<b>9</b>	<b>2.8</b>	31%
		<b>Eastern</b>	<b>5</b>	2	36%	<b>9</b>	<b>1.8</b>	20%
		<b>Western</b>	<b>5</b>	3	56%	<b>9</b>	<b>2.8</b>	31%
		<b>Northern</b>	<b>3</b>	4	127%	<b>6</b>	<b>3.8</b>	63%
		<b>Southern</b>	<b>2</b>	3	140%	<b>4</b>	<b>2.8</b>	70%
(GDA Agreements)								
4.2	<b>\$5.4 million leveraged through Private-Public partnerships (GDAs)</b>	<b>TOTAL</b>	<b>\$2,500,000</b>	\$10,412,797	417%	<b>\$5,375,000</b>	<b>\$10,412,797</b>	194%
		<b>Central</b>	<b>\$625,000</b>	\$1,588,187	254%	<b>\$1,375,000</b>	<b>\$1,588,187</b>	116%
		<b>Eastern</b>	<b>\$625,000</b>	\$1,222,580	196%	<b>\$1,375,000</b>	<b>\$1,222,580</b>	89%
		<b>Western</b>	<b>\$625,000</b>	\$1,626,870	260%	<b>\$1,375,000</b>	<b>\$1,626,870</b>	118%
		<b>Northern</b>	<b>\$375,000</b>	\$4,172,580	1113%	<b>\$750,000</b>	<b>\$4,172,580</b>	556%
		<b>Southern</b>	<b>\$250,000</b>	\$1,802,580	721%	<b>\$500,000</b>	<b>\$1,802,580</b>	361%
(GDA Agreements)								

#### 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	<b>900 internship opportunities provided</b>	<b>TOTAL</b>	<b>500</b>	826	165%	<b>900</b>	<b>826</b>	92%
		<b>Central</b>	<b>100</b>	302	302%	<b>180</b>	<b>302</b>	168%
		<b>Eastern</b>	<b>100</b>	184	184%	<b>180</b>	<b>184</b>	102%
		<b>Western</b>	<b>100</b>	125	125%	<b>180</b>	<b>125</b>	69%
		<b>Northern</b>	<b>100</b>	155	155%	<b>180</b>	<b>155</b>	86%
		<b>Southern</b>	<b>100</b>	60	60%	<b>180</b>	<b>60</b>	33%
(Internship lists)								
5.2	<b>450 participants in Professional Learning Mentorship Program</b>	<b>TOTAL</b>	<b>250</b>	315	126%	<b>450</b>	<b>315</b>	70%
		<b>Central</b>	<b>50</b>	108	216%	<b>90</b>	<b>108</b>	120%
		<b>Eastern</b>	<b>50</b>	57	114%	<b>90</b>	<b>57</b>	63%
		<b>Western</b>	<b>50</b>	52	104%	<b>90</b>	<b>52</b>	58%

(Participant lists)	<b>Northern</b>	<b>50</b>	49	98%	<b>90</b>	<b>49</b>	54%
	<b>Southern</b>	<b>50</b>	49	98%	<b>90</b>	<b>49</b>	54%

Tier II Indicators								
A	<b>1,275 SMEs that have added value and/or diversified into higher value products and services as a result of USG assistance</b>  (Enterprise Survey DB, Reg and Survey forms)	<b>TOTAL</b>	<b>475</b>	562	118%	<b>1,275</b>	<b>562</b>	44%
		<b>Central</b>	<b>100</b>	73	73%	<b>300</b>	<b>73</b>	24%
		<b>Eastern</b>	<b>125</b>	107	86%	<b>350</b>	<b>107</b>	31%
		<b>Western</b>	<b>125</b>	17	14%	<b>350</b>	<b>17</b>	5%
		<b>Northern</b>	<b>75</b>	343	457%	<b>175</b>	<b>343</b>	196%
		<b>Southern</b>	<b>50</b>	22	44%	<b>100</b>	<b>22</b>	22%
B	<b>95% increase in number of clients of Business Development Service providers</b> (BSP Survey)	<b>Afghanistan-wide</b>	<b>0.5</b>	26%	52%	<b>95%</b>	<b>26%</b>	27%
C	<b>15,000 full-time equivalent (FTE) jobs created by USG supported activities</b> (Enterprise Survey DB, Reg. and Survey Forms)	<b>Afghanistan-wide</b>	<b>7000</b>	14955	214%	<b>15,000</b>	<b>14955</b>	100%
D	<b>3,500 firms investing in improved technology as a result of USG assistance</b> (Enterprise Survey DB, Reg. and Survey Forms)	<b>Afghanistan-wide</b>	<b>2000</b>	956	48%	<b>3,500</b>	<b>956</b>	27%

# 1<sup>ST</sup> QUARTER SUMMARY

The first quarter of 2008 showed continued success of the project as we entered into the second calendar year of the three-year Afghanistan Small & Medium Enterprise Development project (ASMED). During the quarter, the Project experienced a change in management leadership with Bryan Rhodes taking the position of Chief of Party upon the departure of Jim Hellerman. Bryan Rhodes was formerly the Deputy Chief of Party. Promotion from within the Project proved to be beneficial as it allowed for consistency, continuity and the continued successful execution of the five components of the ASMED program goals.

During the quarter, USAID's office of the Regional Inspector General conducted a performance audit of the ASMED Project. The audit team was in Afghanistan for approximately 30 days to conduct their work. The audit team was able to visit many projects in Kabul and took the opportunity to travel to Herat to visit Afghan Saffron (training workshop for 300 farmers), Mir Brothers (GDA for bulldozer equipment), Fazli Carpet Market Association and Herat Gardener's Association. A visit to Jalalabad was cancelled at the last minute due to weather. During the audit, ASMED spent a significant amount of time addressing and responding to audit information requests and recommendations that the audit team had proposed. The audit will be completed in the second quarter of 2008.

Operationally, ASMED took two new initiatives or approaches to executing its project in the North and the South. The Project expanded its geographical presence with renting an office in Mazar. The office will be staffed with a Regional Manager and national staff in the second quarter. In the South, ASMED will finish its subcontract with Volunteer Association for Rehabilitation of Afghanistan (VARA). In the second quarter, ASMED will set up a sub-office in Kandahar staffing it with four or five key personnel to help the Project execute the program for the Southern Region.

The deterioration in security with the high profile bombing of the Serena hotel in January required the Project to rent additional living space for both long term and short term technical advisors. A new guesthouse will be operational by May 1<sup>st</sup>.

## **Market Information**

ASMED participated in three international trade shows. Carpet traders attended the Domotex, Hannover Germany trade show for three days where they sold \$700,000 in carpets at the show, secured \$4.5 million in contracts and won best design award for 2008. Following Domotex, carpet producers attended the World Market Center home furnishings exhibition at the Las Vegas Market where Afghan producers sold \$350,000 in carpets and secured \$1.25 million in contracts. The third show was CeBIT, the largest and most influential annual Information Communication Technology exhibition in the world. It was a 5-day exhibition (March 4<sup>th</sup> – 9<sup>th</sup>, also in Hannover, Germany) attended by three members of the National Information and Communication Technology Association of Afghanistan (NICTAA) with the support of ASMED funding.

### **Business Development and Management Skills**

Over 100 trainings took place in the First Quarter of 2008 with over 3,800 Afghans learning how to improve accounting techniques, create bankable business plans, develop more effective marketing strategies and employ improved production techniques for better quality and production efficiency.

### **Association Development**

ASMED provided technical and or financial assistance to over 20 business associations across the country in the First Quarter. Assistance included technical training to association members ranging from better honey production techniques to fish production to marking and packaging of cotton. Nineteen new associations were created including the Laghman Women Tailors and Embroiders' Association and the Eastern Region Gemstone Association.

### **Global Development Alliances and Grants**

Three significant GDAs were established in the First Quarter 2008. First, Tofa.af launched its diaspora remittance website in March. This is the first company to develop a credit card driven internet based sales channel. Secondly, ICA to Lloyds of London began issuing policies in March. This marks the first insurance coverage generated by an Afghan insurance company. Thirdly, Afghan Licorice Processing, Inc began purchasing inputs in the open market in northern Afghanistan resulting in the secure supply lines for the first 4,000 MT of product.

### **Human Capacity Development**

In the First Quarter of 2008, 127 new interns started the 6 month internship program which includes 3 months of intense business training followed by 3 months of practical work experience with a sponsoring SME. Sixty-three interns completed the program in Kabul with 50% of the participants receiving permanent job offers from their sponsoring SME. ASMED and the Afghan Women's Business Federation (AWBF) started a mentorship program for 50 young female professionals.

## QUARTER 1 - PROGRAM COMPONENT 1:

# MARKET INFORMATION

### Market Linkages

ASMED supported the participation of Afghan delegations in three large international trade fairs during the first quarter of 2008, including Domotex Hannover, the World Market Center home furnishings exhibition at the Las Vegas Market and the Centre of Office and Information Technology Exposition (CeBIT). Along with facilitating travel to these fairs, ASMED developed sales and marketing pavilions and provided sales support to Afghan participants to help them most effectively re-establish (or introduce in the case of CeBIT) both footholds in the international marketplace for their businesses and to begin to establish a contemporary national brand in their respective industries.

Trade fairs allow for a multitude of different business objectives to be accomplished in one setting over a pre-designated time period with a clearly stated focus for its participants. These objectives include marketing of products and service, sales and purchases of products and services, business partnership discussions and market and investment research, among others. In many industries, carpet and IT included, these fora are the most efficient route to generating business and creating productive relationships.

The results from the three trade shows supported by ASMED in Q1 2008 include:

Domotex Hannover is an annual show that takes place in Germany for three days in January. It is the largest carpet exhibition in the world and this year, the Afghan delegation of twenty-nine carpet traders supported by ASMED generated sales of over \$700,000 while in attendance and generated an additional \$4.5m in contracts for future orders. One of the ASMED participants, Zinnat Rugs, won the award for "Best Modern Design Under 100 euros per square meter" for their "Bamyan" design.

Las Vegas Marketplace was a three-day exhibition following Domotex Hannover that also took place in January. ASMED supported the attendance of three carpet traders. They generated US\$350,000 in onsite sales and US\$1.25M in future sales contracts.

CeBIT is the largest and most influential annual Information Communication Technology exhibition in the world. It was a 5-day exhibition (March 4<sup>th</sup> – 9<sup>th</sup>, also in



**ABOVE:** The National ICT Association of Afghanistan booth at CeBIT in Hanover, Germany. Afghanistan's participation generated a great deal of interest.

Hannover, Germany) attended by three members of the National Information and Communication Technology Association of Afghanistan (NICTAA) with the support of ASMED funding. While quantifying the total amount of business generated by ASMED participants in this show is not possible, an impressive array of partnership conversations did occur that included Afghan firms partnering with large international companies on (1) e-government initiatives, (2) education initiatives and (3) sale of joint venture products and services to private sector businesses in Afghanistan. So far partnerships in four specific initiatives have been solidified but terms and scopes of partnership have not been disclosed.

The exhibition was attended by participants, buyers and sellers from 100 countries, including more than 6,000 companies on exhibition. CeBIT attracted more than 480,000 attendees at the 2008 show and this year was the first time Afghanistan registered as a participating country.

## **FIELD ACTIVITIES – CENTRAL**

### **Analysis and Surveys**

A retail poultry market survey was completed in February by ASMED in relation to the technical assistance been conducted by poultry industry expert Chris Osagie of Cargill. The analysis of the survey reveals significant variation in the monthly supply and prices of three main poultry products (live birds, table eggs and frozen chicken meat). The survey included 223 retailers of poultry products in Kabul and reported on sales activities in the 2007 calendar year.

Data was recorded including a number of different monthly variables in a variety of locations throughout the city:

- Sale prices
- Avg. gross margin
- Quantity sold

We can have the following analysis of these three product markets:

- Seasonal impact on price and quantity fluctuations
- Price elasticity of demand
- Relationships of gross margin to varying degrees of price elasticity
- Relationship of location to price, quantity sold and/or gross margin

ASMED Gender Specialist has initiated a women-owned business survey in ASMED-targeted provinces with the assistance of Market Information Specialist. The survey will identify different challenges, successes, strengths and needs of women owned/managed businesses and this will lead to design of future ASMED gender program activities that accurately and effectively target the current needs of Afghan women business owners and managers. SYNERGY, a woman-owned BDS firm headquartered in Kabul, will conduct the survey and iNSIGHT Consulting will be responsible for its analysis. SYNERGY will include at least 30 businesses in Kabul and 15 in the other ASMED target provinces.

## **FIELD ACTIVITIES – EAST**

ASMED created a 414-page Business Directory for Jalalabad that included 10,700 individual businesses. The Nangarhar Union of Craftsmen Classes Association began printing and distributing on Monday, the 4<sup>th</sup> of February.

After receiving a request from an interested investor in Kunar, ASMED supported the development of a basic investment feasibility study for a dairy processing

business concept in Kunar (with a four-province competitive market area including Kunar, Laghman, Nangarhar and Nuristan). The study was conducted by a local BDS firm, Malook Sherzay Consulting and Supply, and was completed in March. Major findings included:

- Total milk producing animals in the four-province competitive market area = 465,617
- Total fresh milk produced in the market area is approximated at 497,679 kg/day
- The average retail price per kg across all 4 provinces: \$.70
- Opportunities for ASMED assistance:
  - Milk Processing and packaging facility
  - Provision of collection facilities

### **FIELD ACTIVITIES – NORTH**

Aga Khan Foundation's (AKF) Economic Development Program completed a wool production survey for all the targeted districts in Badakhshan. The EDP team completed a survey assessing the total wool production potential in target districts of Badakhshan in order to better assess possible investments for downstream value-addition and to then assess appropriate scale and timing of those investments. The information from the survey is currently being analyzed by AKF.

## QUARTER 1 - PROGRAM COMPONENT 2:

# BUSINESS DEVELOPMENT AND MANAGEMENT SKILLS

According to participant numbers reported by the Business Development Services team, an impressive 3,843 participants attended ASMED-sponsored trainings throughout the country during the 1<sup>st</sup> quarter of 2008. For a complete list, see Table 2 at the end of this section.

### FIELD ACTIVITIES – CENTRAL

In the first quarter USAID/Afghanistan Small and Medium Enterprise Development Project successfully implemented a number of training programs for SMEs and association members. Key training initiatives included computer skills training, including use of Quickbooks, and production trainings that lead to both enterprise and job creation, such as jam making and gemstone cutting.

ASMED sponsored a total of 24 trainings, which included a total of 645 participants. Individuals from various SMEs were trained in a wide variety of topics, including export management, basic accounting, Inco Terms, freight forwarding, HR management, trade finance, business plan writing, success map for business, textile design, basic computer skills, procurement, jam making, sales and marketing, business management, business development, micro business administration, association development, business English and gemstone cutting.

#### Women in business seminar:

ASMED sponsored a two-day seminar titled “Women in Business” for 30 members of AWBF. The seminar was organized and facilitated by American University of Afghanistan. Some of the key issues discussed in the seminar were

- Trends and key challenges faced by Afghan female entrepreneurs.
- Professional business plan development
- Strategic plan development for an organization
- Financial management for a start up business.

The participants identified more than 15 major problems faced by women in business in Afghanistan. AWBF as the umbrella and network association of all women's associations has taken the responsibility of advocating for businesswomen at the Government level.

**BELOW:** Computer and Internet training is provided to individuals in Jalalabad.



### **BDS firms:**

Two new BDS companies were established in the first quarter of 2008 - Wizards Consulting Bureau and New Wave Management and Investment Consultancy. ASMED will provide capacity building technical assistance for the firms and assist them in developing the market for their services.

### **FIELD ACTIVITIES – EAST**

Afghan Cut & Wash - Afghan Craft Carpet Weaving and Processing Company was awarded \$100,000 in January 2008 to develop the first modern carpet cutting and washing facility in Eastern Region. In February 2008, Mr. Zia (owner) traveled to Turkey to identify state of the art cut and wash equipment. The equipment is on order with delivery to take place in May 2008, enabling the completion of the factory in the same month.

Sahil Marble - Sahil Marble Factory was awarded an \$81,000 grant for the purchase of modern mining equipment. Sahil Marble currently uses explosives for extracting marble from the mines. This process is inefficient, dangerous, environmentally degrading and produces poor quality blocks of marble. The ASMED grant will enable Sahil to purchase modern mining equipment which will allow them to mine clean blocks of marble for processing and export. The equipment is on order, and the project will be up and running in the next quarter.

Aimal Carpet Weaving Center Kunar Province - ASMED provided a \$5,000 purchase order to Aimal Carpet Weaving Center who will use it to provide training and equipment to 50 new employees. The factory is located in the Pech Valley of Kunar Province. The equipment is on order with delivery expected in May 2008.

### **FIELD ACTIVITIES – WEST**

ASMED expanded the geographic reach of the program by conducting activities in Farah and Badghis for the first time. A planned assessment is scheduled for Ghor in May. The response to the training workshops and association development activities in these regions was greater than anticipated. Thirty-five invitations were provided for the first scheduled training in Farah – and 70 people showed up. Many people in these areas feel that the foreign development efforts are too focused on the southern and eastern regions of the country, and requested greater access to ASMED's program activities.



**ABOVE:** Women work in teams during a basic accounting training in Farah province.

Mr. Hamidzay (Afghan Saffron Company) completed the training of 300 farmers. The project goal is to increase saffron quality and to improve both domestic and international market access for producers in the western region. Afghan farmers received an average price of \$400 per kilo in 2007. Afghan Saffron Company reported that it paid the farmers over \$1,000 for higher quality saffron produced after the training. Retail rates in Europe and the US for high quality production

can range up to \$10,000 per kilo. This provides some incentive for farmers to produce saffron instead of poppy.

## **FIELD ACTIVITIES – NORTH**

### **Badakhshan Province**

In continued support of the project interventions in the poultry sector, ASMED conducted an extensive series of visits, meetings and workshops with all 20 project supported commercial poultry farms (10 female operated), to evaluate and inform the project's interventions in this sector during 2008. This intervention began with visits to all the farmers to discuss current issues and winter poultry management in order to prevent serious threats to the viability of their businesses over the winter season. On 22<sup>nd</sup> & 23<sup>rd</sup> January 2008, ASMED sent a technical advisor to visit the farms and two micro-feed mills in Baharak and Jurm, to evaluate the current commercial poultry farming activities. This evaluation aimed to identify gaps in the value chain and identify the nature of future interventions to further develop the sector. As a result the project conducted a further series of technical assistance sessions and has supported the establishment of two poultry outlets and another micro-feed mill, which will pilot an improved feed on the local market. The project has also made plans to establish more farms and a 'broiler' hatchery, to fill the identified gaps in the value chain. Further assessments have revealed that all the farms have now begun egg production and their products are reaching the market. In addition good poultry management practices are being adhered to by all the farmers.

After the respective meetings with 15 regional entrepreneurs project supported Business Development Service Providers (BDSPs) facilitated nine female entrepreneurs to display goods from all 15 SMEs at an exhibition organized by the provincial department of woman's affairs. This event aided sales and market linkages, and was important in the launching of a new range of women's shoes onto the local market.

The project continued to support the expanding capacity of local private sector BDSPs. Two ASMED partner BDSPs received a contract to provide services to an outside organization.

### **Faizabad District**

During the reporting period the project has supported the ongoing training of 12 female entrepreneurs in a Faizabad-based beautician services center. The support has facilitated them to transfer their business operations to new premises in the new city, identify service gaps and potential markets in order to formulate further interventions to improve the training program.

During the reporting period the project has conducted a series of counseling sessions with 32 female entrepreneurs operating garment manufacture and food processing enterprises based at the Faizabad women business center. These sessions helped the entrepreneurs to evaluate their business performance in 2007 and discuss the main issues they faced during the year. The aim of these meetings was to aid the participants to foresee any issues for 2008 and to adopt strategies to mitigate any issues. In addition the entrepreneurs have received support in establishing a marketing strategy for their products.

The project has continued to provide support to the five entrepreneurs operating out of a newly established leather-processing center in Faizabad. The center has

begun the production of female shoes, which are now available on the local market. The project continued to assist these entrepreneurs in developing a strategy for marketing and product development with the aim of expanding their presence in local markets.

#### **Jurm District**

An ASMED supported BDSP conducted a meeting with seven silk artisans operating from the Jurm Silk Center. The sessions aimed to evaluate their business performance and identify areas for future intervention to develop the business. This meeting included a discussion on strategies for marketing and product development.

#### **Baharak District**

During the reporting period, the project conducted a series of technical assistance sessions with 15 female entrepreneurs operating garment manufacture and food processing enterprises based at the Baharak women's business center. The sessions helped the entrepreneurs to evaluate their business performance in 2007 and discuss the main issues they faced during the year. The aim of these meetings was to aid the participants to foresee any issues for 2008 and adopt strategies to mitigate such issues. In addition the entrepreneurs have received support in establishing a marketing strategy for their products.

During the reporting period the project conducted a series of technical assistance sessions with 15 female entrepreneurs operating a soap making center in Baharak. These sessions have provided them with marketing and technical assistance that has helped them to launch their new product onto the local market. In addition, several sessions have aided the entrepreneurs and the project team to evaluating their business performance with the aim of identifying gaps and formulate further intervention to improve the sector. As a result of a session dedicated to assisting the development of a strategy for business expansion, the participants decided to focus on increased marketing of their products to compete against imports in the local markets. The possibility of producing niche products for the high value 'fair trade' and hospitality markets are being explored by the project.

#### **Kofab District**

ASMED has expanded services to the Kofab district. A project supported BDSP held a meeting with 22 (11 female) carpet weavers from Kofab. The purpose of the meeting was to discuss their business performance and the potential of this economic sector in the province to inform future interventions by the project.

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**TABLE 2: SUMMARY OF COMPLETED AND ONGOING BDS TRAININGS AND SEMINARS IN 1<sup>ST</sup> QUARTER, 2008**

<b>Province</b>	<b>Partici-pants</b>	<b>Types of Participants</b>	<b>Type of Training</b>	<b>Date(s)</b>
Badakhshan	15	Soap Making Center	Discuss Marketing Strategy	1/6
Badakhshan	2	Female Poultry Farmers	Discus Winter Poultry Management	1/6
Badakhshan	8	Commercial Poultry Farms	Poultry Management	1/24
Badakhshan	10	Baharak Soap Making Center	Technical Training	2/28
Badakhshan	3	Various SMEs	Information on	3/31

			vaccination, needs and benefits for poultry farmers	
Baghlan	160	Various SMEs	Business Management	1/11-1/30
Baghlan	160	Various SMEs	Computer basics	1/11-1/30
Baghlan	160	Various SMEs	Accounting and Logistics	1/11-1/30
Farah	45	Various SMEs	Marketing	2/3-2/5
Farah	25	Various SMEs	Marketing	2/3-2/5
Farah	40	Various SMEs	Marketing	2/7-2/9
Farah	25	Various SMEs	Marketing	2/8-2/9
Hirat	40	Various SMEs	Accounting Methods	2/20-2/23
Hirat	40	Various SMEs	Accounting Methods	2/4-2/6
Hirat	35	Various SMEs	Financial Management	2/18-2/21
Hirat	35	Various SMEs	Packaging Management	2/19-2/21
Hirat	35	Various SMEs	Financial Management	3/3-3/6
Hirat	35	Various SMEs	Forming Business Company	3/3-3/6
Hirat	35	Various SMEs	Business Management	3/16-3/18
Hirat	35	Various SMEs	Management and Formation of Association	3/16-3/18
Kabul	20	Various SMEs	Jam Making	1/1-1/15
Kabul	20	Afghan Freight Forwarding Association	Freight Forwarding	1/8-1/14
Kabul	20	World of Women Market	Sales and Marketing	1/9-1/12
Kabul	41	Various SMEs	English and Accounting	1/11-1/30
Kabul	12	Afghan Women	Gem Cutting	1/11-1/30
Kabul	10	Afghan Women	Cooking and Kitchen	1/11-1/30
Kabul	25	Various SMEs	Business Management	1/12-1/15
Kabul	25	Afghan Women Design and Innovation for Handicrafts Association	Business Development	1/12-1/14
Kabul	25	Afghan Women Design and Innovation for Handicrafts	Business Plan Writing	1/15-1/17
Kabul	15	Various trainers	Business Management	1/20-1/24
Kabul	25	Various SMEs	Marketing Management	1/20-1/22
Kabul	30	Various SMEs	Procurement	1/22-1/24
Kabul	12	Afghan Women's Business Federation (AWBF)	Marketing	2/3-2/17
Kabul	20	Various SMEs	Inco Terms	2/9-2/14
Kabul	25	Various SMEs	Trade Finance	2/9-2/14
Kabul	20	Various SMEs	Freight Forwarding	2/9-2/15
Kabul	28	Afghanistan Builders Association	Accounting	2/10-2/17
Kabul	20	AWBF	Business Plan Writing	2/10-2/22
Kabul	10	AWBF	Textile Design	2/11-2/14
Kabul	18	Afghan Women Development Council	Trade Finance	2/12-2/14
Kabul	15	Various SMEs	Inco Terms	2/17-2/25
Kabul	14	Afghan Women Development Council	HR Management	2/19-2/21
Kabul	10	Entrepreneur Women Support	Basic Accounting	3/1-3/3

Kabul	20	Various SMEs	Export Management	3/1-3/6
Kabul	20	Various SMEs	Export Management	3/12-3/19
Kabul	30	AWBF	Women in Business	3/26-3/27
Kunar	289	Various SMEs	Business English Language training	1/2-1/4
Kunar	30	Various SMEs	Accounting	1/27-2/10
Kunar	320	Various SMEs	English Language	2/1-3/1
Kunar	170	Various SMEs	English Language	2/1-4/22
Kunar	24	Various SMEs	English Language	2/1-4/10
Kunar	56	Various SMEs	General management	2/5-2/25
Kunar	42	Various SMEs	General IT	2/10-5/2
Kunar	30	Various SMEs	Business Management	2/12-2/19
Kunar	28	Various SMEs	Basics of Business Marketing	2/20-2/28
Kunar	95	Various SMEs	English Language basics	3/1-4/1
Kunar	30	Various SMEs	Project Management	3/2-3/12
Kunar	7	Various SMEs	English Language	3/10-4/10
Kunar	25	Various SMEs	Business communications	3/16-3/26
Kunar	25	Various SMEs	Business Negotiations	3/27-4/3
Laghman	143	Various SMEs	English Language	1/2-4/4
Laghman	25	Various SMEs	Start your Business	1/9-1/24
Laghman	25	Various SMEs	Starting the business	1/9-1/24
Laghman	10	Various SMEs	Microsoft office and IT training	2/2-5/27
Laghman	41	Various SMEs	English Language	2/3-4/3
Laghman	31	Various SMEs	English Language	2/3-4/3
Laghman	35	Various SMEs	English Language	2/4-4/4
Laghman	46	Various SMEs	English Language	2/9-4/10
Laghman	14	Various SMEs	IT training	2/15-5/15
Laghman	4	Various SMEs	Computer graphics	2/15-5/15
Laghman	44	Various SMEs	English Language	2/16-4/16
Laghman	44	Various SMEs	English Language	2/16-4/16
Laghman	18	Various SMEs	Microsoft office and IT training	2/17-5/17
Laghman	42	Various SMEs	English Language	2/19-4/19
Laghman	50	Various SMEs	English Language	2/25-4/25
Laghman	16	Various SMEs	English Language	2/26-4/26
Laghman	22	Various SMEs	English Language	3/8-5/8
Laghman	20	Various SMEs	English Language step 1	3/16-5/16
Laghman	22	Various SMEs	English Language beginner level	3/25-5/25
Nangarhar	25	Various SMEs	Fishery Development	1/7-1/12
Nangarhar	6	Various SMEs	Internet	1/8-1/15
Nangarhar	25	Various SMEs	Technical Training on Fish Rearing	1/14-1/16
Nangarhar	30	Various SMEs	Business Communication	1/20-1/29
Nangarhar	25	Various SMEs	Fish Rearing	1/22-1/24
Nangarhar	20	Various SMEs	Food Processing and	1/26-2/5

			Preservation	
Nangarhar	10	Various SMEs	Business Management	1/27-2/13
Nangarhar	6	Various SMEs	Internet	1/27-2/5
Nangarhar	10	Various SMEs	Business Management	2/3-2/20
Nangarhar	30	Various SMEs	Information Technology	2/6-3/12
Nangarhar	20	Afghan Women Agricultural Association	Food Processing	2/9-2/19
Nangarhar	6	Various SMEs	Internet	2/10-2/20
Nangarhar	20	Various SMEs	Food Processing	2/23-3/4
Nangarhar	6	Various SMEs	Internet	2/24-2/28
Nuristan	29	Various SMEs	Accounting	2/27-3/9
Nuristan	25	Various SMEs	Microsoft office and IT training	2/27-3/13
Nuristan	22	Various SMEs	Microsoft office and IT training	1/27-3/13
Nuristan	53	Various SMEs	English Language	1/27-3/13
Nuristan	45	Various SMEs	English Language	1/27-3-13
Nuristan	50	Various SMEs	English Language	1/27-3/13
Nuristan	38	Various SMEs	Management	1/27-3/9
Nuristan	31	Various SMEs	Human resources management	3/1-3/7
Nuristan	15	Various SMEs	English Language level one	3/29-3/30
<b>Total</b>	<b>3,843</b>			

## QUARTER 1 - PROGRAM COMPONENT 3:

# BUSINESS ASSOCIATIONS

In addition to the activities described below, the project also held a number of trainings to support our work with associations. For a complete list, see Table 3 at the end of this section.

### FIELD ACTIVITIES – CENTRAL

ASMED is working to find markets for women made products locally and internationally. The project is focusing and facilitating the opportunities to the entrepreneurs to market their products and create market linkages

To celebrate International Women's Day on March 8, the project organized a Crafts Exhibition with World of Women Sales and Services Association. The



**ABOVE:** USAID's Advisor of Cross-Cutting Issues, Mary Fontaine, from the Office of Program and Project Development, helped to inaugurate the crafts exhibition organized by the World of Women Sales and Services Association.

Exhibition lasted for three days, giving the opportunity for the women entrepreneurs to display their products. Twenty-two exhibitors came from across the country, and a total of 6000 people visited the exhibition. Sales generated by the exhibition totaled \$20,000.

On 29<sup>th</sup> of January AWBF inaugurated its design and innovation center showroom, and more than 100 individuals from different business development organizations participated. The Showroom will help the members of AWBF to showcase their products in one common place, and act as a central point for the buyers of

women's hand made products. To celebrate International Women's Day AWBF conducted a handicraft exhibition for 6 days in the newly established showroom of AWBF.

### Inauguration Ceremony of AWDIHA:

Afghan Women Design and Innovation for Handicrafts Association (AWDIHA) is a newly established women's business association aiming to promote and develop Afghan classic embroidery design in the domestic and international market. This association is financially supported by ASMED through a seed grant which helps them to establish a basic office set up and to receive a number of trainings. The association was officially inaugurated on 15<sup>th</sup> of January with the participation of 50 members of AWDIHA.

## FIELD ACTIVITIES – EAST

### **Kunar Lumber Traders and Carpenters Round Table**

ASMED held a one-day round table and open discussion for carpenters, furniture producers and lumber traders of Kunar province. The round table was held in the Governor house conference hall, with the participation of 385 people from the entire province including the Governor of Kunar, all directors of Kunar province, chairman of ACCI, representatives from the Provincial Reconstruction Team and UNAMA. The directors for carpenters and lumber traders association were elected through a democratic election process.

The primary challenge identified for carpenters working in Kunar province is that the government does not allow the finished products produced by the carpenters (doors, windows, etc.) to be sold in other cities of Afghanistan, especially in Kabul. The association will work with the line government authorities to get their permission for marketing their finished products to other cities of Afghanistan and abroad.

### **Laghman Women Carpet Weavers' Round Table**

A round table and open discussion was held for Laghman women carpet weavers in Metharlam City. The round table was held in the conference hall of the Women's Affairs Directorate. The Director of Women's Affairs, other women's organizations and 65 carpet weavers participated in the event. The director, deputy director and manager of the association were elected. The association will coordinate the activities of women carpet weavers working in their homes, and will help them to identify markets for their products.

### **Carpet Exporters Guild's Round Table in Jalalabad**

A round table and open discussion was held in Jalalabad, Nangarhar Province for the establishment of a Carpet Exporters Guild in Jalalabad. This event was technically and financially supported by ASMED and implemented by the Carpet Exporter's Guild (CEG) Eastern Region. Six of deputy ministers along with their delegations, CEO of AISA, CEO of EPAA, Nangarhar provincial governor, provincial directors and provincial council members and representatives along with 350 carpet traders from the Eastern Region, Kabul and Peshawar participated in the event. This event culminated in the inauguration of the Carpet Exporters Guild representative office in the eastern region. It was also the occasion for announcing the establishment of a carpet cut and wash facility in Jalalabad by the Afghan Craft Company.



**ABOVE:** The regional office for the Afghan Carpet Exporter's Guild was inaugurated with much fan fare in Jalalabad. Among others, the mayor of Jalalabad participated in the ribbon-cutting.

### **Laghman Women Tailors and Embroiderer's Round Table**

A round table and open discussion was held in Laghman Province for women tailors. The event resulted in the establishment of the Laghman Women Tailors and Embroiderer's Association, and was supported by ASMED and implemented

by the Afghanistan International Chamber of Commerce (AICC). The Director of Women's Affairs, other women's organizations and 116 women tailors/embroiders participated in the event. The association director and deputy director were elected through a democratic election. The association will work with the government and non-governmental organizations and departments to get orders of sewing uniforms, bed sheets, etc. to help provide full time employment to its members.

### **Round Table on Gemstones**

On March 26, 2008 a round table was held on gemstone mining, processing and trading in Jalalabad City. The governor of Nangarhar Province, governor of Nuristan Province and 69 gemstone miners, processors and traders from Kunar, Nuristan, Laghman, Nangarhar and Peshawar, Pakistan participated in the event and put forward their suggestions/recommendation for the development of the gemstone sector in Afghanistan. The event resulted in the establishment of the Eastern Region Gemstones Association to develop the business of gemstone mining, processing and legal trading in the region. The association will work with the line government ministries to get legal permission for gemstone mining and trading.

### **Kunar Women Carpet Weavers' Round Table**

A round table was held for Kunar women carpet weavers, resulting in the establishment of the Kunar Women Carpet Weavers Association. The round table was held in Assadabad, Kunar province and was supported by ASMED and implemented by Afghanistan International Chamber of Commerce (AICC). The Director of Women's Affairs, other women's organizations, female provincial council members and 67 carpet weavers participated in the gathering. The director of the association was elected.

### **Round Table on Food processing for women in Laghman**

A round table was held in Laghman Province for Women food processors in Metharlam, Laghman Province supported by ASMED and implemented by Afghanistan International Chamber of Commerce (AICC). The director of women affairs, other women's organizations and 80 women involved in food processing businesses participated in the event. The association president was elected through democratic election.



**ABOVE:** Women vote for the president of the newly formed Women's Food Processing Association in Laghman province.

### **Other Association Activities**

ASMED provided a 10-day technical training on food processing to 60 members of AWAA (Afghan Women Agricultural Association). The association has been involved in food processing for a long time, but due to lack of technical skill essential for food processing, it has not been able to produce high quality products. The training has significantly improved the quality of the products produced by the association and will help to solve its marketing problems.

ASMED also provided a three-day technical training to 75 members of a Fish Producer's Association to develop their technical skills in fish rearing.

ASMED sponsored the opening ceremony for a cotton pressing and processing factory that was financially and technically supported by ASMED Jalalabad. The director of the Nangarhar Cotton Seller's Association, members of the association and the business community attended the ceremony and thanked ASMED for its financial and technical assistance in the establishment of the facility. The facility will help the association and its members to export their pressed cotton from Jalalabad to Kabul, Peshawar and other cities/countries. The facility will also be a source of income for the members of the association, as its net income will be equally.

## **FIELD ACTIVITIES – WEST**

Local BDS providers submitted proposals to create 40 associations in the western region. Successful implementation will allow ASMED to meet its target indicator for 2008. Some BDS firms are still building their capacity and will need guidance in executing these types of projects (if awarded). ASMED will monitor this and utilize the BDSs that provide the most value.

## **FIELD ACTIVITIES – NORTH**

### **Badakhshan Province**

On 9<sup>th</sup> January 2008 ASMED conducted a one-day meeting with 20 members from the Ishkashim, Zebak and Wakhan Potato growers' associations to evaluate the impact of their recently constructed storage facilities. This discussion was followed up on 23<sup>rd</sup> January with a meeting conducted with 12 representatives of the associations to discuss increasing production to expand sales into a wider market.

Over the reporting period the project conducted a series of sessions with 15 representatives of the Jurm, Khosh, Shohada and Baharak honey producers' associations, to discuss further the process of establishing a provincial wide business association and its linkages with chamber of commerce.

On 4<sup>th</sup> and 10<sup>th</sup> of February 2008 ASMED conducted a meeting with six members of the Badakhshan Chamber of Commerce (CoC). The meeting discussed the CoCs current activities with the aim of identifying future interventions which will improve the operating capacity of the CoC to increase its membership. This included discussing their 2008 development strategy and the greater linkage between them and other project activities.

On 11<sup>th</sup> February ASMED conducted a meeting with 15 male poultry farmers from Badakhshan to discuss the formation of a provincial wide business association. The meeting was used to identify the benefits of such an association for the prospective members. The formal formation process will continue in the immediate future.

### **Faizabad District**

Over the reporting period the project organized a series of meeting with 22 Faizabad-based honey producers to discuss further the process of establishing a Faizabad based business association.

### **Jurm District**

Over the reporting period ASMED conducted a series of visits, meetings and workshops with ten members of the Jurm seed multipliers' association to evaluate and inform the projects interventions in this sector during 2008. These sessions included visits to their recently constructed storage facilities to evaluate their impact. Workshops were subsequently conducted to discuss storage problems and winter storage management to ensure their products are properly stored during winter to be sold in the 'sowing season'. The sessions were also used to build linkages between the association and buyers (which also included INGO's), which led to the decision by the association to bid to supply regional (nationally advertised) tenders, by acting as a wholesaler. In addition, ASMED began discussions with the association, to discuss the process of FAO certificate for their improved seed in order to facilitate them to market their product in the future.

ASMED also continued to support the Jurm Honey Producers' Association over the reporting period. This support included technical training in 'colony management', and discussing strategies to support the recovery of their members' farms that were decimated by the summer disease outbreak, to ensure an adequate resumption of production in spring. During 9 -13 March, as part of the association formation process assisted by the project supported BDSPs, the Jurm honey producers association had its Bylaws accepted and was formally registered as a Farmers co-operative with the Ministry of Agriculture, Irrigation & Livestock, and the Ministry of Justice. The association was formally registered as the 'Shari Gulan Bee Keepers Association' as part of the process of becoming a fully recognized business association.

### **Baharak**

ASMED continued to support the Baharak Honey Producers' Association over the reporting period. This support included technical training in 'colony management' and discussing strategies to support the recovery of their members' farms that were decimated by the summer disease outbreak, to ensure an adequate resumption of production in spring. During 9 -13 March, as part of the association formation process assisted by the project supported BDSPs, the Jurm honey producers association had its Bylaws accepted and was formally registered as a Farmers co-operative with the Ministry of Agriculture, Irrigation & Livestock, and the Ministry of Justice. The association was formally registered as the 'Bahrustan Bee Keepers Association' as part of the process of becoming a fully recognized business association.

### **Yomgan and Ishkashim**

Over the reporting period ASMED conducted a series of visits, meetings and workshops with members of the Yomgan and Ishkashim, seed multipliers' association to evaluate and inform the projects interventions in this sector during 2008. These sessions included visits to their recently constructed storage facilities to evaluate their impact. Workshops were subsequently conducted to discuss storage problems and winter storage management to ensure their products are properly stored during winter to be sold in the 'sowing season'.

### **Khosh**

ASMED continued to support the Khosh Honey Producers' Association over the reporting period. This support included technical training in 'colony management' and discussing strategies to support the recovery of their

members' farms that were decimated by the summer disease outbreak, to ensure an adequate resumption of production in spring. During 9 -13 March, as part of the association formation process assisted by the project supported BDSPs, the Jurm honey producers association had it's Bylaws accepted and was formally registered as a farmers co-operative with the Ministry of Agriculture, Irrigation & Livestock, and the Ministry of Justice. The association was formally registered as the 'Yaqot Bee Keepers Association' as part of the process of becoming a fully recognized business association.

**TABLE 3: SUMMARY OF TRAININGS, SEMINARS AND ACTIVITIES FOR BUSINESS ASSOCIATIONS IN 1<sup>ST</sup> QUARTER, 2008**

Province	Number of Attendees	Type of Attendees	Type of Activity	Dates
Badakhshan	15	Honey Producers	Association Strategy	2/23
Badakhshan	45	Bee keepers association	By-laws preparation and association formation support for honey producers association	3/30-4/2
Badakhshan	18	Bee keepers association	By-laws preparation and association formation support for honey producers association	3/30
Badghis	35	Various Association Members	Association Management	2/21-2/23
Badghis	35	Various Association Members	Association Management	2/21-2/23
Herat	35	Various Association Members	Association Formation and Management	3/16-3/18
Herat	35	Various Association Members	Association Formation and Management	3/16-3/18
Kabul	13	Various Women Associations	Training of Trainers	1/20-1/24
Kabul	24	Afghan Women Design and Innovation for Handicrafts Association	Association Building	1/21-1/23
<b>Total</b>	<b>255</b>			

## QUARTER 1 - PROGRAM COMPONENT 4:

# GLOBAL DEVELOPMENT ALLIANCES AND GRANTS

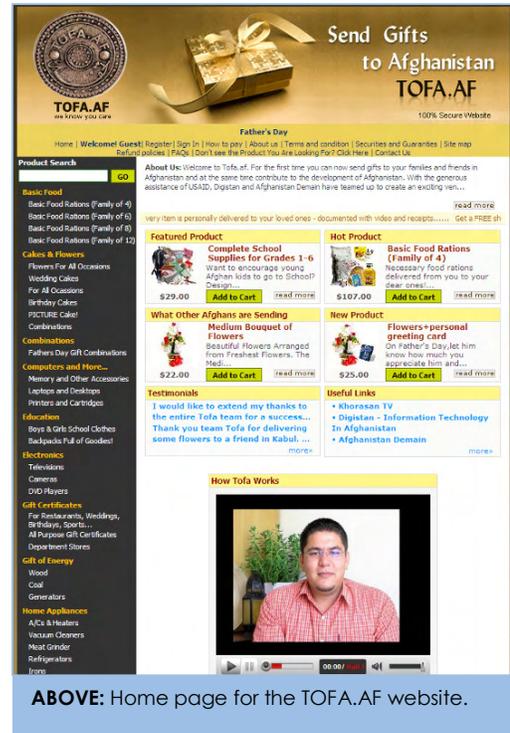
### Tofa.af

Tofa.af launched its diaspora remittance website in March and succeeded in establishing a merchant account with CCNow. This is of particular significance since it marks the first time any company has established a merchant account, which is the key element to processing web-based credit card transactions. Companies as large as Roshan have been working on this for several years and have not yet achieved a breakthrough. After many weeks of tireless pursuit, dogged persistence and persuasive discussion, Tamim Samee, the owner and manager of Tofa.af, succeeded in establishing a precedent that will allow many other legitimate businesses in Afghanistan access to internet-based markets. Establishment of a merchant account is also a key element of the Tofa.af business model and this accomplishment allows the business to become operational.

Beginning to document a track record of merchant account bank activity in Afghanistan will also ultimately improve the international perception of the safety and security of transactions of businesses in Afghanistan. It also creates a more direct interaction between the international financial community and owners and operators of Afghan businesses who are capable of generating world-class products and services. This will serve to improve international understanding of the capabilities of the Afghan economy and open channels for more productive commercial dialogue.

### Insurance Corporation of Afghanistan

ICA began issuing policies in March of this year, which marks the first insurance coverage generated by an Afghan insurance company. ICA's CEO, Sadat Naderi and Paul Cousins, the Director of Reinsurance, generated initial policies for Heath Lambert<sup>1</sup>. This initial effort proved so encouraging that Paul Cousins has expanded the scope of his contract with ICA and will be scheduling regular trips to Afghanistan. Future sales will be generated by a sales staff that is



ABOVE: Home page for the TOFA.AF website.

<sup>1</sup> Heath Lambert is the world's fifth largest insurance brokerage. The company is based in London and has the exclusive rights to represent ICA to Lloyds of London underwriters.

supported by Mr. Cousins' 25 years of insurance industry experience. Many of these sales agents have already joined ICA.

By the end of Q1 2008, ICA had recruited eight expatriates to join its management team. This is an especially significant achievement. The USAID/ASMED BDS Sector Assessment conducted in April of 2008 indicated in its private sector demand study for business development services that personnel recruitment was one of the largest areas of need for private sector firms and one of the key bottlenecks for business performance and expansion in Afghanistan. ICA has quickly addressed its professional staffing needs in the international market using the strength of its relationships with London underwriters and re-insurers and the charisma of its CEO, Sadat Naderi. The company now stands poised to deliver a level of quality of service and professionalism that does not currently exist in the country.

### **Licorice Processing**

Licorice root is harvested and marketed over a 10-week period in Afghanistan (from mid-February through the end of April) and the combination of USAID/ASMED GDA support and Afghan Growth Finance working capital loan were finalized in time for Afghanistan Licorice Processing, Inc. to begin purchasing its inputs on the open market in northern Afghanistan in the 2008 harvest. Licorice root supply lines were secured for first 4,000 MT in March.

Equipment suppliers were identified for factory refurbishment and Abadgar Road and Construction Company was selected to execute the refurbishment work. The factory will be operational by the end of Q2 2008. The 2-person management team for the factory was recruited in March from Turkmenistan and China. Along with completion of the factory refurbishment process, this addition of personnel constitutes the final hurdle to initiating the first licorice processing activities in Afghanistan.

### **Social Entrepreneur "Media Communications Outreach"**

Given the success of "Afghan Star," Moby Media in partnership with ASMED are launching a new, 13 episode, 30-minute reality game show that rewards creativity, initiative, and commitment of social entrepreneurs. The show evaluates new business ideas and their adherence to socially responsible principals, and provides monetary and in-kind rewards for the best concepts. The show will be educational, dramatic, and entertaining and will be designed to dramatize how Small and Medium Enterprises (SME's) can tackle business/social problems through market-based solutions.

The program will start with a significant public relations outreach effort aimed at building interest and awareness and to invite applications of Afghan entrepreneurs. The excitement in the program will come from the contest to win the prizes, but also how contestants will be brought from the idea stage to the stage where they win an award. The program will include biographical looks at key contestants and jury evaluations of proposals that will engage and entertain the viewers, and make the program more personal. The program will both be "in front of the camera" and a "behind the scenes" look at the evaluation process and the contestants working to implement their business idea.

### **Dried Fruit Exporter Association of Kandahar Box Factory**

DFEAK completed construction of its factory building in March and can now begin equipment installation once the manufacturer's representative arrives from

India in Q2 2008. All equipment is onsite and all input supply lines for the business have been secured. Production of cardboard boxes will commence in Q2 2008.

### **Roshan WPCOs**

After the completion of the WPCO training materials by Afghanaid in February, 22 WPCOs were established in March of 2008 (including 10 in Faizabad by Afghanaid, 5 in Kabul by Kaweyan BDS and 7 in Jalalabad by ADA). This process included identification of suitable candidates, their training in business management, training in call office equipment operation and maintenance and initiation of sales and business function. All procedures for the full rollout of the 500 WPCOs included in this GDA have been agreed upon by the team of partners, which has concluded the planning portion of the project.

## **COMPLETED GRANTS**

### **Grants completed and closed out in January 2008**

Grantee: Afghanistan Furniture Companies Association

Location: Kabul

Grant amount: \$9,960

Type of Grant: Association Seed Grant

- Afghanistan Furniture Companies Association was legally registered with Ministry of Justice and now has the legal status to render services throughout Afghanistan.
- Purchase of basic office equipment including furniture and IT.
- Three temporary jobs created for three trainers
- Twelve members of association received modern furniture designing training.
- Seminar on opportunities and challenges for members, invited 16 AFCA members person for 6 days to speak about opportunities and challenges and share their ideas. The main points were; how to make high quality furniture, how to train furniture workers, how to find market for our products and how can the Government support the furniture sector. The seminar participants talked about the opportunities such as reconstruction and rehabilitation of Afghanistan, available and reasonable human resources and raw material. All the challenges were note by the AFCA and the association will find ways to solve these challenges.

### **Grants completed and closed out in February 2008**

National Traders Agents Association (NTAA) - Construction of Training Center for NTAA has been completed.

Torkham Border Latrine Construction MDG - Torkham is the border area between Afghanistan and Pakistan where thousands of people pass

through. Although many people travel through this area, there were no toilet facilities. At the request of the Torkham City Municipality, ASMED constructed five toilets - three for men and two for women. As a result of this project, the number of vendors



**ABOVE:** Women sew school uniforms as part of a grant program in Jalalabad.

and buyers has increased, and the Torkham Municipality receives revenue from the toilet facilities by charging a small fee to each user. Additionally, twenty temporary jobs were created.

Nangarhar Handicrafts Producers Association (NHPA) – The Nangarhar Handicraft Producers Association received a grant for \$11,500 to train members of the association to sew school uniforms, and to purchase the raw materials to produce 5,000 uniforms. As a result of this project the association has been awarded several contracts from schools and other educational institutions in Jalalabad. Forty jobs for women and 5 jobs for men were created through this grant, and 280 members have benefited from this project because the NHPA has now established new shops inside the airport compound where they sell their products.

Zendajan Women Association – Through the ASMED grant, a functioning office was set up with the necessary furniture and IT equipment. Capacity building training was conducted for the board of directors and other members, which enhanced their business management capacity. The membership increased from 100 to 180 members within a short period. Market linkages were established for members' products to be sold locally.

Herat Carpet Dealers and Producers Association (HCDPA) - A grant was used for the successful completion of following tasks:

- To register Herat Carpet Dealers and Producers Association with Ministry of Justice in Kabul, giving the Association legal status to provide services throughout Afghanistan
- A functioning office was set up with furniture and IT equipment
- Capacity building training was conducted for the board of directors and other members, which increased their business management capability.
- Establishment of HCDPA motivated more carpet producers to become association members and benefit from its services. The number of members increased from 70 to 186 members within a short period.
- The association established market linkages locally and internationally for the carpet producers in Herat.

Afghan Women Design and Innovation Handicraft Association (AWDIHA) – A grant was used for the successful

completion of following tasks:

- To register the Association with Ministry of Justice in Kabul giving the Association the legal status to provide services throughout Afghanistan
- An office was set up with required furniture and IT equipment



**ABOVE:** The toilet facility built for the Vegetable Market in Jalalabad.

- Capacity building training was conducted for the board of directors and other members, which enhanced their business management capacity.
- The number of membership increased as a result of ASMED support
- Market linkage was established for handicraft products locally. They will try to participate in trade shows abroad and then try to establish market linkage internationally.

Vegetable Market Jalalabad - ASMED awarded a grant to the municipality of Jalalabad for the purpose of building toilets in the market place and as a result the following was achieved:

- Three flush toilets for men and two for women were built with a septic tank and a water tower
- 11 temporary jobs were created through construction process
- It benefits 700 men and 100 women based on the available businesses and customers
- The market place has been improved with sanitation that attracted more businesses and customers.
- It is a good income source for the municipality from the service charge.

#### **Grants completed and closed out in March 2008**

Grantee: Ken Generator MDG

Location: Shibkoh District, Ken Bazaar, Farah Province

Grant amount: \$8,430

Type of Grant: MDG

- Purchase of 10KV generator for Ken Bazaar, electrical wiring & fixtures and construction of small unit for protection of generator
- 20 temporary jobs were created through installation of generator, electrical wiring and fixtures
- 1,500 business people in the bazaar and surrounding houses benefit from the electricity
- The business hours for the shopkeepers are extended

Grantee: National Traders Agent Association (NTAA)

Location: Jalalabad Custom House, Nangarhar Province

Grant amount: \$13,975

Type of Grant: Association Development Grant

- To renovate the training hall in order to accommodate all members for training and general meetings
- To establish a computer lab for traders in order to learn computer skills and use of internet facility in their international businesses and marketing
- The ASMED grant enable the association to computerize it financial records, provide highly valuable services to the members, provide required trainings and workshops through ASMED funded training hall
- 370 businessmen benefited from this project

## **PLANNED FOR NEXT QUARTER**

### **West**

ARFC came to Herat to explore loan opportunities, however they cannot provide financing to companies with ties to Iran. ASMED will still pursue grant applications with the following organizations:

*Golchin Tomato Paste Factory*

The company would like to acquire a steam boiler, labeling equipment, and a power generator totaling approximately \$115,000. It would also like to diversify its product line (for seasonal inputs) and explore the possibility of procuring additional processing equipment. Demand for more local raw materials could benefit Afghan farmers and also eliminate the need to import products from Iran.

#### *Fazli Carpet Market*

Association Board Members would like to set up a factory in Herat City that produces machine-made carpets. The \$650,000 proposed total investment (\$300,000 from Fazli Market) could create up to 300 direct jobs as well as benefit import substitution. ASMED is seeking ways to avoid procurement of Iranian made raw materials.

The following tables provide an overview of grants to date, and grants approved during the 1<sup>st</sup> quarter of 2008, respectively, for the ASMED project.

**TABLE 4: SUMMARY OF GRANTS THROUGH MARCH 2008**

Grant Type	Number of Projects	Total Grant Value	Status
Associations	36	\$552,926	23 active and 13 completed
MDGs	36	\$369,276	21 active and 14 completed and 1 canceled
Enterprise	1	\$5,000	Active
Value Chain Improvement	12	\$1,210,926	9 active and 3 completed
<b>TOTAL</b>	<b>85</b>	<b>\$2,138,128</b>	

**TABLE 5: APPROVED GRANTS IN THE 4<sup>TH</sup> QUARTER 2007**

Grant Type	Province	Grant Name	US\$ Amount
Association Development	Mazar-e-Sharif	Babar Market Association	\$24,970
Association Development	Mazar-e-Sharif	Haider Jawzjani Market Association	\$25,000
Association Development	Nangarhar	Seed Producers And Wholesalers Association	\$20,168
Association Seed	Kandahar City	Kandahar Women Business Association	\$9,500
Association Seed	Kandahar City	Kandahar Carpenters Association	\$9,080
Association Seed	Kandahar City	Kandahar Embroiders Association	\$8,860

MDG	Farah	Girani District Mayor	\$13,000
MDG	Helmand	Kartilagan Market Sanitation	\$9,970
MDG	Helmand	Grishk Market Sanitation	\$9,970
MDG	Helmand	Lashkargah market electricity extension	\$10,000
MDG	Helmand	Kartilagan Market Drainage	\$9,984
MDG	Kandahar	Haji Lalak Market Latrine	\$9,470
MDG	Kandahar	Fruits Market Latrine	\$9,470
MDG	Kunar	Sarkani Market Stalls	\$14,592
MDG	Kunar	Chawkai District Market Stalls	\$14,719
MDG	Nangarhar	Achin District Market Stall	\$9,673
MDG	Samangan	Market Stalls	\$9,989
MDG	Uruzgan	Tirin Kot Radio Station	\$10,000
Value Chain Improvement	Kabul	ATA-AWDC	\$46,588
Value Chain Improvement	Kabul	AICC	\$250,000
Value Chain Improvement	Kunduz	Cashmere Fine Supply Corporation	\$74,950
Value Chain Improvement	Nangarhar	Afghan Craft Carpets Company	\$100,000
<b>TOTAL</b>			<b>\$570,324</b>

## QUARTER 1 - PROGRAM COMPONENT 5:

# CAPACITY BUILDING

## FIELD ACTIVITIES - CENTRAL

### **Completion of the First Internship Program at Kabul**

On January 20, 2008 63 interns in Kabul completed their three months internship program. Of the 63 original interns that we had in the program, almost 50% of them were offered permanent positions by their sponsoring companies.

To honor the interns, the project organized an internship graduation ceremony at the Intercontinental Hotel in Kabul on February 3. The Chancellor of Kabul University, ASMED's Chief of Party, Dean of the Economics Department at Kabul University, local business, and representatives from various media outlets participated in the event.

Mr. Abdul Rahman Ashraf, the Chancellor of Kabul University, spoke at the ceremony and praised the internship program stating that "The program helps Afghan students raise their productivity; as a result, improving their capacity that is much needed for the sustained growth of Afghan private sector." He continued to say that "The program is a bridge between the university and private sector companies."

Mr. Bryan Rhodes, ASMED Chief of Party, also spoke at the event, and requested Afghan private sector and companies to cooperate with ASMED in the placement of the interns and provide them permanent jobs.

### **Young Professional Mentorship Program**

In order to build the capacity of young professionals and provide guidance in their professional careers ASMED developed a mentorship program. The young professional mentorship program for females is implemented by the AWBF where 50 young professionals will be mentored by 10 qualified mentors from business

community. Every month 2 mentors will facilitate a half day seminar for the professionals where they will share and discuss their business experience.

Fifty young professionals from different business development organizations and associations were interviewed and selected by AWBF and ASMED for the program in early February. The first mentorship seminar took place on 29<sup>th</sup> of March at the AWBF office where more than 35 young professionals participated.



**ABOVE:** Mahbooba Waizi is interviewed by a member of the press regarding the young professionals the AWBF is

## **FIELD ACTIVITIES – EAST**

In March, ASMED organized a qualifying exam at Nangarhar University to identify students for the ASMED internship program. Of the 120 students who participated in the test, 47 of them were selected for the ASMED professional internship program including 27 female students. Right now these students are under training with Afghan CNN.

## **FIELD ACTIVITIES – WEST**

On March 14, 2008, interns in Herat completed their first portion of the internship program (business training) started in Dec 14, 2007 until 14 March 18, 2008. Of the 70 interns that we have in the current program, 64 of them successfully completed the three months business training taught by AIBM. Following up completion of the training, all 64 interns started their practical work experience with the local business operating in Herat.

The Internship Program is a cooperative effort among ASMED, AIBM and Herat University. The program began in December 2007 and is the first of its kind in the western region. Of the 70 students who passed the placement exam and entered the program, 23 are women (over 30%). The pre-placement training by AIBM ended on March 14. The interns are currently working with local companies and a graduation ceremony is planned for mid June.

## **FIELD ACTIVITIES – NORTH**

The project has initiated a second session of its internship program to provide ten more local graduates experience of working in enterprise development in Badakhshan for three months. To enhance their technical skills the interns will have acquired at the end of their placements, the interns will receive intensive training courses in English language, and entrepreneurial and computer skills, and visit Kabul-based enterprises. The project expects the interns to have then developed the required skills base to establish their own enterprises and/or find suitable employment in the region, with or without further support from the project.

## **PLANNED FOR NEXT QUARTER**

ASMED signed an MoU with the Afghanistan investment support agency on March 16, 2008 to support young professionals in Afghanistan. Based on this MoU AISA will take the lead of the ASMED professional mentorship program in four regions (Kabul, Herat, Mazar, and Kandahar). AISA agreed to identify 200 young professionals (50 in each region) to participate in the ASMED professional mentorship program. In addition, AISA will identify 40 seasoned professionals (mentors) to train these young professionals.

The six month program will consist of monthly seminars/trainings sessions on various business/industry topics as well as individual one-on-one meeting between the mentor and trainees. The program will start in May and will finish in October 2008.

# 2<sup>ND</sup> QUARTER SUMMARY

The Afghanistan Small and Medium Enterprise Development (ASMED) project's 2<sup>nd</sup> quarter demonstrated broad reach and increasing scale of impact of its assistance activities, in the face of an uncertain security situation. Accomplishments in each of ASMED's five components reflect this recurring theme, each in different ways.

## **Market Information**

ASMED participated in the largest carpet show held in the Gulf Region in May of 2008, Domotex Dubai. Twelve ASMED-sponsored carpet producers attended the show, displaying their products, making direct sales, and linking to international markets through the negotiation of future contracts. Other ASMED beneficiaries attended regional agricultural fairs and an Afghanistan-Pakistan Trade Conference. These kinds of public events are crucial avenues for the provision of national and international market access to Afghan SMEs. ASMED also conducted a large market research survey in order to identify opportunities for women-owned businesses as they contribute to the economic empowerment of women in Afghanistan.

## **Business Development & Management Skills**

ASMED welcomed a new Senior Advisor for Business Development Services (BDS) and Business Associations in the second quarter of 2008. Catherine Johnston's arrival provided the project with an opportunity to analyze progress made in this component while also developing a strategy to guide future activities. This new strategy uses a value chain model to guide interventions within targeted sectors that are also supported by ASMED's other technical components. For example, ASMED identified eight, existing BDS firms in Kabul and used data collected under the market information component to link them to local business associations interested in obtaining their services. The BDS component has strengthened BDS providers in this quarter through the facilitation of regional roundtable discussions, SME training seminars, and other forms of direct technical assistance that enable BDS firms to respond to market demand. ASMED also assisted in the creation of new BDS firms, like BMDC in Herat, that are able to meet both the quality and quantity of business services demanded across Afghanistan, as dictated by market conditions.

## **Business Associations**

This value chain approach to project activities means that ASMED will work with associations in targeted sectors to maximize impact. During this quarter, ASMED also moved from a "seed grant" mechanism of association creation to an "Association Roundtable" approach in the second quarter. By bringing together groups of SMEs with common interests, roundtables are an effective way of forming associations. The establishment of ten rural craftsmen associations in Kunar province in this quarter is indicative of the immediate results possible with this approach. In building the capacity of BDS firms, ASMED approved four such companies to establish 45 associations in 2008. The ASMED project also assisted larger, nationwide associations like the Afghanistan Chamber of Commerce and Industries (ACCI) who held its first provincial elections in June. Another national

association supported by ASMED, the Afghan Womens Business Federation (AWBF), drafted a strategic plan in the second quarter, outlining future activities to better serve its members while also generating a sustainable income stream.

### **Global Development Alliances and Grants**

The GDA team used the 2<sup>nd</sup> quarter to hold a number of important meetings with USAID, potential partner companies, and other stakeholders in the pursuit of new GDAs. These meetings included the exploration of licorice processing, Carbon Credit, and silk value chain GDAs. Ongoing GDAs also made strides like in the placement of 19 new Women Public Call Offices across Kabul, Nangarhar, and Badakshan provinces. During this quarter, the Tofa.af site became operational as Tofa became the first Afghan merchant to accept web-based credit card transactions. Significant value chain improvement grants were issued to the Shaharyar Plastic Recycling plan in Jalalabad, the AWBF, and the Turquoise Mountain Foundation, an Afghan handicraft organization.

### **Human Capacity Building**

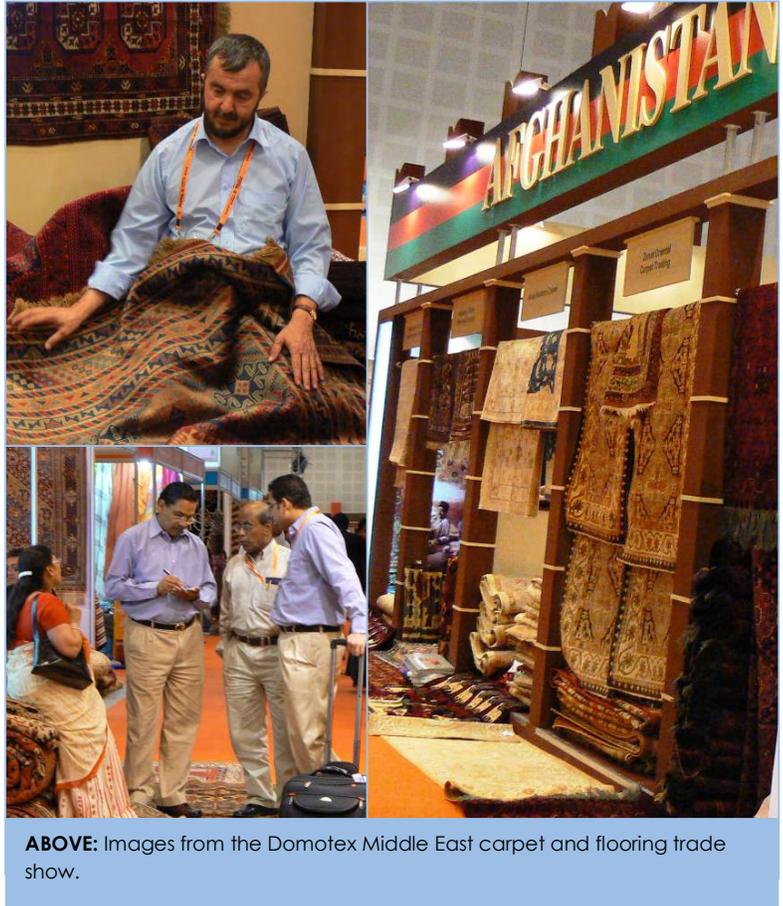
In collaboration with the Afghan Institute of Business Management (AIBM), ASMED's internship training program continued in Kabul, with the offer of a qualifying exam to over 450 applicants in the second quarter. ASMED selected the AJEER Business Management Institute and the Afghan Consulting National Network (CNN) to conduct similar trainings in Mazar and Kandahar, respectively. Balkh University agreed to begin an extension of this internship program during this quarter as well. The AWBF conducted its second and third mentorship seminars at Kabul University in this quarter, with Nangarhar Public University holding similar seminars in Jalalabad. The Afghanistan Investment Support Agency (AISA) conducted its first mentorship seminar on 26 May in Kabul. AISA and ASMED signed an MOU on 2 April to educate 200 young professionals from Kabul, Herat, Mazar, and Kandahar.

## QUARTER 2 - PROGRAM COMPONENT 1:

# MARKET INFORMATION

### MARKET LINKAGES

- The ASMED project supported 12 carpet producers' participation in the largest Gulf Region flooring and carpet show, Domotex Dubai, in May 2008. The show provided the opportunity for participants to sell their products as well as to create market linkages with other international carpet companies and to negotiate future contracts with foreign buyers. Ninety-five percent of the carpets shown were sold, for an estimated value of \$200,000. Although firm contracts were limited to an additional \$20,000, more revenues are expected through contacts established at the show.



**ABOVE:** Images from the Domotex Middle East carpet and flooring trade show.

- In early June, ASMED's Communication Coordinator met with various business-related entities in Istanbul to explore the possibilities of furthering trade relations between Afghanistan and Turkey, particularly in the marble and carpet sectors. A major finding from the meetings is that Afghan carpets have a large potential market in Turkey and beyond its borders to Europe. However, the carpets are smuggled into Turkey, or are exported from Pakistan. To export directly, it is vital that an Afghan carpet business delegation meet with key executives from Turkey to establish direct linkages.
- ASMED supported a survey on women owned and managed businesses that was conducted by Synergy Consulting Company in Kabul, Balkh, Badakhshan, Nangarhar, Kandahar, and Herat provinces during the 2<sup>nd</sup> quarter. The main objective of the survey, which was gathered information on 40 businesses in Kabul and on 75 businesses in the regions, was to identify women-owned businesses and their role in women's economic development in Afghanistan. Currently, ASMED is analyzing the data collected from these surveys, and it will be used for generating specific, strategic plans for future

interventions in sectors that offer women the opportunity for economic empowerment.

- The project facilitated six female Baharak-based entrepreneurs, and 18 members of the Baharak Honey Producers' association to participate in the second Badakhshan Agricultural Fair, hosted by Afghanistan's Ministry of Agriculture, Irrigation and Livestock (MAIL) and funded by USAID. Attendance at this event gave the participants a valuable opportunity to raise their own awareness of their products' positions in the local market (and to the guests from USAID and Government departments), as well as providing an excellent sales opportunity. In addition to providing logistical and marketing assistance for the participants, the project focused on developing the participants understanding of the benefits from attending such events. This assistance included coaching the participants' evaluation of the costs vs. sales, thereby identifying the profits obtained. Combined profits recorded by all the participants we recorded to be USD \$1027.
- ASMED supported a one-day Afghanistan-Pakistan Trade Conference in Jalalabad on June 12. The event was attended by 100 traders, 60 Afghans and 40 Pakistanis. Other than traders, the Pakistani delegation also included Mr. Haji Mohammad Asif, President of the Sarhad Chamber of Commerce and Industry, Mr. Farooq Ahmad, General Secretary of Pak Afghan Transit Trade, Mr. Roozi Khan Baraki, Collector of Peshawar Custom House. The Afghan delegation included, Mr. Jalil Jebrani, General Director of Custom Houses of Afghanistan, Mr. Gul Agha Sherzai, the Governor of Nangarhar Province, the Deputy Governor for the province, and the Director for Nangarhar Custom House. Participants discussed various regional issues hindering trade relations and ended the conference with a joint declaration aimed at facilitating trade and transit between the two countries. The next round of the conference is planned to be held in Peshawar, Pakistan.
- ASMED supported the participation of seven Afghan SMEs from Mazar, three carpet producers, one seed company, one dry fruit trader and two business women from the Hadya Handicraft Association at the Kunduz Agricultural Fair, from June 19-21. Also in attendance were two enterprises and three associations from the East. The AgFair was hosted by Afghanistan's Ministry of Agriculture, Irrigation and Livestock (MAIL), and funded by USAID/ASAP. Participation in this event gave SMEs a valuable opportunity to showcase their products, taking advantage of networking and sales opportunities in the local marketplace. The audience included private sector participants, guests from USAID and Government departments, and 45 visitors from Tajikistan. In addition to providing logistical and marketing assistance for the participants, ASMED provided other assistance including coaching the participants to evaluate the costs of participation vs. sales made in order to identify the profits obtained. ASMED also assisted the participants to maximize future sales by developing their mechanism for securing further business, such as order books, business cards, and brochures.

## QUARTER 2- PROGRAM COMPONENT 2:

# BUSINESS DEVELOPMENT & MANAGEMENT SKILLS

## FIELD ACTIVITIES - NATIONWIDE

During this period, the position of Senior Advisor for Business Development Services was filled with the arrival of Catherine Johnston. Therefore, during this quarter the staff of the BDS component invested time in reflecting on the prior year's activities, analyzing the cumulative impact of ASMED's ongoing or completed activities, and developing a strategy to guide future activities.

### **Expanding the role of BDS firms**

ASMED has primarily used BDS firms for conducting trainings and research. In this quarter, the BDS Component staff have sought new ways to use the skills and resources of the BDS firms with whom we have developed strong partnerships, and have sought out new partners to provide a wider array of BDS services.

**Association Roundtables:** In support of the Association Component, ASMED has used BDS firms to conduct Association Roundtables. These are gatherings of groups of SMEs in the same sector that express interest in forming an association. Each Association Roundtable may bring together a single industry group, or three to four different groups. Total participation has ranged from 50 to 250 SMEs. BDS firms have conducted 30 roundtables in the second quarter.

**New Actors as BDS Providers:** ASMED works with thousands of SMEs and hundreds of associations. To leverage this enterprise level / association level support into sustained economic development, ASMED will begin approaching our SME and association work with a value chain approach. ASMED has defined a set of target sectors including silk, saffron, cashmere, marble, food processing, handicrafts/carpets, and dried fruits and nuts. Support services to these value chains might include technical firms, transportation, storage, export facilitation, trade facilitation, and quality control. ASMED's GDA and Market Information components focus on identifying market linkages that can drive the growth of these value chains. The BDS Component will work to develop the BDS capacity to enable that growth, and support producer, processor, or industry associations that can dynamically respond to market demands in the value chain and promote the sector.

During the second quarter, ASMED took several steps towards implementing this approach.

- Partnership with ASAP to develop Agribusiness Brokerage Services (trade facilitation)
- Parwan Business Development Center to include trade facilitation services and warehouse space
- Afghan Saffron firm providing post harvest processing training to saffron producer associations
- GSP training for potential exporters in target value chains

**New BDS Firms:** In the start-up phase, ASMED identified eight BDS firms operating in Kabul, many as nongovernmental organizations. ASMED immediately began to grow the market for BDS by hiring these firms as implementing partners and promoting the benefits of local BDS to business association members and other donors, encouraging the use of skilled local consultants rather than relying solely on internationals. Early on, we began discussing business management consulting and training as a viable for-profit opportunity. ASMED has now awarded over US\$1,000,000 in purchase orders for training and consulting services, and there are at least 45 BDS firms based in Afghanistan, most of them private enterprises. In the second quarter, several additional firms were established or expanded throughout Afghanistan:

- A newly established Herat BDS provider called “BMDC” conducted a three-day workshop on “Principles of Accounting.”
- Pioneer Consulting established a branch office in Herat, and conducted a three-day workshop on “Sales & Marketing” for ASMED.
- Newly established Northern Region Consulting Services developed a brief business plan for a cut and wash facility in Aqcha.
- Kawosh BDS held a grand opening for its new office in Herat
- A new BDS provider, Taavon Researching & Advisory services for Development of Trade Enterprises (TRADE)
- CEFE-ESDC, a longtime ASMED partner, established the AJEER Afghan Business Management Institute in Kabul, and enrolled 300 private sector, fee-paying clients. AJEER is also carrying out the ASMED Internship Program in Bamiyan.
- AIBM expanded their business-training institute to Khost province.

## FIELD ACTIVITIES – CENTRAL

To build the capacity in the Afghan private sector and respond to the needs of the business community in Kabul, ASMED’s BDS component organized trainings that included subjects such as micro business administration, business plan writing, business management, basic accounting and market management skills development. Details on some of the trainings are as follows:

- The training on the Generalized System of Preferences (GSP) tax regime for imports to the US and US Import Standards was held from May 25-29. Thirty-five participants from industry associations, private sector businesses, and the Afghan government attended. Key sectors for which the GSP applies include dry fruits and nuts, fresh fruit, medicinal plants, carpets, handicrafts, and gemstones. This training will be held in five additional regions over the next three months.
- The micro-business management training trained 15 women entrepreneurs from April 9 - 14. The program covered topics such as entrepreneurial behavior, production management, financial management, and marketing.



**LEFT:** Dr. M. Alam Hamdard delivers the training at the Generalized System of Preferences training in Kabul.

- Pioneer Consulting Company trained participants from 30 SMEs in Business and Office Management from April 28 – May 3.
- Twenty-four women entrepreneurs received training on micro business administration.
- The training on basic accounting included participants from 20 SMEs. CEFE ESDC BDS conducted the training from April 28 to May 6.
- The Afghan Women Business Federation conducted a 5-day training to trainers from ACTED on April 13.

ASMED also visited Charikar city in Parwan province to identify a suitable location for building a business development center for the local business community there. A few potential places were identified.

## FIELD ACTIVITIES – EAST

### Nangarhar Province:

- Afghan CNN conducted a month-long training seminar on using QuickBooks accounting software for 10 SMEs in Nangarhar Province in May 2008. The training was held in shorter sessions over a longer period in order to allow time for practice and implementation within the SMEs actual businesses.
- Two new BDS providers started their activities in the eastern region. One is the Export Promotion Agency for Afghanistan (EPAA) and the other one is the Afghan Women's Business Federation (AWBF).

### Laghman Province:

- The Afghanistan Institute of Business Management (AIBM) conducted Business English Language Training for members of various SMEs.

### Kunar Province:

- Afghan CNN conducted a one-week Business Negotiation training for 30 participants from different SMEs.
- AIBM conducted a Business English Language Training for various SMEs in Afghanistan.
- Afghan CNN conducted a one-week Motivation and Delegation training for 25 participants from different SMEs.
- Afghan CNN conducted a 10-day entrepreneurship training for 15 participants from various SMEs.
- AIBM conducted a 5-day management training for 25 participants from various SMEs.



**ABOVE:** Participants of the accounting principals for non-accountants training in Herat.

## FIELD ACTIVITIES – WEST

The following training sessions occurred:

- Hamidzay International conducted saffron post harvest training in Pashtun Zhargun district. The workshop trained 40 farmers in proper techniques of harvesting, processing, packaging, and marketing to increase the volume and quality of saffron production.

Two new BDS providers have been established in the Herat area. Kawosh Business Development Services and Taayon Researching and Advisory Services for Development of Trade Enterprises were introduced to ASMED as potential partners and service providers.

- Ferdous Business Management and Development Company (BMDC) conducted a three-day workshop on the Principles of Accounting.
- BAMSAs conducted a three-day workshop on Procurement Management in Herat city and another one on Marketing in Kuruch district of Herat province.
- Fadilat Consulting conducted two separate workshops on Common Mistakes of Entrepreneurs and an Introduction to Sales and Marketing Strategy to the business community in Herat.
- Pioneer BDS conducted a three-day workshop in Sales & Marketing.
- BAMSAs conducted a three-day workshop for 35 members of the Afghanistan Women's Business Association in Herat. The topic of the training was New Investment and Management Methods for Women. The women learned various finance and marketing skills that can be applied to their small businesses.
- Kabiri & Partners conducted a three-day Marketing workshop in Karukh district of Herat. Forty women participants from the Handicraft Association were very pleased to have access to ASMED's activities and requested additional training in the future. The women were trained in methods of design, pricing and promotion of their products.

## FIELD ACTIVITIES – NORTH

### Badakhshan

#### Faizabad

- Two male poultry farmers, two female entrepreneurs, two female soap producers and two male garment manufacturers, all based in Baharak, were supported to participate in the Faizabad Agriculture Fair on May 27 and 28. The project provided the participants with the required business development services to maximize their 'outreach' and sales from the event. Aside from support in marketing and financial planning for the event, the BDS team also assisted the entrepreneurs to prepare business cards and future order books.
- On 12 April, technical assistance was provided to 30 female entrepreneurs based at the Faizabad Women's Business Center. This session assessed the 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.
- On 14 April, technical assistance was provided to 12 female trainees based at the Faizabad Beautician Center. This session began the process of fostering

the entrepreneurial skills of the trainees to give them the confidence and drive to establish their own 'independent' enterprises once they have acquired the requisite technical skills. Further sessions will build on this, and will also provide the trainees with the business and management skills they require to operate successful ventures.

- Technical assistance was provided to six male entrepreneurs operating out of the Faizabad shoe-making center. 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.
- On 20 April, technical assistance was provided to four female poultry farmers based in Faizabad. The aim of the session was to evaluate the business performance of the participants' farms and to provide further advice on good practice in poultry management. In addition, the session was used to discuss improved feed management systems, which if introduced could improve poultry farm productivity.

### **Baharak**

- The project conducted a series of technical assistance sessions with the 17 female entrepreneurs based in the Baharak soap-making center. These sessions focused on product manufacture, packaging, marketing, and business performance with the aim of identifying gaps and formulating further interventions. The business development service providers (BDSPs) also assisted the entrepreneurs to establish market linkages in the local market.
- BDSPs conducted a series of visits and technical assistance sessions with nine (four female) poultry farmers based in Baharak. The aim of the sessions was to evaluate the participants' business performance and assist with financial planning, particularly in recording sales and costs now that egg production has started in earnest. In addition, the sessions were used to discuss improved feed management systems, which could improve poultry farm productivity.
- On 14 May, a BDSP provided technical assistance to a poultry farmer who is operating a poultry hatching unit based in Baharak. The aim of the session was to evaluate the participants' business performance and assist with planning for the sale of his products.
- On 19 May, ASMED supported a BDSP to conduct a needs assessment for 30 female tailoring entrepreneurs, based in the Baharak Women's Business Center. The purpose of the session was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- In April, technical assistance was provided to ten (three female) Baharak based poultry farmers. The visits were used initially to inform the farmers about the needs and benefits of vaccinating their flocks, and to provide any required technical assistance. As a result of the visits, all the farmers agreed to the vaccination of their flocks. The meetings were used as an opportunity to evaluate the business performance of the participants' farms and to provide further advice on good practice in poultry management. In addition, the sessions were used to discuss improved feed management systems, which if introduced could improve poultry farm productivity.

- A series of meetings and workshops were provided to 30 female entrepreneurs based in the Baharak Women's Business Center. These sessions assessed their 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.
- Technical assistance was provided to ten female entrepreneurs based in the Baharak soap making center. These sessions provided them with further technical assistance in product manufacture, marketing as well as evaluating their business performance with the aim of identifying gaps and formulating further intervention to improve the sector. In addition, one session was dedicated to designing new packaging to increase the marketability of their product.
- On 20 April, technical assistance was provided to 12 orchard owners from Baharak. The aim of the meeting was to inform the participants of the benefits they can obtain from effective utilization of fruit storage facilities that was build by the project.

### **Jurm**

- BDSPs conducted a series of technical assistance sessions with 11 (five female) poultry farmers based in Jurm. The aim of the sessions was to evaluate the participants' business performance and assist with financial planning, particularly in recording sales and costs now that egg production has started in earnest. In addition, the sessions were used to discuss improved feed management systems, which could improve poultry farm productivity.
- BDSPs provided technical assistance to seven silk artisans operating from the Jurm Silk Center. Certain sessions explored expanding their product range, and the introduction of a catalogue and 'order book' to facilitate an expansion of sales. In addition, a BDSP provided training in effective record keeping. A separate session was conducted to identify the center's immediate needs, to enable the center to operate viably without the need for future project support.
- BDSPs conducted a series of one-day counseling sessions with 13 female entrepreneurs working in food processing based at the Jurm Woman's Business Center. The purpose of the sessions was to evaluate the entrepreneurs' business performance with the aim of identifying their needs to inform further interventions.
- BDSPs conducted a series of one-day counseling sessions with 30 female tailoring entrepreneurs, based in the Jurm Women's Business Center. The purpose of the sessions was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- On 8 May, a BDSP conducted a one-day counseling session with 26 (12 female) Honey Producers in Jurm. The purpose of the session was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- Technical assistance was provided to seven silk artisans operating from the Jurm Silk Center. The purpose of the session was to explore what type of products could be introduced to meet the market demand in Mazar and Baghlan and to help the center expand to reach other markets. As a result,

the participants are currently designing new products based on ideas 'brainstormed' from the sessions.

- In April, technical assistance was provided to 13 (three female) Jurm based poultry farmers. Visits were used initially to inform the farmers about the needs and benefits of vaccinating their flocks. As a result of the visits, all the farmers agreed to vaccinate their flocks. The meetings were used as an opportunity to evaluate the business performance of the participants' farms and to provide further advice on good practice in poultry management. In addition, the sessions were used to discuss improved feed management systems, which if introduced could improve poultry farm productivity

#### **Ishkashim**

- ASMED assisted in the establishment of a Woman's Business Center in Ishkashim. The center is currently being used to provide six female entrepreneurs with a cultural space to operate their own micro-enterprises in tailoring. The entrepreneurs received counseling in BDS throughout May and were constantly monitored to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- On 14 May, a counseling session was held with two rug-weavers in Ishkashim. The purpose of the sessions was to evaluate their business performance with the aim of identifying their needs to inform possible project interventions.
- On 1 April 2008, a BDS firm evaluated the training of 17 (10 female) potential entrepreneurs at a local cashmere spinning & weaving training centre in Ishkashim. The aim of the evaluation was to assess the potential of the trainees to set up their own enterprises and what support the project could provide. As a result, the project is exploring the feasibility of establishing a hand spinning SME.

#### **Khosh**

- BDSPs conducted counseling sessions with four (two female) poultry farmers based in Khosh. The aim of the sessions were to evaluate the participants' business performance and assist with financial planning, with regards to recording sales and costs now that egg production has started in earnest. In addition, the sessions were used to discuss improved feed management systems, which if introduced, could improve poultry farm productivity.
- BDSPs conducted counseling sessions with 19 (ten female) honey producers in Khosh. The purpose of the sessions was to evaluate the producers' business performance with the aim of identifying their needs to inform further interventions.

#### **Balkh Province:**

- Two trainings were held in Mazar-e-Sharif, Balkh province. The trainings were conducted by Kaweyan BDS company. The first training trained participants from 26 SMEs on Business Plan Writing from April 14-17. The second training was on Market Management and 26 SMEs participated in it. It was held from April 12 – 14, 2008.

**TABLE 2: SUMMARY OF COMPLETED AND ONGOING BDS TRAININGS AND SEMINARS IN 2ND QUARTER, 2008**

Province	Participants		Types of Participants	Type of Training	Date(s)
	Male	Female			
Herat	40	0	Saffron Association SMEs	Saffron Post Harvesting	5/19-5/21
Kabul	70	0	Artisan Trainees	TFM Basic Business Training	4/1 – 4/30
Kabul	70	0	Artisan Trainees	TFM Basic Business Training	5/1- 5/31
Kabul	70	0	Artisan Trainees	TFM Basic Business Training	6/1- 6/30
Kabul	4	16		Technical Business Trainings	5/15 – 6/29
Kabul	25	0	SMEs in Dry Fruit, Carpet, Gemstone Sectors, Min of Commerce representatives	GSP	5/25 – 5/29
Kunar	300	0	SMEs (various)	Business English (Zero Begin Part B Promoted)	4/3 – 5/1
Kunar	25	0	SMEs (various)	Motivation and Delegation Training	4/5-4/10
Kunar	18	0	SMEs (various)	Computer Training (IT), Ms Office	4/15-5/15
Kunar	25	0	SMEs (various)	Business Communication Training	4/21-4/25
Kunar	200	0	SMEs (various)	Business English Beginner Part C	5/1- 6/10
Kunar	8	0	SMEs (various)	Business English Intermediate	5/1-6/7
Kunar	7	0	SMEs (various)	Business English (Pre-Intermediate)	4/1- 4/30
Kunar	25	0	SMEs (various)	Entrepreneurship	4/12-4/24
Kunar	25	0	SMEs (various)	Management	4/21-4/25
Kunar	170	0	SMEs (various)	Business English Pre-Intermediate	5/1-6/10
Laghman	17	0	SMEs (various)	Computer Training (IT), Ms Office	4/5-7/5

Laghman	8	0	SMEs (various)	English Conversation	4/18-6/18
Laghman	28	0	SMEs (various)	Business English Step 2	4/18-7/9
Laghman	13	0	SMEs (various)	Business English Step 2	4/23-7/10
Laghman	26	0	SMEs (various)	Business English Step 1	4/25-7/8
Laghman	9	0	SMEs (various)	Accounting Training	4/26-8/15
Laghman	14	0	SMEs (various)	Management Training	5/1-5/31
Laghman	5	0	SMEs (various)	Report writing Training	5/1-5/31
Laghman	19		SMEs (various)	Business English Step 1	5/1-7/7
Laghman	4	0	SMEs (various)	Internet Training	5/12-5/26
Laghman	6	0	SMEs (various)	Business English Step 3	5/13-8/3
Laghman	10	0	SMEs (various)	Business English Step 2	5/17-7/17
Laghman	8	0	SMEs (various)	Accounting Training	6/3-9/3
Laghman	4	0	SMEs (various)	Internet Training	6/8-6/23
Laghman	4	0	SMEs (various)	Internet Training	6/9-6/24
Laghman	13	0	SMEs (various)	Ms Office Information Technology (IT)	6/15-9/15
Laghman	6	0	SMEs (various)	Accounting Training	6/17-9/16
Laghman	22	0	SMEs (various)	Business English Step one	6/22-8/22
Laghman	9	0	SMEs (various)	Business English Conversation Class	6/23-8/23
Nangarhar	10	0	SMEs (various)	Quick Book Training	5/13-6/13
Nangarhar	20	0	SMEs (various)	Computer Training (IT), Ms Office	5/21-6/21
Nangarhar	30	0	SMEs (various)	Information Technology Training	4/1-6/30
Nangarhar	0	30	Mid-Career Professionals from selected businesses	Mentorship Program	4/10-6/20
Nuristan	45	0	SMEs (various)	Business English (Beginner ) Training	4/10-4/30
Nuristan	18	0	SMEs (various)	Computer Training (IT), Ms Office	4/1-4/30
Nuristan	6	0	SMEs (various)	Human Resource Management Training	4/6-4/11
Nuristan	35	0	SMEs (various)	Business Management	4/10-4/30

				Training	
Nuristan	33	0	SMEs (various)	Business English (level One ) Training	4/10-4/30
<b>Total</b>	<b>1414</b>	<b>46</b>			

## QUARTER 2 - PROGRAM COMPONENT 3:

# BUSINESS ASSOCIATIONS

## FIELD ACTIVITIES - NATIONWIDE

During this period, the position of Senior Advisor for Association Development was filled with the arrival of Catherine Johnston in mid-May. Atiqullah Nusrat also filled the position of Association Specialist in June. Therefore, during this quarter the staff of the Association component invested time in reflecting on the prior year's activities, analyzing the cumulative impact of ASMED's activities, and developing a strategy to guide future activities.

### **Association Roundtables:**

In the first year of the program, ASMED used the association seed grant mechanism to assist new association formation. While effective, this approach was also costly and time consuming. In the second quarter, ASMED has ramped up the "Association Roundtable" approach to assisting SMEs to form associations. Association Roundtables are gatherings of groups of SMEs in the same sector that express interest in forming an association. Each Association Roundtable may bring together a single industry group, or 3 to 4 different groups. Total participation has ranged from 50 to 250 SMEs. This event is extremely useful as a networking and information gathering event for the industries. In most cases, this will be the first time that the SMEs have come together to discuss their common concerns. Local government officials and representatives of commercial groups such as ACCI also attend, providing a direct line of communication for the SMEs to key influential contacts.

BDS firms assist ASMED to identify relevant SMEs and set up a day long seminar. During the seminar, the BDS firm provides an introduction to the concept of a Business Association and explores with the group how an association might benefit them. The BDS firm also facilitates a more detailed discussion with each industry group about the challenges and opportunities facing their sector and the role an association might play in addressing these challenges and assisting the SMEs to take greatest advantage of potential opportunities.

Based on these discussions, the SME groups take a decision about forming an association. In the cases where the group is ready to form an association immediately, time is devoted to discussing by-laws and conducting elections for the leadership. In other cases, the groups are provided with contact information for ASMED staff that can help with either individual SMEs requiring support, or with association formation for the group in the future. During the second quarter, thirty new associations were formed throughout the country in diverse sectors including:

- Rural Craftsmen
- Agricultural Input Dealers
- Print Shops
- Carpet Weavers
- Silk Producers

### **Value Chain Approach to Associations:**

ASMED works with thousands of SMEs and hundreds of associations. To leverage this enterprise level / association level support into sustained economic

development, ASMED will begin approaching our SME and association work with a value chain approach. ASMED has defined a set of target sectors including silk, saffron, cashmere, marble, food processing, handicrafts/carpets, dried fruits and nuts. ASMED's GDA and Market Information components focus on identifying market linkages that can drive the growth of these value chains. The Association Component will support producer, processor or industry associations that can dynamically respond to market demands in the value chain and promote the sector. This will not preclude working with other associations outside of these sectors, but will assist us to target our resources for greatest overall impact.

ASMED took several steps towards implementing this strategy during the second quarter:

- Association training in industry specific technical skills in the saffron, food processing, and handicrafts sectors.
- Compilation of market information and contact information for the silk, saffron and cashmere value chains, in preparation for some larger industry events to be held in the next quarter.
- Initiating discussions for MOU with Afghan Marble and Granite Producers Association.
- Sustainability strategy developed for Jurm Silk Center.
- Inaugurated a seed storage facility in Behsood District, Nangarhar Province. The facility will be used by 50 members of the Seed Producers Association.

#### **Other Key Association Component Activities:**

- ASMED assisted with the formation of ten rural craftsmen associations that will be the preferred source of providing skilled labor (carpenters, plumbers, masons, electricians) for all USAID and PRT projects in the priority districts of Kunar Province. The creation of rural craftsmen associations will also help other NGOs and donor agencies to employ community members while implementing projects in the districts. These craftsmen associations will be the focal points for providing skilled labor.
- ASMED also inaugurated a seed storage facility in Behsood District, Nangarhar Province. The facility will be used by 50 members of the Seed Producers Association. The facility has a capacity of 200 metric tons. This facility will help reduce the need to export seed to Pakistan only for Afghanistan to re-import the seed at a later date and for a higher price.

## **FIELD ACTIVITIES – CENTRAL**

### **Afghan Chamber of Commerce and Industries (ACCI):**

#### *Election Support*

International consultant Bob Stapp continued to support Afghan Chamber of Commerce and Industries (ACCI) election preparation. BDS firms that will help implement the election are meeting twice weekly. These election implementation firms are meeting weekly with ACCI senior management and the election task force. The election implementation firms have submitted a list of significant issues for ACCI executive management to bring to the transitional Board of Directors. The election implementation firms have also requested that ACCI clarify their procedure for verifying and validating provincial membership lists. A press release announcing the election, and describing the election procedures, was written and provided to ACCI for approval and release.

## **Afghan Women's Business Federation:**

### *Strategic Plan*

ASMED's Gender Specialist, along with Mr. Stapp, conducted a number of work sessions with the AWBF CEO and staff. He helped the AWBF CEO and staff to work on the key elements for building a sustainable organization and to draft the AWBF strategic plan. The prepared strategic plan was officially presented to the AWBF executive members on May 28 by the CEO.

### *Grant Close Out*

ASMED awarded a three-month bridge funding grant at the beginning of 2008 for the organization's daily operational expenses and membership outreach activities. The grant was officially closed in the first week of May.

### *Income Generation Plan*

The AWBF grants (both the bridge funding grant and the 2008 grant) require AWBF to design and implement income generating programs such as trainings and exhibitions. For example, AWBF conducted a 5-day gender analysis and development training (3-8 May) for 15 staff members of NSP which generated \$900.

### *AWBF handicrafts exhibition*

AWBF participated in a cultural exhibition organized by the Turkish embassy in collaboration with Ministry of Culture and Information on May 30 in the Afghan Turk School, Kabul. The exhibition was organized to enhance the friendship of Afghanistan and Turkey. Thirteen members of AWBF participated in the exhibition, with booths featuring women made products such as carpets, dry fruits, handicrafts and jewelry.

### *USAID Economic Growth Office Delegation visit*

ASMED facilitated the visit of Ms. Caroline Brearley, Afghanistan Desk Officer at USAID's Economic Growth office to AWBF on May 7. The delegation met with the CEO and was briefed on AWBF activities and future plans. The delegation also visited the newly established show room there and saw Afghan women made products there.

ASMED STTA, Bob Stapp, held a number of work sessions with the Afghan Women's Business Federation (AWBF) leadership to discuss the key elements for building the sustainability of the federation and drafting effective strategic plan.

ASMED assisted the World of Women Sells Services Association (WWSSA) technically to hold its general assembly on April 23. The association elected its executive committee members and approved new by-laws. ASMED has also given a seed grant to the association to establish basic infrastructure and provide trainings to its members.

Susan Phalen, a representative from the office of Laura Bush, visited the offices of the Afghan Women's Business Federation on 16 April with the aim of better



**ABOVE:** Susan Phalen (right) from the First Lady's office, visits the offices of the Afghan Women's Business Federation.

understanding the activities and function of this USAID-supported organization. Ms. Susan Phalen discussed ways to help the federation generate greater interest in the handicrafts produced by members of the association. The ISAF military base is one option Ms. Phalen will explore.

## **FIELD ACTIVITIES – EAST**

### **Nuristan**

The Dairy Farmer Association of Western Nuristan was formed to improve dairy farming and support dairy business in the districts of Western Nuristan. Wakil Ghulam Sakhi was elected as Director and Abdul Samad as Deputy Director for the association.

### **Kunar Province:**

On May 4, a roundtable for craftsmen (carpentry, masonry, mechanics, metal working) was held in Asad Abad, Kunar Province. Over 180 participants from four districts (Manogai, Chapa Dara, Serkani and Marawara) of Kunar province attended the roundtable. Elections were held for Director and Deputy Director of the newly established Craftsmen Association for each of the four districts of Kunar province.

- The Kunar Carpet Weaver Association was registered with the Ministry of Justice.
- The Kunar Trader Association was registered with the Ministry of Justice.
- The Kunar Carpenter Association was registered with the Ministry of Justice.

### **Laghman Province:**

- A roundtable discussion was held for beekeepers in Laghman Province to discuss improving beekeeping in the province. The newly established association would like to provide professional and skill building training for beekeeping and honey businesses, assistance in solving problems with the local governmental authorities, and the establishment of a honey processing and packing facility. Mr. Sardar Mohammad was elected as Director and Mr. Ghulam Nabi as a Deputy Director for the association.
- A roundtable and open discussion was held in Laghman province to discuss the improvement of fish farming there. The newly established association discusses the creation of a hatchery, additional technical training on fisheries, and access to credit for fish farmers.
- A Painters Association was created in Jalalabad City. Sher Rahman was elected as the Director and Ihsanullah Lodin as the Deputy Director of the association.
- A Printing Companies Association was created in Jalalabad. Dr. Hamdard was elected as the Director and Mr. Hashmi as the Deputy Director of the association.
- A Mobile Set Dealers Association was created in Jalalabad City. Mr. Tahsil Khan was elected as the Director and Mr. Taza Gul as the Deputy Director of the association.

## **Nangarhar Province**

- On April 9, the Agriculture Input Dealer Association was established in Jalalabad city.
- A roundtable gathering discussed various obstacles and the establishment of the Nangarhar Craftsmen Association with the craftsmen from six districts of Nangarhar province. The craftsmen identified potential professional and technical development trainings, and requested help in purchasing new machinery to improve their businesses.

## **Laghman Province**

A roundtable gathering with members of the Fresh Vegetable and Fruits Traders in Mehtarlam city, Laghman province on Saturday April 19, fostered discussion of the fresh vegetables and fruits business in the province. Provincial Directors of Economy, Agriculture, Irrigation, and Livestock, and Women's Affairs, USAID/PRT representatives, and private fruit/vegetable traders attended the discussion. The traders requested help in establishing a wholesale market for their products, purchasing new machinery, and establishing a cold storage facility. At the end of the meeting, the Vegetable and Fruit Wholesaler Association was established. Mr. Amanullah was elected as the director and Mr. Bakhtyar as the deputy director of the association. The association will register with the Ministry of Justice within next two weeks.

## **Kunar Province**

A roundtable gathering in Kunar province with members of Women Carpet Weavers Association discussed the potential of establishing a market, a carpet-weaving center, an office for the association, purchasing new machinery, and conducting trainings for new designs. The Provincial Director of Women Affairs, Afghan Women Builder Association from Nangarhar Province and women members of the Provincial Council also participated in the roundtable.

## **FIELD ACTIVITIES – WEST**

- ASMED conducted a competitive bidding process to select BDS providers to fulfill ASMED's mandate to create new associations. Four BDS providers were selected to carry out association establishment activities in Badghis, Farah, and Herat.
- The Kabiri & Partner Consulting Company conducted a roundtable for participants from various handicraft producers including tailoring, carpet weaving, clothes weaving, and embroidery. Two members of the new association submitted ideas for future activities. The owner of Zarnagar carpet weaving company requested ASMED's assistance in supporting a business center for women carpet producers. She will submit a budget for various equipment and technical training. The Social and Cultural Services Development Association requested assistance in marketing women's products throughout Herat. They will conduct an assessment to identify stakeholders and viable products such as carpets, embroidery, and handicrafts.
- Informatics International began a six-month IT and Business English language course for 25 association members in Herat. The English section will teach vocabulary associated with the Quick Books accounting program.

- The following BDS providers have received approvals to conduct roundtable discussions and to create 45 associations in 2008:
  1. Cilab: Badghis, 10 associations
  2. Kawosh: Farah, 10 associations
  3. BaMSA: Herat, 15 associations
  4. Kabiri : Herat, 10 associations
- Informatics International received approval to conduct a six-month IT and English language course for 25 association members in Herat. The English section will teach vocabulary associated with the Quick Books accounting program. Although the previous IT training program, by AIBM in 2007, was well received, some students mentioned that Quick Books was in English, not local Dari. Many students could not understand the prompts, drop down menus, and other aspects of the software. This new course (with a local Afghan IT school) will address this issue, translate learning materials, and provide better results.

## **FIELD ACTIVITIES – NORTH**

### **Badakhshan Province**

- On 3 - 5 May, a BDSP conducted meetings with a group of 72 female entrepreneurs in Baharak to assist them in forming a business association. The association members currently operate their own individual enterprises, some home based and some operating out of Women's Business Centers. The association will support its membership by producing a 'brand,' under which all the members can produce. The association will also act as a wholesaler, bulk input purchaser, and marketing support provider. The project will continue to support the association by assisting it to become formally registered and through the provision of further business skills, association management training/support.
- ASMED worked with 15 members of the Baharak Honey Producers' Association to prepare registration documentation (bylaws, etc.). A second session focused on assisting the association in developing a label and improved packaging for their membership's products, which will eventually enable the products to be marketed under a single 'brand.'
- In addition, 18 male members of the Baharak Honey producers' association were sponsored to participate in the Faizabad Agriculture Fair on May 27 and 28. The project provided the members with the required business development services to facilitate them to maximize their 'outreach' and sales from the event. As well as support in marketing, and financial planning for the event, this activity resulted in the entrepreneurs preparing business cards and future order books.
- During May, ASMED supported the Ishkashim Seed Multipliers' Association with strategy planning for 2008, and with the preparation of bylaws and the procedure for registration as a business association.

- On 13 April, the Economic Development Program (EDP) held a follow-up session with 15 male poultry farmers from Baharak, Faizabad, and Jurm to discuss the formation of a provincial poultry based association. The session discussed on how to proceed with formation of association, bylaws, and registration process.
- On 24 April, technical assistance was provided to 20 members of a Honey Producers Association (unregistered) from Faizabad. The main purpose of the meeting was to evaluate the participants' performance in preparation of association documentation (bylaws and registration documents).
- On 23 April, technical assistance was provided to 18 members of the Khosh Honey Producers Association. The aim of the meeting was to discuss the continued use of best practices in bee management systems and the resulting positive impact on the honey producers' businesses.
- On 21 April, ASMED provided technical assistance to 12 members of the Yomgan Seed Multipliers Association (unregistered). The aim of the meeting was to evaluate the association's business performance and discuss further the process of registration.
- On 14 & 20 April, technical assistance was provided to 15 members of the Baharak Honey Producers Association (unregistered). The initial meeting focused on assisting the association members in preparation of registration documentation (bylaws, etc.). The second session focused on assisting the association in developing a label and improved packaging for their membership's products, which will eventually enable the products to be marketed under a single 'brand.'
- On 10 & 14 April, technical assistance was given to 13 male members of Zebak Potato Growers Association (unregistered). The purpose of the initial session was to assist the association members with their operation of a storage facility, to maximize its revenue potential. The second session concentrated on discussing how to prepare by-laws and the procedure for registration as a business association.
- On 2 April, technical assistance was delivered to 13 male members of Ishkashim Seed Multiplication Association (unregistered). The session concentrated on discussing the how to prepare by-laws and the procedure for registration as a business association.
- On 3 April, technical assistance was provided to 12 members of the Ishkashim Potato Growers Association (unregistered). The purpose of the session was to



**Above:** Baharak Honey Producers Association at the Badakshan Agricultural Fair; see next page.

assist them with their operation of a storage facility to maximize its revenue potential.

- On 3 April, ASMED offered technical assistance to 17 members of the Wakhan Potato Growers Association (unregistered). The purpose of the session was to assist them with their operation of a storage facility to maximize its revenue potential.

### PROJECT HIGHLIGHT

The Badakhshan ASMED team facilitated six (two female) Baharak based entrepreneurs, and 18 members of the Baharak Honey Producers' Association (pictured above) to participate in the second Badakhshan Agricultural Fair, hosted by Afghanistan's Ministry of Agriculture, Irrigation and Livestock (MAIL) and funded by USAID. Participation in this event gave the participants a valuable opportunity to raise the awareness of their products in the local market (and to the guests from USAID and Government departments), as well as providing an excellent sales opportunity. In addition to providing logistical and marketing assistance for the participants, the project focused on developing the participants understanding of the benefits from attending such events. This assistance included coaching the participants to evaluate the costs versus sales of attending and therefore identifying the profits obtained. The project also assisted the participants to maximize future sales by helping them develop their mechanism for securing further business. This included supporting the participants to produce order books, business cards, etc. The combined profits recorded by all the participants we recorded to be \$1,027.

**TABLE 3: SUMMARY OF TRAININGS, SEMINARS AND ACTIVITIES FOR BUSINESS ASSOCIATIONS IN 2<sup>ND</sup> QUARTER, 2008**

Province	Number of Attendees	Type of Attendees	Type of Activity	Dates
Kunduz	3	Association members	Support to attend Kunduz Agfair	06/19-21
Kunduz	100	Carpet producers	Kabul Carpet Guild seminar in Kabul	April
Nuristan	93	Dairy Farmers	Held Round Table for the formation of the dairy farm association	05/29
Nuristan		Gem Stone miners and processors	Formation of the Nuristan gem stone Association	06/19
Jalal-Abad	50	Association members	Construction of seed storage used by the Seed Producers and Wholesalers Association	06/6
Jalal-Abad		Association members	Assisted six association in six districts (Chaprehar, Khogyani, pacher, Hesarak, Sherzad and Goshta) to register with the Ministry of Justice	May
Jalal-Abad		Association members	Formation of the Poultry Sellers Association	06/16
Jalal-Abad	96	SMEs	Round table for the formation of the Poultry Sellers Association	06/9
Jalal-Abad		Association members	Round table on organizing election for the National Union	06/22

			of Craftsmen and Classes Association	
Jalal-Abad	105	Association members	Round table for the establishment of agri-input dealer association	04/9
Jalal-abad	300	SMEs	Round table to discuss the creation of 6 rural craftsmen association	04/23
Badakhshan	18	Association members	Association Management consulting	05/27-05/28
Badakhshan	2	Association members	Strategy Formation for the agricultural input suppliers association	05/25
Badakhshan	12	Association members	Developed a strategy for the tomato growers association	06/2
Badakhshan	8	Association members	Assist the Faizabad Honey Producers Association with their strategy plan	06/5
Badakhshan	18	Association members	Honey Producers association attends 2 <sup>nd</sup> Badakhshan Agfair	05/27-28
Badakhshan	45	Association members (Faizabad Honey Producers Association)	Association management consulting	30 march to 2 <sup>nd</sup> April
Badakhshan	18	Association members (Ishkashim seed multiplication association)	Association management consulting	04/3
Badakhshan	12	Association members (Ishkashim Potato Growers association)	Association management consulting	04/3
Badghais		SMEs	Formation of the following associations: Natural Agriculture Association , Livestock Association, Women Dairy Producers Association, Badghis Carpet Dealers Association, Women Carpet Weavers Association, Women Embroidery Association, Women Tailoring Association and Cloth Weavers Association	June
Herat	50	SMEs	Formation of Tahmina Association for handicrafts	06/16
Herat	50	SMEs	Formation of the Women Vegetable process Association	06/22
Herat		SMEs	Formation of the following associations: Herat Women's Artisan Association, Shekeban Women Carpet Association, Herat Women's Tailoring Association and Herat Women's Silk Producers Association	June
Herat	35	Association members (Business women association)	Association management consulting	04/15-17
Mazar	200	SMEs	Formation of the following associations: 1.Balkh Women	06/11

			Entrepreneurs Association 2. Hadya Handicrafts Association	
Mazar`	2	Association members	Supported two members of the Hadya association to Kunduz Afgair to display their products	06/19-21
Baghlan	100	Carpet producers	ASMED helped Carpet Guild organize a Seminar in Kabul	April
Jawzjan	100	Carpet producers	ASMED helped Carpet Guild organize a Seminar in Kabul	April
Kunar	67	SMEs	Formation of Kunar Women Carpet Weavers Association	04/5
Laghman	76	SMEs	Formation of vegetable and fruit wholesaler association	04/19
Kabul	20,000	ACCI members	ACCI National Provincial Elections	July
Kabul		AWBF members	Assistance to AWBF strategic planning	June
Kabul	100	Carpet producers	Carpet Guild Seminar in Kabul	April
<b>Total</b>	<b>21,660</b>			

## QUARTER 2 - PROGRAM COMPONENT 4:

# GLOBAL DEVELOPMENT ALLIANCES GDA & GRANTS

## GDA MEETINGS

During this quarter, ASMED held a series of meetings with potential partners to identify opportunities for GDA developments. Some important ones are described as follows:

- The ASMED senior advisor for GDAs met with the project's Cognizant Technical Officer (CTO) on May 25 to present an overview of the Carbon Credit GDA concept in development. The meeting concluded with preliminary agreements to move forward on an SOW for a pre-feasibility study.
- On May 20, Alan James, the ASMED national branding consultant, held a meeting to proposing a GDA concept that would market consistent producers of high-quality, high-value food products in Afghanistan through the Whole Foods network of supermarkets in the United States. Alan will continue to develop this in June and would include this GDA as a portion of the scope of work for upcoming phases of his ongoing work.
- The senior advisor met with Sharna Nolan of Skateistan and Tareq Azim of the Olympic Committee of Afghanistan on May 19 to discuss their collaboration in securing land donation for Skateistan's skate park, merchandise outlet and manufacturing facility. The land search continues at present; GoA officials have encouraged further development of the business and recreational facility.

Skateistan is an NGO that will partner in a GDA with Areeba/MTN and USAID/ASMED to create a for-fee skate park using the design team that created the skate park for the Beijing Olympics. Skateistan will combine a business component with a training program for Afghan youth that have access to roughly \$20,000 in donated equipment (to date) and a team of professional skateboarders who will visit the skate park on a regular basis. The goal of the GDA is to create positive social environment for Afghan youth by offering them access to hobbies and activities that can build self-esteem, offering them a productive channel for their energies, and to help reintegrate them into a modern world by building commonalities that transcend cultural differences.

- From May 5-7, the senior advisor attended the OPIC Middle East Investment Opportunities conference in Dead Sea Jordan. The conference featured a

detailed exploration of the ASMED licorice processing GDA, in which Afghan Growth Finance is a partner (they are supported by OPIC funding). This occurred in their session specific to SME development. The Insurance Corporation of Afghanistan executives and consultants were also in attendance (another ASMED GDA partner) as representatives of the rapidly developing financial sector in Afghanistan.

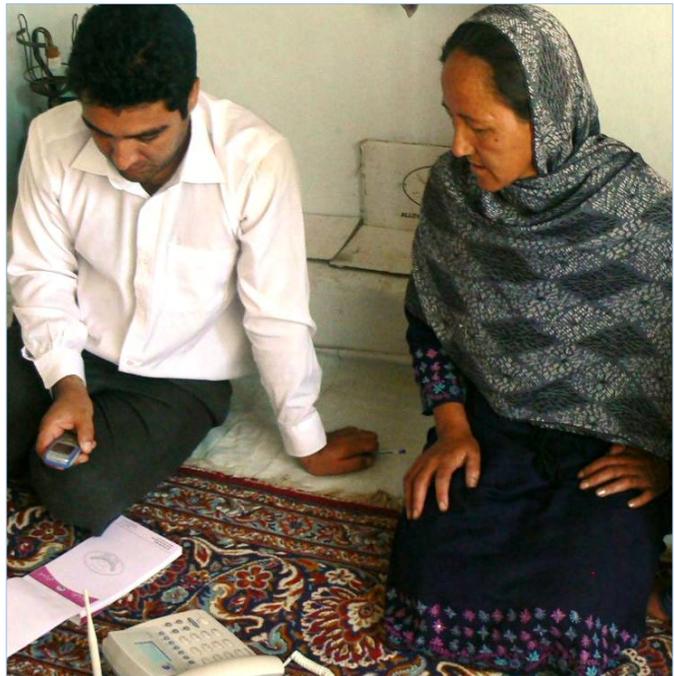
- A tour of the Zarif Designs manufacturing facilities and the Salee Mohammed silk processing facility (both in Kabul) was conducted on May 18. Both businesses will be components in a silk value chain GDA involving three businesses (Azana silk scarves will be the other business involved). This GDA will increase the production capacity of the largest silk thread producer in Afghanistan in general and will allow the business to include double-ply threads (which are not currently produced in Afghanistan and are required for most fine silk garments accepted in the international market). The principal aim of this business expansion will be supplying two garment manufacturing businesses with a unique ability to market themselves internationally. They both have standing orders in international markets and similar needs. The collective impact of the augmented capacity of these three businesses will begin to establish fine Afghan silk garments in a way not yet achieved outside of trade fairs and small boutiques in Afghanistan. It will include aggressive marketing, online sales capacity and increasingly larger volumes of sales in the international market and 100% Afghan-made branding.
- A series of meetings was held with the prospective partners of the Carbon Credit GDA currently in development. Land has been secured, the technical assistance plan has been developed, and a short-term consultant has been identified to guide the Detailed Development Plan required by the UN for carbon credit award process. Partners in this GDA will include USAID/ASMED, the land owner, CSR funds from a major MNC, CSR funds from a local partner and an investment banking firm that is part-owner of the Global Carbon Exchange, among others (which may include the World Bank). This would be the second forestry deal ever created under the Clean Development Mechanism worldwide. It will be a major step in creating livelihoods for thousands of Afghans in rural parts of the country and in re-foresting the country.
- The Dried Fruit Processing GDA concept in development was discussed in detail with AFRC and one of the two other partners. ARFC will be contributing a \$600,000 loan to the project, which will be a critical source of working capital. This is expected to be approved and released by mid-May.
- Inaction on the investment front on the part of the original partners in the Cargo Transport Vehicle Fleet Leasing GDA has prompted discussions with a replacement partner capable of structuring a deal with ITEC and mobilizing investment capital immediately. This partnership replacement should be finalized in May.
- A series of meetings were held with the Baghlan Mining, Gem Cut and Polish GDA currently in development. The mining rights are secured for a large quantity of land in Baghlan. Equipment is being priced for pre-mining sample processing along with cut and polish equipment for greater vertical

integration and value chain capture. The pre-mining equipment will process earth and generate samples of saleable content in the mine that allows for more precise and more productive partnership discussions with major international mining companies. This mine will employ hundreds of Afghans and will entail a training component to build local capacity in cutting and polishing of precious and semi-precious gems.

- The Wet Blue Hide Processing GDA develop is nearly complete. The partner, a leather processor based in New York, with operations in Ecuador and China, will visit Kabul in June to finalize investment plans and obtain business permits for hide processing. Currently, Afghans sell raw hides and capture very little of the leather value chain. Raw hides are not recognized on the world market as a saleable commodity. Hides must be processed to a state referred to as Wet Blue at a minimum before international buyers will accept animal hides. Nearly 100% of the value created by this process is currently captured by Pakistani processors purchasing raw hides from Afghanistan. This Afghanistan-based business will offer hundreds of Afghan traders a significant premium over the current market price of raw hides in order to secure stable supply lines.
- A presentation was delivered to 30 US military personnel at Bagram Military Base, including three Generals. The presentation was a general overview of the investment climate in Afghanistan, an evaluation of the merit of an investment in a juice processing business by a major US corporation being developed by one of the Generals and an overview of ASMED's programmatic tools and options that will allow for expanded areas of collaboration with PRTs going forward.

## ONGOING GDAs

- On May 5, ASMED discussed possible modifications to the Etebar GDA (that will not require additional funding) and reviewed possible strategies for addressing the usual start-up challenges that occur with any business (and are occurring with Tofa.af, including feedback from customers and improvements in general efficiency).
- Prima Solutions was selected by the Insurance Corporation of Afghanistan as their IT and software package supplier in May meetings.
- The Women-Public Call Office (W-PCO) project is in progress. So far seven W-PCOs have been established in Kabul, seven in Jalalabad, and 12 in Badakhshan



**ABOVE:** A woman in Kabul is shown how to use her new phone as part of her public call office.

province. Each WPCO owner has received technical training, in terms of telephone set usage and record keeping of the calls, before they received the PCO set. While monitoring one of the established W-PCO in Kabul it was found out that there are still a number of issues to resolve, including:

- Poor functioning of the telephone charger
- The absence of promotional materials such as billboards and posters
- An owner who does not know how to keep records of income

The resolution of these issues will allow this and other WPCO owners to operate their businesses more smoothly, generating more revenue.

- On May 14, ASMED participated in a conference call with Nestle Pakistan executives and Altai Consulting representatives to discuss the findings of Altai's crème usage study in Kabul, Jalalabad, Mazar and rural Balkh. They estimate that in these target markets total market size is as follows:
  - Kabul = 287,920 households totaling \$16,955,236 annually
  - Jalalabad = 30,642 households totaling \$1,273,459 annually
  - Mazar = 40,362 households totaling \$2,327,236 annually
  - Balkh = 104,687 households totaling \$4,782,275

**Badakhshan Province:**

Ten WPCOs were established by Afghanaid in Faizabad for the Roshan WPCO GDA.

**Balkh Province:**

A construction firm was selected for the Licorice Processing GDA and the first payment was made (35% of total GDA contract, \$64,834) to initiate factory refurbishment.

**Kabul Province:**

The Tofa.af website became fully operational after terms and conditions of the merchant account of Tofa were finalized. The establishment of a merchant account allows for processing of web-based credit card transactions; this achievement marks a breakthrough for Afghan businesses. It is the first such account to be established by a business based in Afghanistan and will create a precedent that will benefit a large number of web-based Afghanistan businesses in the future.

Five WPCOs were established by Kaweyan BDS for the Roshan WPCO GDA.

Partnership discussions between Etebar and a credit profiling company based in the Dominican Republic, Datacrédito, are underway. This would allow Etebar to expand its projected product lines and gain from years of expertise and experience in the credit profiling business offered from an international partner operating in similarly challenging commercial and political environments.

**Nangarhar Province:**

Seven WPCOs were established by ADA in Jalalabad for the Roshan WPCO GDA.

## BOP ACTIVITIES

*New streamlined business model and management of WPCO Roshan GDA project.*

The Roshan W-PCO GDA has been slow to attract/retain rural women entrepreneurs because the current program design with Roshan requires the women to be trained, and then obtain a registration card and apply for a loan, and then pay it back each month by delivering cash to a limited number of collection points. Under the new scheme, developed with one of Roshan's main dealers, all W-PCO's will be extended credit by the dealer directly, similar to a "hire-purchase", as part of the initial sign up and training. Subsequently the re-payments will be deducted each month automatically by the dealer and the dealer will be incentivized to reach the targeted number of W-PCOs and to maximize usage by the network. New partnerships with ministries, municipalities and universities will be managed by the dealer to grow the number of outlets.



**ABOVE:** One of the contestants on the Feker wa Tallosh TV series shares his business plan – to purchase looms to produce larger silk products.

*Development of new GDA to increase GSM rural access and lower operating costs for all operators*

A GDA concept note was submitted to establish a "shared infrastructure operator" which will buy/build telecom towers and share space for all operators, significantly reducing operating costs and enabling cost effective development of the telecom network in remote/risky areas. Meetings were held with different operators and ATRA to develop a strategy and an initial plan was proposed to develop 130 towers in targeted shared locations using community based security and also testing renewable energy power supply.

*Development of Agreements and Implementation plan for OLPC.*

The OLPC project stalled somewhat with ownership of equipment and the project management between Roshan and the government counterparts. OLPC is essentially required to work directly with the MoE while Roshan requires some control and oversight in order to be satisfied that the project will achieve the desired objectives. Extensive negotiations between all parties seem to have resolved the major stumbling blocks and a final MOU is now being circulated for approval. Concurrently a representative from the MoE and from Paiwastoon attended a three-day global workshop at OLPC in Boston and worked together with managers from other country programs to develop an implementation plan for Afghanistan. Shipping commitments for 50 units now, 500 by August and 5,000 by year end were secured with OLPC.

*Development of GDA Pipeline*

Several new GDA concepts are in development, including potentially supporting Tolo TV applicants for GDAs in pharmacy retail improvement, energy efficiency, community radio and low cost housing. Also a promising new initiative is being

explored with MoICT to develop an e-government portal for access to various online services, and link this to the OLPC and Internet access GDAs.

*Tolo TV series launched and conducted outreach and auditions in provinces.*

Outreach was conducted with ASMED partners in Kabul and the provinces to encourage and invite applicants for the Feker wa Tallosh TV series on Afghan entrepreneurs. Posters, application forms and FAQs were distributed widely and then actual training meetings were held with members of AWBF, Craft and Trader's Union, EPAA, AISA, ACCI, GTZ and many other groups. Several hundred applicants have been registered for the Kabul auditions and approximately a hundred each for Kunduz, Mazar, Herat, and Jalalabad. Educational books on starting and growing your business in Dari and Pashtu were printed and distributed to participants and several sessions were held with the judges and Tolo crew to provide training in business evaluation and to review and improve the content of the shows. This process is ongoing as the 2<sup>nd</sup> round contestants are finalized and linked to ASMED BDS resources and planning is ongoing for providing BDS services, judging finalists, awarding prizes and the final award dinner on August 10.

## COMPLETED GRANTS

### Grants completed and closed out in April 2008:

Grantee: Afghanistan Furniture Companies Association  
Location: Kabul  
Grant Amount: 9,960 \$  
Type of Grant: Seed Grant

The grant was provided to assist the Afghanistan Furniture Companies Association to register with the Ministry of Justice, to purchase basic office equipments and furniture, and to conduct trainings for its members. In addition, the grant helped to finance a seminar on discussing challenges and opportunities in the furniture business in Afghanistan.



**ABOVE:** Members of the AFCA in a training session.

### Grants completed and closed out in May 2008:

Grantee: **Shaharyar Plastic Recycle Ltd**  
Location: Jalalabad City, Nangarhar  
Grant Amount: \$65,000  
Grant Type: Value Chain Improvement Grant

The ASMED grant was used for the procurement, installation and commissioning of machinery. The total cost of the project is \$264,000 and ASMED contributed \$65,000 or 25% of the total cost. The main market



**ABOVE:** The new cotton-pressing machine purchased with a grant by the Nangarhar Cotton Sellers Association.

for the products of the factory will initially in the Jalalabad area and whole Eastern Region. As the company develops, it will expand its market to include the remainder of Afghanistan. An alternative market for the recycled beads would include China and Pakistan.

Through this grant, 60 jobs were created from which 10 women are employed.

Plastic beads have been imported from China, Iran and Pakistan. However, transportation problems often prevented the importation of the beads. Shaharyar Plastic Ltd. had been importing the plastic beads from Peshawar, but faced many significant issues with bead shortages, transportation, and a low capacity production. With the start of the recycling component in Afghanistan, the aforementioned problems were solved, and the project was able to deliver the beads faster and cheaper since they saved on transportation expenses.

**Grantee: Afghan Women Business Federation (AWBF)**

Location: Kabul City, Kabul

Grant Amount: \$142,890

Grant Type: Value Chain Improvement Grant

The purpose of this grant was to provide "bridge" funding for AWBF until a longer-term funding solution can be determined. Much of the grant budget supported the continued operations of AWBF including membership outreach, business trainings, marketing events, drafting of position papers, and issue roundtables.

In addition to continuing AWBF's operation activities, this grant funded fundamental association reforms, including but not limited to:

- Moving regional operations to AICC offices to achieve economies of scale on rent and fuel costs
- Established a detailed event schedule focusing on revenue-generating activities
- Reduction of redundant or under-utilized staff
- A reduced board size from 47 to 15.

The AWBF training center trained around 207 women during the period of 3 months. Eighty percent of the participants were AWBF members and 20% were Kabul University students. The training included classes in design, business plan writing and marketing in Kabul, Jalalabad, Bamyán, and Mazar.

The AWBF established and inaugurated the show room, which was visited by many high profile officials such as Mrs. Lora Bush's representative Ms. Susan Phalen. The high profile visit gave free publicity to the association.



**ABOVE:** Ahmad Zia Massoud, First Vice President, and Obaidullah Ramin, Minister of Agriculture, in a visit to the AWBF's stall in the AgFair.

The Minister of Agriculture and first Vice President visited the AWBF stall in AGFAIR 20 – 22 March in Badam Bagh, Kabul.

ASMED sponsored a two-day seminar titled “Women in Business” for 30 members of AWBF. The seminar was organized and facilitated by American University of Afghanistan.

**Grantee: Afghanistan International Chamber of Commerce (AICC)**

Location: Shash Darak, Kabul

Grant Amount: \$200,000

Grant Type: Open Grant

Afghanistan International Chamber of Commerce (AICC), was provided one year operational support for the period of April 30, 2007 to April 30, 2008. The ASMED grant was used to accomplish the following major activities:

- a) Successfully completed the second General Assembly
- b) Actively contributed to the second phase of the AgFair
- c) Introduction of AICC members to Afghan – US Business Matchmaking Conference
- d) Active advocacy for the Afghan Private Sector at SAARAC 14<sup>th</sup> Summit
- e) Active advocacy for Afghan Private Sector with some of the Afghan businessmen in Turkey's Investment Promotion Road Show
- f) Signing of the Chambers' Merging MOU with ACCI
- g) Facilitating three meetings between President Hamid Karzai and traders to discuss trade issues
- h) Delivered seminars and conferences on various market economy issues that affect the Afghan private Sector
- i) Facilitating a meeting between the first Vice President of Afghanistan
- j) Facilitating meetings on trade and business issues with security authorities, members of Parliament, and the Economic Council of the Parliament.
- k) AICC BDS Department conducted a Business Plan Training Workshop in Jalalabad, Herat, and Mazar- i- Sharif for AICC members (more than 120 members participated).
- l) AICC BDS Department prepared 15 Business Plans and Proposals for the members and has actively contributed in organizing the Second General Assembly, AgFair and Afghan- US Business Matchmaking Conference.
- m) AICC Membership department recruited 1816 new members.

**Grantee: Turquoise Mountain Foundation (TMF)**

Location: Shash Darak, Kabul

Grant Amount: \$250,000

Grant Type: Value Chain Improvement Grant

ASMED Grant helped to create commercial opportunities for the Afghan crafts industry by training craftspeople in business skills and product development. This increased the quality of production, linking high quality products to existing client demands predominantly abroad. The grant also supported the skills building



**ABOVE:** A worker in the woodwork production unit.

effort at the Centre for Traditional Afghan Arts and Architecture, the job creation through our urban regeneration and community development projects, and several studies conducted on private sector development and income generation in Afghanistan in the past five years.

The Turquoise Mountain Foundation conducted a survey on the following subjects: gathering Afghanistan market information, developing strong business service providers, strengthening business associations, creating public-private sector alliances, and building the capacity of an Afghan private sector workforce.

The biggest achievement that TMF's business development unit had as a result of ASMED grant is the establishment of woodwork production unit. This production unit today employs a little over 30 women and men and in addition a network of about five subcontractors. TMF generated more than \$100,000 in revenue in the last year excluding current commissions.

Through the ASMED grant TMF achieved the following deliverables:

No.	Activity	Comments
1	One year of business training for students	Business trainer provided by ASMED is doing very well.
2	Launch of the Presidential Gift line	It is already launched and is in service
3	Products website <a href="http://www.turquoisemountainarts.org">www.turquoisemountainarts.org</a> to promote Turquoise Mountain and other artisans' products	Website is launched and now the products can be viewed by all world and it can be used as one of the better source of market linkage
4	Market research	completed
5	Contracts implemented with woodworking shops and other Afghan artisans *	Contracts for a total of \$23,630 have been implemented
6	Report and database for market research	Data base complete and data entry in the final stage.
7	Turquoise Mountain gift shop and visitor center to promote Turquoise Mountain's and other Afghan artisans' products	Shop has been established and was opened on 7 Dec 2007
8	Support to Sale Fine Silk, Afghan silk producer	Renovation of facilities was completed and training course initiated. Official opening with ASMED participation was held on 29 Jan. Three weeks Ikat training course with Uzbek trainer completed.

**Grantee: National Classes/Traders Association**

Location: Jalalabad City, Nangarhar

Grant Amount: \$19,900

Grant Type: Association Development Grant

The ASMED grant was utilized mainly in the procurement of office equipment and the first year operation cost. In addition, it was used to establish a functioning, professionally equipped office space. With the new office, the Traders Association became better able to foster the creation of other new associations while improving services to existing association members.

**Grants completed and closed out in June 2008:**

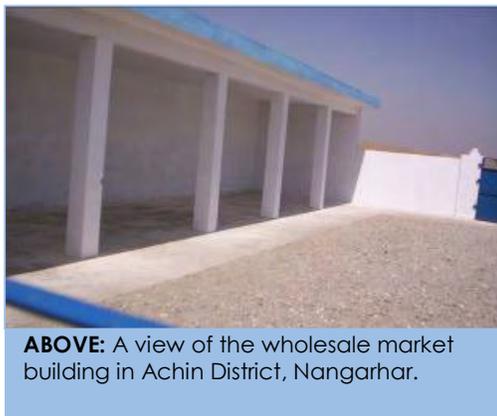
**Grantee: District Mayor**

Location: Achin District, Nangarhar Province

Grant Amount: \$9,673

Grant Type: Market Place Development Grant

With an ASMED Marketplace Development Grant (MDG), the NCPCM constructed a small wholesale market building, comprised of 12 stalls along with surrounding wall, which has sufficient space to accommodate a great number of people in the Bazaar of this densely populated district. The project successfully



**ABOVE:** A view of the wholesale market building in Achin District, Nangarhar.

completed and handed over to the local community for use and to benefit the local people. The obvious problems related to non-availability of a proper small, wholesale market facility will be addressed in the district. The market design will serve both the daily market as well as the weekly bazaar, located on the backside of the main market.

**Grantee: Women Entrepreneur Silo Support Association**

Location: Road, Kabul City, Kabul Province

Grant Amount: \$9,494

Grant Type: Association Seed Grant

This grant was used to set up offices in Kabul and Wardak provinces. In addition, it was used to procure basic office equipment and furniture. The grant also supported an accounting training that was conducted for members of the association and others interested in the business. Another seminar for exploring business opportunities for women was also organized in Wardak province.

**Grantee: Afghanistan International Freight Forwarder Companies Association (AIFCCA)**

Location: Herat City, Herat Province

Grant Amount: \$25,200

Grant Type: Association Development Grant

AIFCCA was supported in a one year to improve its activities, provide more trainings to its members and become a member of FIATA for one year. AIFCCA also became officially registered at the Afghan Ministries of Commerce and Transportation. The company organized a number of trainings for members of the freight forwarding companies in Kabul, Mazarisharif, and Herat.

**Grantee: World of Women Sales Services Association (WOWSSA)**

Location: Silo Road, Kabul Province

Grant Amount: \$10,000

Grant Type: Association Seed Grant

The ASMED grant was provided to create and support the World of Women Sales Services Association (WOWSSA). In addition the grant helped WOWSSA to develop its bi-laws and to register with the Ministry of Justice. In addition, WOWSSA's office was renovated and its brochures were printed.



**ABOVE:** The market constructed through an ASMED MDG in Samangan province.

**Grantee: Hazrat Sultan District Market**

Location: Hazrat Sultan District, Samangan Province

Grant Amount: \$9,989

Grant Type: Market Place Development Grant

The grant was used to construct a small market that includes five shops on May 28, 2008. It is estimated that the new market will serve 1000 families and create 40 temporary and 20 permanent jobs. In addition, it will boost commercial activities in the district.

## QUARTER 2 - PROGRAM COMPONENT 5:

# CAPACITY BUILDING

### FIELD ACTIVITIES – CENTRAL

#### Internship Program

The internship program for 2008 started in Kabul with a qualifying exam given to more than 450 students, including 79 female students, from Kabul University on May 22. One hundred and twenty students, including 40 women, were selected for the program. These students will be trained and placed in two groups. The first batch of 60 students will start their pre-placement training on June 5 at Afghanistan Institute for Business Management (AIBM).



ABOVE: The pre-placement test given at Kabul University.

ASMED has identified implementing partners to provide business training to students participating in ASMED's internship program in Kabul, Mazar, and Kandahar. Afghan Institute of Business Management (AIBM) will train 120 students in Kabul, AJEER Business and Management Institute will train 120 students in Mazar, and Afghan Consulting National Network will train 60 university students in Kandahar.

#### Young Professional Program

ASMED's implementing partner AWBF conducted its second mentorship seminar for 41 young professionals on May 3rd. The seminar was facilitated by Ms. Aziza Mohmand, a successful businesswoman, and Mr. Saifudin Saihoon, a lecturer at Kabul University. The seminar discussed topics such marketing, product development, cost and price analysis, business management, organizational infrastructure, and writing a business plan.



ABOVE: Women attend a seminar in Kabul as part of the Young Professional Program.

AWBF conducted its third mentorship seminar on May 30 for 45 young professionals. This seminar was facilitated by Ms. Zarghona Walizada and Ms.

Nasima Payman. This seminar discussed topics such how to start a new business, what a partnership in business is and business communication skills.

ASMED's other implementing partner AISA conducted their first mentorship seminar that included 50 young professionals in Kabul on May 26. This seminar was facilitated by two senior mentors Ms. Sima Tabib and Mr. Zakhilwal, President of AISA, and discussed topics such as entrepreneurship, characteristics of the entrepreneur, business leadership, and characteristics of a successful business leader.

ASMED started the selection process for the mentorship program in collaboration with Afghanistan Investment Support Agency (AISA) on April 29. The program is planned to be implemented in four provinces ( Kabul, Herat, Mazar and Kandahar). Thus far, 50 young professionals have been identified and the final pool will be finalized next month.

## **FIELD ACTIVITIES – EAST**

### **Internship Program**

The internship program is in progress and running smoothly in Nangarhar province. It includes 27 female and 20 male students.

### **Young Professional Mentorship Program –**

On April 10, Khurasan University, in Nangarhar province, started the second mentorship program, which also includes 30 female participants.

## **FIELD ACTIVITIES – WEST**

### **Internship Program**

The first class of interns finished one month of their practical work experience.

### **Young Professional Program**

- Fifty young professionals (38 men and 12 women) began a six-month mentorship program in the western region. ASMED worked closely with AISA to identify young professionals who demonstrate leadership, professionalism, and an eagerness to develop their practical business knowledge. Mr. Bariz Hosaini, Professor of Economics at Herat University, gave a lecture on Entrepreneurship and Business Management at the first seminar on May 26.
- ASMED is monitoring AISA's progress in coordinating the mentorship program. They are in the process of collecting applications.

## **FIELD ACTIVITIES – NORTH**

After signing a MoU with the Chancellor of Balkh University to initiate the internship program in Balkh province, ASMED has started to implement the internship program in Balkh province. On May 26, a qualifying exam at Balkh University gathered 432 students from the departments of economics, science, agriculture, engineering, law and literature. Out of these students, 120 (including 34 females) were selected for the program. The first batch of 60 students will start their pre-placement training on June 5.

The second group of ten interns completed their internships within AKF programs.

## **FIELD ACTIVITIES – SOUTH**

ASMED extended its mentorship program to the Southern region. The first mentorship seminar was held at Spozhmai Hall in Kandahar province on May 24 with AISA's assistance. This gathering included 47 young professionals and 5 mentors, who discussed topics such as:

- What is a business?
- How does one start a new business? What are main financial resources available in Afghanistan?
- What should be done before starting a new business?
- What is a credit proposal?
- How does one prepare a credit proposal?
- What are the criteria for an ideal bank proposal?

# 3<sup>RD</sup> QUARTER SUMMARY

In 2008's 3<sup>rd</sup> Quarter, the ASMED project made significant progress in orienting programming toward activities with proven impact. Nearing the end of project year two, ASMED has had sufficient time to discover the approaches to eliminating non-governmental barriers to private sector growth in Afghanistan that work best. In different regions and under various conditions, ASMED continues to demonstrate the use of these lessons learned to inform programming and implementation decisions.

## **Market Information**

ASMED maintained its support for vendors' participation at regional, national, and international trade fairs in the third quarter of 2008. Eleven ASMED-sponsored vendors from the agriculture and handicraft sectors attended August's AgFair 2008 in Kabul. Although delayed due to security concerns, project staff continued collaboration with the Export Promotion Agency of Afghanistan (EPAA) in the planning of the 2<sup>nd</sup> Afghanistan International Carpet Fair. ASMED developed a detailed survey to determine total revenues generated by this event and at similar trade fairs. Obtaining reliable sales information is important in justifying future investment in trade fair attendance, monitoring vendor performance or market conditions, and in persuading SMEs and associations of the tangible benefits possible with their participation.

In Jalalabad, Shamshad TV aired a series of commercials for local businesses throughout the month of July. Increased business activity for those advertised SMEs was measured with a fact-finding survey, displaying the quantifiable benefits of effective marketing to local businesses.

## **Business Development and Management Skills**

Up until the 3<sup>rd</sup> quarter, ASMED has facilitated the creation of many new BDS firms that fill voids in demand for business services. During the project's second year, ASMED project began to focus on the improvement of these services' delivery to consolidate gains made in the business services market. In August, companies from across the country attended the first, sector-wide meeting of BDS firms to discuss such items as the improvement in quality of services. Aside from the important outcomes from a constructive dialogue, BDS firms decided to formalize their relationship through the creation of an association, the Afghan Consulting Companies Association (ACCA). In Mazar, four BDS firms presented their services to targeted beneficiaries in a roundtable format, which provided the business community with an improved understanding of development services offered, costs, and benefits. Linking to ASMED's GDA component, ASMED engaged three BDS firms to provide business plans to the six, top contestants of Tolo TV's "Dream and Achieve" show. ASMED conducted a study of export facilitation for handicrafts and readiness workshops for the future participation of handicraft SMEs at trade shows. Other significant BDS trainings in the third quarter include GSP trainings in Mazar, Kunduz, and Jalalabad; software training for Custom House Officials in Nangarhar; and, various BDS-led trainings in the new Parwan Business Development Center.

### **Business Associations**

After ASMED's successful facilitation of AICC's merger with ACCI in the second quarter, ASMED supported the holding of ACCI's provincial and national elections in the third. Four BDS firms were contracted to assist in assuring a transparent, democratic process throughout 21 provinces of Afghanistan. ASMED's other major umbrella association counterpart, AWBF, also demonstrated measurable organizational development, adopting its first strategic workplan that incorporates income-generating programs such as training and exhibitions. ASMED's newly adopted approach to association development, roundtable meetings, continued to produce positive results as 30 new business associations were formed in the third quarter. ASMED has continued to build the capacity of BDS firms in carefully guiding their formation of many of these associations such as new Shoemakers Association in Herat and the Fresh Vegetable and Fruit Wholesalers Association in Kunar.

### **Global Development Alliances and Grants**

Four successfully leveraged, impactful GDAs were completed in this quarter, the Mir Brothers Marble Mine, Dried Fruit Exporter Association Box Factory, Tarsian & Blinkley (T&B) Apparel Factory, and the "Dream and Achieve" television series. This range of GDA's demonstrates the different types of positive outcomes that can be achieved in different sectors through different interventions, all based on the same basic public-private partnership model. For example, through the GDA mechanism, Kandahar-produced cardboard boxes provide SMEs nationwide with a cheaper, safer way of exporting their goods. Under the same mechanism, a newly equipped T&B factory now provides technical training to hundreds of Afghan women while continuing to accept large orders from discerning, international buyers. This versatility, creativity of application, and demonstrated, broad-based impact will continue to guide ASMED's proposal of new GDAs in such areas as the One Laptop Per Child (OLPC) program, the silk sector, and the domestic insurance industry.

In furtherance of ongoing program objectives, the ASMED project issued new grants, continued ongoing grants, and completed grants during the last quarter. Significant marketplace development grants (MDGs) were awarded to the Municipality of Balkh for trash collection and removal, to the district of Batikot for the installation of market stalls, and the city of Kandahar for the installation of latrines at a fresh fruit market. Value chain improvement grants were awarded to a shipping company, Hali Weavers, a ready-mixed concrete firm, RWA, and the Craft Carpet Co. of Jalalabad. Meanwhile, a similar carpet cut and wash facility grant was approved in Mazar as an association grant to improve association services available to local carpet producers and offer a value-added, bottleneck easing service to the carpets sector. Association grants like this one are used to bolster the activities of supported groups that have demonstrated a market need, and a commitment to financial sustainability and member services.

### **Human Capacity-Building**

Both the internship and mentorship programs have surpassed project targets, reaching hundreds of promising Afghan's across the country. To date, over 400 Afghan's have completed the internship program and nearly 300 Afghans have completed the mentorship program. ASMED has built the capacity of private business institutes and BDSPs like AIBM and Afghan CNN by contracting them to

implement regional internship programs. The mentorship program has strengthened ASMED's relationship with partner associations like AWBF and government agencies like AISA, who are able to contribute the participation of senior business executives.

## QUARTER 3 - PROGRAM COMPONENT 1:

# MARKET INFORMATION

### FIELD ACTIVITIES – CENTRAL

- ASMED coordinated with the Export Promotion Agency of Afghanistan (EPAA) to organize the 2<sup>nd</sup> Afghanistan International Carpet Fair in October. This fair was scheduled to occur in August but was postponed due to security concerns. ASMED also prepared a detailed survey to capture total revenues generated by the fair and compare them to revenues from other fairs in the past.
- The ASMED project sponsored a survey on women-owned or managed businesses in six provinces. The survey's findings have identified the following problems hindering women's business development efforts:
  - Lack of understanding the process of legally registering a business;
  - Lack of business development and management skills;
  - Difficulty in acquiring raw material in-country;
  - Difficulty in acquiring technical inputs such as electricity;

The survey demonstrated that professional trainings and business skills development services can help resolve some of the issues curtailing women's business development. Synergy Consultants conducted the survey.

- ASMED visited Charikar City in Parwan to assess the viability and need for building a warehouse in the province. There is a need for an all-purpose warehouse is high and it can ease storage problems there, speeding up business activities in the province.
- ASMED supported 11 vendors' participation in the Agfair 2008 in Kabul. Five of these participants were from Jalalabad, one from Paktiya, and five from Kabul. The vendors were selected from the agriculture and handicraft sectors.

### FIELD ACTIVITIES – EAST

- Shamshad TV aired 30 commercial clips for Jalalabad based businesses throughout July. These clips were part of ASMED's assistance to increase the market linkages of businesses in the eastern region. Each of the clips was aired twice per day without any charge to the companies. Each firm can now work directly with Shamshad TV if they want additional airing.
- ASMED conducted a fact-finding survey on SMEs, for which the Shamshad TV aired commercial clips in July. The aim of this survey was to identify improvements in their business activities. It was learned that the commercial clips were useful and have helped in increasing sales and attracting new business contracts. Shamshad TV produced commercial clips on 30 SMEs in the Eastern region and aired them in July 2008.
- ASMED helped the Laghman Nursery Farmer Association, Agriculture Development Association for Afghanistan, Kunar Fresh Vegetable and Fruit Wholesaler Association, and two SMEs, Mansoor Helmand Co. Ltd. and Hussainzada Improved Seed Productions and Agri-services Company, from the Eastern region to participate in the Kabul International Agriculture

Fair. The aforementioned associations and SMEs have reported the AgFair to have been a useful opportunity for expanding market linkages.

## FIELD ACTIVITIES – WEST

- The Kavosh BDS firm completed a survey on industrial companies in Herat province in July. The survey addressed issues of common interest among businesses and examined the challenging conditions for commerce in this region. Deliverables included a questionnaire about the industrial companies, major problems they face, analysis of various industry sectors, product offerings, etc.

## FIELD ACTIVITIES – NORTH

- ASMED helped the Samangan Women's Business Council to organize an exhibition at Aibak, Samangan Province on Aug. 24. The exhibition showed Afghan products produced by members of the council and it was attended by local residents, local governmental agencies and international institutions working in the province.

## PROJECT HIGHLIGHT

The Kabul International Agricultural Fair brought together Afghan producers from across the country to display goods and experience the national and international competitive landscape in their respective sub-sectors. Several BDS firms and export agents were on-site to offer services that could expand and develop business operations. Below: An ASMED supported vendor at the 2008 Agfair.



## QUARTER 3 - PROGRAM COMPONENT 2:

# BUSINESS DEVELOPMENT SERVICES

The third quarter of 2008 saw strong growth and expansion in the BDS activities of the ASMED project. Following the impressive increase in the number of BDS firms, from eight in 2006 to over 45 firms in 2008, ASMED has begun to focus on improving the quality and diversity of services offered by these firms.

### FIELD ACTIVITIES - NATIONWIDE

#### BDS Sector Workshops

On August 26, ASMED sponsored the first ever sector wide meeting of BDS firms in Kabul. Seventeen firms participated in the half-day workshop. The workshop provided the opportunity for all the BDS firms to introduce themselves and to network with one another. ASMED also led the group in a SWOT analysis exercise of the BDS sector, followed by a brainstorming session to identify solutions to weaknesses and threats, and innovations to take advantage of strengths and opportunities. ASMED also gathered suggestions for trainings and capacity building needs from the firms, resulting in a list of nineteen most important topics. ASMED plans to carry out a similar workshop in Herat, which is now home to at least 13 BDS firms. Key lessons learned were:

- Need to strengthen and localize donor relationships
- Need to promote BDS sector and services to the private sector
- Need for the Association to promote the industry, provide and maintain standards
- Need for working capital
- Need for direct contact with donors and/or with prime contractors in order to gain long-term subcontracts rather than one-off assignments
- Need for diversification and improvement in the quality of services

A major outcome of the workshop was the decision to form the Afghan Consulting Companies Association. The Association, with 12 founding members, has begun to write by-laws and develop a strategy and priorities for action.

In the Northern Region, the Mazar Regional Office held a round table meeting to promote BDS services to SMEs. There are currently four BDS companies that work in the Northern Region: AJEER Business Management Institute, Balkh BDS Company, Kaweyan and Beacon Consultancy. These firms presented themselves to target beneficiaries, including information on mission statement, business plan, and current activities. This roundtable helped to increase the understanding of Northern Region SMEs and of the capacity and potential of each company.

New BDS firms continued to establish themselves, including:

- Access Business Solutions (Kabul)
- Ahmadi BDS Company (Mazar)

## **Business Planning For Fekr Wa Talosh Contestants**

ASMED engaged three BDS firms to prepare complete business plans for the six top contestants of the Fekr Wa Talosh business competition television show, and a business assessment for one of the top 20 contestants. The BDS firms helped these would-be entrepreneurs to analyze rigorously and plan carefully for their dream enterprises, including a fish hatchery, a jam and sauce processor, a textile factory, a plastic recycling facility, a dairy, and a rice polishing and processing plant. To ensure that the best possible plans were written, ASMED also engaged an international consultant to provide mentoring and assessment of the BDS consultants. ASMED now has a clear set of recommendations for building the capacity of the BDS firms to write clear analytical business plans. While many firms have business plan templates and have been trained to follow them, the analytical and financial analysis skills required for true business planning are quite weak. In the next quarter, ASMED will begin a series of trainings to deepen the business plan writing and financial analysis capacity in the sector. ASMED will also provide additional BDS services to the remaining Top 20 Fekr Wa Talosh contestants.

## **Parwan Business Development Center**

In collaboration with the Afghanistan Municipal Strengthening Program, ASMED has supported the Municipality of Charikar to establish a training center. The training center will be used by ASMED contracted BDS firms to provide business skills trainings and other activities in support of private sector development. ASMED will initiate these services by contracting BDS firms to provide one training per month for the next six months, which will be open to all businesspeople in Charikar/Parwan. ASMED will also use the space to provide other trainings, as requested, in collaboration with business associations, the Municipality of Charikar, and the Parwan/Kapisa PRT.

## **Export Facilitation in the Artisan Sector**

Business development services, including such services as trade facilitation, export facilitation, facilitating market linkages, shipping and logistics are core components of ASMED's approach to private sector development. The lack of knowledge and expertise in exporting, including basics like shipping, order consolidation, and dealing with customs is a constraint to exports in all sectors, and particularly the handicraft sector. ASMED commissioned a study that clarifies the primary constraints and makes recommendations for ASMED activities. The three primary recommendations were:

- Support the creation of a private sector business, which negotiates export logistics, offers warehouse facilities and facilitates airfreight shipping. This enterprise would serve as an export warehouse outside of Kabul and would be designed to deal with all export logistics such as scanning products for drugs and explosives, supplying correct labeling and packing materials, providing refrigeration for perishables and facilitating the mobilization and organization of products. The company would be able to export all types of Afghan products via airfreight, assuming that the company would be able to negotiate forward-shipping agreements with international companies. The design of a business model for this shipping warehouse should have as a primary goal, the provision quality services to all business sectors in Afghanistan, not just the craft sector. Such a model that supports all export sectors would be more sustainable with a broader segment of the export

market. This projected volume of products would generate the necessary volume of business to keep it functioning on a profit-based model.

- Support the renewal of the Design Center, which provides training in basic business skills, costing/pricing, export readiness, and quality control in addition to high quality product development, design, and marketing services. These services are essential. When artisan organizations and businesses are prepared to meet buyer demands and product specifications, know how to reach out to new markets and cost/price their work appropriately, existing and new business linkages will continue to grow. Without strong craft businesses that are prepared to export and meet market demands, the creation of a warehouse/shipping company or a shipping guild would be efforts in vain.
- Create a shipping guild to negotiate more reasonable terms with the currently available shippers such as DHL. ASMED consultants negotiated an initial agreement with DHL and have passed on the organization and follow-through to a number of Afghan artisan firms. The main incentives to sharing a DHL account as a group are: receiving discounted prices based on total weight shipped monthly as an export group; avoiding the complicated process of preparing export documentation, and having an exporter's license; receiving an invoice once a month for all shipments, providing 21 days as lead-time for buyers to pay for shipping; creating a track record of monthly shipments in order to record the growth of the export craft sector; strengthening collaboration between craft sector businesses/organizations, thus strengthening Afghan goods' presence in international markets and developing the Afghan brand.

ASMED will begin implementing all of these recommendations in the next quarter.

### **Trade Show Readiness Workshop**

ASMED sponsored a trade show readiness workshop for thirteen participants from the artisan sector. The featured speaker was Marilyn Garson of Zardozi, a key handicraft organization in Afghanistan that has been preparing to attend the New York Gift Show for over three years. Topics discussed included the importance of:

- defining customer market first, then proceeding to identify the correct trade shows to attend
- ability to maintain a long-term relationship with buyers
- ability to develop and produce new products regularly
- competitive strength in own domestic sector
- ability to hold prices for the necessary length of time
- sufficient resources to be able to spend up to six months preparing an order
- ability to maintain communications at the show and after the show in the language of the buyer

ASMED used the workshop as an opportunity to communicate that ASMED is looking to provide long-term support with regard to successful attendance at trade fairs, in two parts:

- ASMED clients need support in product development, which is something that a design center should provide; that provision is a larger undertaking requiring additional funding partnerships.
- ASMED would offer technical support for business skills development and will work with individual agencies to develop a strategic plan, which will enable qualified SMEs to attend the trade shows of their choice.

- Interested agencies should now research gift shows and present their choices for 2009 together with proper justification.

### **Expanding Services to Bamyan and Panjshir Provinces**

The Senior Advisor for Business Development Services conducted two reconnaissance trips to identify needs for BDS (and Association Development) services. In Bamyan, the primary needs expressed were for support to the handicrafts, carpets, wool processing, and agribusiness (potatoes, fruits, dairy) sector. There is also a strong demand for training from women's business associations and the Bamyan chapter of ACCI.

In the Panjshir, the strong agricultural base demands assistance with increasing value addition in the fruit sector, through food processing, sorting and grading, and marketing. The gemstone sector also requires assistance with improved extraction techniques, and value addition such as cutting and polishing.

ASMED will begin programming to address the needs identified in Bamyan and Panjshir in the next quarter.

**GSP Trainings:** ASMED BDS partner firm, Ariana Afghan Business Consulting Group, is conducting a regional training series on the US Generalized System of Preferences (GSP) and its importance for Afghan exports, particularly for key sectors such as dry fruits and nuts. The trainings will take place in each ASMED region. During the third quarter, trainings were conducted in Mazar, Kunduz, and Jalalabad. The training workshop contains an introduction to GSP policies, procedures, and regulations; custom clearance and US port procedures; overview of US Import Standards and FDA regulations; and a description of available transportation and shipment facilities.

**Association Roundtables:** In support of the Association Component, ASMED has used BDS firms to conduct association roundtables. These are gatherings of groups of SMEs in the same sector that express interest in forming an association. Each Association Roundtable may bring together a single industry group, or 3 to 4 different groups. Total participation has ranged from 50 to 250 SMEs. BDS firms have conducted 22 roundtables in the third quarter, resulting in the formation of 30 new business associations.

## **FIELD ACTIVITIES – EAST**

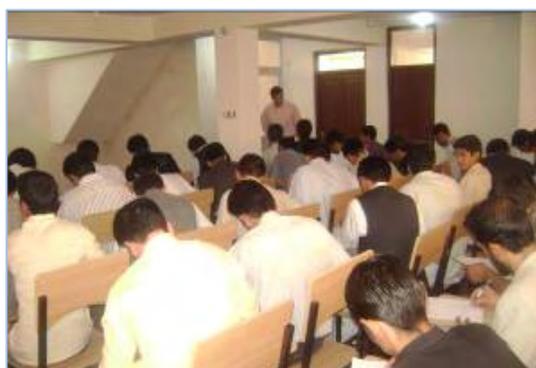
### **Nangarhar Province:**

- Construction work has been completed on the Afghan Craft Cut and Wash facility; After importing much of the necessary equipment and installing it, the facility is operating normally. During the last week of September, it washed around 300 sq. meters of old carpet and cut 200 sq. meters of new carpet. A shaking machine has also been installed. Construction of a drying place and wastewater treatment system is in progress.
- By the end of the third quarter, all BDS firms working with the Jalalabad BDC had submitted their reports; clients completed forms as well. All BDS firms in BDC are operating smoothly, but have been advised to accelerate and improve their activities to solidify their image in business community.

- Sahil Marble successfully imported drilling from a Pakistani company. Two of the Sahil's employees will be trained in Pakistan to operate the machinery properly.
- The Sabawoon Poultry Feed Mill has been visited on weekly basis in order to see verify operation and production. The Mill is functional and producing different quantities of feed based on market requirements. According to the owner, the mill was producing 1000-1300 bags/week by the end of September 2008.
- Equipment for the Carpet Weaving Training in Kunar province has been transferred and installation work is complete. Training is in progress, and a second installment has been disbursed.
- From 22 July to 21 August, ASMED trained 20 members of NTAA (National Traders Agents Association) in basic computer skills. A new, different computerized procedure has been introduced in the Customs House. With ASMED support, members of the association learned the new program in order to be able to hold onto their jobs.
- On September 23, ASMED held a meeting with Danny Markus, agriculture advisor for United States Department of Agriculture, regarding honey collection centers in different districts of Nuristan province. During the meeting it was decided that Nangarhar beekeeper association who will mange the honey processing facility, will have a representative in each district of Nuristan who will collect honey from the beekeepers over there and send to the facility in Jalalabad for processing and packaging.
- On September 24, ASMED staff visited agriculture incubator to follow up the associations placed over there. The associations are taking forward their activities very smoothly and conducting their meetings regularly.
- Sep 28, held meeting with beekeeper association regarding the procurement of honey processing and packaging machinery. The association has received quotations from different vendors in Pakistan and will order the machinery after the first installment is released.

#### **Laghman Province:**

- In July, ASMED provided computer training to 17 people from different SMEs and government departments through AIBM
- Business English Language Training: Provided business English language training (step 1) to 45 people from different SMEs and government departments through AIBM
- Business English Language Training: Provided business English language training (step 2) to 41 people from different SMEs and government departments through AIBM
- Marketing Training: Provided marketing training to 25 people from different SMEs and government departments through AIBM
- HRM Training: Provided HRM training to 25 people (5 male & 20 Female) from SMEs and government departments through AIBM.



**ABOVE:** Business English Language Training Course in Laghman

## FIELD ACTIVITIES – WEST

BAMSA, Kabiri, SMART, Kawosh and CILAB BDS firms began to implement the ASMED Association Creation strategy of roundtable meetings to establish new associations.

- ASMED has selected Business Management and Development Company BDS firm to provide a 2-month training on Quick Books & Double Entry financial management system to participants from various private sector companies in Herat province. A qualifying test was given on September 11 and 60 persons (including five women) were selected for the program.

## FIELD ACTIVITIES – NORTH

### Mazar:

- Beacon Consultancy conducted a training seminar on Business Communication for 30 members of the Ajmeer Beekeeping Association.
- From 18-20 July, Beacon Consultancy conducted a training seminar on Business Leadership for 35 members of the Provincial Council of Crafter/Traders National Union of Kunduz.
- Balkh BDS Company conducted a training on Marketing for 28 members of the Jawjzan Carpet Association, from July 31 – August 2.
- During the period 27 July to 9 August, the Balkh BDS Company conducted a training on Mushroom Cultivation for 30 female entrepreneurs in Balkh.
- On 15<sup>th</sup> to 17<sup>th</sup> of July, at the request of Ajmeer Beekeeping Association, Beacon Consultancy conducted a training seminar for association members, honey producers. The training topic, date and participants were negotiated with Haji Mohaqqiq, Chairman of Ajmeer Beekeeping Association. Ajmeer Beekeeping Association was established in 2007 in central Baghlan of Baghlan Province.
- On 18<sup>th</sup> to 20<sup>th</sup> of July, at the request of Provincial Council of Crafter/Traders National Union of Kunduz, Beacon Consultancy conducted a training seminar for union members. The training topic, date and participants were negotiated with Farid Ahmad Rahimi, Chairman of Union. The Union was established in 1987 and has 4,200 members in the Northern region.
- From the 30<sup>th</sup> of August to the 16<sup>th</sup> of September, the Balkh BDS Company with technical support of ASMED, conducted a training seminar on Accounting for 32 persons from different SMEs and association members in Mazar-e-sharif, Balkh Province. The training intended to increase the knowledge of accounting for SMEs and Associations. The training subject, date and number of participants were negotiated with the Chairmen of SMEs and associations.
- On the 8<sup>th</sup> of September to the 12<sup>th</sup> of September, the Takhar Women's Handicrafts Skill Association, under a grant agreement with signed with ASMED, conducted a training seminar on tailoring for 60 association members. The training is intended to increase the knowledge on tailoring, clothe design, and support the creation of further employment in the sector. The training subject, date and



**ABOVE:** Balkh BDS Company's September Accounting Seminar

number of participants were negotiated with the Chairwoman of Association.

- On 13<sup>th</sup> of September to 15<sup>th</sup> of September, the Beacon BDS Company, with technical support of ASMED, started a training seminar on Business Marketing for 30 participants of the Business Women's Association in Baghlan. The training is intended to increase the knowledge on Business Marketing to improve the business of members. The training subject, date and number of participants were negotiated with the Chairwoman of Association.
- From the 16<sup>th</sup> of September to 18<sup>th</sup> of September, the Beacon BDS Company, with technical support of ASMED started a training seminar, on Business Marketing for 30 participants for Marwa Associations in Kunduz. The training is intended to increase the knowledge on Business Marketing to improve the business of members. The training subject, date and number of participants were negotiated with the Chairwoman of Association.
- On 16<sup>th</sup> of September, the Beacon BDS Company with technical support of ASMED started a training seminar on Business English Course for 30 participants from different associations. The training is intended to increase the knowledge on Business English for writing the project proposals. The training subject, date and number of participants were negotiated with Chairmen of Associations.
- On 16<sup>th</sup> of September, the Beacon BDS Company, with the technical support of ASMED, started a training seminar on Business Computer Course for 30 participants from different associations. The training is intended to increase knowledge of Business Computer skills for the writing of project proposals.

#### **Badakshan:**

ASMED staff and ASMED supported BDS firms provided assistance to 37 individual male and female entrepreneurs in poultry, shoemaking, and honey industry. The technical assistance included financial analysis, strategic planning, needs assessment and technical support.

#### **Faizabad:**

- On 22<sup>nd</sup> July, a project supported BDSP visited the shoemaking center in Faizabad. The purpose of the visit was to evaluate the center's performance and identify problems with the aim of providing further support to improve the sector.
- On 6<sup>th</sup> August, a project supported BDSP conducted a counseling session with 12 female entrepreneurs working at the beauty centre in Faizabad. The BDSP evaluated the entrepreneur's business performance, which is demonstrating increasing revenue as a direct result of the enhanced awareness of this service of potential customers.
- On 20 August, the project supported the establishment of three new male operated poultry farms in Faizabad based on the new poultry farm business model, which focuses on encouraging larger-scale ventures. The project provided technical support (and limited financial support to match the entrepreneurs initial investment) for three new poultry farms in Faizabad. 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 by new growth.

**Baharak:**

- The project conducted a series of counseling sessions with 12 female entrepreneurs based in the Baharak soap-making centre. These sessions provided them with technical assistance in product manufacture, marketing, and business performance evaluation with the aim of identifying gaps and formulating further interventions. The project also facilitated the entrepreneurs to participate on an exposure trip to similar facilities in Mazar and Kunduz. It is expected that the participants will be able to replicate some of the new practices they were exposed to on their return to Badakhshan.
- In July, project supported BDSPs conducted a series of visits and counseling sessions with six (three female) poultry farmers based in Baharak. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to discuss poultry management systems, which if adhered to could improve poultry farm productivity.
- On 16 July, a project supported BDSPs conducted a counseling session with 45 female tailoring entrepreneurs, based in the Baharak Woman's Business Centre. The purpose of the session was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- On 22 of July, a project supported BDSP conducted a counseling session with 12 orchard owners from Baharak. The aim of the sessions was to evaluate the participants' business performance and to discuss new technologies, which if introduced could improve their productivity.
- On 5 August, a project supported BDSP conducted a counseling session with 40 female entrepreneurs based at the WBC in Baharak district. During the meeting EDP staff evaluated the entrepreneurs' business performance and identified issues and problems to be addressed. The EDP staff also provided technical support to assist the entrepreneurs in promoting their products in the local market and further develop their business.
- On 6 August, a project supported BDSP conducted a second counseling session with 12 female entrepreneurs working at the soap-making centre in Baharak district. The participants discussed the results of their recent exposure visit to soap factories in Mazar and Kunduz where they acquired new ideas to improve their own business.
- On 13 August, a project supported BDSP conducted a one day visit from four poultry farms based in Baharak district. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to discuss poultry management systems, which if adhered to, could improve poultry farm productivity.
- On 14 August, a project supported BDSP conducted counseling session with 25 female entrepreneurs based food processing in Baharak district.
- On 26 August two poultry specialist BDSPs conducted a training session in Baharak for the 11 male entrepreneurs who have recently been supported in establishing their own poultry farms. The session was used as a refresher training to ensure the farmers are still sticking to best practice in poultry management, as well as, providing the participants with an opportunity to discuss any issues that have occurred.

- On 21 - 25 September, two project-supported BDSPs (Abdul Obiad and Ahmahed Faizil) provided technical assistance to eight Baharak based (two female) poultry farmers. The technical support was provided to ensure vaccinations are correctly conducted to keep Badakhshan poultry farms free from disease.

**Jurm:**

- Project supported BDSPs conducted a series of counseling sessions with seven silk artisans operating from the Jurm Silk Center. These sessions were conducted to identify the center's immediate needs, and to enable the center to operate viably without the need for future project support.
- In July, project supported BDSPs conducted a one-day counseling session with 45 female tailoring entrepreneurs, based in the Jurm Woman's Business Centre. The purpose of the sessions was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- During August, project supported BDSPs conducted a series of counseling sessions with 50 female tailor entrepreneurs based in the Jurm Woman's Business Center (WBC).
- During August, the project supported BDSPs to conduct a series of counseling sessions and marketing training with or 20 female entrepreneurs based at the Jurm district food-processing centre. The purpose of the sessions was to enhance the entrepreneurs' marketing knowledge whilst evaluating the entrepreneurs' business performance.
- On 6 August, a project supported BDSP conducted a one-day poultry management training for three newly selected poultry farmers from Jurm district. The farmers learned new methods on adequate and sustainable poultry management.
- During the reporting period, project supported BDSPs conducted counseling visits with four existing male poultry farmers in Jurm. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to promote improved poultry management systems.
- On 21 September, a project supported BDSP (Anjila) conducted a counselling session with 5 female food processing entrepreneurs based in the Jurm Women's Business Centre. The purpose of the session was to evaluate the entrepreneurs' business performance with the aim of identifying their needs to inform further interventions.
- On 22 September, a project supported BDSP, Faizullah, conducted counseling sessions with two Jurm based honey producers. The aim of the sessions was to evaluate the producers output at the stage and check for signs of the mite which had previously devastated production. These sessions are evaluating the prevalence of the mite in Badakhshan hives to inform the projects response to ensuring the complete eradication of the parasite, before encouraging the restocking of hives.
- On 22 September, a project supported BDSP (Anjila) conducted a counseling session with 40 female tailors based in the Jurm Women's Business Center.
- On 22 September, two project supported BDSPs (Mohammad Sediq & Ahmad Yama) conducted two counseling sessions with the independently established silk weavers, who previously operated from the Jurm Silk Center. The sessions were used to assess the business performance of the new business models.

- On 23 September, a project supported BDSP (Abdul Majeed) conducted counseling sessions and provided technical assistance to two Jurm based male poultry farmers. The purpose of these sessions was to evaluate their business performance and to assist with sales techniques now that the farm is a productive entity.

#### **Khosh:**

- In July, a project supported BDSP conducted a one-day counseling session with 40 female tailoring entrepreneurs, based in the Jurm Woman's Business Centre. The purpose of the sessions was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- During August, the project supported BDSPs to conduct a series of counseling sessions or 20 female entrepreneurs based at the Jurm district food processing centre.
- On 5 August, a project supported BDSP conducted a counselling session in marketing with 45 female entrepreneurs based at the WBC in Khosh district.
- On 5 August, a project supported BDSPs conducted counselling sessions with six (three female) poultry farmers based in Khosh. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to discuss poultry management systems, which if adhered to could improve poultry farm productivity.
- On 23 September, a project supported BDSP (Faizullah) provided technical support for four honey producers from Khosh. The aim of the support was to assist in spraying the hives in to eradicate them from Viria mites, which are effecting production.
- On 23 September, two project supported BDSPs (Anjila and Ahmd Yama) conducted counseling sessions with 64 female tailors based in the Khosh Woman's Business Center. The purpose of the sessions was to evaluate the entrepreneurs' business performance with the aim of identifying their needs to inform further interventions.

#### **Shohada:**

- On 14 August, a project supported BDSPs conducted counselling sessions with four male poultry farmers based in Shohada. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to discuss poultry management systems, which if adhered to could improve poultry farm productivity.
- On 27-28 August, project supported BDSPs conducted counselling sessions with six female Shohada based honey producers. The aim of the sessions was to evaluate the producers output at the stage and check for signs of the mite which had previously devastated production. The sessions concluded that there are still signs of the presence of the mite and the project should focus on complete eradication, before encouraging the restocking of hives.

#### **Ishkashim:**

- On 19 August, a project supported BDSPs conducted a counselling session with 8 female Tailor entrepreneurs based in the Ishkashim Woman's Business Centre. The purpose of the session was to assist with cost / profit analysis of their products, which they are planning to market soon.
- On 15 September, a project-supported BDSP (Amal Basir) conducted a counseling session with 11 female entrepreneurs based in the Ishkashim Woman's Business Center.
- On 22 September, the project supported the establishment of two new male operated poultry farms in Ishkashim.

## QUARTER 3 - PROGRAM COMPONENT 3:

# BUSINESS ASSOCIATIONS

### FIELD ACTIVITIES - NATIONWIDE

**ACCI:** During the third quarter, ASMED achieved a significant milestone in our work with the Afghan Chamber of Commerce and Industry (ACCI). After the successful merger of the former ACCI and AICC during the last quarter, ASMED facilitated the Provincial and National Board of Director elections. ASMED engaged four BDS firms to implement a transparent, democratic election in 21 provinces. This was followed by the election of the High Council from among the provincial boards of directors. The election highlighted



ABOVE: ACCI Elections in Kabul

some of the central weaknesses of ACCI, including limited capacity in the regional offices, susceptibility to intimidation and corruption, poor organization of basic functions like maintaining membership lists, and limited sense of accountability and ownership between the regions and the central office. In two provinces, ACCI by-laws were clearly and consciously broken due to powerful political pressures. Elections were held, however, and there is a sense among the membership that ACCI is ready to move forward under the current elected leadership. So, while Western standards of democracy may not have been attained, a stable transition of power has occurred which will allow ACCI to continue to play its role as a unified representative of the private sector in Afghanistan. ASMED looks forward to collaborating with ACCI in mutually beneficial ways, working with ACCI to implement useful and productive activities that help ASMED and USAID to achieve our goals of private sector development over the next year

**AWBF:** AWBF finalized its 2008 Work Plan based on the organization's strategic plan. An important part of this plan is to design and implement income-generating programs such as trainings and exhibitions. In July, AWBF conducted a 5-day report writing training for 12 staff members of NSP. AWBF also has a contract with Women for Women to assist them in developing training manuals. During the quarter, AWBF has generated a total of \$8,828.

As part of its advocacy role, AWBF has conducted several outreach and networking events. AWBF negotiated an agreement with the Embassy of Uzbekistan for cooperation for AWBF members traveling to Uzbekistan. AWBF also sponsored a networking event for AWBF members. The Minister of Culture and Information, Deputy Minister of Commerce, Deputy Minister of Women's Affairs and Mrs. Safia Sediqi Member of Parliament member participated in the event to give their support and collaboration with AWBF. AWBF also conducted an official trip to Republic of Latvia to seek the support and assistance of Latvian government for the Afghan women's business community. A Memorandum of

Understanding on cooperation was signed by the women's leadership association "LIDERE" (LATVIA) and Afghan Women's Business Federation.

AWBF's Mazaar office organized a handicrafts exhibition at the Directorate of Women's Affairs on August 22. This was the first event of its kind organized by AWBF in Mazaar. Members were able to display their products and promote their ability to produce unique items.

AWBF is sponsoring the ASMED mentorship program, working with 10 mentors and 50 mentees. Three new associations have joined AWBF, and 15 have renewed their membership. AWBF also requested ASMED support in completing an external audit. ASMED contracted with Alliot Gulf Auditors to conduct an audit of AWBF from January 2007 to June 2008. The audit results will be available in the next quarter.

**Association Roundtables:** Roundtables are gatherings of groups of SMEs in the same sector that express interest in forming an association. Each Association Roundtable may bring together a single industry group, or 3 to 4 different groups. Total participation has ranged from 50 to 250 SMEs. ASMED sponsored 22 roundtables in the third quarter, resulting in the formation of 30 new business associations.

**Value Chain Approach to Associations:** ASMED works with thousands of SMEs and hundreds of associations. To leverage this enterprise level / association level support into sustained economic development, ASMED will begin using a value chain approach to our SME and association work. ASMED has defined a set of target sectors including textiles (silk, saffron, cashmere), marble, food processing, handicrafts/carpets, and dried fruits/nuts. ASMED's GDA and Market Information components focus on identifying market linkages that can drive the growth of these value chains. The Association Component will support producer, processor or industry associations that can dynamically respond to market demands in the value chain and promote the sector. This will not preclude working with other associations outside of these sectors, but will assist us to target our resources for greatest overall impact.

ASMED took several steps towards implementing this strategy during the third quarter:

- Association training in industry specific technical skills in the saffron, food processing, and handicrafts sectors.
- Compilation of market information and contact information for the silk, saffron and cashmere value chains
- Market linkages established between silk buyers in Kabul and producer associations in Badakshan and Herat
- Carpet sector:
  - The project has successfully launched the creation of a cut and wash facility in Aqcha with the Afghan Carpet Knotting Weaving and Export Association. Income from this cut and wash facility will be re-invested in developing a wool dyeing facility.
  - ASMED has also developed a concept for a new Business Information Center managed by the Afghan Carpet Exporters Guild/Northern Region Branch.
  - ASMED will support a wool spinning factory located in Mazar-e-sharif, owned by a member of ACEG/Northern Region Branch, which will provide inputs carpet producers in Aqcha.
- All these project efforts are aimed to:
  - Returning carpet business operations from Pakistan to Afghanistan

- Increase export of carpets directly from Afghanistan especially in the north.
- Creation of new jobs opportunities in carpet sector in the region.
- Grant approved and STTA commissioned for the Afghan Marble and Granite Producers Association.
- ASMED's ongoing technical assistance to the Afghan Marble and Granite Processing Association has resulted in improved advocacy for its members and the marble sector. The Ministry of Mines and Industries has agreed to help push forward the following changes:
  1. Decrease in marble prices extracted at the mines. Previously, the price for per ton marble varied from 600 - 750 Afs. This has been decreased to 100 - 500 Afs)
  2. Elimination of the 3-month advance payment rule for leasing a mine.
  3. Removal of the 10% guarantee requirement from the entire contract value.
  4. Extension of the contract duration from 1 year to a maximum of 10 years

## **FIELD ACTIVITIES – EAST**

### **Nangarhar Province:**

- On July 3, the Nangarhar Butchers Association held an election to select a new director and deputy director for the association. Haji Hafiz Ahmad was elected as director and Mohammad Usman as deputy director for the association. Deputy mayor for Jalalabad, and a member from provincial council also participated in the election event.
- August 16, 2008, Beekeeper association submitted 200 SMEs registration forms filled out by the association for their members to ASMED office which will be put in TAMIS very soon.
- August 16, 2008, Spin Ghar Poultry Farm Association submitted SMEs registration forms for their members to ASMED office which will be put in TAMIS very soon.
- August 23, Nangarhar Fish Producer Association submitted 160 SMEs registration from filled out by the association for their members.

### **Laghman Province:**

- On July 8, the Laghman Nurserymen association was created to develop nursery business in the province. There are around 100 nurseries in Laghman Province but unfortunately, the import of sapling from Pakistan affects their business. The creation of association will help the members of the association to cope with the problem by conducting meetings with the line ministries and customs
- July 28, ASMED assisted in the registration of the following associations and their bylaws with the ministry of Justice
  - Laghman Beekeepers' association,
  - Laghman Fish Producers' association
  - Laghman fresh vegetable and fruit wholesalers' association
- August 13, 2008, Registered Laghman Nursery Grower/Farmer Association and its bylaw with the ministry of Justice to legalize their activities.

### **Kunar Province:**

- July 27, 2008, registered 4 rural craftsmen associations and their bylaws with the ministry of Justice. These 4 rural craftsmen associations were created in 4 USAID and PRT targeted districts in Kunar Province.

1. Sarkani district
  2. Marwara district
  3. Chapa Dara district
  4. Manogai district
- July 30, 2008 created Kunar fresh vegetable and fruit wholesaler association to improve and develop the business in the province as well as link the fresh vegetable and fruit traders with the national and international market to get maximum price for their products
  - July 30, 2008 created Kunar fresh vegetable and fruit wholesaler association to improve and develop the business in the province as well as link the fresh vegetable and fruit traders with the national and international market to get maximum price for their products
  - August 6, 2008, created Kunar beekeeper association to improve and develop beekeeping business in Kunar Province
  - ASMED assisted the Kunar Beekeeper Association to register with the Ministry of Justice on September 14. The creation and registration of Kunar Beekeeper Association will strengthen and support beekeeping activities in Kunar Province and will encourage more people to start beekeeping in the province.
  - ASMED assisted the Kunar Fresh Vegetable and Fruit Wholesaler Association to register with the Ministry of Justice. The creation and registration of Kunar Fresh Vegetable and Fruit Wholesaler Association will help find local and international markets for vegetable and fruit produce from Kunar Province producers.

**Nuristan:**

- July 2, Held a round table in Doab district of Western Nuristan to Create Western Nuristan pine nuts producer and seller association. As a result of elections Mohammad Safa was elected as director and Haji Sediq and Abdul Baqi as deputy directors for the association. District governor for Doab District also attended the round table and considered it a positive step for economic growth in Western Nuristan
- July 29, 2008 registered Western Nuristan dairy farmer association and its bylaw with the ministry of Justice to legalize their activities
- August 13, 2008, Registered Western Nuristan Pine nuts Producer and seller Association and its bylaw with the ministry of Justice to legalize their activities

**FIELD ACTIVITIES – WEST**

- Approval was granted for the 001-059 Jabrahil Saffron Processors Association seed grant.
- Application for Enjil Wool Processing Association is in process (seed grant).
- First and Second Installment of Dry Fruit Association Seed Grant was released  
  
(Registration of the Association and Purchase of Office Equipment)
- First Installment of Herat Pump Station Association was Released  
  
(Purchase of Quality Control Equipment, and Office Equipment)
- Informatics International received the first payment for its six month IT and English language course for 25 association members in Herat. The English section teaches vocabulary associated with the Quick Books accounting program. The previous IT training program (by AIBM in 2007) was well

received, however the students mentioned that the Quick Books was in English and not local Dari. Many students could not understand the prompts, drop down menus and other aspects of the software. This new course (with a local Afghan IT school) is addressing this issue and will provide better results.

- The following BDS providers are preparing to conduct roundtable discussions and to create 45 associations in 2008:
  - Cilab            Badghis        10 associations (completed in June)
  - Kawosh        Farah            10 associations (scheduled roundtables for August)
  - BaMSA        Herat            15 associations (completed in July)
  - Kabiri         Herat            10 associations (completed in July)

**BAMSA established the following associations in July**

Herat Shoe Makers Assoc	50 Men	July/06/2008
Herat Furniture Makers Assoc	30 Men	July/06/2008
Herat Silk Weavers Assoc	50 Men	July/14/2008
Herat Skills Development Association	40 women & 10 Men	July/07/2008
Herat Dairy association	40 Men	July/16/2008
Injil Milk Collection Association	40 Men & 10 Women	July/17/2008
Herat Poultry Association	30 Men	July/20/2008
Kohsan District Livestock Association	50 Men	July/21/2008
Herat Cashmere Exporters Association	50 Men	July/23/2008

**KABIRI & PARTNERS established the following associations in July**

Ghoryan Gardeners Assoc	50 Men	July/19/2008
Ghoryan Women Handicrafts Association	50 Women	July/19/2008
Agro-Business Association	50 Men	July/24/2008
Herat Women Carpet Assoc	50 Women	July/24/2008
Obey Fruit Dealers Assoc	50 Men	July/16/2008
Obey Livestock Association	50 Men	July/16/2008
Women Fruit Processing Association	50 Women	July/23/2008

- 001-059 Jabrahil Saffron Processors Association is in registration process with Ministry of Justice
- Application for Enjil Wool Processing Association is in process (seed grant).
- Dry fruit association has completed all deliverables and is waiting for the last installment to be released
- Herat Pump Station Association is closed out.
- Informatics International received the first payment for its six month IT and English language course for 25 association members in Herat. The English section teaches vocabulary associated with the Quick Books accounting program. The previous IT training program (by AIBM in 2007) was well

received, however the students mentioned that the Quick Books was in English and not local Dari. Many students could not understand the prompts; drop down menus and other aspects of the software. This new course (with a local Afghan IT school) is addressing this issue and will provide better results.

## **FIELD ACTIVITIES – NORTH**

### **Balkh:**

- On the 9<sup>th</sup> of July, the Balkh BDS Company, with technical support provided by ASMED, conducted a round table meeting and facilitated in the creation of one association: Faryab Dry Fruits Process and Export Association. The election of Chairman and Board of Directors were conducted at the end of the roundtable meeting. A total of 51 men participated at the meeting. The by-laws and other documents will be developed and provided to associations by the Balkh BDS Company.
- On the 16<sup>th</sup> of July, the Balkh BDS Company, with technical support provided by ASMED, conducted a roundtable meeting and facilitated in the creation of one association: Yadgar Food Processing Association. A total of 61 women participated in the meeting. The by-laws and other documents will be developed and provided to associations by the Balkh BDS Company.
- On 16<sup>th</sup> of July, the project met with Dr. Email, Chairman of Board of Directors for Balkh Livestock Development Union. During the meeting it was discussed a grant proposal submitted by BLDU for training. It was agreed that BLDU will contact BDS Company for discussion of training needs.
- On the 21<sup>st</sup> of July, the project met with Hairullah, Assistant to Chairman /Weaving and Export Association in Aqcha. During the meeting it was discussed training needs of association. It was decided to contact the BDS Company to identify the training needs.
- On the 30<sup>th</sup> of July, the Balkh BDS Company conducted a roundtable meeting and facilitated in creation of 2 associations in Maimana, Faryab Province. Ninety-five men participated at the roundtable meeting. The by-law and other documents will be developed and provided to associations by the Balkh BDS Company.
- On the 31<sup>st</sup> of July, the Balkh BDS Company conducted a roundtable meeting and facilitated the creation of one association in Maimana, Faryab Province. There were 60 women who participated at the roundtable meeting. The association's by-laws and other documents will be developed and provided to associations by the Balkh BDS Company.
- On the 14<sup>th</sup> of September, the Balkh BDS Company with technical support provided by ASMED, conducted a round table meeting and facilitated in creation of 1 association (Emam Yahya Handicrafts association) in Sar-e-Pul, Sar-e-Pul Province. There were 50 women participated at the roundtable meeting. The by-law and other documents will be developed and provided to associations by the Balkh BDS Company.
- On the 15<sup>th</sup> of September, the Balkh BDS Company conducted a roundtable meeting and facilitated in creation of 1 association (Emam Kalan Rug and Carpet association) in Sar-e-Pul, Sar-e-Pul Province. Fifty women participated at the round table meeting. The by-laws and other documents will be developed and provided to the association by the Balkh BDS Company.

- On the 16<sup>th</sup> of September, the Balkh BDS Company conducted a roundtable meeting and facilitated in the creation of one association (Wahdat Sar-e-Pul Dry & Fresh fruit processing association) in Sar-e-Pul, Sar-e-Pul Province. There were 50 men participating at the roundtable meeting. The by-laws and other documents will be developed and provided to associations by the Balkh BDS Company.

#### **Badakhshan Province**

- On 22<sup>nd</sup> of July ASMED held a meeting with 12 members of the Badakhshan Honey Producers' association (unregistered). The session focused on assisting the association members in the preparation of registration documentation (bylaws, etc.).
- On 25 - 30 August, a project supported BDSP conducted a business association formation workshop with 55 members of the unregistered Ishkashim, Zebak and Wakhan Potato Growers' Associations and the Ishkashim Seed Multipliers' association. The workshop completed the lengthy discussions on association formation that have previously been organized and the workshop resulted in the preparation of formal registration documents for all of the associations.

#### **Baharak:**

- On the 7<sup>th</sup> of August, ASMED conducted a one-day business management and marketing training for 18 members of the Baharak Orchard Owners' association (unregistered). The training enhanced the participants' business and marketing knowledge to enable them to increase their profit margins. This session was followed with a session on the 14 August to introduce the association's members to the benefits on their ventures possible from the use of cold storage facilities. A final two-day session on 19 – 20 August that assisted the group to develop an association strategy and bylaws for them to establish a formal Business Association

#### **Faizabad:**

- On 18 July, ASMED conducted a workshop for 12 members (eight female) of the Faizabad poultry farmers association to discuss the preparation of by-laws and the registration process.
- On 31<sup>st</sup> July, the project facilitated a meeting between the CoC and the Faizabad Honey Producers' association. The aim of the meeting was to introduce to the association the role of the CoC in providing coordination and support to associations to improve general business performance in the region.

#### **Jurm:**

- On 30 July, ASMED conducted a one-day meeting with 40 members of the Baharak Honeybee association. The meeting aimed to evaluate the members' business productivity concerning the penetration of the Varroa mite, which previously destroyed 95% of the regional bee-colonies. The info gathered from the meeting is being used to inform future project interventions.
- On 24 July, ASMED conducted a meeting session with 18 members of the Jurm seed multipliers' association. The aim of the session was to evaluate the association performance with the aim of informing future project interventions.

- On 12 August, ASMED conducted a meeting session with 18 members of the Jurm seed multipliers' association. The aim of the session was to evaluate the association performance with the aim of informing future project interventions whilst informing the association's members to the benefits on their ventures possible from increased marketing.

**Ishkashim:**

- On 22 July, the project conducted a meeting with 14 members of the Ishkashim Potato Growers' association. The purpose of the sessions was to assist them with their strategy planning for 2008, and to discuss the preparation of by-laws and the procedure for registration as a business association.
- On 11 & 18 August, a project supported BDSP conducted a counselling session with 12 members of the Ishkashim Potato Growers' Association (unregistered). The sessions aimed in assisting the group to develop an association strategy and bylaws for s for them to submit for formal registration as a Business Association.
- The project has supported the establishment of both the Ishkashim Seed Multipliers' Association and the Zebak Potato Growers' Association. Further support was provided to assist these associations in developing their own 'models of operation' and annual strategies, and compiling by-laws and membership documents. This has assisted these associations as they begin the process of formally registering with the Ministry of Agriculture, Irrigation & Livestock (MAIL) and the Ministry of Justice in Kabul. Once registered, the associations plan to support the memberships' individual enterprises by facilitating marketing and technology exchange, and operating as conduits for the procurement of further BDS. The project will continue to support the association through the provision of further business skills, association management and other training/support.

**Khosh:**

- On 23 July, ASMED conducted a counseling session with 12 members of Khosh Honey Producers Association. The aim of the session was to evaluate the association performance with the aim of informing future project interventions.

**Wakhan:**

- On 12 August, ASMED conducted a counselling session with 14 members of Wakhan potato grower association (unregistered). The meeting's purpose was to discuss the process of registration and preparation of by-laws.

**Yomgan:**

- On the 28<sup>th</sup> of July, EDP conducted a counseling session with 12 members of the Yomgan Seed Multipliers Association (unregistered). The aim of the session was to evaluate the association performance with the aim of informing future project interventions.

**TABLE 3: SUMMARY OF TRAININGS, SEMINARS AND ACTIVITIES FOR BUSINESS ASSOCIATIONS IN 2<sup>ND</sup> QUARTER, 2008**

Province	Number of Attendees	Type of Attendees	Type of Activity	Dates
Kunduz	3	Association members	Support to attend Kunduz Agfair	06/19-21
Kunduz	100	Carpet producers	Kabul Carpet Guild seminar in Kabul	July
Nuristan	93	Dairy Farmers	Held Round Table for the formation of the dairy farm association	05/29
Nuristan		Gem Stone miners and processors	Formation of the Nuristan gem stone Association	06/19
Jalal-Abad	50	Association members	Construction of seed storage used by the Seed Producers and Wholesalers Association	06/6
Jalal-Abad		Association members	Assisted six associations in six districts (Chaprehar, Khogyani, pacher, Hesarak, Sherzad and Goshta) to register with the Ministry of Justice	May
Jalal-Abad		Association members	Formation of the Poultry Sellers Association	06/16
Jalal-Abad	96	SMEs	Round table for the formation of the Poultry Sellers Association	06/9
Jalal-Abad		Association members	Round table on organizing election for the National Union of Craftsmen and Classes Association	06/22
Jalal-Abad	105	Association members	Round table for the establishment of agri-input dealer association	04/9
Jalal-abad	300	SMEs	Round table to discuss the creation of 6 rural craftsmen association	04/23
Badakhshan	18	Association members	Association Management consulting	05/27-05/28
Badakhshan	2	Association members	Strategy Formation for the agricultural input suppliers association	05/25
Badakhshan	12	Association members	Developed a strategy for the tomato growers association	06/2
Badakhshan	8	Association members	Assist the Faizabad Honey Producers Association with their strategy plan	06/5
Badakhshan	18	Association members	Honey Producers	05/27-28

			association attends 2 <sup>nd</sup> Badakhshan Agfair	
Badakhshan	45	Association members (Faizabad Honey Producers Association)	Association management consulting	30 march to 2 <sup>nd</sup> July
Badakhshan	18	Association members (Ishkashim seed multiplication association)	Association management consulting	04/3
Badakhshan	12	Association members (Ishkashim Potato Growers association)	Association management consulting	04/3
Baghdais		SMEs	Formation of the following associations: Natural Agriculture Association , Livestock Association, Women Dairy Producers Association, Badghis Carpet Dealers Association, Women Carpet Weavers Association, Women Embroidery Association, Women Tailoring Association and Cloth Weavers Association	September
Herat	50	SMEs	Formation of Tahmina Association for handicrafts	06/16
Herat	50	SMEs	Formation of the Women Vegetable process Association	06/22
Herat		SMEs	Formation of the following associations: Herat Women's Artisan Association, Shekeban Women Carpet Association, Herat Women's Tailoring Association and Herat Women's Silk Producers Association	September
Herat	35	Association members (Business women association)	Association management consulting	04/15-17
Mazar	200	SMEs	Formation of the following associations: 1.Balkh Women Entrepreneurs Association 2. Hadya Handicrafts Association	06/11
Mazar`	2	Association members	Supported two members of the Hadya association to Kunduz Afgair to display	06/19-21

			their products	
Baghlan	100	Carpet producers	ASMED helped Carpet Guild organize a Seminar in Kabul	July
Jawzjan	100	Carpet producers	ASMED helped Carpet Guild organize a Seminar in Kabul	July
Kunar	67	SMEs	Formation of Kunar Women Carpet Weavers Association	04/5
Laghman	76	SMEs	Formation of vegetable and fruit wholesaler association	04/19
Kabul	20,000	ACCI members	ACCI National Provincial Elections	July
Kabul		AWBF members	Assistance to AWBF strategic planning	September
Kabul	100	Carpet producers	Carpet Guild Seminar in Kabul	July
<b>Total</b>	<b>21,660</b>			

## QUARTER 3 - PROGRAM COMPONENT 4:

# GLOBAL DEVELOPMENT ALLIANCES & GRANTS

During the 3<sup>rd</sup> Quarter, the ASMED GDA Senior Advisor supervised the establishment of four important GDAs before his departure, and prepared the way for several additional GDAs, which are in the pipeline. The Base of the Pyramid GDA Advisor took over the role of Senior Advisor in September and will now assume the management of the full GDA portfolio, see table below. In total, 4 new GDAs were approved for the quarter and four were completed.

### **Completed GDAs:**

#### **Mir Brothers Marble, Herat**

Final review of the marble mine operation has shown that the GDA funds have been used to complete the road and open up the mine to use more efficient diamond saws for cutting blocks instead of wasteful blasting techniques. In the past three months the owners estimate they have extracted an estimated 8-10,000 tons of premium white marble which is a significant gain in productivity and efficiency. Furthermore, the owners have agreed to assist ASMED during the winter by making available the team of mine engineers to visit some other marble mines in the East to train and build capacity for more efficient mining techniques in the Nangarhar region. A final site visit is being planned to take pictures and possibly make a training video next month.

#### **Dried Fruit Exporter Association of Kandahar Box Factory**

DFEAK completed construction of its factory building in March, equipment installation was completed in August, and production has now begun. A site visit and close out report will be completed next month.



#### **Tarsian and Blinkley**

A final site visit and interview were conducted with Tarsian and Blinkley (T&B), the machinery purchased has been installed, and over 20 technicians and 100 students have been trained. The acquisition of the more sophisticated machinery

has enabled Tarsian and Blinkley to become more competitive and to win several million dollars in new orders for producing uniforms. The company is now expanding and is planning to train and hire a further 100 women to work in the factory which is still being expanded to support the new business it has gained as a result of ASMED's technical and financial assistance.

### **Tolo TV “Dream and Achieve”**

The Tolo TV nationwide entrepreneur contest was completed on schedule and to wide acclaim, both within Afghanistan and internationally. Dozens of media articles were published following the final episode, notably by Reuters, and newspapers in the US, the Middle East and the International Herald Tribune:

<http://www.ihf.com/articles/2008/09/01/business/reality.php>

The grand prize winners were selected and announced and the Gala event prize giving finale was played on prime-time and then repeated several times over the following week. Feedback suggests the show was well received by sponsors, partners and the general public and Tolo intends to repeat the show the following year. Several new sponsors have expressed interest and the show received significant positive feedback from Afghan government agencies and other partners. A DVD about the “making of” the GDA will be completed next month for use by USAID and an article about the GDA will appear in USAID's GDA Quarterly newsletter.



**ABOVE:** The arrival of sewing equipment at T&B.

### **New GDAs:**

#### **One Laptop Per Child (OLPC)**

The MoU required by the OLPC foundation for the OLPC GDA was reworked to meet the requirements of Roshan and the MoE and significant effort was put into the development of the budget and implementation plan. The parties reached a final agreement, which was executed by the Minister of Education in September. The first steering committee meeting was held shortly thereafter. Five hundred machines have also arrived in Kabul and cleared customs (duty free) and are being tested and will be 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 are being recruited to manage the deployment and training required for the initial roll-out planned for December. A project web site has also been established at [www.olpc.af](http://www.olpc.af)

#### **Silk “Value Chain” GDA Partnership**

The silk value chain GDA of three Afghan silk producers/exporters was approved and has been launched. 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 has 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.

### **Baghlan Mining**

The Baghlan mining GDA was approved to improve mine safety and productivity using advanced mining equipment in the minerals and gemstone sector.

### **Insurance Corporation of Afghanistan (ICA)**

ICA began issuing policies in March of this year, and with support from ASMED has now 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 October 2008.

### **Licorice Processing**

The licorice-processing factory in Mazar was completed should soon be operational and so that the first batches of processed licorice can be produced and exported.

### **GDA Pipeline:**

Upcoming activities for the GDA department include the 2<sup>nd</sup> Annual Kabul carpet fair and the GDA conference in Jalalabad. Outreach in Jalalabad has generated approximately 25 participants as new GDA opportunities. In addition, technical consultants have been identified as STTAs to help with three new GDAs, in pharmaceutical retail distribution, organic food processing, and solar lighting and renewable energy solutions.

## **GRANTS**

The quarterly report has two main sections (Section A and Section B), Section A contains quantitative information and Section B contains qualitative information of the quarter.

### **Section A: Quantitative information:**

#### **A.1. Quarter Highlights:**

- During this quarter, 17 different types of Grants Projects are completed and are ready for the use of local community in various regions.
- During this quarter, 16 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 September 30, 2008:**

Type of Grant	Number of projects		Total Projects	committed Value	Total Disbursed	Balance
	Closed	Active				
Associations	30	23	53	\$772,166.00	\$ 626,081.00	\$ 146,085.00
MDGs	31	14	45	\$476,993.00	\$ 414,241.00	\$ 62,752.00
Value Chain Improvement	9	7	16	\$1,803,328.00	\$ 1,434,565.92	\$ 368,762.08
Enterprise	1	0	1	\$5,000.00	\$ 5,000.00	\$ -
<b>Grand-Total</b>	<b>71</b>	<b>44</b>	<b>115</b>	<b>\$3,057,487.00</b>	<b>\$ 2,479,887.92</b>	<b>\$ 577,599.08</b>

<b>Pipeline Grants</b>	<b>10</b>	<b>\$166,373.00</b>
<b>Total Grant Line budget</b>		<b>\$4,000,000</b>
<b>Grants Balance to be spent</b>		<b>\$776,140.00</b>

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

Grant #	Description	Type	Location	Amount	Status of Grant
002-049	Lalpur District Market	MDG	Nangarhar	\$11,043	Pending for approval
001-044	Afghan Women Agr. Association	Ass/Seed	Nangarhar	\$3,040	Pending for Approval
001-037	Chardara Agro Services Association	Ass/Seed	Kunduz	\$7,800	Pending for approval
001-026	Kandahar Industrial Association	Ass/Seed	Kandahar	\$7,450	Approved
001-036	Nangarhar Bee Keepers Association	Ass/Dev	Nangarhar	\$23,200	Approved
001-022	Provincial Council of Crafter/Trader National Union of Kunduz (PCCTNUK)	Ass/Dev	Kunduz	\$18,180	Pending for approval
001-063	Takhar Women Handicraft Skills Association	Ass/Seed	Takhar	\$7,600	Approved
001-038	Zenith Women Tailoring Embroidery and Beads Weaving Association	Ass/Seed	Kandahar	\$9,950	Approved
001-051	Afghan Marble Association	Ass/Adv	Kabul	\$9,100.00	Approved
001-049	Afghan Carpet Knotting/Weaving and Export Association	Ass/Adv	Jawzjan	\$49,950.00	Approved
001-050	GAGA	Ass/Dev	Paktya	\$13,400.00	Approved

002-048	Want District MDG	MDG	Nuristan	\$15,985.00	Approved
002-056	Faryab Waste Collection System	MDG	Faryab	\$9,400	Pending for Approval
001-052	Faryab Fruit Processing and Exporting Association	Seed Assoc.	Faryab	\$9,850	Pending for Approval
001-053	Afghanistan Bankers Association	Advance/Assoc	Kabul	\$52,001	Pending for Approval
001-054	Faryab Leather Producers Association	Seed Assoc.	Faryab	\$10,000	Pending for Approval
<b>Total 15 Grants</b>				<b>\$257,949</b>	

## QUARTER 3 - PROGRAM COMPONENT 5:

# CAPACITY BUILDING

### INTERNSHIP

#### KABUL:

In August, ASMED placed 59 interns (including 16 females) with various private sector businesses in Kabul to complete a three-month practical internship period. Prior to their placement, the interns completed a 3-month training phase in modern business management skills at the Afghanistan Institute of Business Management (AIBM). The hosting firms include private Banks, Telecommunication Companies, BDS firms and some other private sector businesses.

Following is a list of interns per hosting company:

No	Host Companies /Organization	Number of Interns Accepted
1	Etisalat Telecommunication Company	10
2	Roshan Telecommunication Company	5
3	Afghanistan International Bank	10
4	Paiwastoon Networking Company	3
5	Afghanistan United Bank	2
6	AGF (Afghanistan Growth Finance)	3
7	EPPA (Export Promotion Agency of Afghanistan)	5
8	BRAC Bank	6
10	Lema Network	2
11	Zurmat Construction Company	6
12	ABCD	2
13	Flag International	1
14	Office of Administrative Affairs President Palace	1
15	GTZ (German Technical Cooperation)	2
<b>TOTAL</b>		<b>59</b>

So far ASMED has provided internship opportunities to 59 students ( including 16 females) in the Kabul region under the human capacity building internship program.

#### BALKH :

In August, ASMED successfully placed 60 interns (including 15 females) within 19 private sector firms in Balkh province as well. As the interns in Kabul, this group also completed a pre-placement training phase in Business Management Skills. Following is a list of students per hosting firm:

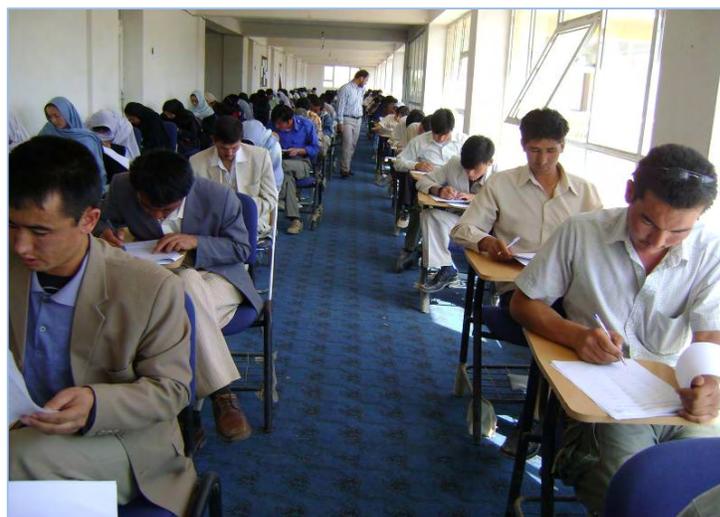
No	Host Companies/Organizations	Number of Interns Accepted
----	------------------------------	----------------------------

1	Ghazanfar Company	4
2	Green Home Group of business	3
3	Jamshid Ramin Company	1
4	Cultural and Accelerating of Agricultural Org for Afg.	4
5	Aria Private University	7
6	Massoud Educational Foundation	5
7	World Council of Credit Union, Inc.	6
8	Farabi Hospital	4
9	Sina Colleague	3
10	Mawj/Royal ICT Company	1
12	Hadya Association	1
13	Maulana Hospital	4
14	Shamal BDS Company	4
15	Afghan Narway International Construction Company)	2
16	Arzoo TV	6
17	Osiyo Hamkorlik	1
18	Barakat Co Ltd	1
19	Kabul Bank	3
<b>TOTAL</b>		<b>60</b>

So far, ASMED has provided internship opportunities to 60 students (including 15 females) in the Northern region under the human capacity building internship program.

**BAMIYAN:**

On September 6, the ASMED project and Ajeer Institute of Business and Management extended the capacity building internship program to Bamiyan province and gave a qualifying exam to 130 students from the departments of Agriculture and Education at Bamiyan University. Out of this pool, 40 students (including 15 female) were selected for the pre placement-training phase of the program to be conducted by Ajeer.



**ABOVE:** Bamiyan Qualifying Exam

**KANDAHAR:**

On September 19, 58 interns from the Kandahar University completed their pre-placement business management skills training program in Marketing, Modern Accounting and Business Management at the Afghan CNN business services providing agency. After completing the training phase, ASMED helped to place the interns with 17 SME's in Kandahar for their practical internship period. Following is a list of interns per hosting firm:

	<b>Name of company /organization</b>	<b>Number of interns</b>
	IRRA CONSTRUCTION COMPANY (IRRA.C.C)	2
	COMMUNITY CONSTRUCTION (CO)	3
	MINISTRY FOR HOUSE BUILDING AND TOWN (MOUD)	2
	CENTRAL ASIA DEVELOPMENT GROUP (CADG)	2
	PRESIDENCY OF EDUCATION (POE)	5
	KANDAHAR UNIVERSITY/AGRICULTURE	6
	AFGHAN EDUCATION FOUNDATION	1
	KHRIZ COMMUNITY DEVELOPMENT COUNCIL (CDC)	1
	UNDP/MRRD	2
	NISAY	1
	EDUCATION FACULTY	5
	AFGHANISTAN VETERINARY ASSOCIATION	2
	JOIN PROJECT BETWEEN ARLDF ASIAN RURAL DEVELOPMENT FOUNDATION	1
	SAPAND HELMAND COST ROAD & PRODUCING	1
	AYUBI HOSPITAL	1
	SINA KANDAHAR OFFICE	2
	NOOR HEMAT C,C	2
	SOCIAL ASSOCIATION FOR DEVELOPMENT OF AFGHANISTAN (SADA)	1
	FACULTY OF ENGINEERING	4
	ZTE AFGHANISTAN COMPANY	2
	ENG.HAYATULLAH CONSTRUCTION UNIT (HCU)	2
	SINISY	1
	NATIONAL EPI	1
	AFGHAN NATIONAL CONSTRUCTION (ANCC)	2
	KAMIL GARMENTS COMPANY (KGC)	1
	AL-WISA CONSTRUCTION COMPANY(AWCC)	1
	WATAN CONSTRUCTION COMPANY	1
	MOHEEBULLAH ABDALI CONSTRUCTION (MACC)	2
	KHILD DURANI CONSTRUCTION	1
	<b>TOTAL</b>	<b>58</b>

#### **KHOST:**

During the reporting period, ASMED extended the internship program to Khost province southeastern zone of Afghanistan as well. On July 22, a qualifying exam was given to 95 final year students from the departments of Economics, Agriculture and Computer Science at Khost University. Eighty students were selected for the training phase of the program, which was started on July 27, 2008 by Afghan Institute of Business Management (AIBM).



**ABOVE:** Students taking the qualifying exam at Khost University

#### **NANGARHAR:**

During the reporting period, ASMED started the new phase of the internship program on Aug 1, 2008. Afghan CNN (implementing partner) gave a qualifying exam to 135 students (including 36 females) from the department of Economics and Education at Nangarhar University. Forty male and 30 female students were selected for the training phase of the program. The training phase is ongoing and it will be completed in the last quarter of 2008.

So far, ASMED has provided internship opportunities to 78 students in the Eastern region under the human capacity-building component.

**HERAT:**

On August 31, Kabiri & Partners Consulting Company gave an internship-qualifying exam to 218 students (including 44 females) from the department of Economics, Agriculture and Computer Science at Herat University. One hundred and twenty students (including 40 females) were selected for the program. The first batch of 60 students started their training program on September 10.



**ABOVE:** Internship-qualifying exam at Herat University

So far, ASMED has provided internship opportunities to 65 students in the Western region under the human capacity building internship program.

**YOUNG PROFESSIONAL MENTORSHIP PROGRAM**

ASMED's mentorship programs began in all five of its project regions in 2008, initiating a series of group training seminars and one-on-one professional guidance sessions. The chart below summarizes progress to date relative to program targets.

Region of Coverage	Target Committed	Achieved 2007	Achieved 2008	Start Date	End Date	Status of the program along with implementing partner	Remaining Target for 2009
Central	90	0	108	Apr-08	Oct-08	Completed (AISA,AWBF)	Achieved
Eastern	90	0	57	Mar,2008	Oct-08	Completed (Khurasan University)	30
Western	90	0	52	May-08	Oct-08	Completed (AISA)	35
Northern	90	0	49	May-08	Oct-08	Completed (AISA)	35
Southern	90	0	49	May-08	Oct-08	Completed (AISA)	35
<b>TOTAL</b>	<b>450</b>	<b>0</b>	<b>315</b>				<b>135</b>

To date, 315 mentees have completed the mentorship program. They have benefitted from the mentorship of senior executives from such organizations as AIB, AISA, AWBF, AICC, Balkh University, and Kabul University.



**ABOVE:** 5th Mentorship Seminar in Mazar

# 4<sup>th</sup> QUARTER 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.

## QUARTER 4- PROGRAM COMPONENT 1:

# MARKET INFORMATION

### Market Linkages

## FIELD ACTIVITIES - NATIONWIDE

### KABUL:

- ASMED sponsored the 2<sup>nd</sup> 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.
- Twenty-eight Afghan vendors from the fresh fruit and vegetable, dried fruit and nuts, carpet, and handicraft sectors attended the 28<sup>th</sup> 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: 2008 Kabul International Carpet Fair



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.
- **3<sup>rd</sup> National Saffron Conference Proceedings Magazine:** ASMED is supporting publication of proceedings of the 3<sup>rd</sup> 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 for 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.



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 <sup>th</sup> quarter	Men/women owned SMEs	Remarks
<b>ACCESS TO MARKET INFORMATION</b>					
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.

**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 Samangan Province**



**Meeting the Department of Economy**

## QUARTER 4 - PROGRAM COMPONENT 2:

# BUSINESS DEVELOPMENT SERVICES

### 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 its 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 4<sup>th</sup> 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.

1. 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.
2. 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.
3. 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.
4. 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.

5. 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.

1. Business communication training: Total number of participants was 30 tailoring and embroidery association of Pul-e-Khurmri. The training course was conducted from 21 October to 23 October.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.

    1. 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.
    2. 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.
    3. 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.
    4. 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.
    5. 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.

    1. 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**

Participants						
Province Name	Date	Male	Female	Total	Type of SMEs	Type of Training
Baghlan	10/18-10/20	30	0	30	SMEs (Various)	Business Management
Baghlan	10/21-10/23	30	30	0	SMEs (Various)	Marketing for SMEs
Balkh	10/06-10/08	30	28	2	SMEs (Various)	Business Management
Balkh	10/16-11/02	30	0	30	SMEs (Various)	Business Management
Balkh	11/02-11/04	50	0	50	SMEs (Various)	Business Management
Balkh	11/16-11/18	30	0	0	SMEs (Various)	Marketing for SMEs
Bamyan	12/24-12/18	25	25	0	SMEs (Various)	Business Management
Bamyan	12/21-12/29	25	0	0	SMEs (Various)	Business Management
Hirat	10/11-10/14	35	8	27	SMEs (Various)	Miscellaneous
Hirat	11/08-11/10	40	20	20	SMEs (Various)	Miscellaneous
Kabul	11/15-12/31	10	0	0	SMEs (Various)	Business Management
Kabul	11/24-11/24	24	0	0	SMEs (Various)	Miscellaneous
Kabul	11/25-11/26	8	0	0	SMEs (Various)	Business Management
Kabul	12/15-12/22	8	0	0	SMEs (Various)	Business Management
Kunduz	10/11-10/16	30	30	0	SMEs (Various)	Business Management
Kunduz	11/16-12/15	25	0	0	SMEs (Various)	Computer
Kunduz	11/22-11/24	30	0	0	SMEs (Various)	Business Management
Kunduz	11/25-11/28	30	0	0	SMEs (Various)	Business Management
Panjshir	11/22-11/26	25	0	0	SMEs (Various)	Miscellaneous
Panjshir	11/28-12/02	25	0	0	SMEs (Various)	Miscellaneous
Panjshir	12/21-12/25	25	0	25	SMEs (Various)	Miscellaneous
Panjshir	12/28-01/01	25	0	25	SMEs (Various)	Miscellaneous
Parwan	12/02-12/04	25	0	0	SMEs (Various)	Business Management
Parwan	12/16-12/18	25	25	0	SMEs (Various)	Business Management
Parwan	12/25-12/30	25	0	25	SMEs (Various)	Business Management
Samangan	11/12-11/14	25	16	9	SMEs (Various)	Business Management

Takhar	10/05-10/07	30	0	30	SMEs (Various)	Marketing for SMEs
Hilmand	12/1-12/31	23	0	23	SMEs (Various)	Miscellaneous
Hilmand	11/29-12/31	0	29	29	SMEs (Various)	Miscellaneous
Hilmand	11/29-12/31	0	23	23	SMEs (Various)	Miscellaneous

## QUARTER 4 - 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 Heart 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 Heart 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.

## QUARTER 4 - PROGRAM COMPONENT 4:

# GLOBAL DEVELOPMENT ALLIANCES & GRANTS

## GDA

During the 4<sup>th</sup> Quarter, seven new GDAs were finalized and four STTAs 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 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.

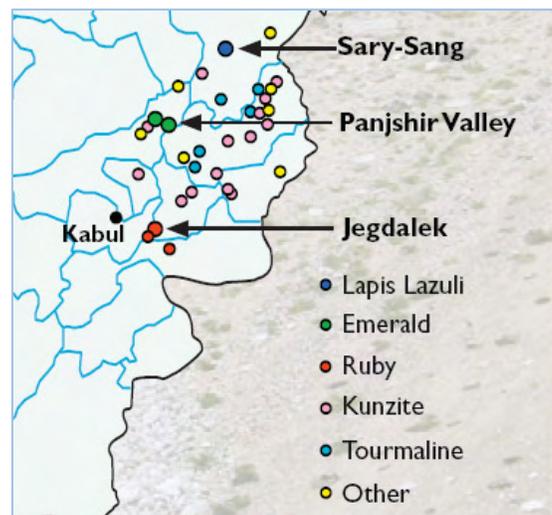
### **Cold Storage SIP manufacturing**

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.ihf.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](http://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	\$ -
<b>Grand-Total</b>	<b>80</b>	<b>47</b>	<b>127</b>	<b>\$3,243,796.38</b>	<b>\$ 2,636,972.07</b>	<b>\$ 606,824.31</b>

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

### 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
<b>Total 15 Grants</b>				<b>\$155,414</b>	

### 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

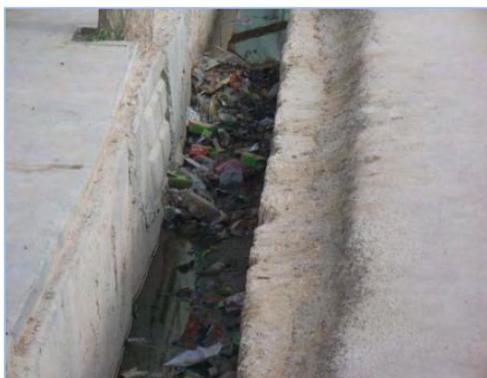
**Supported Activities:** With an ASMED Marketplace Development Grant, the Maimana Municipality will establish waste collection in areas where most of the street shops and street vendors are placed. The trashcans will be manufactured by the local workshops. The idea of placing the trashcans around the 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 Heart city, within this ASMED Marketplace Development Grant. Sarwary Brothers Planning and Construction Co, will construct four public latrines (flash 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 13<sup>th</sup> 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 concrete**

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.

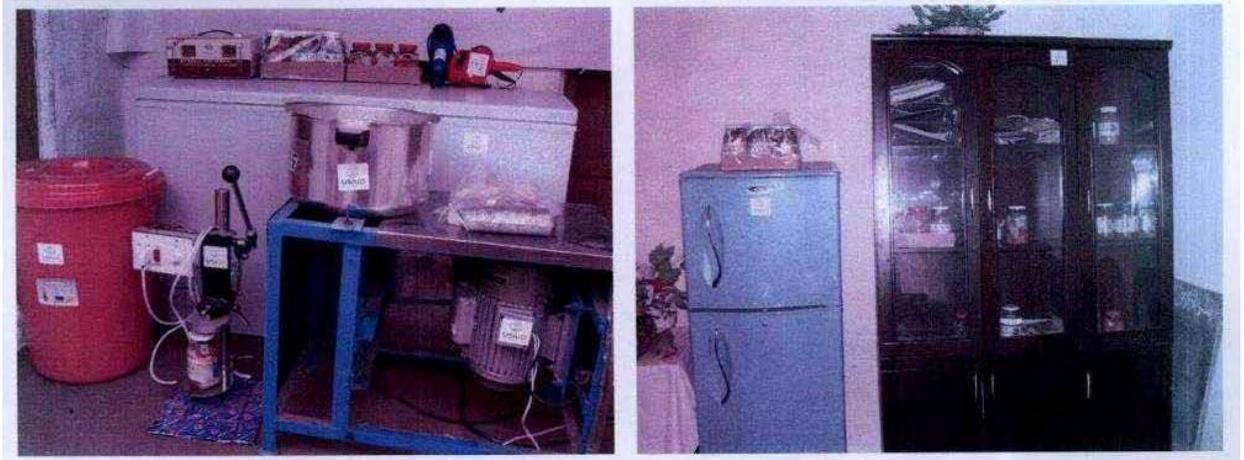
**Grant No.:** 001-049  
**Grantee:** Afghan Women Agriculture Association (AWAA)  
**Location:** Jalalabad city  
**Grant Amount:** \$3,040  
**Grant Type:** Association Seeds Grant  
**Date close out:** December 18, 2008

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
<b>SUBTOTAL</b>					<b>\$162,256</b>

## QUARTER 4 - 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 25<sup>th</sup> 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
<b>TOTAL</b>		<b>61</b>

### 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 16<sup>th</sup> 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 then 80% of the graduated interns have received job offer from their host companies .Following up the successful completion of the ASMED internship program, on 21<sup>st</sup> October ASMED in Jalalabad arranged an internship graduation ceremony. More then 200 people participated in the ceremony. Chancellor of the Nangarhar University, Professors from various department of Nangarhar University, representatives from privet 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:

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
<b>TOTAL</b>		<b>38 Companies</b>

## 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 20<sup>th</sup> 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	Org
3	Saida	Sayed Ashraf	Litrature	VIAR
4	Habibullah	Gul Mohd	Litrature	
5	Ahmad Tamim	Mohd Nahim	Litrature	Masoud Educational Org
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	
11	Zarpana	Mohd Zahir	Economic	Wasel Telecom
12	Esmatullah	Abdul Wahid	Economic	
13	Sultana	Mohd Rafiq	Litrature	Literature Computer
14	Sanaullah	Ahmatullah	Litrature	
15	Bahram	Abdul Hamid	Agriculture	FedEx
16	Mirwais	Mohammad Kabir	Sharia	
17	Khoshal	Abdul Hamid	law	Kohsar Reconstruction Unit
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	
27	Mir wais	Mesafer	Economic	Pamir Air Ways
28	Naweed	Abdul Saboor	Economic	
29	Walid	Najmuddin	Engineering	Barakat Agency in Heratan
30	Rahimullah	Mohd Zaker	Agriculture	
31	Sayed Reza	Sayed Haider	Agriculture	Mazar Subz Amiri
32	Abdul Haya	Abdul Jalil	Agriculture	Ajeer Institute
33	Frishta	Abdul Salam	Engineering	
34	Khalida	Noorullah	Engineering	BAHCC Com
35	Paiman	Anayatullah	Engineering	Fayz Construction Com
36	Mohd Azam	Mohd Sarwar	Engineering	S.Ibrahim TimorZada Co.Ltd
37	Mohd Daud	Mubarak shah	Agriculture	
38	Noor Mohd	Sayed Mohd	Agriculture	ARD
39	Abdul Rahman	Mohd Akbar	Engineering	Fawad AminConst Company
40	Ahdya	Qalandar	Engineering	IRD
41	Ghulam Reza	Amir Mohammad	Law	
42	Mohd Ismahil	Mohd Sarwar	law	Lemar Association
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	
49	Feda Mohd	Attah Mohd	Economic	WOCCU
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	
56	Kambiz	Abdul Wahab	Economic	Sadaat Tomoto Paste
57	Mohd Arif	Abdul Latif	Economic	Tajzada Carpet Company
58	Nawin Ahmad	Salih Mohd	law	
59	Samiullah	Khair Mohd	law	Insta Telecom
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



**AISA/ASMED study tour**



**AISA/ASMED Mazar 6th Mentorship Seminar**

manufacturing factory, where the wood 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. Report and proposal writing were among the topics were delivered in this seminar.
- 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.
- On November 2nd, 2008, ASMED in partnership of AISA conducted its 6th and final month



**AISA-ASMED, Mentorship Seminar (Herat)**

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. Followings topic were discussed in the seminar:

- ☛ Management Definitions and office management
- ☛ Afghanistan investment law

**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.



**AWBF-ASMED Mentorship Evaluation Survey**

- 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.

#### **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 6<sup>th</sup> 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 3<sup>rd</sup> 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. A total number of 50 mentees successful graduated from the Mentorship Program.
- On 18<sup>th</sup> 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**

<b>S. No</b>	<b>Description</b>	<b>Implementing Partner</b>	<b>Region</b>	<b>Province</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Mentees</b>	<b>Female Mentees</b>	<b>Amount Dispersed to Female (USD)</b>	<b>Total Budget (USD)</b>
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
<b>TOTAL</b>							<b>315</b>	<b>101</b>	<b>37042</b>	<b>92,104</b>

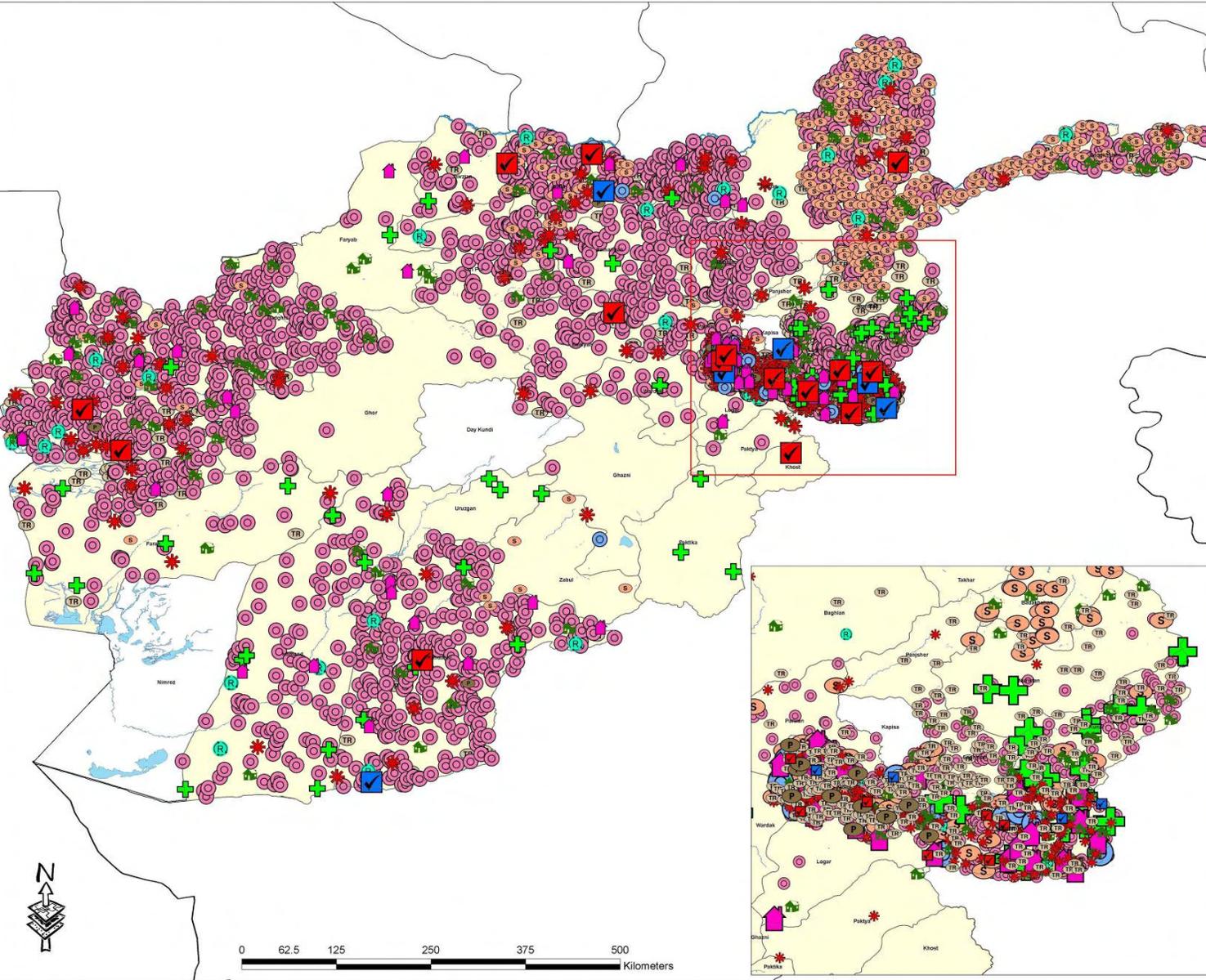
**SUMMARY OF PROGRESS TOWARDS INDICATORS FOR QUARTER 4, 2008**

**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					0							60	Class in Progress	
Badakhshan	180	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
<b>TOTAL</b>	<b>900</b>	<b>62</b>			<b>168</b>			<b>227</b>			<b>*457</b>	<b>431</b>		

*\*This data, as reported by the Human Capacity Department, not yet verified by M&E.*

# ACTIVITY MAP 1: PROJECT TO DATE



**Legend**

-  Provincial boundaries
-  Areas of ASMED's Activities
-  River regions

**ASMED's activities**

**Global Development Alliance**

-  Public/private partnership

**Grants**

-  Associations
-  Marketplace Development (MDG)
-  Enterprise & Value Chain Improvement

**Market Information**

-  Market information

**Business Associations**

-  New Associations
-  Supported Associations
-  New SMEs created
-  Businesses Supported

**Capacity Building**

-  Mentorship
-  Internship

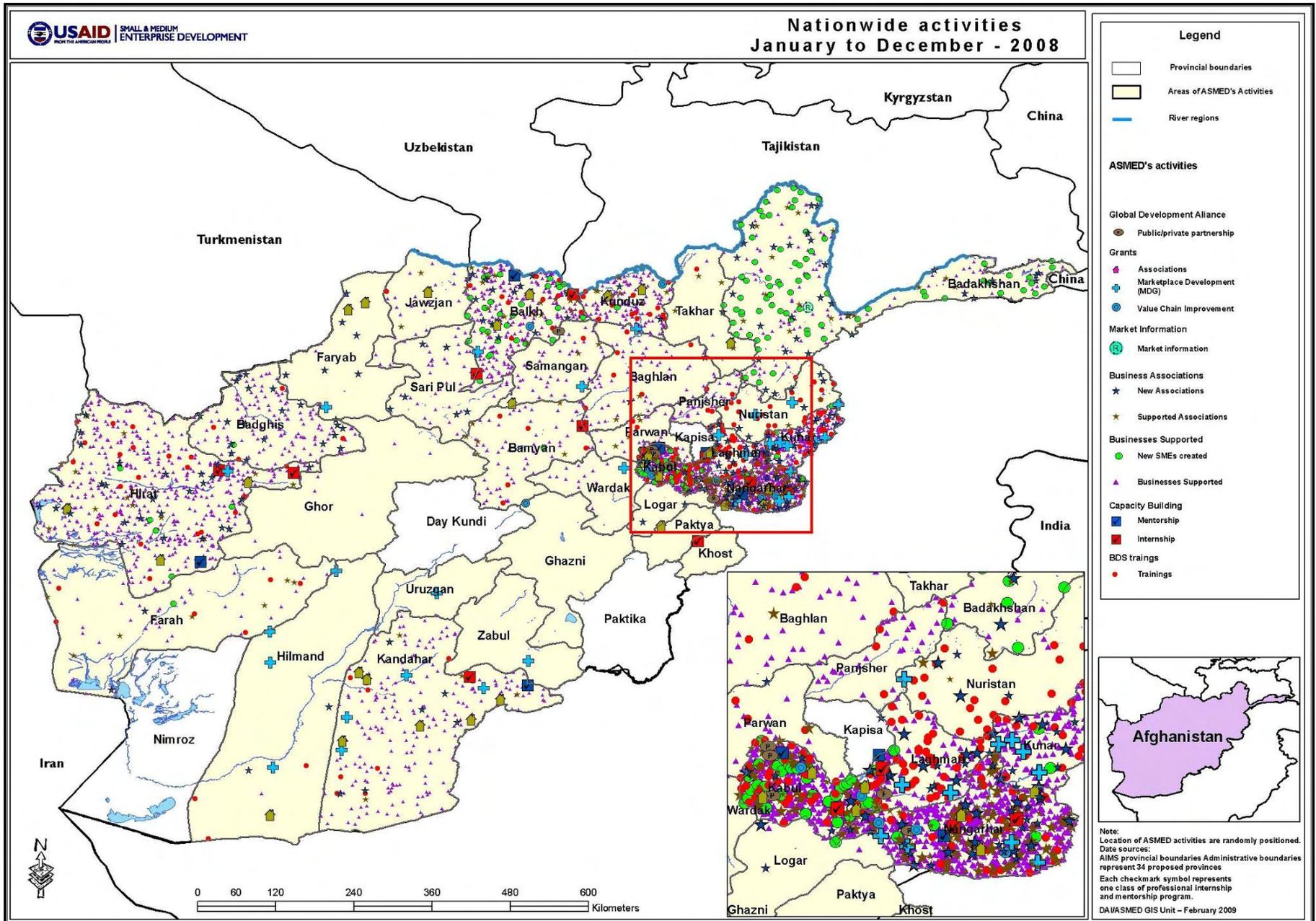
**BDS trainings**

-  Trainings



**Note:**  
 Location of ASMED activities are randomly positioned.  
 Date sources:  
 AIMS provincial boundaries Administrative boundaries represent 34 proposed provinces  
 Each checkmark symbol represents one class of professional internship and mentorship program.  
 DAI/ASMED GIS Unit - January 2009

# ACTIVITY MAP 2: January to December 2008



# ANNEX 1: FINANCIALS

Below, the original contract value is compared to actual costs incurred as of December 31, 2008 by contract line item. Of the total \$36,829,007 contract value over 3 years, \$36,829,007 has been obligated.

**Afghanistan Small and Medium Enterprise  
Development  
Shash Darak, Kabul  
Afghanistan  
ASMEDInfo@dai.com**