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AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

QUARTERLY REPORT – JANUARY THROUGH MARCH 2009

First Quarter 2009

This publication was produced for review by the United States Agency for International Development. It was prepared by the prime contractor for the Afghanistan Small and Medium Enterprise Development project, Development Alternatives, Inc.

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QUARTERLY REPORT JANUARY THROUGH MARCH 2009

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ABBREVIATIONS

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

EXECUTIVE SUMMARY

In the first quarter of 2009, ASMED began discussions with USAID about the future of the project and scaling up of current activity levels, with a strategic vision for engagement in high potential sectors of the economy via technical activities with proven results. The below activities reflect this outlook.

COMPONENT 1: IMPROVE MARKET INFORMATION

ASMED continued to support the participation of SMEs, within key sectors, at regional, national and international trade fairs. Among these events in this quarter, ASMED-supported enterprises attended Domotex Germany, the Northern Region Carpet Exhibition, and the Mazar Agfair. Exposure for SMEs at these events provides not only an education about new markets but also achieves real, sustainable business deals and relationships. As a separate activity, ASMED supported the capacity of business associations to produce newsletters and marketing materials that disseminate actionable market information to member companies.

COMPONENT 2: IMPROVE BUSINESS DEVELOPMENT AND MANAGEMENT SKILLS

The BDS team worked to expand access to BDS services throughout the central region in this quarter, offering new training series and support services in Parwan, Kapisa, and Panjshir provinces. In Herat, a comprehensive survey of BDS providers was conducted to evaluate products offered and identify further, potential areas where ASMED interventions could be maximally beneficial in raising the sector's performance. This survey revealed a rapid expansion in both the number of BDS firms operating and the diversity of services that they offer. Legal services to private enterprises were paid special attention during this quarter at a Commercial Contracts Roundtable, bringing together the local business and legal communities to discuss the importance of commercial contracting procedures.

COMPONENT 3: STRENGTHEN BUSINESS ASSOCIATIONS

The ASMED project continued its work with two of its major, national business association partners, AMGPA and AWBF, both of whom held landmark conferences in this quarter. The 2009 Marble Conference brought together the Afghan private sector, government ministries, and international investors and financiers to hold a constructive dialogue on developing Afghanistan's emerging marble sector. In February, the AWBF held its first annual conference that brought together Afghan businesswomen, international companies, and international donors and NGOs to identify the challenges of women businesses and coordinate solutions to effectively address them.

COMPONENT 4: GLOBAL DEVELOPMENT ALLIANCES AND GRANTS

Early in the first quarter, the GDA team implemented several impactful projects and identified several more with great BOP potential for Afghanistan. However, due to pending contractual and financial issues, new initiatives were put on hold in February and March. The same was true of the Grants team, who, because of outstanding contractual modifications, did not approve the issue of new grants. However, the Grants department, in collaboration with M&E staff, did begin assessments of all value chain improvement

grants issued over the life of the ASMED project, identifying strengths and weaknesses of these activities, to better inform future interventions.

COMPONENT 5: HUMAN CAPACITY BUILDING

Preserving a high rate of job placement, the ASMED project graduated interns in Kabul, Jalalabad, Mazar-e-Sharif, Herat, Kandahar, and Bamyan in this quarter. Replicating the successes from other provinces, Bamyan's internship program was the first in the province. The ASMED program also began the first series of Mentorship Seminars, with ACCI as a partner, in Kabul, Jalalabad, Mazar-e-Sharif, Herat, and Kandahar. At the end of the 3rd quarter, Human Capacity, with M&E support began a focus group to explore feedback from interns who had recently graduated from the Kabul program. The results of this focus group can be found in April 2009's Monthly Report.

MONITORING AND EVALUATION (M&E)

Progress Towards
Indicators Q1 2009 –
Regional Breakdown

PMP Ind	PERFORMANCE INDICATOR	Region of Coverage	Qtr 01 09			Cumulative			PROJECT Totals		
	Indicator <i>(source of information)</i>		January - March			2007 - March 2009			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			

I. ACCESS TO MARKET INFORMATION

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

1.1	12 market assessments completed with help from local partners. <i>(Copies of Assessments)</i>	Afghanistan-wide	1	3	450%	11	19	178%	12	19	158%
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II. BUSINESS DEVELOPMENT AND MANAGEMENT SERVICES

Sub Immediate Result: Improve Business Development and Management Services

2.1	TOTAL	12	18	154%	112	85	76%	135	85	63%
	Central	2	2	120%	37	32	87%	40	32	80%
	Eastern	3	0	0%	28	13	46%	35	13	37%
	Western	3	7	210%	23	15	64%	30	15	50%
	Northern	2	4	240%	17	18	108%	20	18	90%

	<i>(BSP Reg Forms)</i>	Southern	2	5	300%	7	7	105%	10	7	70%
2.2	6,000 businesses supported.	TOTAL	1033	1,640	159%	3933	5,625	143%	6,000	5,625	94%
		Central	283	61	22%	1033	737	71%	1,600	737	46%
		Eastern	250	524	210%	950	1,894	199%	1,450	1,894	131%
		Western	250	265	106%	950	1,066	112%	1,450	1,066	74%
		Northern	167	530	318%	667	1,425	214%	1,000	1,425	143%
		<i>(Enterprise and Association Reg forms)</i>	Southern	83	260	312%	333	503	151%	500	503
2.3	800 new SMEs created.	TOTAL	117	60	51%	567	441	78%	800	441	55%
		Central	25	4	16%	100	47	47%	150	47	31%
		Eastern	25	22	88%	150	43	29%	200	43	22%
		Western	25	26	104%	150	36	24%	200	36	18%
		Northern	25	1	4%	100	308	308%	150	308	205%
		<i>(Enterprise Reg forms)</i>	Southern	17	7	42%	67	7	11%	100	7
2.4	30 SMEs accessed bank loans/equity as a result of USG assistance. <i>(Enterprise Survey DB, Reg. and Survey Forms)</i>	Afghanistan-wide	3	12	360%	23	56	240%	30	56	187%

III. BUSINESS ASSOCIATION

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

3.1	100 business associations established	TOTAL	7	4	60%	87	123	142%	100	123	123%
		Central	2	1	50%	14	8	57%	18	8	44%

		Eastern	1	0	0%	21	41	192%	24	41	171%	
		Western	1	0	0%	19	31	160%	22	31	141%	
		Northern	1	3	225%	24	34	140%	27	34	126%	
	(Association Reg forms)	Southern	1	0	0%	8	9	117%	9	9	100%	
		TOTAL	40	27	68%	210	235	112%	225	235	104%	
3.2	225 existing business associations supported	Central	8	18	216%	33	80	240%	50	80	160%	
		Eastern	8	3	36%	63	88	139%	50	88	176%	
		Western	8	3	36%	58	27	46%	50	27	54%	
		Northern	10	3	30%	35	31	89%	50	31	62%	
		(Association Reg forms)	Southern	5	0	0%	20	9	45%	25	9	36%
				TOTAL	40	27	68%	210	235	112%	225	235
3.3	4,500 new members in business associations as a result of USG assistance (Association Survey)	Afghanistan-wide	667	0	0%	3167	14,360	453%	4,500	14,360	319%	

IV. PUBLIC-PRIVATE SECTOR ALLIANCES - GDA

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

4.1	37 private-public partnerships (GDAs) formed as a result of USG Assistance	TOTAL	6	1	18%	26	15	58%	37	15	41%
		Central	1	0.2	15%	6	3	47%	9	3	33%
		Eastern	1	0.2	15%	6	2	32%	9	2	22%
		Western	1	0.2	15%	6	3	47%	9	3	33%
		Northern	1	0.2	20%	4	4	100%	6	4	67%
			TOTAL	6	1	18%	26	15	58%	37	15

	<i>(GDA Agreements)</i>	Southern	1	0.2	30%	3	3	113%	4	3	75%
4.2	\$5.4 million leveraged through Private-Public partnerships (GDAs)	TOTAL	\$958,333	\$500,000	52%	\$3,458,333	\$10,912,797	316%	\$5,375,000	\$10,912,797	203%
		Central	\$250,000	\$100,000	40%	\$875,000	\$1,688,187	193%	\$1,375,000	\$1,688,187	123%
		Eastern	\$250,000	\$100,000	40%	\$875,000	\$1,322,580	151%	\$1,375,000	\$1,322,580	96%
		Western	\$250,000	\$100,000	40%	\$875,000	\$1,726,870	197%	\$1,375,000	\$1,726,870	126%
		Northern	\$125,000	\$100,000	80%	\$500,000	\$4,272,580	855%	\$750,000	\$4,272,580	570%
		<i>(GDA Agreements)</i>	Southern	\$83,333	\$100,000	120%	\$333,333	\$1,902,580	571%	\$500,000	\$1,902,580

V. HUMAN CAPACITY DEVELOPMENT

Sub Intermediate Result: Build Capacity of Afghan work force to secure greater income through employment and improve performance of their enterprises

5.1	900 internship opportunities provided	TOTAL	133	60	45%	633	885	140%	900	885	98%
		Central	27	0	0%	127	302	238%	180	302	168%
		Eastern	27	0	0%	127	184	145%	180	184	102%
		Western	27	60	225%	127	184	145%	180	184	102%
		Northern	27	0	0%	127	155	122%	180	155	86%
		<i>(Internship lists)</i>	Southern	27	0	0%	127	60	47%	180	60
5.2	450 participants in Professional Learning Mentorship Program	TOTAL	67	208	312%	317	521	165%	450	521	116%
		Central	13	53	398%	63	159	251%	90	159	177%
		Eastern	13	0	0%	63	57	90%	90	57	63%
		Western	13	54	405%	63	106	167%	90	106	118%
		Northern	13	51	383%	63	100	158%	90	100	111%
		<i>(Participant lists)</i>	Southern	13	50	375%	63	99	156%	90	99

A	1,275 SMEs that have added value and/or diversified into higher value products and services as a result of USG assistance <i>(Enterprise Survey DB, Reg and Survey forms)</i>	TOTAL	267	0	0%	742	563	76%	1,275	562	44%
		Central	67	0	0%	167	73	44%	300	73	24%
		Eastern	75	0	0%	200	107	54%	350	107	31%
		Western	75	0	0%	200	17	9%	350	17	5%
		Northern	33	0	0%	108	344	318%	175	343	196%
		Southern	17	0	0%	67	22	33%	100	22	22%
B	95% increase in number of clients of Business Development Service providers <i>(BSP Survey)</i>	Afghanistan-wide	8%	0%	0%	58%	26%	45%	95%	26%	27%
C	15,000 full-time equivalent (FTE) jobs created by USG supported activities <i>(Enterprise Survey DB, Reg. and Survey Forms)</i>	Afghanistan-wide	2667	0	0%	9667	14,986	155%	15,000	14,955	100%
D	3,500 firms investing in improved technology as a	Afghanistan-wide	500	0	0%	2500	958	38%	3,500	956	27%

**result of USG
assistance**

*(Enterprise Survey
DB, Reg. and
Survey Forms)*



PROGRAM COMPONENT 1:

MARKET INFORMATION

FIELD ACTIVITIES – NATIONWIDE

KABUL

Domotex Trade Fair 2009, Hannover Germany:

Domotex 2009, in Hannover, Germany, provided 26 Afghan carpet producers the opportunity to display their handmade carpet art in the world's biggest carpet trade fair.

Domotex 2009, "The World of Flooring," brought together thousands of people involved in the carpet trade from January 17-20, 2009. In total, over 1,300 flooring exhibitors from 60 nations participated in the event. Among them, Afghan exhibitors were impressively displayed together under a stand custom built by the Turquoise Mountain Foundation, featuring traditional Afghan woodwork and architecture. An attractive display, beautiful carpet products, and a group of well-prepared Afghan trades people, carefully selected from across Afghanistan, built on the success of last year's show, which produced an estimated \$14M in gross revenue and awarded one Afghan carpet maker with a top prize for best modern design. Another successful showing this year continued to restore the place of Afghan carpets in the international marketplace and bolstered a positive image of Afghanistan's business climate.

To facilitate Afghanistan's participation at this and other similar trade fairs, the United States Agency for International Development (USAID), through its small and medium enterprise development project, collaborated with the Export Promotion Agency of Afghanistan (EPAA) to support the delegation's event admission, marketing, logistics, and other preparatory coordination. Afghan Craft Carpets Weaving & Processing Company from eastern region was sponsored to exhibit their products in this world unique carpet exhibition.

More information about the Afghan Exhibit at Domotex 2009 can be found at www.carpetpromotion.af.

Peace Dividend Trust (PDT)

In the first quarter, Peace Dividend Trust completed the final deliverables under its purchase order agreement with the ASMED project. These final deliverables were comprised of additional functionalities to the "Building Markets" website, a portal launched in May 2008 that provides opportunities for businesses to link to other businesses, buyers and suppliers. This platform now contains over 3,000 local business listings, all of whom have access to public tender announcements from international donors, NGOs, and military procurement agencies. These announcements are also text messaged to subscribers as part of an emerging campaign to support the local procurement of foreign consumers. From 1 June 2008 to 18 March 2009, the Building Markets website attracted nearly 30,000 viewers with an average viewing time of about 30 minutes. The online procurement directory is constantly expanded and updated via the ASMED-supported call center located within PDT's offices.

FIELD ACTIVITIES – EAST

Editions of Bi-Weekly Business Newspaper:

ASMED supports the National Union of Craftsmen/classes association of Nangarhar province to develop and issue a Bi-Weekly business newspaper publication by the name of *Workforce Assistance for Development & Achievement (WADA)* for six months. This paper includes promotional information on

businesses in the eastern region. One hundred copies of the paper are published and distributed in the eastern region on a bi-weekly basis. The paper highlights problems of business community as well as it advertises products being produced in eastern region. In addition, it introduces SMEs including producing, services providers, private businesses and companies that need marketing and advertisement in order to encourage and get customers to buy their products and find contractors. This business bulletin is also drawing the attention of key ministries to the problems being faced by the business community.

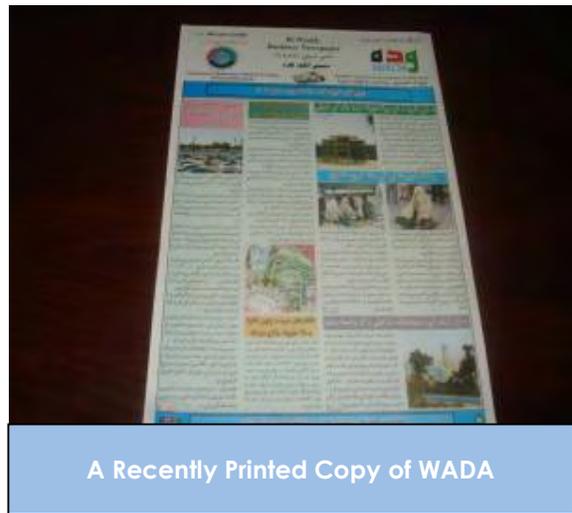
In fact, seven editions of the bi-weekly business newspaper has been published and distributed among the private and public sectors so far.

Marketing Materials for 35 SMEs/Associations:

Most of the existing and ASMED created Associations/SMEs need marketing for their products and services; however, they lacked marketing materials such as brochures, banners and visiting cards which are the essential part of the marketing section, therefore, it was suggested creating them these marketing materials in order to market their products and services since it plays a vital role in creating business to business links, finding ways for the national and international markets for their products and services especially during their matchmaking meetings and tradeshow. ASMED has created around 35 associations and supported many of them both technically and financially. Their businesses are being developed through many ways; however, they failed to forge market linkages, due, in part, to lack of such marketing materials. As a result, a purchase order was signed with Yoon Network on February 10, 2009 for making marketing materials for 35 SMEs/Associations in eastern region. The materials will include brochures, two types of banners and business cards.

FIELD ACTIVITIES – WEST

Challenges & Opportunities for Women in Business Roundtable – A Roundtable was held in Herat on 11 January of leading women representatives of NGOs, government, business, health care and civil society. Attended by representatives of USAID and US Department of State from Kabul and Herat, the discussions focused on support that could be provided to women to upgrade their technical training, management & marketing skills, access to improved inputs, finance and market to better capitalize on opportunities in the growth of the western region. Specific recommendations were developed which are being followed up by ASMED.



Third National Saffron Conference Proceedings Magazine – ASMED supported the publication of proceedings of the third National Saffron Conference held recently in Herat. The publication was completed in February.

Afghan Marble & Stone Conference – Stone & Marble companies in Herat were surveyed for the Marble & Stone Business Directory and informed of the Afghan Marble & Stone Conference 24-26 March in Kabul.

Mazar AgFair – Herat Plastic, Golchine Tomato Paste, Nawimobarak, Thamina Carpet Weavers Associations, Herat Silk Processors Association, Zarang Motorcycle and Herat Women Business Association members (10) recommended for support for the Mazar AgFair. Herat Governor provided air travel costs for 10 members of Women Business Association

Following up on Mazar Ag Fair, we continue working with Bano and Tahmania Association on support for orders coming from clients introduced to them at the Fair. Additional training for Tahmania Association is being submitted to produce products for a client contracted by Tahmania.

Women Handicraft Marketing Training - A two-day marketing training program on 3-4 March was developed for 40 women, which grew to 70, held in Herat. The Deputy Director of the ACCI, a well-known trainer and business consultant, conducted the training. The training was offered to women who then participated in a two day Exhibition of Handicrafts.

Women Handicraft Exhibition – A two-day exhibition of women handicrafts was held on 5-6 March at the Estiqlal Hotel in Herat. Opening day was attended by Governor Nuristani, US Military, Deputy Director of Industrial Union, Provincial Director of Agriculture, Director of Culture & Information and US Department of State and USAID staff. Media coverage was offered by TV and radio from Herat and Kabul, including BBC, Tolo TV and others.

Exhibition of Women Handicraft Producers – Another two-day exhibition was held for women producers in Gouzara District and Injil District of Herat Province. Focused around International Women's Day (7-8 March), the exhibition highlighted women produced products for sale in the village and for purchase by shopkeepers in Herat. Held in Injil District, the exhibition was opened by District Governors of Injil and Gouzara Districts, Director of Culture & Information and advisor to the Governor for Culture.

Coordination Meeting between Yousufi Woolen Thread Producer and Turkman Carpet Weavers Association – Established market linkage between producer of tread and yarn and user, Turkman Carpet Weavers Association. Preliminary information indicates that yarn and thread can be used and sold to weavers through the Association, directly from the producer, rather than weavers having to purchase directly from the bazaar. Discussions are under way to offer 30-day net payment terms.

FIELD ACTIVITIES – NORTH

- One of the key accomplishments during this quarter was a significant promotion of carpet and handicraft sector in national and international arenas. The project supported the attendance of a number of traders and producers in various exhibitions in other countries. In particular, the project contacted several carpet traders and helped them in submitting documentation for attendance at the Domotex Carpet Exhibition in Germany in January 2009. The project has also identified six firms to participate at Domotex Carpet Exhibition in Dubai, UAE, set to take place in May 2009.

- ASMED organized the Northern Region Carpet Exhibition from March 19-21 with close coordination of the Afghanistan Carpet Export Guild and Afghanistan Chamber of Commerce during the Afghan New Year. The carpet fair had a great success in terms of sales and contracts. The event yielded an estimated \$34,000 USD in direct sales for all traders and an additional number of future contracts for carpets and gemstones. The Governor of Balkh Province, Mr. Ustad Atta Mohammed Noor, inaugurated the exhibition in a ribbon-cutting ceremony; in his inauguration speech, he thanked the USAID and ASMED for their successful operation in Balkh Province.
- On 17th of February, Balkh BDS Company with ASMED technical support held an Opening Ceremony of the Company. The Governor of Balkh Province, Mr. Ustad Atta Mohammed Noor, inaugurated the opening in a ribbon-cutting ceremony. The Ceremony was attended by private companies, provincial agencies, BDS Companies, local TV companies and others. Prior to the opening ceremony, a workshop as a preparation for possible GDA opportunities was conducted.
- On 11th of March, the project supported participation of 9 private companies at the Mazar Ag Fair. During the fair, the companies established business contacts with potential buyers and input suppliers.

Mazar-i-Sharif International AgFair & Cashmere Exhibition 2009

Mazar-i-Sharif 2009 AgFair and Cashmere Exhibition were held on 11-13 March 2009 in Mazar-i-Sharif, Balkh province. It aimed to bring together farmers, private businesses, government officials, agricultural development programs, and association members to exchange ideas, form partnerships, and celebrate Afghan agriculture. International participants were invited from countries throughout the region, Europe, Asia, and North America. It brought together Afghan businesses, cooperatives, organizations, donors and ministry and government officials to demonstrate the latest in agricultural techniques and explore potential business linkages.



Minister of Agriculture visits Mazar Ag. Fair

Market information is a major component of the ASMED program. Attending/sponsoring such trade shows will provide market information that will help promote Eastern Regional products to local, national and international buyers. The Eastern Region has a competitive advantage in the production of marble, carpets, handicrafts and agro business products. These industries need assistance in identifying buyers outside of Eastern Region and of Afghanistan. A delegation of the following six agribusiness and marble companies were sponsored to attend the Mazar-i-Sharif 2009 AgFair to exhibit and find new markets for their products.

1. Masroor Food Processing Factory
2. Sahil Marble Factory
3. Nangarhar Dry Fruits Sellers Association
4. Seed Producers & Wholesalers Association
5. Nangarhar Beekeepers Association
6. Afghan Women Agriculture Association

PROGRAM COMPONENT 2:

BUSINESS DEVELOPMENT & MANAGEMENT SKILLS

FIELD ACTIVITIES – CENTRAL

Expanding Services to Central Region Provinces

ASMED continued to sponsor trainings and other BDS services in Parwan, Kapisa, Bamyan, and Panjshir provinces. The successful Charikar Municipal Training Center Business Skills Training Series is being replicated in Kapisa province in collaboration with the Kapisa Chamber of Commerce and Industries, a chapter of ACCI.

Parwan Province

ASMED continued programming in the Charikar Municipal Training Center, in collaboration with the Parwan Chamber of Commerce and Industries and the Afghan Women's Business Federation Parwan regional office. ASMED sponsored four SME trainings during the quarter:

1. SME Business Accounting
2. SME Business Accounting for Women
3. SME Marketing
4. Consumer Research / Market Research.

Kapisa Province

The Kapisa Chamber of Commerce and Industries contacted ASMED through the Kapisa PRT and requested ASMED's assistance in business training. ASMED has established a program based on the successful Charikar Municipal Training Center series. Seven trainings have been contracted. In Q1, ASMED provided two trainings: SME Marketing and SME Marketing for Women.

Panjshir Province

ASMED and the PRT are jointly sponsoring a food processing training for women's associations in five locations in the Panjshir. All equipment has been purchased and, in collaboration with the Director of Economy and Director of Women's Affairs, five villages in five different districts were chosen: Jangalak (Bazarak), Qabazan (Rokha), Unaba (Unaba), Qala Surkha (Dara), and Kore Aba (Shutul). The classroom training has been completed and the practical training will begin in the next quarter.

Commercial Contracts Roundtable

On February 4, 2009, the Commercial Contracts Roundtable was held at the Serena Hotel in Kabul, Afghanistan. The conference was the first discussion on the topic of contracts since the fall of the Taliban, and was well attended with as many as 230 participants. The conference was funded by the ASMED program, and organized and presented by Rosenstock Legal Services, ASMED and the Afghanistan Chamber of Commerce and Industries (ACCI), the Lawyers Union of Afghanistan (LUA), the Afghan International Bar

Association, and Social Development and Legal Rights Afghanistan. The roundtable allowed the members of the local business community, international donor community, and local legal community to discuss, identify, and understand how a more rigorous approach to contracting can improve the local business environment. The roundtable also identified challenges to facilitating a more rigorous approach to contracting in the local business community, which will serve as a roadmap to a more comprehensive attempt to address these challenges. Since the conference, ASMED has committed to completing three activities requested by the participants: the creation of an English/Dari/Pashto legal dictionary; a more in-depth training on contracts; and a training on creating and managing joint ventures.

FIELD ACTIVITIES – WEST

Capacity Building for BDS Firms

The Herat regional office gathered a meeting of all Herat based BDS firms, to conduct a SWOT analysis similar to that done with Kabul firms in Q4 2008. Many results were similar, which was encouraging for the national development of the sector and coordination among BDS firms on an agreed upon agenda. The Western region firms were clearly interested and motivated to join with the Kabul firms in a national BDS association.

A few items that were of particular interest include:

- An emphasis on the role of BDS firms in facilitating access to finance
- An emphasis on the Government of Afghanistan as a potential market

In Q2 2009, the national BDS Specialist will follow up with a visit to the Herat region.

ASMED has also created a proposal format for use by BDS firms in responding to RFPs from ASMED or other organizations.

Other Completed Activities:

- **Financial Management training program for private health clinics and private businesses** – A 15-day program from 7-22 February by Business Management & Development Services (BMDC). The main goal of conducting this training was to boost the private clinics and companies finance staff capacity with new methods of accounting and financing in Herat province. Thirty students (21 male and 9 female) from different private clinics and companies participated in the training.
- **Jacket Weaving & Design** – Three days of training on improved production and designs for existing jacket weaving operation in Zinda Jan was conducted in February in order to increase sales and income for the 30 women weavers. Production includes apparel for women, men and children such as sweaters, jackets, vests, skirts. Increased sales are anticipated in the village and in Herat.
- **Marketing Training for Carpet Weavers** – A Marketing and Design Training was conducted for 30 women carpet weavers in February from Injil District of Herat Province by Search Organization for Afghan Women (SOAW). Carpet trainer selected who will also evaluate the students to produce orders for him for new carpets.
- **Initial Meeting of BDS Firms and ASMED BDS Specialist & Sector Lead** – An initial meeting of principal BDS firms was held at ASMED for introduction of ASMED BDS Lead from Kabul, Catherine Johnston and BDS Specialist from Herat, Fazl Rapi, with 10 local BDS firms. Initial discussions were held regarding ASMED program of support for BDS firms, firm expectations of ASMED and SWOT analysis

- **Silk Design Training** – A three-day design-training program of 50 women silk weavers from Zinda Jan Women Social Vocational Association was completed in January. Zinda Jan is the leading silk producing area of the Western Region, located 25 km from Herat.
- **BDS Survey** – A regional BDS Survey has been completed by BaMSA. Final results will be reported in April 2009.
- **Bank Service Presentation** – ASMED is to sponsor a presentation of credit and debit card processing to local members of the Afghanistan Carpet Exporters Union, carpet producers and other carpet sellers of Herat by Afghanistan International Bank and Bank Alfalah. The ability to conduct credit or debit sales should greatly expand sales to certain international and domestic buyers and at bazaars at military bases
- **Association Formation in Ghor & Farah Provinces** – Travel schedules are set for TRADE (Farah Province) and BaMSA (Ghor Province) for Association formation. Travel is anticipated to start by 16 March

Ongoing Activities:

- **Mushrooms Growing Training** - A three-month training program of mushroom growing for 30 women, which will provide supplemental income to the women following germination to harvest of the mushrooms started 25 January. Marketing and sales of harvested mushrooms is being provided.
- **Business Plan Training** – Conducted by one of Heart's best BDS firms, BMDC, this program continues, one hour per day, three days per week.
- **Association Formation in Ghor & Farah Provinces** - Meetings with TRADE (Farah Province) and BaMSA (Ghor Province) to finalize the budget of the establishment of new associations in each province and review security plan and proposed work and travel schedules. Travel will start in March for both projects

Future Activities:

- **Training on Changes to Afghanistan Commercial Law** – A proposal from Kabiri & Partners is being refined to address changes in the Commercial Law of Afghanistan. These changes will be most important to larger exporting companies.
- **Mushroom Growing Training.** Another three-month training program of mushroom growing for 30 women is going to be implemented, which will provide supplemental income to the women following germination to harvest of the mushrooms. Marketing and sales training will be provided.
- **Media Training for ASMED implementing Partners** - To obtain a proper understanding of the role of media in the society today and how ASMED Implementing Partners can work with media to best convey their own goals and activities supported by ASMED

FIELD ACTIVITIES – EAST

BBA Teacher Training Program:

The first semester of BBA teacher training program was completed on February 28, 2009. During this semester, eight Economics' Faculty instructors were trained in four BBA subjects: Principles of Accounting, Macro Economics, Principles of Marketing and Business Law. These instructors are supposed to teach BBA students in Nangarhar University. It is important to mention that BBA was initiated with the financial and technical support of ASMED has been approved by the ministry of higher education and now it is a permanent department of Economics Faculty in Nangarhar University.



Business Development Centre (BDC)

A BDC management contract has been awarded to Comprehensive Business Services (CBS). There will be six organizations operating in the facility including two finance companies (AFG and AFC), two business services consultants (ABS and CBS), the Export Promotion Agency of Afghanistan (EPAA), and the Afghan Women Business Federation (AWBF). The combination of all six organizations will contribute a great deal in the business development in the region.

Other Activities in the Eastern Region:

- Afghan Craft Cut & Wash Facility: The facility has evolved a lot in the last three months in terms of new construction in the factory in order to achieve the desired goal of production.
- Feed Mill: The feed mill operated though out the quarter and has improved the quality of the feed to great extent.
- Aimal Carpet Weaving Center Kunar Province: This Company has been provided with new looms. They have started production.
- Gemstone Training: A two-month training of gemstone cutting and polishing is being conducted for 28 trainees including 10 females.
- SME Development Program: This initiative will help SMEs/businesses in this region to become sustainable and competitive both locally and regionally. In addition, this activity will identify, assist and prepare SME's for possible financial and/or technical assistance from international donors including ASMED.

FIELD ACTIVITIES – NORTH

- The most important accomplishment was a successful result of newly designed training courses. With BDS companies close assistance, the project developed a new design for its training courses. Instead of 3-day training, it was decided to have from 15 to 50-day training courses depending on the specific training subject, for two hours per day. Prior to approval of this 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 from companied with confirmation of identity and position of the trainees.

- Another vital factor for training approval by ASMED is 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. Particular, Balkh BDS Company invited a number for qualified trainers from Pakistan to increase the capacity of local trainers. Also, Balkh BDS Company rented a private compound, purchased 12 computers, and flat screens projectors and other training equipments. The project expanded the training courses to other provinces, particular, to Takhar, Baghlan and Faryab Provinces. The request for business proposal was submitted to BDS Companies and the winner was selected based on best services and strong presentation in the province.

Balkh Province:

During the reporting period, SINA BDS Institute and Balkh BDS Company held the training courses for SMEs and Associations as described below:

- *Business plan writing training.* Total number of participants was 20 different SMEs and association in Mazar-e-Sharif city. The training course was conducted from 1st of January to 30th of January, conducted by Balkh BDS Company.
- *Business Computer training.* Total number of participants was 20 relevant staff of SMEs and association in Mazar-e-Sharif city. The training course was conducted from 20 January to 20 February, conducted by Balkh BDS Company.
- *Business English training.* Total number of participants was 20 relevant staff of SMEs and association in Mazar-e-Sharif city. The training course was conducted from 20 January to 20 March, conducted by Balkh BDS Company.
- *Business accounting training.* Total number of participants was 20 relevant staff of SMEs and association in Mazar-e-Sharif city. The training course was conducted from 24 January to 23 March conducted by Balkh BDS Company.
- *Business accounting training.* Total number of participants was 25 members of Mazar dried fruit association. The training course was conducted from 25 January to 24 March conducted by SINA BDS institute.
- *GDA workshop and Balkh BDS opening.* Total number of participants was 70 guests: investors, traders, loan companies, association in Mazar-e-Sharif city. The workshop was for one day conducted on 27 January by Balkh BDS Company in Balkh BDS compound.
- *Business Computer training.* Total number of participants was 20 relevant staff of SMEs and association in Mazar-e-Sharif city. The training course was conducted from 10 February to 10 March, conducted by Balkh BDS Company.
- *Business accounting training.* Total number of participants was 20 relevant staff of SMEs and associations in Mazar-e-Sharif city. The training course was conducted from 16 February to 16 April conducted by Balkh BDS Company.
- *Business Computer training.* Total number of participants was 20 relevant staff of SMEs and associations in Mazar-e-Sharif city. The training course was conducted from 24 February to 25 March conducted by Balkh BDS Company.
- *Business Computer training.* Total number of participants was 20 relevant staff of SMEs and associations in Mazar-e-Sharif city. The training course was conducted from 04 March to 04 April conducted by Balkh BDS Company.
- *Business accounting training.* Total number of participants was 20 relevant staff of SMEs and associations in Mazar-e-Sharif city. The training course was conducted from 04 March to 04 May conducted by Balkh BDS Company.

- *Business marketing training.* Total number of participants was 25 members of Ariana poultry association in Mazar-e-Sharif city. The training course was conducted from 25 March to 14 April conducted by Azar BDS Company.
- *Business English training.* Total number of participants was 25 entrepreneurs' women in Mazar-e-Sharif city. The training course was conducted from 25 March to 25 May conducted by Azar BDS Company.

Kunduz Province:

During the reporting period, Beacon BDS Company, held a training courses for SMEs and associations as described below.

- *Business English training.* Total number of participants was 25 different SMEs and association in Kunduz city. The training course was conducted from 17 February to 17 April.
- *Business Computer training.* Total number of participants was 25 different SMEs and association in Kunduz city. The training course was conducted from 17 February to 17 March.
- *Business accounting training.* Total number of participants was 25 different SMEs and association in Kunduz city. The training course was conducted from 19 February to 04 April.

Takhar Province:

For the reporting period, Beacon BDS Company, held the training courses for SMEs and Associations as described below.

- *Business English training.* Total number of participants was 25 different SMEs and association in Taloqan city. The training course was conducted from 17 February to 17 April.
- *Business Computer training.* Total number of participants was 25 different SMEs and association in Taloqan city. The training course was conducted from 17 February to 17 March.
- For the reporting period, the new BDS Company registered Azar BDS. For the first time, the Azar Business Development Company, held a roundtable meeting for the Khulm Bastan Leather Processors in Khulm district of Balkh province. They've also conducted one accounting training for SMEs in Polikhumry City of Baghlan province, two trainings on Marketing for the Poultry Association, and a computer training for 25 different SMES in Mazar City, Balkh province.

PROGRAM COMPONENT 3:

BUSINESS ASSOCIATIONS

FIELD ACTIVITIES - CENTRAL

AWBF Annual Conference

On 25 February, AWBF held its first annual conference at the Intercontinental Hotel in Kabul. Member associations, businesspersons, private sector partners, Afghan government officials, international organizations, and other interested parties attended at the one-day event. AWBF announced its 2009 strategy and the creation of a new advisory board, comprised of leading Afghan women entrepreneurs who will offer guidance in the organization's development and mentorship to its members. The findings of a recent membership survey were also presented, identifying common challenges facing women-owned businesses in Afghanistan today. Some of the most critical challenges, facing women in all sectors of the economy, are the lack of access to capital equipment and to finance. In addition, they have limited ability to conduct effective marketing, among other capacity constraints. Members and guests engaged in constructive dialogue about the ways in which AWBF can effectively address these challenges through opportunities for grants to procure productive machinery, improved financial services for women, specialized business training, linkages to new markets for women's products, and other public advocacy efforts. The Government of Afghanistan pledged support and cooperation in the economic empowerment of Afghan women through signing memoranda of understanding between AWBF and the Afghan Ministries of Commerce and Women's Affairs. Similar expressions of support and willingness to collaborate were signed by the Export Promotion Agency of Afghanistan, the Afghan Chamber of Commerce and Industry, and the Foundation for Culture and Civil Society. These commitments will allow for improved coordination among different stakeholder efforts in developing women's businesses. Other sponsors of the event and of AWBF's future activities included Alokozay Tea, MEDA, Afghanistan United Bank, and Peace Dividend Trust.

AWBF is also finalizing the 2009 strategic plan and funding request, to be presented to ASMED in Q2.

Afghan Banks Association

The Afghan Banks Association completed the second training under their ASMED grant. Thirty-six bank staff from 10 member banks attended the 5 day training (January 20-25) on SME Lending and Microfinance. The final day of the training included a panel discussion with SME and microfinance experts from the ARIES program, BRAC Bank, First Microfinance Bank, Kabul Bank and Azizi Bank.

Afghanistan Marble and Granite Processors Association

ASMED supported the Afghan Marble Conference 2009 in collaboration with the AMGPA and ACCI. One hundred and twenty national and international entrepreneurs from the marble sector, high level members of the Afghan government including Dr. Omar Zakhelwal (Minister of Finance), Waheedullah Shahrani (Minister of Commerce), Mr. Adel (Minister of Mines), Suleiman Fatimie (President EPAA), and Mr. Delawari (President AISA), as well as USAID Mission Director Michael Yates and the Italian Ambassador Claudio Glaentzer attended the program. The two day conference publicized investment opportunities in the sector and the potential for economic growth and job creation. The

conference also identified challenges in the development of the Afghan marble sector, and sought solutions through cooperation between the Afghan government and private sector. The conference also included a networking session in which Afghan and international businesspeople explored investment and trade opportunities in the sector. The third day of the conference was allocated for a technical workshop, which addressed the establishment of modern quarry operations in Afghanistan. In general, the conference was a significant step towards the promotion of the Afghan marble industry. It also helped to establish stronger relationships between the AMGPA and the Government of Afghanistan. Visiting guests/investors from Italy, Jordan, Turkey and the US also had the opportunity to network with local entrepreneurs in the sector and provided feedback/suggestions for improvements.

Gemstone Sector

The US State Dept and ASMED hosted a second 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, and USAID. None of these actors had previously met to discuss common activities and objectives. ASMED will continue to hold these occasional sector meetings, 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 received the gemstone marketing materials including 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.

ASMED's gemstone sector consultant Sophia Swire completed a 4 country trip identifying and developing marketing and training inputs to the ASMED gemstone sector strategy. She visited the Gemological Institute of America headquarters in California and their branch campus in Thailand, to secure their support for gemological training in Afghanistan. The first training will be held in the end of April. She met with the World Bank Community and Small Scale Mining (CASM) Secretariat to discuss certification for ethical mining; how to create a reliable provenance for Afghan gemstones; establishing a gemstone laboratory in Kabul; on site mines training to improve techniques and safety. A mine technique and safety training is proposed for August 2009. Along with expert gemologist Gary Bowersox, she also attended the Tucson Gem Show to explore ASMED's support for Afghan gem dealers to attend the 2010 show. She also traveled to Colombia, the world leader in emerald exports, to view the Muso mines, the Columbian Emerald Federation, and the CASM representatives. Several Columbian gem-cutting experts have agreed to conduct training in Afghanistan.

FIELD ACTIVITIES – WEST

Completed Activities:

Visit completed to Badghis Province by Ms. BiBiDil Gender Specialist /M&E Coordinator and Mr. Atiqullah Shahabi Professional Skill Development/ Association Coordinator on 12 – 17 January 2009 assessing needs of 10 previously formed associations. Meetings were held with Governor, Director of Women Affairs, Director of Economy, Chamber of Commerce and coordination provided with US representatives at the Badghis PRT. Associations included (five women and five men): Women carpet weaver; Women Dairy Producer; Women tailoring Production; Women embroidery; Women cloth weavers;

Natural Agriculture; Livestock; Carpet dealers; Poultry and Agriculture dealers. Specific recommendations were developed with many of the associations and are being followed-up.

Ghoryan District Women Saffron Association – A grant application has been submitted to Kabul for review and approval for Association Grant.

Ongoing Activities:

The following ongoing activities occurred related to the Associations.

- Evaluating a proposal request received from Women Silk Weavers Company (Herat), for equipment used in dyeing wool and silk.
- Reviewed proposal for support of the Herat Industrial Union through publication of a periodic magazine. A sustainability plan is anticipated to be finalized by mid February. The Industrial Union represents over 225 firms at the Heart Industrial Park with over 17,000 employees. Previously, several member firms have closed because of the repeated incidents or threats of kidnapping. With changes in leaders in the regional and local police and security forces, some members are reported to have re-opened. The magazine is one way to support the Industrial Union in returning and adding more employment.
- An 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. The US Corps of Engineers and PRT will be approached to support development of training program regarding their individual bid procedures. Initial discussions with the association representatives have been positive, awaiting meeting with Board member representatives in early February.
- **Guzara District Kuchi Wool & Carpet** (Social, Agricultural and Service Association of Greenway) - Guzara District Governor facilitated meeting between ASMED and representatives of Guzara District 7,000 families of Kuchis. With their 250,000 sheep, they are proposing a wool wash facility and thread production facility. Most of the wool is currently sold on the hoof, sheared by others and no value added production completed. Weavers then purchase thread and yarn from the market, at higher prices than they could make themselves. Local thread and yarn producer expressed interest in processing, but only clean wool. ASMED is investigating alternatives for cleaning wool to then have it processed into yarn and thread. Shearing training and cashmere and wool separation to be discussed with Veterinary Field Units and ASAP for support from those organizations.
- **Turkmen Carpet Weavers Association** – A scope of work was completed for the associations' new website. A request for proposals is to be submitted to several firms in Herat and Kabul for website development for this Association with 1,035-carpet weavers association in and around Herat City. Meeting arranged between Association and Herat based thread and yarn producer for direct purchase of input from the producer rather than from the bazaar. Initial discussions look promising regarding quality and opportunities for net 30-day payment terms.
- **Tahmina Industrial & Cultural Association's** – Finalizing Association's grant application and submitting the following supporting Documents to Grants Department for review

and further process: Filled out Grant application form; Association evaluation Criteria form; Association financial documents; Association membership list; Association Bi-Law. Association received orders for fabrication of three dimensional picture boxes from a buyer introduced to them at the Mazar AgFair. The Association will present request for training of women members to product 600 boxes per month to start. ASMED anticipated proposal by 25 March.

- **Association Support** – Listing of Associations proposed for support to be submitted to ASMED Kabul for initial feedback by 22 March, include: Khorshed Dairy Association, Tahmaina Industrial & Cultural Association, Western Afghanistan Travel Agents Association, Association of Empowered Women of Herat; Ghoryan District Gardeners Association; Omidwar Farmers Association; Ghoryan's Women Saffron
- **Western Afghanistan Travel Agents Association** – Regional Manager met with Provincial Director of Culture & Information and Aga Khan Foundation to discuss program for Travel Agents association. Project has the support of the Director and Aga Khan Foundation. Meeting of all travel agents is scheduled for 26 March to discuss Association formation and needs assessment.

Future Activities:

Heart Silk Producers Association – Based in Zinda Jan, the Silk Producers Association represents the leading silk producers in the Western Region. Initial discussions have been held regarding ways to upgrade the silk sector in the Region, including enhanced sericulture of silk worms and updating of silk thread production equipment, which would increase the quality, production value and quantity of production. Coordination meetings are scheduled in February with leading silk seed and cocoon traders, silk thread producers and Department of Agriculture.

IT Companies Association - Identifying stakeholders in Western Herat Afghanistan, conducting a needs assessment for the sector, and eventually establishing IT association for the region.

FIELD ACTIVITIES – EAST

Supported Nangarhar Nursery Grower Association

Assisted Nangarhar Nursery Grower Association with office space in Association Incubator established by ASMED Jalalabad in agriculture directorate Jalalabad. The association has more than 100 active members throughout Nangarhar Province and the provision of office space will considerably improve and develop its activities and services it provides to its members. Now the association is able to host meetings, trainings and seminars to build the capacity of its members and as well as coordinate their activities and plans.

Beekeeping Training in Laghman Province: Provided a 5-day technical training (two days theoretical and three days practical) on beekeeping development to 60 beekeepers in Katal village, Laghman Province from Jan 4 to Jan 15. The main objective behind the training was to improve the technical skill of beekeepers to develop and improve their business by facilitating them modern techniques of beekeeping through qualified and experienced trainers having years of theoretical and practical experience in beekeeping. The director of agriculture and other government representatives, who attended the opening ceremony of the training, considered the training very significant for beekeeping development in Laghman Province and thanked ASMED for its activities in the province. The 60 beekeepers were trained in two sessions and the duration of each session was 5 days.

Nuristan Gemstone Association Signed Agreement with the Ministry Of Mines: On January 13, 2009, the Nuristan gemstone association created with the technical and financial assistance of ASMED signed an agreement with the ministry of mines for mining and trading of gemstone in Eastern Region. This is the first time that gemstone mining, and trading is legitimized in the region. In the past, the business was conducted illegally and gem-products were smuggled to Pakistan where they were cut and polished and sold as Pakistan-branded gemstones to international markets. After getting a license from the government, the association is planning to have a gem bazaar in Jalalabad where all the gem-products will be brought and sold as Afghan-branded products to the national and as well as international buyers.

Technical Training on Beekeeping in Kunar Province:

ASMED helped to provide a 5-day technical training (two days theoretical and three days practical) on beekeeping development to 100 beekeepers in Assad Abad City, Kunar Province. The main objective behind the training was to improve the technical skill of beekeepers to develop and improve their business by facilitating them modern techniques of beekeeping through qualified and experienced trainers having years of theoretical and practical experience of beekeeping. The training will significantly improve the technical skill the beekeepers, which will result an increase in production and improvement in quality. The



A Session of the Beekeeping Training in Kunar

governor for Kunar Province, Mr. Fazalullah Wahidi, who participated in the certificate distribution ceremony, considered the training very useful for the beekeepers of Kunar Province, as most of the trainees were new to the business and needed such of kind of capacity building trainings to develop their businesses. The 100 beekeepers were trained in four sessions and the duration of each session was five days.

Training on Honey Beehives Diseases: On February 16, the Nangarhar beekeeper association, created and supported by ASMED, provided technical training on honey beehives diseases and mite control to its 300 members in different districts of Nangarhar. The training was funded by GTZ IS PAL. After being assisted and created by ASMED, the association has created contacts with different donor agencies and got some useful projects for its members.

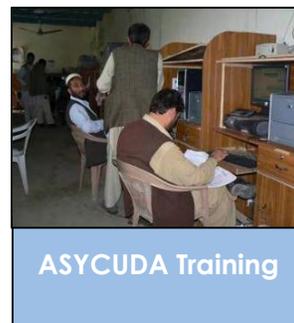
Nangarhar Nursery Growers Association: The Nangarhar Nursery Grower Association, supported by ASMED, planted fruit orchards on 120 Jeribs of land in Dar-e-Noor District of Nangarhar Province on March 1. The project is funded by GTZ PAL. The activities of the association have been significantly improved after getting office space in association incubator built by the ASMED project.



Fruit Plant Plantation, NNGA Nangarhar

ASYCUDA Training for NTAA members:

Sixty-one members of NTAA were trained in ASYCUDA (Automatic System for Custom Data). It is a new, computerized system introduced by the Ministry of Finance in Nangarhar Custom House. The training was provided by the Ministry of Finance but the computers that were used for the training were provided by ASMED to build the capacity of the members of the association in basic computer skill that was required for ASYCUDA training.



Created Hesarak Pine Nuts Producer Association:

On February 28, 09 a one-day roundtable was conducted to discuss the opportunities for the development of Pine Nut businesses in Hesarak District, Nangarhar Province as well as to elect the leadership for a Pine Nuts producer association. Hesarak district is very famous for the production of high quality pine nuts, but unfortunately, their product is sold at very low cost as it is not properly processed and packaged. If the product is properly processed and packaged, its price will significantly go up which will improve the daily life of producers and trades people. At the end of the round table, there was election to elect director, deputy director and board members for the association. ASMED will work closely with the leadership of the new association for the development of the business in the district.



FIELD ACTIVITIES – NORTH

- The project provided support and assistance to several associations in obtaining grants, business trainings, and roundtable meetings. Within this quarter project supported opening of one new BDS Company. Seven new associations were created and 35 new and existing associations supported through providing different types of trainings. The focus of ASMED technical support is on equipment and empowerment of association members. One of the major income sources of associations is the fee from sales made by members.
- The project in collaboration with GTZ submitted to the Grant Committee a grant proposal on establishing Gem Stone Training Center in Kunduz. The grant proposal will support the gem stone operation in Kunduz to move to another level. It is expected that a number of job opportunities will be created in the province.
- On 23rd January, the project conducted roundtable meeting through Balkh BDS Company in Mazar-e-Sharif city, Balkh province. In the roundtable, 30 poultry farm owners attended and established the Ariana Poultry Association of Mazar-e-Sharif.
- On 27th January, the project conducted a roundtable meeting through Miranzai Tokhi BDS Company in Maimana city, Faryab province. In the roundtable, 50 members of the Faryab Leather Processors Association discussed issues common to their industry.
- On 28th January, the project conducted roundtable meeting through the Ahmadi BDS Company in Maimana city, Faryab province. In the roundtable, 50 carpenters of Maimana city attended and established a new business association.

- On 22nd of Feb, the project conducted round table meeting through Balkh BDS Company in Mazar-e-Sharif city, Balkh province. In the roundtable meeting, 50 dried fruit traders, many of them almond traders, attended. The participants elected the members of BoD and established the Mazar Dried Fruit Association.
- On 24th of Feb, the project conducted round table meeting through Miranzay Tokhi BDS Company in Ishkamish district/Takhar province. In the roundtable meeting, 70 Balochi dress makers attended. The BDS trainer explained the concept of an association, its objective, and entrepreneurial value. A new BoD was elected and set of bylaws prepared.
- On 25th of Feb, the project conducted a roundtable meeting through Miranzay Tokhi BDS Company in Ishkamich district/Takhar province. In the roundtable, 50 members of the Ishkamish fruit association attended and the trainer explained the concept of association, its objective, and activity.
- On 26th March, the project conducted a roundtable meeting through Azar BDS Company in Khulm district, Balkh province. In the roundtable, 50 leather processors attended where they elected a BoD, drafted association bylaws, and established the Khulm Leather Processors Association.

PROGRAM COMPONENT 4:

GLOBAL DEVELOPMENT ALLIANCES AND GRANTS

GDA's

First Quarter has been a productive quarter with an emphasis on supporting implementation of existing and new GDAs approved in December. In addition, the GDA Senior Advisor attended the Domotex Carpet Fair in Hannover, the largest rug and carpet trade fair in the world, and is working with David Bellak, the Carpet Sector STTA to develop a plan of activities for the year, including two or three GDAs to support this important sector. The Domotex show itself was a success for the 40 participants sponsored by ASMED and the Afghan Pavilion, which was made in Kabul by TMF and shipped to Hannover. Other significant events this quarter included the launch and deployment of the One Laptop project in Jalalabad, the launch of AITBN, the launch of AZANA web site and participation in the Yew York Gift show, as well as meetings in India for the launch of the pharmaceutical GDA.

Several new GDAs are also in the advanced stages of preparation and will be submitted in April, including a combined GDA for several different Marble processing firms in Herat, a gemstone sector GDA, a shipping and logistics GDA for the carpet and handicraft sector and a new GDA with Moby Media to produce a second season of Dream and Achieve, the TV reality show. The GDA Senior Advisor met with key pharmaceutical players in Hyderabad and Bangalore to establish the low cost pharmaceutical GDA, which should be signed by the partners in April.

Finally, to strengthen the team and support the growing number of GDAs, a new GDA local staff member was approved and hired and will start her activities by April 2009. The main achievements of the existing GDAs during the Quarter are described below:

Tolo's Dream and Achieve: GDA #102.8

A short video of the TV show was finalized and submitted to USAID, and an article showcasing the project appeared in the February issue of USAID's Frontlines. Meetings are now being held with Tolo to design a new project for 2009 and maximize the way the show can support ASMED's support to BDS providers and medium size businesses.

Continuing support was also provided to the top twenty Dream and Achieve contestants, who all have received help with their business plans. Maryim Jami, the second prize winner has purchased pickle processing machinery and is setting up a new operation in Herat in the industrial park and has received a number of orders from local companies. Osman, from AWAA in Jalalabad, who shared the second prize



for his pickling business idea, has purchased a storage facility, supplies and advertisements which have aired on Shamashed TV. He estimates his sales have increased by 45% and his business is now distributing pickles in and around Jalalabad. Mr. Mushkoni, the grand prize winner, has re-started his operations in Kandahar and his business is again operational; he is now looking in Herat to start a second operation and is exploring a partnership with Suraya Pakzad, the head of Voice of Women of Herat, who would contribute land and working premises. Mr. Mushkoni will use his new machinery to recycle plastic. Ms. Sohila, the scholarship prize winner, was also in Kabul to complete the Golden Sachs program.

Silk Value Chain improvements, GDA # 102.12

All advance payments have now been liquidated against purchases of new equipment, training, and other start up costs and all four participants are now producing different Afghan silk products, which are being introduced to the market. A survey has also been started by ASMED's M&E department to measure the full impact of the GDA at all levels of the value chain.

Azana, which makes silk scarves, participated in the New York Gift show exhibition and has a backlog of orders already. Ms. Breshna, from AZANA, conducted a PR tour, holding presentations to promote AZANA in Germany and the newly designed AZANA product label meets all requirements for exporting/importing our scarves to all OECD countries.

AZANA has also successfully filed and registered AZANA as a trademark in Germany and now has a collection of more than 70 different scarf designs. AZANA will launch its online shop in May/June 2009 to consumers in Germany, UK, France, Switzerland and Austria and then will gradually expand its presence to other countries over time. Azana has launched a new website in this quarter to market their product and reach out to new markets through the internet. Their website is: www.azana.net

Zarif

Zarif Design is in the process of expanding its production capacity, allowing the company to respond to increasing local demand. An additional collection of samples has been taken abroad for display and distribution in New York, Dubai, Paris, and in London for Afghan Aid Fundraising, March 12th, 2009. ASMED is assisting this company with reaching both national and international markets – focusing initially on New York.

Zarif Design focuses on building the capacity of Afghan women tailors. Over the past four years the company has been able to increase the salaries of its seventeen women tailors by 30% (from \$75 to \$105). This outcome is substantial in a country where average annual per capita income remains low.

Saleh Fine Silk

All of the students started working with silk fiber. Each trainee wove 8 to 9 meters of fabrics and shawls. To date, 40% of production has been sold.

Roshan Telecommunications WPCO project, GDA # 102.4

For this quarter, 35 new WPCOs were established. The total is now 100 WPCO's that are operational. In addition, meetings with Roshan have been moving ahead with a new approach to pricing, marketing and partnering to address the issues already identified, and move forward to achieve the project target of 500 WPCOs. It looks as though these changes by our partner Roshan will streamline the process to sign up more WPCO's in the coming months.

For example, a partnership is being made by Roshan with Ariana Financial Services, that has made thousands of micro-loans to women, and it is believed that Ariana could recruit 500 of their existing clients to set-up WPCOs as a compliment to their activities, eg. in a beauty parlor etc. Roshan has also made a new agreement with Siemens to get a different design of handset that is designed specifically for PCO usage and is more reliable and less expensive.

One Laptop project, OLPC GDA # 102.9

The localization work for Dari has been completed and Pashto localization is now in the process and will be completed once the ACSA glossary is final. On March 17th, 500 laptops with localized language were deployed in Jalalabad. The launch ceremony was rescheduled due to security issues. In January a meeting was also held between Paiwastoon, HE Minister of Education and ASMED and the new Minister of Education showed his full support for the project. Pilot research for economic development applications and activities is also now being conducted in Jalalabad.



Remaining goods cleared out of customs, the localization of XO's interface for Pashto was reviewed by ACSA and finished. The Pashto and Dari localized interface was prepared and installed on all 395 XOs in Istiqlal High School. The Pashto User Manual was finalized, loaded on XOs together with parent leaflet(EN, DA, PS) and problem solving flowchart (EN, DA, PS). The economic development data converted to HTML and loaded on XOs is as follows - How to start & grow your business (EN, DA, PS), Jalalabad Research (EN, DA, PS), Database of Jalalabad businesses (PS), How to write motivation letter (EN,DA) and example of motivation letter (EN, DA), Tips how to prepare for an interview (EN, DA, PS). Also included were MoE Curriculum books for Grades 4, 5 and 6 and an interactive health application including – Wash your hands (EN, PS), Basic hygiene (EN), Nutrition (EN) The school server was set-up together with eight routers placed in each classroom in Istiqlal high school. The 1st capacity building training run for MoE and MCIT staff on Linux and Open Source was conducted on the 12th of March, 2009, with five participants from MoE and six from MCIT. Opening ceremony held on 17th of March in Jalalabad, Nangarhar. ASMED supported a 5-day training course as a part of Economic development activity aimed to train 14 high school students /graduates on how to run Business / be entrepreneurs. XOs were used during the training and one trainer from OLPC staff was engaged throughout the process.

Micro-hydro Development project, GDA #102.14

The GDA contract was signed and the first payment was made for this new GDA. The prototype for the Kaplan turbine is now in testing and the initial design for manufacturing the turbines in Afghanistan is attached below. A site visit to review work in progress and explore early deployment in Nangahar will be made in February. The date for first prototype to be tested is May 30th 2009.

SIPS cold storage project, GDA-102.13

This new GDA was finalized and fast tracked and already \$190,000 has been disbursed for equipment purchase, much of which is now being shipped to Kabul. A site visit will be made in February to review ongoing progress.

Affordable housing

The contract was signed for this new GDA and the partner has been sourcing new forms in Europe, which will then be copied and made in Afghanistan. Construction and training of the new local SMEs will begin in March in Jalalabad and a roundtable is being organized with the other donors and potential funders for scaling up the project. Training is due at the end of April 2009.

Pharmaceutical Value chain improvement

A local partner, Alokozai International, one of the largest Afghan-owned companies with revenues over \$500 million from sales of tea, cooking oil and fuel supplies, has been chosen and meetings will be held with Medplus in India to finalize the partnership in February. Alokozai and the STTA are developing additional research and an operational plan together with other local partners, agencies and USAID contractors.

STTA:

A renewable energy STTA is due on the 25th of April.

FIELD ACTIVITIES – WEST

Future GDAs:

Golchine Tomato Paste – Value Chain grant proposal and business plan revisions are to be provided in early February with application for ASMED support for additional equipment to vegetable processing and fruit juice processing.

Afghan Sanat Metal Recycling – Site visit to be completed early February. Initial Business plan has been received and is undergoing final review prior to preparation of Grant application, which is expected in February.

Women PCOs – Initial meetings have been held with several NGOs regarding working with ASMED and Roshan to establish Women PCOs (WPCOs) in the Western Region. Plans are for a briefing meeting from Roshan and ASMED staff of NGOs and other groups by the end of February.

Planned events

GDA Conference – planning continues for GDA Conference for May of qualified companies from the Herat Industrial Park. Preliminary meeting with Industrial Union to select candidates for a GDA Conference and meetings with several prospective lenders has been conducted. Meeting planned this week with Director of Economy, AISA and ACCI to further discuss prospective firms and format for Conference. Discussions include initial focus on Industrial Union for investment, technology and trade. The Industrial Union of Herat is the largest in Afghanistan, with 250 members and according to the Union in excess of 17,000 employees. Challenges identified include financing, access to market and technology.

FIELD ACTIVITIES - NORTH

- On 5th of February, the project held a workshop as a part of preparation work for GDA conference. The workshop was attended by 120 stakeholders (business companies, ACCI, AISA, Department of Economy, Provincial Governor Advisor on Economic Issues,

BDS companies, financial institutions and donor agencies) in Mazar-e-Sharif, Balkh Province. The same workshop was conducted in Maymana of Faryab Province, Kunduz of Kunduz Province, Sar-e-Pul, of Sar-e-Pul Province, Baglan of Baglan Province, Aybak of Samangan Province.

- On 26th of February 2009 a preparation workshop for GDA conference conducted for all existing BDS Companies in north and BDS companies advised to prepare the concept paper and cash flow for the interested companies for ASMED review.

GRANTS

NATIONWIDE ACTIVITIES:

Quarter Highlights:

- During this quarter, 13 different grants projects were completed and are ready for the use of local community in various regions.
- During this quarter, one grant project was approved and the implementation process has started in various regions.

GRANTS APPROVED IN Q1 2009:

Grantee: Gulistan Essential Oil Company

Location: Jalalabad City, Nangarhar

Grant Amount: USD\$ 54,000

Grant Type: VALUE CHAIN IMPROVEMENT GRANT

Date close out: February 5, 2009

Supported Activities:

Gulestan Essential Oils Company has set up a Distillation facility in the Nangarhar province primarily for Rose Essential Oil and Neroli Oil (Bitter orange). Procurement has been done for distillation equipment, construction, and raw materials for test production last year. GULESTAN received confirmation from two buyers, Wala of Germany (Largest importer of Rose Oil globally) and The Rose Oil Company of Germany, that their product is up to export standard.

ASMED Grant will be used to procure one Distillation Unit (Alembic and Florentine); origin: Turkey and one Electricity Generator (20 KVA). For quality assurance, GULESTAN has contacted IMO, an international Organic Certification Organization, which will visit the GULESTAN production facility in 2009 to certify their product as organic.

GULESTAN expects over 400 direct beneficiaries from this project with about 100 women employed to harvest the roses. The goal in the next two years is to maximize rose oil production, ensure cultivation of rose fields and maintaining our relationships with buyers. After they are satisfied with the results from the rose oil production, they will move into mass production of another high-value product, Neroli Oil (Bitter Orange). The main obstacle in achieving these goals are security and weather.

GRANTS COMPLETED AND CLOSED OUT IN JANUARY 2009:

Grantee: Market Stalls –Batikot District

Location: Nangarhar Province

Grant Amount: US\$9,494.00

Grant Type: Marketplace Development Grant

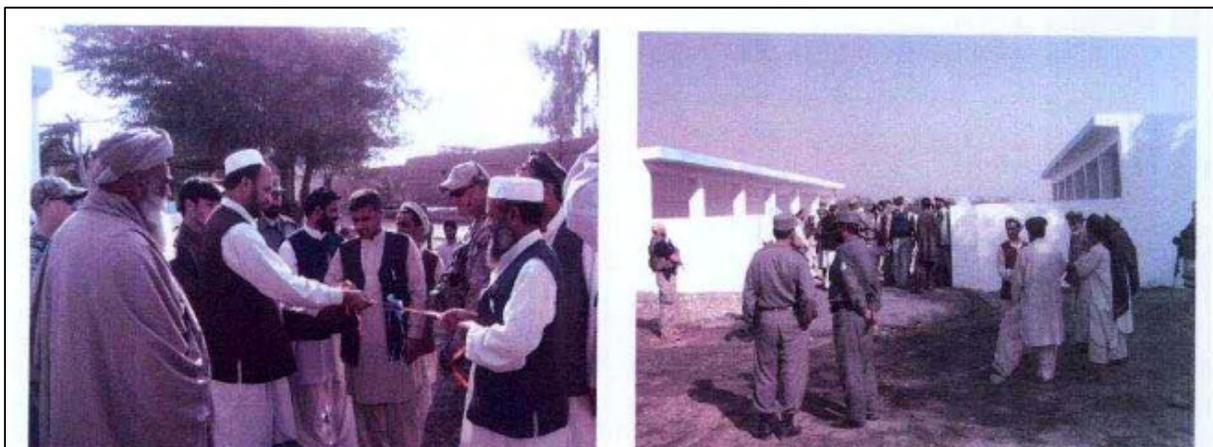
Date close out: January 18, 2009

With an ASMED Marketplace Development Grant, the Muqadas Saeed Construction Co LTD constructed a small wholesale market comprising of 12 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.

Through the implementation of this project, local inhabitants can do their business in this market now, which can encourage the investors to construct other marketplaces there that will make encourage local economic growth.

It will provide a shelter facility to the local merchants and farmers to sale their food and vegetables in good condition, which will increase their incomes.

Market shelters will improve sanitary conditions for exchanging of food products. The beneficiary category for men is 1,000 and for women 180. In addition, job creation through the construction company around 40 laborers.



Opening Ceremony of the BatiKot Market Stall, Nangarhar

Grantee: Zenith Women Tailoring, Embroidery and Bead Weaving Association

Location: Kandahar Province

Grant Amount: US\$9,950

Grant Type: Association Seed Grant

Date close out: January 18, 2009

An ASMED Grant for the Zenith Women Tailoring, Embroidery and Bead Weaving Association was successfully completed and all of the planned activities were achieved based on the grant agreement. With this grant, the Association registered with Ministry of Justice, and purchased equipment and furniture for the association office. In addition, 12 days training was conducted for business management, accounting and marketing. Thirty key members of association participated the training.

The confirmation of sales, services and/or activities data from ZWTEBWA. An increase in ZWTEBWA business services for its members will include the advancement of the technical skills of its members, sharing market information, advocate the women working rights, and find access to sales/marketing opportunities. This will have a direct impact on increase in the services, sales and activities for the members of the association and more women will be interested to start businesses and gain membership in ZWTEBWA. Beneficiaries Categories for Men is 15 and women 57.



Equipments Bought under the ZWTEBWA Associate Seed Grant, Kandahar

Grantee: Location: Jebrahil Saffron Processors Association (JSPA)

Grant Amount: US\$6,980

Grant Type: Association Seed Grant

Date close out: January 18, 2009

This ASMED grant was successfully implemented and the milestones were achieved according to the signed agreement. Association was registered in the Ministry of Justice, equipments and furniture were purchased for the association office and sorting and packaging trainings were provided to the members of Association. All members are happy from the successful implementation of this project and they expect that it will directly affect production, upgrading it according to the international market standards, increasing their sales and encouraging more members to participate in the process of doing private small businesses and get membership in the association. Moreover, it is expected that the association will extend its services



Equipments Bought under the Grant, JSPA



and if possible will have sub-offices in the area. Total Beneficiaries category for the men is 100 and for women 400.

Grantee: KANDAHAR CARPENTERS ASSOCIATION

Grant Amount: US\$9,080
Grant Type: Association Seed Grant
Date close out: January 25, 2009

This ASMED Grant was successfully implemented and the milestones were achieved according to the grant agreement. The association was registered with the Ministry of Justice, equipment and office supplies were procured, and capacity building training was offered to key members of association.

In general, after the completion of this project and providing the above-mentioned services to the members of Kandahar Carpenters Association, it is expected that the Association will be strengthened and the members will be able to work together more effectively. Three hundred men have benefited from this project.

Grantee: FARYAB WASTE COLLECTION SYSTEM

Grant Amount: US\$9,400
Grant Type: Marketplace Development Grant
Date close out: January 28, 2009

With ASMED Marketplace Development Grant, the Maimana Municipality established waste collection in areas where most of the street shops and street vendors do business. The trashcans were manufactured by local local workshop. The idea of placing the trashcans around the city comes from the Mayor of Maimana.



The Maimana Municipality contributed to the project by cleaning and maintaining the waste collection system. It is planned for the municipality to start charging fees for waste collection from local shops where trashcans will be installed. The Maimana Municipality has several trucks that collect the waste in the city but does not have enough trashcans.

The improvement of market sanitary system addressed the following needs:

- a. Availability of proper waste collection in the city.
- b. Waste collection system in the market area

Five thousand men and two thousand women are beneficiaries of this project.

Grants Completed and Closed Out In February 2009:

Grantee: Helmand Metal Workers Association (HMWA)

Location: Lashkargha City, Helmand Province
Grant Amount: US\$7,900
Grant Type: Association Seed Grant
Date close out: February 5, 2009

This ASMED grant is used according to the grant plan and activity budget, which is detailed as bellow:

- Association bi-laws were completed, approved by the Ministry of Justice and the association was registered with the Ministry of Justice;
- Office supplies, equipment (5kv generator + welding machine, complete P4 computer set including a printer, scanner, flash disk and stabilizer and furniture (office desk, wheel chairs, Sofa and meeting chairs) were procured and a office is set up for the association;
- Capacity building training (Basic Accounting, Association Management and Marketing) is offered to association management and key members (23-persons trained) within a 13-days period and 2-hrs each day;

The services delivered by the association were association management, basic accounting and marketing. They've caused widespread increases to the sales and activities of its members enterprises. An example mentioned by one of the training members (he was working for a related business since more than 10-year and he never kept any accounts for his products and now he learnt to do so, provide top quality products and manage the enterprise accordingly), he is practicing these things

and now day by day his activities and sales are increasing.

No major jobs were created, other than hiring an admin / finance and security guard for the association office. However, beneficiaries category for this grant is 215 Men.



Capacity Building Program,
HMWA, Helmand

Grantee: Helmand Women's Handicrafts Association (HWA)

Location: Lashkargah City, Helmand Province

Grant Amount: US\$8,450

Grant Type: Association Seed Grant

Date close out: February 15, 2009

ASMED grant was successfully implemented and the milestones were achieved according to the signed agreement. The association was registered with the Ministry of Justice, equipments and furniture were purchased for the association office and capacity building trainings were provided in the fields of management, marketing and accounting, for 13-days for 23-key members and management of HWA.



Capacity Building Program,
HMWA, Helmand

All members are happy from the successful implementation of this project and they expect that it will directly affect developing and promoting their business, increase their sales and encourage more women to participate in the process of doing private small businesses and get membership in the association. Moreover, it is expected that the association will extend its services and if possible will have sub-offices in the area.

Although security was one of the main concerns in the area, and arranging the training was not easy, it was completed successfully. Based on the provision of the association services, the process of SME development will be strengthened and supported as follows:

- Technical training will be provided to members of the association to advance their skills and to provide high quality products to the market;
- Those members who newly started their businesses, will receive services such as market information and other services;
- Training opportunities;
- Office facilities for the association;
- Legal presence in the country;
- Expanding the activities and services of the association;

All the above will directly affect the association members. A small number of jobs were created. Hiring staff for the association and involvement of ACCC employees were the two areas where jobs were created. Beneficiaries for this grant were 48 Women.

Grantee: Helmand Carpenters Association-Helmand

Location: Lashkargha City, Helmand Province

Grant Amount: US\$9,370

Grant Type: Association Seed Grant

Date close out: February 15, 2009

ASMED's grant was used for:

- Association officially registered with Ministry of Justice and Bi-Laws developed.
- Procured office equipments, furniture, and functioning office are set up.
- Capacity building trainings in fields of basic accounting, management and marketing is offered to Association management and key members (29-participants) based on the priority list of trainings and depended on the approved budget by Afghan Canadian Community Center.



- The services delivered by the association and the association management, basic accounting and marketing training caused sales and activities of its member's enterprises. In addition, through the support of ASMED the association has increased services to its members.

The grant was able to establish the association legally and to start the association activities and services to its member enterprises. Beneficiaries' category for the project is 48 Men.

Grants Completed and Closed Out in March 2009:

Grantee: Chardara Agro Service Association "CASA"

Location: Chardara District, Kunduz Province.

Grant Amount: US\$7,800

Grant Type: Association Seed Grant
Date close out: March 24, 2009

ASMED grant was implemented according to the grant agreement as follows:

- Procurement of computer and printers.
- Association management and seed processing quality improvement trainings.
- Printing of publications for the association.

The project has been implemented in one of another high-risk district in the northern region, and all the activities were successfully implemented.

CASA was established to increase the production of food and thereby help to stabilize the market prices for grain. CASA is working hard to train and encourage other farmers through its equipment and experts to increase the productivity of the farmers.

With the help of the ASMED Grant, CASA was able to arrange a trade exhibition and seminars at provincial levels, offer advisory services, publication and media, delivery of new technologies for best agro practices, providing quality seed to customers. Ninety-eight men and thirty women benefited from this project.

Grantee: Dawlat Shah District MDG Market

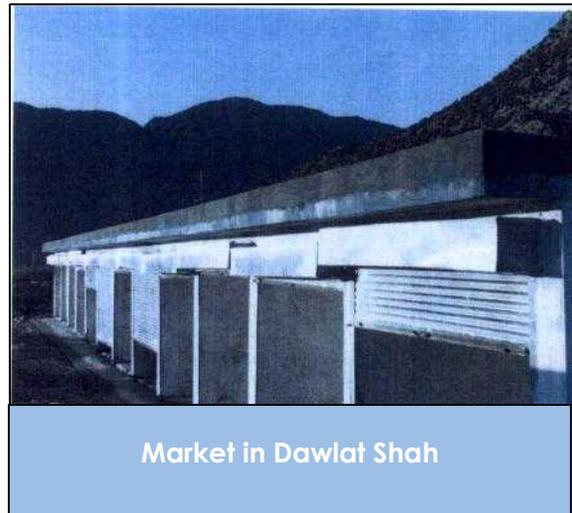
Location: Dawlat Shah District, Laghman Province
Grant Amount: US\$17,974
Grant Type: Marketplace development Grant
Date close out: March 26, 2009

With ASMED Marketplace Development Grant, the Latife Faisal Road & Construction Ltd constructed a small wholesale market, comprised of 12 enclosed stalls with individual doors to each stall in one line. The compound will have access to electricity and water from the governor's house. The project was

successfully completed. By implementing this project, local inhabitants can do their business in this market which will encourage investors to construct other market places and that will make the local economy grow. Construction of market stalls will achieve the following:

- Increase commerce in an area that sees significant foot traffic.
- Create both temporary and permanent jobs in the area.
- Support the local provincial government agency.
- Improve relation between the community, the local government and US supported agencies such as USAID and ISAF.

The Latife Faisal Road & Construction Ltd. employed approximately forty-five laborers. In the district town of Dawlat Shah District which created temporary job opportunities for the inhabitants of Dawlat Shah District. Twenty-four permanent jobs will be created with each market stall employing two people. One thousand men and five hundred women have benefited from this project.



Grantee: Construction of Shah-e-Safa District Market Shops

Location: Shah-e-Safa District, Zabul Province

Grant Amount: US\$10,294

Grant Type: Marketplace Development Grant.

Date close out: March 26, 2009

The ASMED grant and contribution of the district Shura was used for constructing 6-shops in Shah-ri Safa district in Zabul province. The contribution of district authorities and district shura included land, unskilled labor costs (preparation and cleaning of construction site after completion of project).

As a result, 6-shops with front metal covers for 6-shops and 1-boring well with hand-pump were constructed during the project implementation period. Both ASMED and the Shura monitored the implementation of the project.

Shah-ri Safa District Shura / Community Development Council will directly manage the market and for a period of approximately 6-months, the shops will be provided free to the businesspersons to encourage people to enter the market and provide good services. Six-businessmen were selected by Shah-ri Safa District Shura / Community Development Council to start their businesses in the market. In near future the marketplace will be very active.

The project provided employment opportunities to the local people: the construction company hired 8-skilled and 16-unskilled laborers for a period of 2.5-months. In addition, those who supplied construction materials were also positively impacted by the project. Total Beneficiaries for this project is 25,600 Men and 12,400 Women.



Market Shops in Shah-e-Safa District, Zabul

Grantee: Shah Wali Kot District Market

Location: Shawali Kot District, Kandahar Province

Grant Amount: US\$9,990

Grant Type: Marketplace Development Grant.

Date close out: March 26, 2009

With ASMED Marketplace Development Grant, the market was constructed near the district center, which is almost 65-KM from Kandahar city, in the northern area of Kandahar Province. Generally, the planned activities were successfully implemented: six shops were constructed in the marketplace. Four skilled and 12 unskilled laborers were hired for various jobs during the project implementation period. One hundred and eight men and one hundred forty four women were beneficiaries of this project.



Market in Shah Wali Kot, Kandahar

Grantee: Lalpur District Market

Location: Lalpur District, Nangarhar Province.

Grant Amount: US\$11,044

Grant Type: Marketplace Development Grant.

Date close out: March 26, 2009

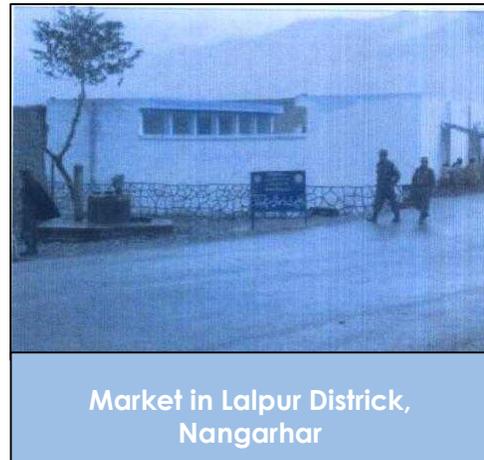
With ASMED Marketplace Development Grant, the Sahar Afghanistan Road & Construction Company constructed a small wholesale market, comprised of 12 stalls along with surrounding wall, which has sufficient space to accommodate a number of people in the bazaar of the district. The project was successfully completed.

By Implementation of this project, local people can do their business in this market and help local economic growth. There was no wholesales/retail market in the Lalpur district before this project. The market will provide an opportunity for new retail and wholesale business to enter the market; therefore, it will reduce the need to travel to Jalalabad for shopping and selling produce.

The construction of market stalls will achieves the following:

- Increases commerce in an area that sees significant foot traffic.
- Creates both temporary and permanent jobs in the area.
- Supports the local provincial government agency.
- It will facilitate more local business in the area, to bring their products to the market.

The Sahar Afghanistan Road and Construction Company in the Lalpur district employed twenty laborers. Thirty permanent jobs will be created. A total of 3,000 men and about 130 women will benefit from this project.



Market in Lalpur Districk,
Nangarhar

PROGRAM COMPONENT 5:

CAPACITY BUILDING

FIELD ACTIVITIES – CENTRAL

KABUL

- An internship graduation ceremony was held in Kabul on Apr 6, 2009. Program completion certificates were distributed to 60 graduates including 24 female. The deputy chancellor of the Kabul University, Head of Faculties at Kabul University, University professors, CEO of Aziz Bank, CEO of the export promotion agency of Afghanistan, COP of Afghan e-Quality alliances Director of AJEER business and Management institute, representative of the host companies representative of the local business and also local media were the guests of the program.



An Intern Receiving his Certificate of Completion, Kabul

In the latest phase of the program, four hundred and ninety students (ninety-three females) at Kabul University took a qualifying exam in Jun 2008. One hundred and twenty students (including forty females) in Kabul qualified for the program. Selected interns were trained in two batches of 60 in Business Management, Marketing, and Accounting and thereafter placed for practical work experience at leading private sector firms and business organizations. In Kabul, the interns worked at Roshan Tele-Communication, AIB Bank, Etisalat, Azizi Bank, EPAA, Paiwastoon, Afghanistan Growth Finance Company, Zurmat Construction Company, Afghan United Bank, Brack Afghanistan Bank, Flag International, GTZ, Coca Cola and others.

- ACCI-ASMED's first month Mentorship seminar was conducted in Kabul on 10 Feb 2009. Forty-three young professionals including 17 female participated in the seminar. Mr. Haqjo CEO of ACCI, Professor Yadgari Dean of economics faculty of Kabul University, Mr. Zaland Director of Zurmat Construction Company, Dr. Yarmand and Mr. Floopzy attended this seminar. The seminar was facilitated by two mentors, Mr. Haqjo and Dr. Yarmand. The topics of the seminar were:

- Team building/ Leadership.
- Role of Standardization in Business development.



Mentorship Seminar, ACCI, Kabul

- On March 30, 2009, ASMED with partnership of ACCI conducted the second Mentorship seminar in Kabul. forty young professionals including 17 female participated in the seminar. Mr. Khan Jan Alokozai and Mr. Ziarmal facilitated the seminar; the following subjects were presented in the seminar.

Export and Import Issues in Afghanistan, this included:

- Illegal import of the goods
- Security Problems
- Problem with international Market
- Lack of good Management
- Business Management
- Principles of business management
- Management stages, controlling, organizing, planning, implementing and leading

BAMYAN

- An internship graduation ceremony was held at Bamyan University on Apr 12, 2009. Program completion certificates were distributed to 40 graduates including 15 female. The Chancellor of Bamyan University, Deputy Governor of the Bamyan province, member of the province council, Head of Faculties at Bamyan University, University professors and some representatives of other organizations operating in Bamyan were the guests of the program.

ASMED in partnership with AJEER business and Management institute has given a qualifying internship test to 130 students including 30 female in Aug 2008 at Bamyan University. forty students including 15 female qualified for the program.

In Bamyan, the interns were placed at AWBF, Afghan Net, OMRA Geotechnical Company, Rural Rehabilitation Department, Bamyan Chamber of Commerce and Industries, Rehabilitation Social Development Organization, and Agha Khan Foundation.

FIELD ACTIVITIES – WEST

- Internship program for 120 Herat University Students was conducted into two batches (60 interns each batches, and 2 classes of 30 students). The first batch started its 3 months theoretical in 25 Sep 2008, and finished the theoretical period in 25 Dec 2008, and this batch started its practical period in 25 Dec 2008 and finished in 25 March 2009, the first batch has completed its theoretical and practical periods.



- The second batch (for the lefts 60 interns) started its 3 month theoretical in 15 Dec 2008, and finished in 15 March 2009, now all interns are placed in different organizations and are doing their practical work, this batch of internship will complete in 15 Jun 2009.
- ACCI- ASMED's first mentorship business seminar was conducted on Feb 10, 2009 at Chamber of Commerce Conference, in Herat province. Fifty-six young professionals including 19 female participated in the seminar. Prof. Masod Sana, Sayad Asadullah Hussaini, Ms Nadia, Ahmad Tamim, M.Rafi Faqiry , Miss Fariha Mohmand, M Halim Yousaf and Khalil Ahmad Yarmand were mentors participated in the seminar. Two senior mentors Mr. Asadullah Husain facilitated the seminar and M. Rafi Faqiry Topic of the seminar was Finance and Accounting Management.
- On March 30, ACCI-ASMED Mentorship seminar was conducted, in Herat province, 55 young professionals including 19 female participated in the seminar. Two mentors, Masuda Sana and Ms. Nadia, facilitated this seminar.

In this seminar professionals generally learned about the following:

- Principles and Basics
- Main issues in company's Rights
- Challenges and solutions



Mentorship Seminar in Herat Province

Ongoing Activity

Practical period for 60 interns in second phase of internship

Other Events:

- **Lincoln Birthday Celebration** - Participating in President's Day events 16 February at the Herat Lincoln Library, sponsored by US Department of State Public Affairs, hosted by Brad Hanson, US Department of State Representative to PRT-Heart
- **ACCI Awards Presentation** – The Regional Manager, Grant Coordinator and Regional Security Manager attended the ACCI Business Leaders Award ceremony on 28 February with 150 guests, including the Provincial Governor, Mayor, ACCI and Industrial Union Director, Tajik Consul General and Herat member of Parliament. ASMED was the only representative of USAID funded programs, international NGO, and contractor community.
- ASMED, coordinated with USADI and US Department of State Herat officers, conducted a briefing to the Herat Governor and Provincial Development Council of ASMED activities on 22 March. Presentation was positively received by all parties.

FIELD ACTIVITIES – EAST

- Internship Program (completed): Seventy interns have been graduated including thirty females from the third internship program of ASMED Jalalabad. More than 55% of the students have job in different sectors.
- Internship Program (on going): 80 interns including 35 female are being trained in the fourth internship program of ASMED Jalalabad. The interns are trained in Marketing,

Supervision, Accounting and Management they will spend three months in practical learning with different companies after they finish theory.

- On 14th of February 2009, ASMED Jalalabad in partnership with Nangarhar University and Afghan CNN (implementing partner) has given a qualifying internship test to 180 students of Nangarhar University. 80 students including 35 Female were selected for the ASMED professional internship program. The theoretical training portion of the internship program was started on first of March, 2009. These interns will be trained in accounting, marketing, business management and supervision for the three months period followed by three months practical work with SME's in Nangarhar province.



Students Taking Qualifying exam for the Internship Program in Jalalabad, Nangarhar

FIELD ACTIVITIES - NORTH

- 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.
- The second internship program implemented successfully among 62 interns, the host companies offered permanent job for 47 of them but only 17 interns accepted the jobs by host companies and most of them could find better opportunities.
- On 10th February 09 after passing the interview 50 mentees selected for the second round mentorship program started by ACCI and classroom lessons started
- USAID's Afghanistan Small and Medium Enterprise Development (ASMED) project honored 58 interns in a graduation ceremony held at Balkh province on Jan 20, 2009. ASMED's implementing partner, AJEER Business and Management institute (ABMI), gave a qualifying exam to 433 students (including 45 females) in June 2008. One hundred and twenty students that also included 33 females were selected to participate in two batches of 60 students in the internship program. The first batch of 58 completed their training phase, and the after training work phase with various private sector firms including National Bank of Pakistan, Afghanistan investment support agency, Sadat

Cola ,Afghan Norway Construction company .. 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. University officials, graduated interns, senior economic advisor for the governor, representative from the AJEER institute, representative from Afghan eQuality alliances, host companies and graduated interns were the guest of the event.

- ACCI-ASMED's first mentorship seminar was conducted on Feb. 10, 2009 at Chamber of Commerce Conference room in Balkh province. Fifty-one young professionals including eight female participated in the seminar. Prof. Feda, Professor Waheed, Mr. Sayed Hamid, Mr. Aziz pur, Professor Akrami, Professor Hamayon, and Mr. Fredon were mentors participated in the seminar. The seminar was facilitated by Professor Waheed and Professor Feda. Topics that are discussed in the seminar were as follows:



Mentorship Seminar in Balkh

- Marketing
- Accounting

- ACCI-Mazar Second seminar was held on March 30, 50 young professionals including eight female participated in the seminar. This seminar was facilitated by two mentors, Mr. Haider Salimi and Naqib Azizpur. In this seminar professionals generally learned about the following:

- Loans and the banks
- Business Plan

FIELD ACTIVITIES – SOUTH

- Internship graduation ceremony was held at Kandahar University on January 18, 2009. The ceremony was arranged by ASMED Kandahar and Afghan CNN (ASMED implementing partner in southern region). Chancellor of the Kandahar university, deputy chancellor, dean of faculties, professors of the university, graduated interns and representative of the host companies were the guest of the event.



Internship Graduation Ceremony in Kandahar

Afghan Consulting and National Network (CNN), the implementing partner for the program in Kandahar, gave a qualifying exam to 95 students from the department of Engineering, Agriculture and Education at Kandahar University in June of 2008. Sixty

students, including three females, were selected for the program. The students were trained in modern accounting, marketing and business management for three months, and then placed within various private sector firms for a three-month practical internship. According to Afghan CNN, 52 interns out original sixty have received permanent jobs at their respective hosting firms during this.

- ACCI-ASMED first Mentorship seminar was conducted on Feb. 10, 2009 at Spozmoi Saloon in Kandahar province, 40 Young professionals including 8 females participated in the seminar. Mirwais Azizi, Dr. Faizullahq Mushkani, Sayed Kabir Niamatullah, M. Daud Banuri, M. Sedeq Ezatullah, S. Abdul Rahman were Mentors Participated in the seminar. The seminar was facilitated by two mentors Sayed Kabir Agha and Mohammad Daud Banuri. Topics of the seminar were as following:

- Management
- Marketing

- On March 30 2009, ACCI-ASMED 2nd Mentorship seminar was held in Kandahar province. Fifty young professionals including eight female participated in the seminar. This seminar was facilitated by two mentors, Niamatullah Hotak and Mirwais Aziz

In this seminar professionals generally learned about the following:

- Banking System
- Proposal writing



Mentorship Seminar in Kandahar

FIELD ACTIVITIES – SOUTHEAST

- On 26 of February, eighty interns graduated from the ASMED professional internship program in Khost province. The graduated interns are from the Economics, Agriculture and Computer Science Departments of the Khost University. Each of these interns completed a 3- months training program in the field of business management, accounting, and marketing followed by a three months practical work with SME's in Khost province. Upon the receipt of the final report from our implementing partner we will know how many of them received Jobs offers.
- On 22 July ASMED in partnership with Afghan Institute of business management has conducted a qualifying an internship qualifying test which more then 95 students' participated and 80 students were selected for the ASMED internship Program.

ACTIVITY MAP 1: FIRST QUARTER 2009

