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# **VEGA Afghanistan: Community Development Agriculture Program in Paktia, Paktika, Khost and Southeast Ghazni (CDA-P2K)**

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Quarterly Report April through June 2009

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LEADER WITH ASSOCIATE AGREEMENT (LWA)  
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Associate Cooperative Agreement  
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*Implementing Organizations:*



**Grand Council of Kuchis**

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## ACRONYMS

ADP East	Alternative Development Program East
ADT	Agribusiness Development Team
ARFC	Afghanistan Rural Finance Company
ASAP	Accelerating Sustainable Agriculture Program
AVA	Afghan Veterinary Association
CBO	Community Based Organization
CDA-P2K	Community Development Agriculture project in Paktia, Paktika, Khost and Southeastern Ghazni provinces
CDC	Community Development Council
DCA	Dutch Committee of Afghanistan
GAGA	Gardez Apple Growers Association
GCK	Grand Council of Kuchis
GPFA	Global Partnership for Afghanistan
LWA	Leader with Associates
MAIL	Ministry of Agriculture, Irrigation and Livestock
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
NRM	Natural Resource Management
P2K	Paktia, Paktika, Khost and Southeast Ghazni
PRT	Provincial Reconstruction Team
RFA	Request for Applications
SME	Small and Medium Enterprises
USAID	United States Agency for International Development
USG	United States Government
VEGA	Volunteers for Economic Growth Alliance
VFU	Veterinary Field Unit
VSBE	Village Based Seed Multiplication Enterprise

## **I. Executive Summary**

The VEGA Alliance concluded a Leader with Associate Agreement (LWA) EEM-A-00-04-00002-00 (Associate Cooperative Agreement 306-07-023) with the United States Agency for International Development (USAID) November 16, 2007 for the Community Development Agriculture project in Paktia, Paktika, Khost and Southeastern Ghazni provinces (CDA-P2K or P2K). During the quarter the previously accepted work plan was implemented. During the quarter the grant procedure was finalized. Per USAID regulations, the P2K team sought the necessary approvals for grant activities. The disbursement of grants began shortly thereafter.

Specific achievements during the reporting period include the following:

- The required due diligence for the 12 Farm Stores was completed for the development of business plan and loan applications
- The Farm Stores were linked with the Afghanistan Rural Finance Company (ARFC) and the stores began applying for short term operation loans that will reach 12,000 farmers
- In conjunction with ARFC, a loan application procedure was finalized, tested and implemented that allows the linkage of potential clients for agricultural funding in the P2K region
- Alfalfa seed totaling 84 metric tons was procured and packaged for the seed voucher program
- A total of 795 people were trained in cashmere collection and value chain activities
- A short-term consultant developed an alfalfa production and harvesting training program and conducted a training of trainers
- A short-term consultant developed and implemented a strawberry training of trainers program
- 14 alfalfa production and harvest trainings were held with 320 participates
- 15 association trainings were held with 283 participates
- A short-term feed consultant developed a field survey to better understand the nutritional needs of the Farm Store and livestock owners
- A short-term feedlot consultant was identified and is developing a standardized feedlot design for Afghanistan using local building material
- The CDA-P2K staff and several project beneficiaries participated in the Kabul Agricultural Fair.
- The P2K team provided ongoing technical assistance in the following areas:
  - Alfalfa production and harvesting
  - Feedlot development
  - Slaughter facility development
  - Farm Store nutrition programs
  - Association development

Under the technical direction of USAID, the majority of ongoing activities are going to be finalized during the upcoming quarter. P2K is in rapid close-out mode and will end normal implementation on August 31, 2009. Plans for all future activities with the exception of the alfalfa program will be cancelled. The P2K team will provide detailed information for USAID in the project's final report on the status of all activities, and will include an in-depth overview of

those that were cut short and that the team recommends be continued in some form since they have the potential to positively impact on the population in the region.

## **2. Program Overview**

### **2.1 Background**

The project implementation area of Paktia, Paktika, Khost (P2K) and Southeast Ghazni province is an area of challenging opportunity for agricultural development in Afghanistan. Positioned in the southeast portion of the country and bordering Pakistan’s Waziristan Region, the mountainous area is composed of independent and isolated rural tribal communities. This region remains a safe-haven for insurgent attacks on coalition forces. In addition, there is a considerable presence of Government of Afghanistan agents and non-governmental organizations (NGOs). In this environment, CDA-P2K supports increased productivity in key sub-sectors, market-led production of higher-value products and improved technologies that lead to greater production of commodities at lower cost per unit.

CDA-P2K confronts significant challenges in the targeted region. In other provinces, activities are well underway to build high-value horticultural markets. The P2K region, however, has not received the same level of attention and resources and consequently is less developed with regard to these efforts. A key concern is the instability of the security environment, which disrupts farm and business development as well as staff travel and program activities. Thus, the project team must identify high-value markets in which P2K products can be competitive and provide support to local farmers. Proximity to Pakistan via Khost and to Kabul via Gardez is an advantage, assuming that improved production can occur and be sold at competitive prices. With rehabilitation of irrigation facilities, market research, training, improved production and post harvest treatment, there are excellent opportunities for the increased sale of fruits, vegetables, ornamental plants, livestock products, non-timber forest products and agro-forestry products.

### **2.2 Project Goal and Objectives**

The goal of CDA-P2K is to generate increased income, employment and sales of agricultural products for communities in the region. To achieve this goal, the CDA-P2K program is undertaking the following activities to accomplish five specific objectives:

- Objective 1:** Identify and exploit markets that can be profitably served by the agricultural enterprises in the P2K region
- Objective 2:** Increase production and improve quality of horticultural, livestock, and agro-forestry products through improved genetics, management practices and use of inputs
- Objective 3:** Mobilize the services and supply industries to create opportunities for enterprises in P2K
- Objective 4:** Rehabilitate community irrigation and market infrastructure to support improved production, handling and marketing of horticultural, livestock and agro-forestry products

**Objective 5:** Establish associations and other agricultural support institutions to provide services and support to agribusiness in P2K

### **2.3 The VEGA Alliance Team**

Each partner in the VEGA Alliance team has a specific program description, and together they provide a cohesive approach to implementation:

- As the lead, **ACDI/VOCA** is responsible for overall program management and implementation, technical support to agricultural production activities, the grants program, logistics, operations, and security.
- **CNFA** supports the development of Farm Stores, Veterinary Field Units (VFUs) and value chains.
- **Winrock International** provides support for community-based natural resource management (NRM) as well as assistance in the development of value chains.
- **GCK** is responsible for community engagement, tribal liaison activities, and advising project staff on safe operation in the P2K area.

### **2.4 Implementation Strategy**

The CDA-P2K team develops initiatives with individual community and tribal stakeholders, associations and enterprises. Activities include training, technical assistance, improved inputs and agricultural techniques, post harvest treatment and initiatives to support increased access to markets. The program includes a focus on private sector involvement, as well as a cross-cutting emphasis on support for women, youth and the disadvantaged. To build a sense of ownership, the CDA-P2K team involves target groups in the planning process. The design of each intervention takes into account local conditions, and support is conditional on a commitment to the project by target groups and communities.

Through its grants program, CDA-P2K maintains the flexibility to take calculated risks to identify and test potential income-generating activities, and provides assistance directly to community based organizations (CBOs), NGOs, cooperatives, associations, processors and suppliers. Grants provide an effective and competitive means of adding value through services, training, technical assistance, and technology that expands business linkages and market opportunities for producers, suppliers, processors and agribusiness. Moreover, an effective grants program enables the development and sustainability of businesses and associations.

## **3. Quarterly Results**

Quarterly progress is described in the following sections. Information is presented by project type and activity. As noted, under the technical direction of USAID, P2K will end normal implementation on August 31, 2009. Plans for all future activities are therefore being cancelled.

### **3.1 Objective 1 – Identify and Exploit Market Opportunities**

#### **3.1.1 Main Activities**

## **Pine Nut Supply Chain Development**

During the previous quarters, studies and surveys undertaken by the P2K staff indicated that pine nuts are a commodity with significant potential in the P2K area. During the quarter under review, P2K continued to expand upon earlier work, and sought to identify a logical business solution to support this highly fragmented industry. The pine nut supply chain development activities focused on the development of two primary areas: associations; and a practical business strategy. A key challenge of tying the pine nut industry together stems from the personalities of the supply chain participants, who have a long history of not working together. Some progress early in the quarter was achieved in getting cooperation from various dealers but as the quarter progressed and demands on the value chain players increased their willingness to invest in both their personal and shared business ventures decreased.

## **Cashmere**

The P2K staff continued to collaborate with ARFC and Accelerating Sustainable Agriculture Program (ASAP) to support cashmere collection and supply chain activities. As discussed in previous reports, the primary efforts of P2K in this regard, are training and supply chain linkage through the P2K Farm Store network.

## **Strawberries**

Strawberries remain a beneficial niche market and supply chain for women. To address this potential, P2K implemented a training of trainers program with the assistance of a short-term consultant. The consultant and the P2K team also developed a strategy for future training

## **Apples**

The goal of the project is to link the small concentration of apple production in Paktia and Ghazni to the Omaid Bahar Company in Kabul. In addition to this local market linkage, the project staff worked with ASAP to explore the possibilities of shipping apples to India.

## **Market Information Systems**

The collection and dissemination of market information is a simple activity that can be greatly beneficial to the agricultural producers of the P2K area. During the quarter, wholesale and retail prices were collected in the Gardez area along with source of origin information. Furthermore, prices for several commodities and agricultural inputs were also collected and shared with the Farm Stores.

### **3.1.2 Results**

## **Pine Nut Supply Chain Development**

Throughout the quarter several meetings, attended by a total of 275 pine nut traders, took place through P2K's area of operation. The purpose of the meetings was to gain further understanding

of the industry as well as to establish pine nut associations. As a result of these meetings and further work by P2K staff three associations of pine nut traders were developed: Khost, Paktika and Paktia. Each association elected a board of directors, adopted a set of by-laws and was registered with the Ministry of Justice. In addition, information about equipment for the development of a pine nut industry was collected along with prices. Efforts to find suitable business partners and investors continued throughout the quarter. As discussed above, the traders progressively demanded more financial resources from the P2K project and were not willing to further invest within the business.

## **Cashmere**

A training of the trainer for cashmere collection was held in Gardez, in collaboration with ASAP. During that meeting 33 people, from P2K, ADT and the P2K Farm Stores, received cashmere collection and supply chain training. Upon completion of the training the P2K staff and the Farm Store owners held 18 additional trainings and trained 795 people in cashmere collection and the cashmere supply chain.

## **Strawberries**

In Badham Bagh the P2K staff held a strawberry production and marketing training of trainers event, which was attended by 15 women from Gardez. The short-term consultant developed a two-day training program that covered diverse technical topics such as seed bed preparation, planting, day to day management practices, harvesting techniques and preparation for the winter to ensure plant survival. The training consisted of a day of lectures followed by a day of practical hands-on work. To support further knowledge transfer, fact sheets in Pashtun were developed and distributed them through the Farm Stores. The consultant also worked with the P2K field staff to teach simple soil science techniques, which can be easily transmitted to farmers and Farm Stores.

## **Apples**

Meetings took place with the juice factory owner and several scenarios were discussed on how to link the Farm Stores, apple growers and juice factory. It was finally decided that the best path forward is to introduce the key dealers that can assist in the procurement of the fruit with the Farm Stores. If a possible business agreement is reached between the juice factory owner and the Farm Store Owners, the P2K staff will link the Farm Stores with ARFC for potential financing.

## **Market Information Systems**

Information for a simple and basic market information system was collected.

### **3.1.3 Plans for Next Quarter**

- Write a final report of pine nut supply chain development activity and cancel all future interventions.
- Cancel all future cashmere activities.

- If possible, have ASAP deliver strawberry plants for fields already tilled.
- If possible, continue to encourage dialog between Farm Stores and juice factory
- Cancel all future market information collection

### **3.2 Objective 2 – Increase Production and Improved Quality of Horticultural, Livestock and Agro-forestry Products**

#### **3.2.1 Main Activities**

##### **Forage Production**

During previous quarter, the P2K staff identified forage production as an area of opportunity in the region. More specifically, P2K in conjunction with USAID chose alfalfa because of the tremendous potential benefits to the region. To promote the distribution and widespread harvest of the crop the P2K program designed a seed voucher program with the assistance of GCK. Along with increasing alfalfa production, the program seeks to build capacity of the Farm Stores. To accomplish this objective and make it easier for the collection of seed by the farmers, the P2K staff designed the program to be directly implemented through the Farm Stores. To further increase capacity and link the stores with the formal credit system, as discussed in the work plan, a second phase was designed in which the stores will obtain short term financing for the purchase of alfalfa seed from ARFC. In short, the Farm Store will purchase the seed, collect the voucher from the farmer and distribute the seed. The store owner will then return the vouchers to the P2K staff. After verification the store owner will receive payment from P2K which he will use to pay the short term credit loan.

##### **Livestock Distribution**

Livestock and more specifically small ruminants are of critical importance for agricultural development. Within the P2K region there are more than 2.2 million small ruminants with a market value in excess of \$2.0 million. To promote value adding activities to livestock while focusing on the development of women, the P2K staff has designed a project in which 600 Kuchi women could receive 6,000 sheep. Each recipient will receive 10 animals and as an in-kind payment will provide one male sheep to the feedlot project thereby providing 600 lambs to the feedlot in total.

##### **Feedlot Program**

A simple value adding opportunity for livestock owners is to feed livestock for a short period of time. The P2K staff designed a feedlot development program which will link the women who received livestock, the farmers which receive the alfalfa seed, the Farm Stores and the slaughter facility. This feedlot will have a carrying capacity of 1,000 head with the ability to increase to 1,500 head. The proposed location for the feedlot is Gardez since it is centrally located; however, another possible site may be Khost. The P2K staff is working with the local communities and GCK to develop an acceptable ownership structure for the feedlot. The women which receive the livestock will be formed into an association and will be partial owners of the feedlot.

### Perennial Horticulture – Agro-Forestry

The P2K staff received direction from USAID to work directly with the Provincial Reconstruction Teams (PRTs) and Agribusiness Development Teams (ADTs) in perennial horticulture and agro-forestry. It was understood that the grant money was not to be spent on importing rootstock or any other genetic material from international sources. Activities are underway to work with area orchard owners to develop strategic interest groups of approximately 25 members which are centered about a self selected lead farmer. These groups will be a core building block in the formation of a fruit growers association.

### 3.2.2 Results

#### Forage Production

The alfalfa seed program received approval from USAID and started implementation. The P2K team procured, packaged and began distribution of seed for the forage (alfalfa) program. The project’s monitoring and evaluation (M&E) started entry of the names and location of the recipients into the database. Please see the table below for status of the Farm Store loans as of June 30, 2009.

**Table 1. Loan Application and Disbursement Status (as of June 30, 2009)**

Store Name	Loan Applications sent to ARFC	Loan Applications approved	Loans Disbursed to Farm Stores	Helal Receives Payment from Farm Stores
Salihi Farm Store (zurmat)	06/17/09	06/24/09		
Southern East Farm Store (Gardiz)				
Haris Afghan Farm Store (Sayed Karam)	06/17/09	06/24/09		
Jaji Aryub Farm Store				
Hekmat Farm Store (Sharana)	06/9/09	06/24/09		
Hekmat Farm Store (Urgon)	06/9/09	06/24/09		
Khost Farm Store	06/17/09	06/24/09		
Yaqobi Farm Store	06/17/09	06/24/09		
Ismail Khail Farm Store	06/17/09	06/24/09		
Gurbaz Farm Store	06/17/09	06/24/09		
Tani Farm Store	06/17/09	06/24/09		
Nader shah Kot Farm Store.	06/17/09	06/24/09		

A forage specialist was identified and completed a short consultancy to develop a training program for the Farm Stores and alfalfa voucher recipients. Using this as a base the P2K staff further trained the Farm Stores to provide technical assistance to the community in alfalfa production and harvesting. To assist the Farm Stores a training manual was developed and is now being translated to Pashtun for use in the Farm Stores. During the quarter the P2K staff held ten alfalfa production and harvest trainings, through which 32- farmers were trained.

### **Livestock Distribution**

While the women recipients for the livestock distribution program were identified the previous quarter, the process of entering the names and locations of the proposed recipients began during the quarter under review. P2K also held meetings with several livestock dealers, to link local dealers with their larger counterparts. The purpose was to build local capacity in livestock training as well as link the recipients with dealers for potential future sales. After collection of the bids the information was used to develop a purchase contract.

### **Feedlot Program**

A scope of work was finalized for a livestock specialist to design the feedlot facility, build the facility and develop a training program. The specialist arrived mid-June to start work on the project. A training program was outlined and an acceptable design that could be easily replicated was developed and material identified. Several discussions concerning the feedlot location took place with various project and community representatives. A major hindrance to the planned ownership structure is that the laws of Afghanistan do not allow an association to own a profitable business. Furthermore, if a cooperative is developed the cooperative is technically owned by the Ministry of Agriculture.

#### **3.2.3 Plans for Next Quarter**

- Cancel the feedlot and livestock program. The plans and training material will be finalized and provided in a detailed report.
- Continue to implement the alfalfa voucher program.
- Continue to train farmers in alfalfa production and harvesting techniques.
- Monitor the loan provided to the Farm Stores by ARFC for the purchase of alfalfa seed.
- Provide the necessary information for proper M&E monitoring.

### **3.3 Objective 3 – Mobilize Services and Supply Industries to Create Opportunities for Enterprises in P2K**

#### **3.3.1 Main Activities**

##### **Farm Stores**

The development of the Farm Stores continues to progress forward. The business plans and loan applications were completed and currently a purchase contract for the equipment is being developed with the assistance of ACIDI/VOCA Headquarters.

## **Veterinary Field Units**

The P2K staff negotiated and signed a contract with the Dutch Committee of Afghanistan (DCA) for the training of twenty Para-vets. The training will take place over the next several months and when completed each successful candidate will receive veterinary equipment a solar refrigerator and a motor scooter. The P2K project changed the grantee from the Afghan Veterinary Association (AVA) to DCA when it was determined with USAID that AVA could not provide the type and quality of training needed. Moreover, the number of trainees had to be reduced to the acceptable class size of twenty. In an innovative approach for the region, when the participants graduate from the program with start-up VFUs will be established in the Farm Stores. This approach allows the newly trained Para-vets a business place and assistance.

### **3.3.2 Results**

#### **Farm Stores**

The business plans and all required due diligence for grant purposes was completed for all twelve stores. The staff worked to obtain information and material required for the purchase of equipment for the Farm Stores. P2K worked with ARFC to develop a loan product for the Farm Stores, as well as a procedure was developed for introducing qualified clients to ARFC. P2K provided the necessary financial documents, letters of recommendation, ownership documents and inventory verification for loan qualification. The information was collected for all twelve stores and the application process begun. The opportunity to link the Farm Stores with ARFC was utilized to provide early operation funds to the Farm Stores for the purchase of the alfalfa seed for use in the voucher program. See Table 1 above for status of loans. The location of the 12 stores as well as their estimated customers to date are listed in Tables 2, 3 and 4 below

#### **Veterinary Field Units**

The P2K project is expecting the completion of the first two milestones of the fixed obligation grant with DCA.

### **3.3.3 Plans for next quarter**

- Cancel the purchase and distribute the equipment to the Farm Stores.
- Finalize the Farm Store Association.
- Cancel the DCA Para-vet training after the second milestone of August 15, 2009.
- Provide limited business training (simple accounting and customer service) to the Farm Stores in various areas.
- Monitor the seed distribution program through the Farm Stores.
- Cancel the purchase and distribute the equipment needed for the establishment of the VFUs.

**Table 2. Farm Store Location and Contact information**

No	<i>Farm Store Name</i>	<i>Farm Store Location</i>	<i>Owner name and contact number</i>
1	Salihi Farm Store (Zurmat)	Tameer Bazaar, Zurmat District, Paktia Province	Dr Niaz Gull Salihi: 0799 23 16 78
2	Southern East Farm Store (Gardiz)	Gardez City, Gardez Kabul road, Said Alam Market, Paktia Province.	Hafeez ULLAH : 077 26 90 943
3	Haris Afghan Farm Store (Sayed Karam)	Said Karam Bazaar, Said Karam District, Pakti province.	Fareed ULLAH tota khail: 0799 23 61 61
4	Jaji Aryub Farm Store	Ali Khail bazaar, Jaji Aryub District, Paktia Province.	Abdul Waheed : 0799 12 46 91
5	Hekmat Farm Store (Sharana)	Sharana city, Banoor Market in front of MRRD office, Paktika Province.	Khalid Asad: 0700 160 718.
6	Hekmat Farm Store (Urgon)	Urgon Bazaar, Urgon District, front of Monawar Market.	Abdul Wali: 0700 38 97 03
7	Khost Farm Store	Khost city, Khost province.	Haji Ajab Khan: 077 29 87 308
8	Yaqobi Farm Store	Kholbesat village, Yaqobi District, Khost Province.	Nazar Khail: 0796 67 93 17
9	Ismail Khail Farm Store	Dadwal Village, Ismail Khail District, Khost Province.	Seelab: 070 88 00 356
10	Gurbaz Farm Store	Shekh Amer Village, Gurbaz District, Khost Province.	Daoud: 0797 0784 74
11	Tani Farm Store	Tani District Khost	Hamayun: 070 739 81 12
12	Nader Shah Kot Farm Store	Nader Shah Kot District Khost Province.	Abdul Wahab: 0799 69 00 38

**Table 3. Farm Store GPS and MGRS Reading\***

<i>S.#</i>	<i>Province</i>	<i>District</i>	<i>Name of F/S</i>	<i>GPS Reading</i>	<i>MGRS Reading</i>
1	Paktia	Zurmat	Salihi Farm Store	42 S WC: 03009	99643
2	Paktia	Gardez	Gardez Farm Store	42 S WC: 21340	17997
3	Paktia	Sayed Karam	Haris Afghan Farm Store	42 S WC: 34035	20497
4	Paktia	Jaji	Jaji Farm Store	42 S WC: 66122	56050
5	Khost	Khost Center	Haji Ajab Farm Store	42 S WB: 84065	88734
6	Khost	Tani	Tani Farm Store	42 S WB: 80196	83113
7	Khost	Ismail Khail	Ismail Khail Farm Store	42 S WB: 74506	86033
8	Khost	Nader Shah Kot	Nader Shah Kot Farm Store	42 S WB: 63157	86124

\*GPS Readings: The following GPS reading have not be taken for the below mentioned farm stores due to security reason, as security issues begin to wane those will be collected. Currently, VEGA field staff are working with a USAID representative (Sahar) in acquiring the GPS locations for the two farm stores in the Paktika Province.

Sharana Farm Store	Paktika Province
Orgun Farm Store	Paktika Province
Yaqobi Farm Store	Khost Province
Gurbaz Farm Store	Khost Province

**Table 4. Customer Information per Farm Store**

No	Farm Store Name	Province	Customers Since Opening
1	Salihi Farm Store (zurmat)	Paktia	12,000
2	Southern East Farm Store (Gardiz)	Paktia	3,000
3	Haris Afghan Farm Store (Sayed Karam)	Pakti	2,500
4	Jaji Aryub Farm Store	Paktia	9,000
5	Hekmat Farm Store (Sharana)	Paktika	600
6	Hekmat Farm Store (Urgon)	Paktika	300
7	Khost Farm Store	Khost	3,000
8	Yaqobi Farm Store	Khost	2,600
9	Ismail Khail Farm Store	Khost	900
10	Gurbaz Farm Store	Khost	1,500
11	Tani Farm Store	Khost	800
12	Nader shah Kot Farm Store	Khost	1,200

### 3.4 Objective 4 – Rehabilitate Irrigation and Market Infrastructure

#### 3.4.1 Main Activities

##### Irrigation

The P2K staff has conducted surveys of karez systems in Ahmad Aba, Sayed Karam, Mirzaka, Jaji, Chamkani and Danda Patan districts and the information was provided to the Gardez PRT. During the previous quarter karezes in Ahmad Aba, Sayed Karam and Mirzaka districts were nominated for rehabilitation with only the Mirzaka project being approved.

##### Market Infrastructure

Market infrastructure in the project area is inadequately developed. P2K continues to identify ways in which to work with the Farm Stores as marketing outlets. These structures can contribute greatly to the ability of the farmers to market. As discussed above, one recently discussed opportunity is for the Farm Stores to become a supply link to the juice factory located in Kabul.

##### Livestock Harvesting Unit (slaughter plant)

As the livestock sector in the P2K area expands, an avenue for finished animals needs to be available for producers. Contact with a slaughter house consultant to develop a modular type slaughter facility was initiated and a consultancy started. The facility will enable the butchers to slaughter the animals in a more advance method while addressing the desire of the governor to stop animals slaughter on the street. The facility will use shipping containers and an initial draft

design was developed. In addition, the consultant will also develop training videos and materials for the different aspects of the slaughter industry.

### **3.4.2 Results**

#### **Irrigation**

The P2K staff has provided the Paktia PRT with coordinates to the identified karez systems for potential support.

#### **Market Infrastructure**

The P2K staff developed and opened 12 Farm Stores that can serve as rudimentary market structures. Plans for the marketing of alfalfa through the stores are in the process of being developed.

#### **Livestock Harvesting Unit (slaughter plant)**

The project team finalized drawings for the animal harvesting facility and began discussions with a contractor to obtain cost estimates. The basic structure starts with shipping containers and is modified to contain a hanging rail, a slaughter floor, a chilling section, a storage section and a possible processing area. The plans include waste treatments for the raw waste, grey water and sewage.

Several discussions took place concerning the location of the slaughter facility and the ownership structure. A potential owner was identified that has adequate land and financial resources. The potential owner also currently has a contract with the Afghan National Army for small ruminant carcasses.

### **3.4.3 Plans for Next Quarter**

- The P2K staff will stop all work in irrigation
- P2K will continue working with the Farm Stores to market alfalfa
- Cancel building the slaughterhouse. The consultant will draft a final report to detail activities to date and recommendations.

## **3.5 Objective 5 – Establish Association and Community Outreach to Provide Services**

### **3.5.1 Main Activities**

#### **Association Development**

As part of the approved year two work plan, association development is a critical component of P2K activities. To assist the ADTs and PRTs the P2K staff has worked to develop associations. During the quarter association development activities took place with the Pine Nut Industry, Farm Stores, farmers (alfalfa growers) in several districts, meat and butcher traders, various

livestock associations and several orchard-nursery owners. It is critical to note that many of the PRT and ADT activities are dependent upon associations for their funding activities; however the two entities do not have the capacity or funding for association development. Thus, it is a natural partnership for the P2K project to work directly with the PRT and ADT teams to develop and implement activities in the region.

It should be pointed out that the laws of Afghanistan influence the activities and ownership of various groups. An association cannot be a for-profit organization. For-profit organizations have to be registered with the Ministry of Commerce and cooperatives have to be registered with the Ministry of Agriculture. Unfortunately when the Ministry of Agriculture becomes involved with a cooperative the laws allow them to have a leadership role which dilutes the influence of the private sector leadership.

The ADT has discussed the establishment of a number of community based seed multiplication enterprises. The model to be used will be the Village Based Seed Multiplication Enterprise (VBSE) model developed by ICARDA. The P2K staff will assist the ADT to develop the village groups and ADT will support the inputs. The number and location of villages will be determined, however, Zurmat will definitely be included.

Currently there are a number of groups in Paktia which are semi organized into fruit, vegetable and agro-forestry associations. In addition, there is a Paktia Beekeepers Association. In general, these associations are in the early development cycle with the Gardez Apple Growers Association (GAGA) representing the only possible exception.

### **3.5.2 Results**

#### **Association Development**

The P2K staff held several meetings with the communities and has started the development of 15 associations. There were 283 people trained in the basis of association. The associations include livestock, butcher, alfalfa and orchard associations.

### **3.5.3 Plans for Next Quarter**

- Cancel future develop associations training.

## **4. Program Management and Administration**

### **4.1 Staffing**

Staffing adjustments continued throughout the quarter to meet the increasing program and administrative needs.

#### **4.1.1 Plans for Next Quarter**

- Notify all staff that their employee will end on August 31, 2009.

## **4.2 Facilities**

The lease in Gardez was renewed until November 14, 2009.

### **4.2.1 Plans for Next Quarter**

- Notify landlords that project will vacate rented facilities on August 31, 2009 and request return of unused rental advance.

## **4.3 Administration**

The program and administration staff was actively involved with the Kabul Agriculture Fair that focused on Fresh Fruit and Vegetables in May. All of the program activities were represented at the fair and several contacts were made for the Farm Stores.

## **4.4 Security**

Road travel between Kabul and Gardez, Gardez to Khost, Kabul to Ghazni and Ghazni to Sharana remains difficult. The P2K international staff members continue to use USAID Air for transport between locations. Afghan staff members have a larger degree of freedom of movement and conduct their travel through private or public transport, however, the increased security problems has made this more difficult.

During this quarter the security situation in Paktia, Paktika and Khost has further deteriorated with increasing attacks on Afghan and US forces. Several times during the quarter our expat security manager put the Gardez office on lock down and stopped all expat travel outside of Kabul and the PRT. We are increasing curtailing local staff movement in response to these dangerous incidents and an overall unsafe traveling environment. With the approaching elections security personnel agree that the situation will not improve in the short term. While post election violence and attacks may decrease slightly, the long term situation does not look substantially different than at the current time.

ACDI/VOCA's expat and local security team will continue to monitor the security situation and institute appropriate measures and policies in the future.