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Volunteers for Economic Growth Alliance

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

***QUARTERLY REPORT
JANUARY 2008 – MARCH 2008***

**LEADER WITH ASSOCIATE AGREEMENT (LWA)
EEM-A-00-04-00002-00**

**Associate Cooperative Agreement
306-07-023**

**Prepared for the United States
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Implementing Organizations:



The Grand Council of Kuchis



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1. Executive Summary

The VEGA Alliance finalized 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 (P2K). Over the next six weeks, Sub-Agreements were concluded with the lead associate ACDI/VOCA, in addition to CNFA, Winrock International and Grand Council of Kuchis. Hiring and mobilization of staff began in late December 2007.

During this quarter, the project worked on community outreach and developing strategic alliances to foster the goodwill necessary to work with the multiple actors in the region. As a result of the goodwill established by the project so far, the team will work closely with the four Afghanistan Provincial governments, targeted District Development Authorities (DDAs), Community Development Councils (CDCs), selected agricultural and business associations, cooperatives, private enterprises, the Provincial Reconstruction Teams (PRTs), local tribal leadership and community groups.

During the reporting period, the project team visited PRT command staff at PRT-Gardez, PRT-Khost and PRT-Sharana, and staff at Task Force Fury at Forward Operating Base (FOB) Salerno. The team initiated contact with the Agricultural Team from the Texas National Guard who anticipate establishing operations at PRT-Ghazni during May 2008. Briefings were conducted with the United States Department of Agriculture (USDA) and USAID staff at the Embassy in Kabul, Task Force Fury and from each PRT. The VEGA team's visit to PRT-Ghazni was delayed over the last several weeks due to weather, on base fire damage, and security events. In Gardez and Khost respectively, staff members met with the incoming USDA advisors for Paktia and Khost to brief them on P2K activities. Possible areas of collaboration were also discussed.

Meetings with District Directors of Public Works, Agriculture and Rural Rehabilitation and Development were conducted in Paktika Provinces. The Governor and Agricultural Director of Paktia were met as well as the Governor of Khost in an effort to identify high priority opportunities which would fit the VEGA mandate. Meetings were held with the Governor, Directors of Agriculture, Irrigation, Rural Rehabilitation & Development, Women's Affairs, Director and Administrative Assistance of the Rehabilitation Organization for Women (ROW) and the Provincial Directors of the Tribal Liaison Organization (TLO), UN Assistance Mission to Afghanistan (UNAMA) and Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) in Khost Province. Sites in Khost where the PRT have constructed or rehabilitated irrigation infrastructure were inspected to assess their potential for irrigated fruit and vegetable production. A number of projects proposed by the Department of Agriculture were also visited and assessed. Coordination and information gathering meetings have been held with various stakeholders on the local, regional and national level from various groups representing women, youth and vulnerable groups as well as numerous business owners. These meetings have successfully outlined the implementation approach, which is outlined in this report based on the project objectives.

While several locations for offices and residences in Gardez were being inspected and considered, PRT-Gardez offered to provide housing, offices and support services for the project team. Following review with the Project CTO, this offer was accepted and upon completion of construction of two "B" huts the Security Team moved in January with the initial VEGA program, team relocating in early February.

A reassessment of the ever fluctuating security concerns and the need to continue fostering close working relationships with local communities concluded in a second relocation of program offices. To more effectively integrate local staff to the office premises the program's local headquarters will be located in Gardez. In order to take maximum advantage of the enhanced agriculture development opportunities presented, with year round growing conditions found in the lowlands of Khost Province, it was decided to also establish a project sub-office in Khost. Thus, rather than serving the province by periodic visits from Gardez, P2K will be able to accelerate project activities in that region by having continuous local staff support. Paktika and Ghazni would be served by staff from Khost and Gardez on a project by project basis, supplemented by local contractors or Non-Governmental Organizations (NGOs). As a result of this two office approach, supporting multiple teams of international and Afghan staff, the provisions for security were reviewed by the ACDI/VOCA International Security Director and expanded to accommodate the additional operations. A security RFP was released to centralize security under an international security firm, which will be managed by the Security Director.

2. Program Overview

2.1 CDA-P2K Background

The Southeast Region of Afghanistan covered by the project includes the Provinces of Paktia, Paktika, Khost and southeast Ghazni. Agriculturally the region is characterized by subsistence farmers and herders, limited and traditional commercial production, and dominated by trade with Pakistan. Although there has been a presence by UNAMA and the Local Governance & Community Development (LGCD) program managed by Development Alternatives Inc. (DAI), the Region has not received the same development attention and funding as other areas in Afghanistan which are served by the Alternative Development Programs (ADPs), Afghanistan Small and Medium Enterprise Development (ASMED), Afghanistan Sustained Agriculture Program (ASAP) and others. P2K is the first agricultural development project of its type to be implemented in the Loya Paktia region since the deterioration of the security situation.

The goal of CDA-P2K is to '*Generate increased income, employment and sales of agricultural products for communities in the region*'. To contribute to the achievement of this goal the CDA-P2K program will undertake activities to accomplish the following five specific objectives:

- Objective 1:** Identify and exploit markets that can be profitably served by the agricultural enterprises in the P2K region.
- Objective 2:** Increased production and improved 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 P2K rural enterprises to improve storage, handling and processing of agricultural products.
- 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.

By attaining these objectives it is anticipated that improved inputs and techniques will result in improved health of livestock, improved quality of production, expanded markets and increases in net income of those parties targeted by the project.

2.2 Implementation Strategy

Private Sector Involvement with Community and Provincial Input

Initiatives will be developed with individual community and tribal stakeholders, associations and enterprises which the program will assist through training, technical support, improved agriculture and veterinary inputs and agricultural techniques, as well as post harvest treatment, processing and access to markets. VEGA CDA - P2K will coordinate and work with the various levels of provincial and local government. P2K has also been working with private companies to assess the potential sale of products in national, regional and global markets. This multi-tier coordination will emphasize the overriding focus of the CDA-P2K program’s involvement and support of the private local sector. Furthermore, a cross-cutting aspect of all VEGA support and program development is an emphasis on the involvement of women, youth and vulnerable groups. Each project will be reviewed as to potential inclusion and impact on these groups. Based on the particular need of each project, we will also develop targeted programs/projects for each of these groups.

In an effort to stress a genuine sense of ownership of the project and its implementation by all participants, target groups have been involved in the planning process from the beginning. We clearly understand the difference between *need* and *opportunity*. Rather than focusing upon a “wish list” of, for example, equipment and input supply purchases, the VEGA project team is reviewing supply chains to determine where the greatest benefit can be developed from interventions -- such as the introduction of new seed varieties, improved orchard management, nursery operations to accelerate seedling growth and survivability, methods to reduce diseases and post harvest loss, and value added processing.

3. Quarterly Results

3.1 Objective 1 – Identify and exploit market opportunities

Research will continue to be conducted to assess the farming conditions in the region. In addition to reviewing documents and literature of existing production from the Southeast Region, specific discussions were held with private business owners, fruit growers association, tribal leaders and government representatives regarding rice production, wool wash facilities, seedling production operations, grain and apple, potato and onion storage, demonstration gardens, training facilities farm stores, veterinary services and assistance in marketing. The project team has held discussions with a number of USAID contractors, the UN, international and national NGOs, associations, contractors, wholesalers, retailers, traders and individual entrepreneurs to identify specific needs and opportunities in the service area.

| Indicator | Unit of Measurement | Year |
|---|---------------------|------|
| | | 2008 |
| Change in Number of ag-related firms w/ improved mgmt processes | Number | 0 |
| Change in household income of assisted farms/ enterprises | Percentage | 0 |
| # of individuals receiving USG-supported training | Number | 0 |

3.2 Objective 2 – Increase production & improved quality of horticultural, livestock and agro-forestry products

An assessment of traditional production methods has been conducted through discussions with the Ministry of Agriculture, Irrigation & Livestock (MAIL), USAID, other USAID and donor contracted service providers, NGOs, farmers, private businesses and other knowledgeable people. Commodities assessed included grapes, orchards, vegetables, timber species and livestock. Based on these discussions models are being developed that will be implemented through service agreements with various providers.

Winrock International staff and their consultant held various meetings with USAID, MAIL Forestry Department management and several non-governmental organizations involved in forestry activities and developed the P2K agro-forestry strategy which was incorporated into the P2K Work Plan. Also facilitated was a Forest Partners Workshop technical session at the Workshop on Sales of Non-timber Forest Products (NTFP) and formation of the Non-Timber Forest Product Knowledge Network, an informal group that now shares resources, research, lessons learned and other topical relevant information. Arising from the strategies outlined in the workplan, and taking into account the baseline analysis, plans have been developed for an initial survey in the Third Quarter of the pine nut value chain to determine additional value added processing that could be developed in Paktia and Khost Provinces. A private company from California that sells dried foods and nuts is interested in finding a provider in Afghanistan. Once the pine nut assessment is ready, program staff will finalize negotiations as to the nature of the partnership or commercial relationship between the targeted community and the US based corporation.

| | | Year |
|--|---------------------|------|
| Indicator | Unit of Measurement | 2008 |
| Change in Number of ag-related firms benefiting from CDA-P2K | Number | 0 |

3.3 Objective 3 – Mobilize the services and supply industries to create opportunities for P2K rural enterprises to improve storage, handling and processing of agricultural products

CNFA-Afghanistan has extensively briefed project staff on their experience and lessons learned developing and commissioning a comprehensive Farm Store in Jalalabad. Input suppliers, equipment manufacturers, and training programs providers were further consulted concerning their business experiences and opportunities in the region. Subsequent site visits and discussions have been conducted with private wholesalers (Kurbankill and Aram stores) in Kabul with distribution in the P2K Region and Accelerating Sustainable Agriculture Program (ASAP) who have implemented the Ag-Depot concept with Noor Brothers throughout the country.

Desktop plans have been reviewed for apple, potato and onion storage facilities in Gardez and initial discussions have started regarding additional storage and processing facilities in other parts of the country using production techniques not currently identified as being used in the Southeast Region, such as dehydrated vegetables, mushroom growing, flour mills, and commercial poultry production. Discussions with processors in other parts of the country who could purchase inputs from the Region, including flour mills in Jalalabad, Kabul and Herat, poultry feed mills in Jalalabad and an almond shelling and roasting facility in Kabul have been initiated. As opportunities are identified in the Region, linkages to market will be developed as part of the initial project set up.

| | | Year |
|--|---------------------|------|
| Indicator | Unit of Measurement | 2008 |
| Change in Number of add'l ha under improved tech. or mgmt. | Number | 0 |
| Change in value of new investments by enterprises | Percentage | 0 |

3.4 Objective 4 – Rehabilitate irrigation and market infrastructure

Rehabilitation of various irrigation systems have been undertaken by the PRT, in particular in Khost Province and to a lesser degree in other provinces in the region. Facilitating development and rehabilitation of “greater good” and “community” assets, such as irrigation system, clears main routes, but may not carry back to individual farmer’s properties. The CDA-P2K will assess various opportunities in Khost and other provinces to capitalize upon the additional irrigation capabilities and to expand selected canals to farmers.

Farm Stores are viewed as a central component of the P2K program. Feed back from CNFA as to appropriate inputs, suppliers and targeted districts has been obtained. At this time, these districts include:

GHAZNI

- Andar
- Ghazni
- Jaguri

KHOST

- Khost
- Mandoz Y
- Terezayi

PAKTIKA

- Saran
- Urgun
- Zargun Safir

PAKTYA

- Gardez
- Sayid Karam
- Surmat

CNFA Office Manager and Regional Field Officers for Paktia, Paktika and Khost have been interviewed and selected. They will be hired the first week of April. The CNFA Project Accountant was hired in late March. Initial meetings with prospective investors for Farm Stores in Paktia and Khost were also conducted. Additional traders, wholesalers and retailers are scheduled for further meetings in the next quarter.

In regards to establishment of cooling units in strategic locations, on-going discussions are being held regarding fruit storage facilities, needs and opportunities. The commercial model proposed by P2K will assist in establishing these facilities, in collaboration with individual entrepreneurs in the region.

| | | Year |
|---|---------------------|------|
| Indicator | Unit of Measurement | 2008 |
| Change in Number of ha w/ improved irrigation or infrastructure | Number | 0 |

3.5 Objective 5 – Establish association and community outreach to provide services

An extensive number of meetings have been held with leading innovators and supporters of Gender, Youth and the Disadvantaged program in Afghanistan, including USAID. Liaison and strategy meetings have been held with Danish Committee for Aid to Afghan Refugees (DACAAR), Tribal Liaison Office, Jaji Youth Council, Rehabilitation Organization for Women, Women’s Education Organization and others who focus on programs for women, youth and vulnerable groups.

With the assistance of the Grand Council of Kuchis, outreach meetings have been held with various tribal leaders in the immediate Gardez area and introductions to business owners interested in investing in value added processing facilities.

| | | Year |
|---|---------------------|------|
| Indicator | Unit of Measurement | 2008 |
| Change in Number of ag associations/ support institutions created | Number | 0 |
| Change in # of ag associations/ support institutions lobbying | Number | 0 |

3.6 Cross-Cutting Indicators

| | | Year |
|---|---------------------|------|
| Indicator | Unit of Measurement | 2008 |
| Change in Number of FT equivalent jobs | Number | 0 |
| Change in rural household income | Percentage | 0 |
| Change in growth of agriculture value added | Percentage | 0 |
| Change in sales of licit farm and non-farm products per household | Percentage | 0 |
| Change in average produce prices | Percentage | 0 |

3.7 Upcoming Program Activities

The VEGA P2K project team was asked to prepare a Scope of Work for a proposed AgFair in Ghazni in June or July 2008. Visits to government and military officials in Ghazni will be conducted during the next quarter. Resources of an ACDI/VOCA consultant who developed the AgFair for the Alternative Development Program/North (ADP/North) last year has been contacted to assist as has the former Security Director of ADP/North who developed the security plan for their AgFair.

Specific baseline assessments and program grants and contracts will be prepared for review and approval on the following projects:

- Pine Nut and other Non-Timber Forest Products Supply Chain Assessment in Jaji District of Paktia Province
- Vocational Training needs assessment in Paktia and Paktika Provinces
- Clean & Green at Camp Lightning, near PRT Gardez including a training facility that will include the establishment of demonstration facilities for protected cropping and outdoor production of high value commodities. The agriculture faculty of Paktia University will have an opportunity to use the facility as a practical training centre for students and to conduct trials and demonstrations,
- Survey of existing agricultural & veterinary input dealers and vendors in Paktia, Khost, Ghazni and Paktika
- Vetting and selecting investors for development of Farm Stores in selected secure districts
- Survey veterinarian service businesses and cooperatives
- Site selection for wool wash facility in Paktia province and initial engineering

4. Program Management and Administration

The VEGA Alliance for the CDA-P2K program was signed with USAID 14 November 2007

4.1 Sub-Awards

Sub-Awards with implementing partners were signed on the following dates:

| | |
|---|------------------|
| Sub-Award signed with ACDI/VOCA – Prime Implementing Organization | 20 November 2007 |
| Sub-Award signed with Winrock International (WI) | 5 December 2007 |
| Post Award Conference with USAID-Kabul CTO and Contracts Officer | 5 December 2007 |
| Sub-Award signed with Citizens Network for Foreign Affairs (CNFA) | 12 December 2007 |
| Sub-Award signed with Grand Council of the Kuchis (GCK) | 23 December 2007 |

4.2 Staffing

The Staffing for the project include the following international personnel and their initial date of arrival or hire on the project:

| | | |
|---|----------------|------------------|
| Timothy Ham, Chief of Party | ACDI/VOCA | 29 November 2007 |
| Tom Cunningham, Agricultural Specialist | ACDI/VOCA | 6 December 2007 |
| Dr. Vic Getz, Gender, Youth & Disadvantages | Winrock Int'l. | 13 December 2007 |
| Robert Thompson, Security Director | ACDI/VOCA | 8 December 2007 |
| Willem Wiid, Deputy Security Director | ACDI/VOCA | 8 December 2007 |
| John Rucszyk, Deputy Chief of Party | CNFA | 3 January 2008 |
| Nicholaas Vermeullen, Security Advisor | ACDI/VOCA | 3 February 2008 |

Local Afghan staff hires included Project Accountant for ACDI/VOCA and CNFA and an Office Manager for ACDI/VOCA, who subsequently resigned and was replaced on an interim basis. A Horticultural Production Specialist was also recruited during the period.

Additional candidates have been interviewed and will be hired from the region in April include Office Manager and Regional Field Managers for CNFA. The recruitment process for other key staff including Interpreters, Marketing, Grants & Contracts, Communications and Monitoring & Evaluation staff for ACDI/VOCA and Agro-Forestry, Gender staff for Winrock International will continue.

4.3 Facilities

Given the four province range for the P2K project and review of potential needs and opportunities, the Team decided rather than obtain a two year lease on facilities in Gardez assuming a single office location, the Team will establish a satellite operation in Khost and accept an offer from the Maneuver Commander of PRT-Gardez, Lt.Col. Woods, for support services of the PRT, including accommodations, office, static security. Three “B-Huts” were offered to be constructed for a combination of accommodation and office set up on an interim base. The Project Team, International and National staff will use these facilities for several months as we select and upgrade specific facilities in Gardez and Khost for accommodations, office and meeting/training spaces.

4.4 Program Monitoring

The P2K Monitoring & Evaluation (M&E) program is under development. ACDI/VOCA’s headquarter M&E specialist is working in conjunction with field staff to delineate the M&E strategy and hire M&E staff on the field. Once submitted and accepted by USAID, future results relative to the M&E plan will be submitted on a quarterly basis.

4.5 Security

Much of the area served by the CDA-P2K project continues to experience increases in armed conflict, ranging from rocket attacks on military bases, assassination of government officials, Improvised Explosive Devices (IEDs), assaults on military convoys and against national staff working with coalition forces, USAID contractors and Afghan Government. Armored vehicles provide a level of protection against small arms fire, although not rocket propelled grenades (RPGs) or IEDs. In an effort to maintain a lower profile with our vehicles, applications were submitted to USAID-Kabul for waiver request to purchase non-US source & origin armored vehicles. This request was refused by USAID headquarters office. Current lead times for new armored vehicles from approved Department of State vendors in the US are approaching 40 weeks. In the interim, the project team uses an armored vehicle provided by USAID from returned inventory and will make arrangements under an interim service contract for transport services via armored vehicle from our security company, at additional costs.

ACDI/VOCA has is the prime source of security strategy and procurement for security on the project. Dave Jegier, International Director of Security for ACDI/VOCA, spent three weeks in Kabul and visited Gardez in his evaluation of security requirements for the project. Based upon long standing experience with other conflict and post conflict areas, with ACDI/VOCA in Iraq and the need for establishing more than one base of operation in the P2K region, the Security program was re-designed to accommodate up to three mobile teams in addition to static forces for residence and office. Additional national staff and international supervision were added to provide coverage for staff when they are in Gardez and Khost and to provide coverage during country leave of one of the international staff. To cover for activities in Kabul, Paktika and Ghazni Provinces, the Security Team will maintain assets in Kabul, Gardez and Khost. Assets from Gardez and Khost would be relocated as needed to serve teams conducting work in Paktika or Ghazni Provinces.

The ACDI/VOCA Security staff members include the following personnel:

| | |
|----------------------------------|---|
| International Directors/Advisors | 3 staff (working on a rotating basis to offer coverage during absences required out of country; staff operating on contract, 10 weeks on and 3 weeks off) |
| Drivers | 2 |
| Vehicles | 2 pick-ups; 1 Toyota LandCruiser (armored) and 1 Mitsubishi Pajero (armored, but significantly underpowered and once licensed will be used only for transport in Kabul); both vehicles were provided by USAID |

ACDI/VOCA has contracted with Commercial Security Guard Services (CSGS), an Afghan owned security firm, currently retained by other ACDI/VOCA operations in Kabul:

| | |
|----------------------|----|
| Security Supervisors | 3 |
| Guards | 12 |
| Vehicles, unarmored | 6 |
| Vehicle, Armored | 1 |

P2K Security Policy Manual and Appendices were established, produced and distributed to all staff.