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ALTERNATIVE DEVELOPMENT PROGRAM—EASTERN REGION **ADP/E**

Alternative Development Program—Eastern Region

Biweekly Report May 1-15, 2009



A farmer in Batikot District of Nangarhar Province weeds his newly-planted sweet orange orchard. ADP/E has established orchards for 176 farmers in the past two months, who together have planted 30,000 trees.

General Information

Project	Alternative Development Program—Eastern Region
Start Date	15 February, 2005 (contract signing)
End Date	30 June, 2009
Contract Number	GS-10F-0359M
Order Number	306-M-00-05-00515-00
Cognizant Technical Officer	Jeffrey Allen
Contracting Officer	Stanley Canton
Geographic Coverage	Nangarhar, Laghman, Kunar and Nuristan Provinces

Mission Statement

The overall objective of ADP/E is to accelerate broad-based, sustainable economic development in the eastern region of Afghanistan, providing the population with licit livelihood options and contributing to the elimination of poppy production as an economic element. This is accomplished by working with the public and private sectors to increase the competitiveness and diversity of regional agricultural and non-agricultural sub-sectors; improving access to markets, inputs and business services; consolidating the presence of supportive public and productive infrastructure; building public and private sector capacity to function in a competitive and transparent economy; and addressing the needs of populations that are heavily reliant on the poppy economy.



I. EXECUTIVE SUMMARY

Highlights of ADP/E's activities during the reporting period

- ADP/E field technicians supervised 171 old orchards and conducted seven spring season field days on orchard management attended by 225 fruit growers from 12 districts of the region.
- ADP/E annual horticulture team conducted more than 70 field days on vegetable demonstration farms. In total, more than 1,750 farmers participated in these field days and learned about field layout, fertilization transplanting and good agricultural practices.
- ADP/E-supported broiler producers sold 14,150 one-day old broiler chicks in local markets in Jalalabad. The sales generated an income of \$ 5,377 for participating poultry farmers. Farmers also sold 13,450 eggs for an income of more than \$1,000.
- A Memorandum of Understanding was designed which will be signed between eight fruit and vegetable export companies and ADP/E to outline the arrangements under which they will support the export of onion and garlic to Pakistan and India.
- ADP/E continued its technical and financial support to women-owned micro-businesses. In the reporting period, these small businesses had a total sale of \$5,532 with a net profit of \$2,733. The figures show that ADP/E supported women businesses are increasingly becoming sustainable.
- ADP/E-supported greenhouses sold more than 125,000 seedlings to farmers in the eastern region and generated an income of more than \$ 2,000. These plug seedlings included cucumber, okra, tomato, eggplant, hot pepper, sweet pepper and watermelon.
- ADP/E hired trainers to teach ten local employees of fruit pulp production and tomato pulp production centers in Nangarhar province. The trainers will train the trainees in practical ways of producing tomato and fruit pulps.
- ADP/E continued working on 11 active CFW projects, employing a total of 1,049 people and generating 10,336 person days during the reporting period. To date, ADP/E has employed 173,980 people and generated 6.12 million person days worth \$22.28 million in wages.

ADP/E's Programmatic Structure

ADP/E's activities can be divided into two areas: economic development and infrastructure development.

Economic development activities focus on a range of annual and perennial horticulture projects, a livestock program with emphasis in poultry production and marketing, a market development program, gender and micro-enterprise activities, and a private sector development program that assists small- and medium-sized entrepreneurs to improve existing companies and establish new businesses.

Infrastructure development is divided into two areas: productive infrastructure projects (PIP) and cash for work (CFW) projects.

In many cases, programs overlap, capitalizing upon one another's strengths to create successful economic linkages in more efficient ways.

II. Sector Activities

A. Economic Development

I. Horticulture Programs

Perennial Horticulture

The overarching vision of the perennial horticulture program is to enable rural households in eastern Afghanistan to become the suppliers of choice for local and regional fruit and nut traders and processors, derived from the consistent delivery of high-quality produce, while increasing farmer incomes based on cost-effective production and collective marketing.

Accomplishments in the reporting period include:

COMMERCIAL ORCHARDS: Roots of Peace (RoP) is ADP/E's implementing partner for its commercial orchards program. In the reporting period, RoP continued to focus on training of farmers in improved orchard management techniques and close supervision of newly established commercial orchards.



FRUIT MARKETING PROGRAM (FMP): FMP field technicians assisted fruit growers to harvest and sell their fruit. In the reporting period, FMP technicians supported 225 fruit growers in 49 villages of 12 districts in harvest, post harvest and marketing activities. These farmers sold 42,730 kg of loquat and generated revenue totaling \$17,870, a figure 23% higher than the average market price due to the added value garnered through improved grading and packaging. Field technicians also assisted 36 REVAMP participants from 16 villages of seven districts to harvest and sell 22,760 Kg of their vegetable products in district and provincial markets and earn \$4,106. They received 24% higher income than the average market price due to harvesting at optimal times, as well as improved sorting and grading.

FORESTRY INNOVATIONS FOR LIVELIHOOD DIVERSIFICATION (FIELD) PHASE II: The FIELD program helps farmers reclaim marginal lands, protect their water resources, promote commercial woodlot production and establish windbreaker barriers for crop protection. ADP/E field technicians continued providing technical assistance to the FIELD program beneficiaries in the region. In the reporting period, 105 program beneficiaries from 32 villages of 13 districts received technical assistance on water management.

NURISTAN ORCHARD PROGRAM (NUROP): ADP/E continued to support Nuristani farmers in establishing fruit and nut orchards on 500 hectares of land. Field technicians checked old orchards in four villages of Kamdish district of Nuristan and provided the farmers with information on irrigation, vegetable as intercrop cultivation in their orchards and urea application.

GRAINS FOR FEED PROGRAM: Twenty-five potential Grains for Feed Program participants in Kuz Kunar district, Char Qala village attended a one-day practical training session on yellow maize cultivation in the reporting period.

Annual Horticulture

The annual horticulture program provides assistance to the region's vegetable industry. Recognizing the different levels of capacity, as well as the particular needs of subsistence, surplus and semi-commercial farmers, ADP/E has a series of programs that address the requirements of each of these groups as a way to bring them to the next level of the development continuum.

Top: An RoP field technician trains a farmer on pest management in Batikot District.
Bottom: A field technician provides technical assistance to a farmer on a forestry plantation in Mehterlam.

TIMER PROGRAM: The Technology Innovations for Market-Led Economic Rehabilitation (TIMER) Program addresses the needs of subsistence farmers in their efforts to increase productivity and produce marketable surpluses. In the reporting period, ADP/E conducted 48 field days and trained 1,175 farmers in modern agriculture practices. This season, ADP/E has conducted 204 field days and trained 5,188 farmers in the region.

COMMERCIAL DEMONSTRATION FARMS: The Commercial Demonstration Farms (CDF) Program works with a small number of commercial farmers with emphasis in the introduction of intensive agriculture techniques, introduction of high-value crops and linking these entrepreneurs to regional and international markets.

Training and sales activities continued in the demonstration farms established in the region during the spring-summer 2009 season. During the reporting period, 613 farmers were trained during 24 field days. In the reporting period, 19,273 kg of fresh vegetables were sold in local markets, generating an income of \$5,326 for farmers working on the demonstration farms.

POTATO PRODUCTION AND MARKETING: No updates are available in the reporting period.

STAPLE CROP PROGRAM: ADP/E will subsidize the planting of 300 Ha of yellow maize. The maize will be harvested under ADP/E's follow-on program, IDEA-NEW, and the farmers will sell maize through forwards contracts with a feed mill in Jalalabad.



In the reporting period, ADP/E completed the paper work for purchasing 6 MT yellow Maize hybrid seed and 187.5 MT of chemical fertilizer (75 MT DAP & 112.5 MT Urea). Forty demonstration plots were selected in 18 districts of the region and the process of beneficiary selection is proceeding well. To date 1,247 (83%) of the target 1,500 farmers have been selected.

Poultry Program

Since April 2008 ADP/E has been supporting the establishment of two breeder farms (Haji Zmarak farm and Barakat Farm) to reduce the import of day-old chicks from other countries and to improve and maintain the local industry in the eastern region. The main objective of the ADP/E program is to make the two broiler breeder farms successful in technical and financial operations.

During the reporting period, 14,150 one-day old broiler chicks were produced and sold to local broiler producers for incomes of \$5,377. The hatcheries also sold 13,450 infertile eggs for \$1,076.



Above left: a field day on plug seedling transplantation in Sarkano District of Kunar.

Above right: culled birds from a breeder farm ready to be sold in the market.

2. Market Development Program

The market development program works with entrepreneurs, trade associations and government institutions to identify local businesses and help them find new markets. The program provides technical assistance, information, training and advertising assistance to link eastern region industries with new markets in Afghanistan and internationally.

MARKET DEVELOPMENT:

ADP/E assisted wholesalers from the eastern region to ship their produce to international logistic companies supplying embassies and Kabul-based premium supermarkets through the brand *Pride of the Eastern Region*. During the reporting period wholesalers shipped 6,189 kg of mixed produce with a total income of \$12,433. Because of the best sorting, grading, packing and service, these traders earned an average of \$2 per kg. ADP/E also continued providing market assistance to farmers and traders targeting different market segments. Sales reports indicate that program participants sold more than 144.7 metric tons (144,734 kg) of fresh vegetable, fruits and herbs worth \$45,530 in Jalalabad local markets in the reporting period.

During the reporting period, ADP/E staff held several meetings with the Nangarhar Wholesale Association to finalize a list of export companies that will take part in onion exports this year. As a result of these meetings, a Memorandum of Understanding was designed which will be signed between eight fruit and vegetable export companies and ADP/E to outline the arrangements under which individual members of the association and the project will cooperate in upcoming onion and garlic export to achieve a high degree of cooperation and success during this 2009 export season.

ADP/E is also planning to sponsor a week study tour to Dushanbe, Tajikistan for five Afghan traders who have the capacity to export and are committed to their businesses. The delegation will visit different production sites, processing plants and markets. They will also attend several business meetings with food logistic companies, fruit and vegetable markets, Afghan Embassy staff, and other related governmental and nongovernmental organizations staff to explore sustainable markets for Afghan products in Dushanbe.

The table below summarizes sales facilitated by ADP/E during the reporting period:

Products	Local Market		High Value Market		Export Market		Total weight & Value	
	Kg	\$	Kg	\$	Kg	\$	Kg	\$
Vegetables	101,568	26,673.9	4,683	6,766	0	0	106,251	33,440
Fruits	42,730	17,870.6	1,506	5,666.8	0	0	44,236	23,537.4
Herbs	60	84	0	0	0	0	60	84
Cheese	376	902.4	0	0	0	0	376	902.4
Total	144,734	45,530.9	6,189	12,432.8	0	0	150,923	57,963.8

Sales directly facilitated by the project since 2006 to May 15, 2009	5,021,430
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MARKET INFORMATION SYSTEMS (MIS):

Market Information System collects, analyzes and disseminates price data for 65 commodities in five markets, including Kabul, Asadabad, Jalalabad, Mehterlahm and Peshawar. These commodities include agricultural inputs, e.g. seeds, fertilizers and pesticides as well as outputs, e.g. fruits, vegetables and meats. During the reporting period, the program responded to 1,680 text messages and sent daily price reports (both wholesale and retail) to 1,080 TAMAS subscribers.

During the reporting period, six "Agriculture and Livestock" (*Karkeela aw Maldari* in Pashto) radio programs aired via Sharq Radio. The program received 35 calls from different districts of the eastern region. The callers asked questions about their gardens, vegetable plots and animals and ADP/E experts answered their questions and provided useful information to them. ADP/E has also aired six programs via the Mehterlahm station and six programs via Asadabad station. Currently, most of Nangarhar, Laghman, Kunar and some districts of Nuristan are covered by the program. ADP/E also continued prizes distributions to farmers who answer the questions correctly and who were then selected in the lucky draw.

3. Gender and Micro enterprise Unit

The GME Unit is charged with ensuring that Afghan women participate in and benefit from economic development. ADP/E provides direct support to women-owned businesses to improve their profitability and prospects for sustainability. It also works with business associations to include women in policy dialogue and with provincial delegations of the Ministry of Women’s Affairs.

BUSINESS MENTORSHIP PROGRAM: ADP/E continued its technical and financial support to help program participants effectively run their home-based micro-businesses. The project has also focused on marketing efforts for participant businesses. During the biweekly reporting period, a total sale of \$5,532 was made with a net profit of \$2,733.

CHEESE PROCESSING CENTERS: ADP/E continued supporting cheese centers for a sustainable supply of cheese. Milk production is now increased in almost all centers. During the reporting period, a total of 376Kg of cheese worth more than \$900 was marketed. The average price of cheese was around \$2.4 per Kg.

SURKHRUD PACKING FACILITY: Surkhrud Packing facility packed and processed 4,952 kg of vegetables and fruits during the reporting period. The packed products were shifted to high value markets including Kabul-based markets, and RA International Logistics Company.

The packing facility welcomed an audit team in the reporting period that checked the hygienic standards of the vegetables being packed by the facility. Overall, the packing facility received impressive comments from the team with some recommendations to make services better.

WOMEN-OWNED GREENHOUSES AND HERBS NURSERIES: ADP/E continued supporting women-owned greenhouses. The support includes trainings, on-site counseling and marketing efforts. In the reporting period, thirty-seven farmers transplanted 125,200 seedlings from ten eastern region-based greenhouses and the greenhouse operators generated an income of more than \$2,000. These saplings include cucumber, okra, tomato, eggplant, hot pepper, sweet pepper and watermelon.

GME also continued providing technical support to herbs nurseries. The offered services range from designing land layout to seed cultivation, fertilizer application, training and on-site counseling and marketing services.

WOMEN-OWNED FORESTRY NURSERIES: During the period, 38 beneficiaries of the forestry nurseries continued working on the "bed" preparation and started plantation of forestry trees including eucalyptus, butter brush and cotton cypress seeds. The work progress remained satisfactory.



Newly planted forestry trees in women-owned forestry nurseries

PROJECT	DATA	KEY ACCOMPLISHMENTS
Women Forestry and Fruit Nurseries	Over 100	<ul style="list-style-type: none"> On-going marketing – A Sales flyer was drafted and distributed at the Provincial TWG meetings Regular monitoring
Women Small Dairy Production	202	<ul style="list-style-type: none"> On-going sales to Kabul and Local Markets Regular Monitoring
Nuristan Community Midwifery Program	18	<ul style="list-style-type: none"> On-going Technical and ICT trainings. Additional after hours tutoring Plantation of saplings in the Clinic compound Daily Clinical at Ghankhil and main Public hospitals.
Women-owned Fish Farms	40 Fish farms	<ul style="list-style-type: none"> Monitoring of 40 fish farms
Women Business Mentorship Program	200	<ul style="list-style-type: none"> On-going monitoring. Conducting Business Record Keeping trainings on-site Linkage, marketing facilitation Regular monitoring
Woman-owned vegetable nurseries	18 GH	<ul style="list-style-type: none"> On-going marketing, linkage with local farmers Plantation for Commercial program

4. Private Sector Development

PSD assists entrepreneurs to start up new businesses and expand existing operations. PSD supports entrepreneurs to create bankable business plans, delivers technical and financial management training, builds the capacity of entrepreneurs, facilitates linkages with financial resources, helps establish market linkages for program participants and provides support to business associations in the region. Activities are designed and new projects selected based on considerations of long-term employment opportunities and domestic market product development to reduce reliance on imports.

SUPPORT TO BUSINESSES:

- ADP/E-supported textile projects in Kama districts are going forward well. The trainees have improved their weaving skills and they are now 70% capable of producing quality textile products. These trainees will start their own sustainable businesses once ADP/E support ends in June 2009.
- ADP/E started training sessions in fruit pulp production and tomato pulp production centers for 10 beneficiaries. The tomato pulp training is provided to five people of Markikhil village in Shirzad district. The five trainees will learn practical ways of producing tomato pulp and later, they will be employed by Markikhil Pulp Production Center. The other training is for five women from Surkhrud packhouse where they will be producing fruit pulp. Both facilities will be selling their products to Masrouh Foods Processing Company in Jalalabad and then Masrouh will be processing the pulps to produce tomato paste, fruit jams and fruit juices.
- The potato chips training started in the last reporting period in Green Globe Potato Chips Factory continued during the reporting period. The training is provided by

three trainers hired by ADP/E to 12 local employees of the factory. This factory has the capacity to process two metric tons potatoes per day. Such businesses add values to local agriculture products.

- ADP/E continued its efforts to facilitate participation of 15 businesses of the eastern region in the International Agfair which will be held in Kabul from 21-22, May, 2009.
- Work continued to develop a business plan for Ibrahim Malikzai Foods and Beverages Company. This company is looking for outside support to produce fruit juice in Jalalabad.

SUPPORT TO GVMT AND ASSOCIATIONS:

- PSD continued its support with ACCI Jalalabad branch. The support includes providing English language and computer classes to ACCI staff in order to enable them to respond quickly and deliver timely services to the business community. The training started in February, 2009 and will finish at the end of May 2009.
- ADP/E continued to support the Eastern Region Fruit Growers Association. This support includes the salary payment of its two staff members (Manager and Accountant). They played an important role in association in managing the day-to-day operation of the association and helping the board members to organize meetings and discuss important issues in order to deliver better services to its members. They also helped them to have all members pay their membership fee regularly which can lead the association to become sustainable.



Green Globe Potato Chips Factory employees produce and package potato chips. The company recently started operations as a result of direct support from ADP/E.

I. Productive Infrastructure Projects

LALPUR TO GULDAG DBST ROAD (12 km): 99.7%

The main activities of Lalpur-Guldag Road have been completed. Work on the retaining wall at the hillside and arranging material for traffic barriers is still ongoing. The extension of a culvert at Km 9 and removal of rock liable to slide from the mountain at Km 8 were also in progress during the reporting period.



II. Cash for Work (CFW) projects:

ADP/E continued working on 11 active CFW projects, employing a total of 1,049 people and generating 10,336 person days during the reporting period*. To date, ADP/E has employed 173,980 people and generated 6.12 million person days worth \$22.28 million in wages.

NEWLY STARTED PROJECT:

GUEST HOUSE AND DITCHES IMPROVEMENT (CFW-080105)

This road starts from ADP/E guest house and ends at the main asphalt road leading to Farm Ada close to the ADP/E office. The total length of the road is around 750 meters (in three sections, 490 meters + 100 meters + 158 meters = 748 meters). Side ditches along these sections of road are built of plain cement concrete with the total length of 906 meters. It exceeds the total length of the road because at certain sections there is a need for building ditches on both sides of the road. This work is being done in collaboration with the municipality.



SECURITY: The security situation remained conducive for work during the reporting period. The field engineers continued visiting all of the ongoing projects while security section closely monitored available information.

Remaining work on the side drains (top) and protection wall (bottom) of Lalpur-Guldag Road in the reporting period.

Summary: Cash for Work Projects by Province

PROVINCE	TOTAL OF APPROVED PROJECTS	PREVIOUSLY COMPLETED PROJECTS	ACTIVE PROJECTS THIS PERIOD	STOPPED PROJECTS	OTHER PENDING APPROVED PROJECTS	PERSON DAYS OF EMPLOYMENT THIS PERIOD*
Nangarhar	138	132	5	2	1	6,253
Laghman	51	46	4	1	0	2,925
Kunar	28	25	0	0	2	0
Nuristan	6	3	2	1	0	3,152
TOTAL	223	206	11	4	3	12,330

**Ongoing Cash for Work Projects
May 15, 2009**

PROJECT NAME	PROJECT CODE	IMPLEMENTED April 16-30, 09	IMPLEMENTED May 01-15 09	REMARKS
Nangarhar (Roads)				
Panakzi Road Improvement	CFW-080705	77%	82%	ACTIVE
Guest house to ALP-2 office Road Improvement	CFW-080105	35%	45%	ACTIVE
Nangarhar (Non Road)				
Mark khil Micro-Hydro Power Plant	CFW-080409	99%	99.5%	ACTIVE
Mirkikhill Micro Hydro Power Project	CFW-080411	96%	98%	ACTIVE
Lawangapoor & Banda Canal Intake	CFW-080610	50%	55%	ACTIVE
Laghman (Road)				
Abezai Road Improvement	CFW-090124	87%	89%	ACTIVE
Laghman (Non Road)				
Laghman Whole Sale Market	CFW-090123	98%	98%	ACTIVE
Abezai Bridge Erosion Protection Works	CFW-090125	99%	99%	ACTIVE
Abezai Bridge Completion works	CFW-090126	97%	98%	ACTIVE
Kunar (Road) NIL				
Kunar (Non Road) NIL				
Nuristan (Road)				
Dakor to Malil Road Repairing	CFW-300804	30%	75%	ACTIVE
Malil To Mishfa Road Improvement	CFW-300805	6%	13%	ACTIVE

III. Required Performance Data

ANNEX I. ADP/E ACTIVITY LEVEL INDICATORS¹

Indicator	Added (Biweekly)		Target (LOP)	Total LOP (To date)	Target (FY 08)	By province (To date)				By Gender (To date)	
						Nangarhar	Laghman	Kunar	Nuristan	Male	Female
Total Km irrigation and drainage canals and karezes ADP # km	Previous	0.1	2,631	2726	2,631	2,472.62	151.97	101.09	-		
	Current	0.0+				0.02	-	-	-		
	Total	0.1				2,472.64	151.97	101.09	-		
ADP Km. of rural roads repaired in poppy regions # km	Previous	2.6	548	687.3	548	569.05	40.00	56.83	18.16		
	Current	3.2+				0.92	0.06	-	2.26		
	Total	5.8				569.98	40.06	56.83	20.42		
ADP/E Hectares of improved irrigation as a result of ADP infrastructure works # hec	Previous	-	137,060	137368	137,060	123,741	8,207	5,420	-		
	Current	-				-	-	-			
	Total	-				123,741	8,207	5,420	-		
ADP/E Amount paid in CFW in ADP programs USD (\$)	Previous	58,881	20,592,363	22284001	20,592,363	17,396,317	3,155,877	1,203,814	483,258	20,322,090	1,917,176
	Current	44,734*				20,576	12,524	-	11,634	43,787	947
	Total	103,615				17,416,893	3,168,401	1,203,814	494,892	20,365,877	1,918,123
ADP/E Afghans paid through CFW salaries #	Previous	-	174,000	173980 ²	174,000	157,406	12,071	3,562	941	152,332	21,648
	Current	-				-	-	-	-	-	
	Total	-				157,406	12,071	3,562	941	152,332	21,648
ADP/E Total labor days for CFW #	Previous	12,330	5,767,708	6119368	5,767,708	4,809,466	885,422	289,352	124,792	5,553,597	555,435
	Current	10,336*				5,368	2,462	-	2,506	10,094	242
	Total	22,666				4,814,834	887,884	289,352	127,298	5,563,691	555,677
Afghans trained in business skills #	Previous	-	7,000	8568	7,000	6,286	1,518	742	22	3,969	4,599
	Current	-				-	-	-	-	-	
	Total	-				6,286	1,518	742	22	3,969	4,599
Farmers trained in agricultural practices in targeted poppy provinces under ADP #	Previous	1,143	120,000	151596	120,000	88,095	35,306	26,008	60	145,634	3,835
	Current	2,127				1,104	374	649	-	2,127	-
	Total	3,270				89,199	35,680	26,657	60	147,761	3,835
Farmers receiving seed and fertilizer #	Previous	-	177,961	266645	177,961	155,597	56,306	50,665	4,077	266,645	-
	Current	-				-	-	-	-	-	
	Total	-				155,597	56,306	50,665	4,077	266,645	-

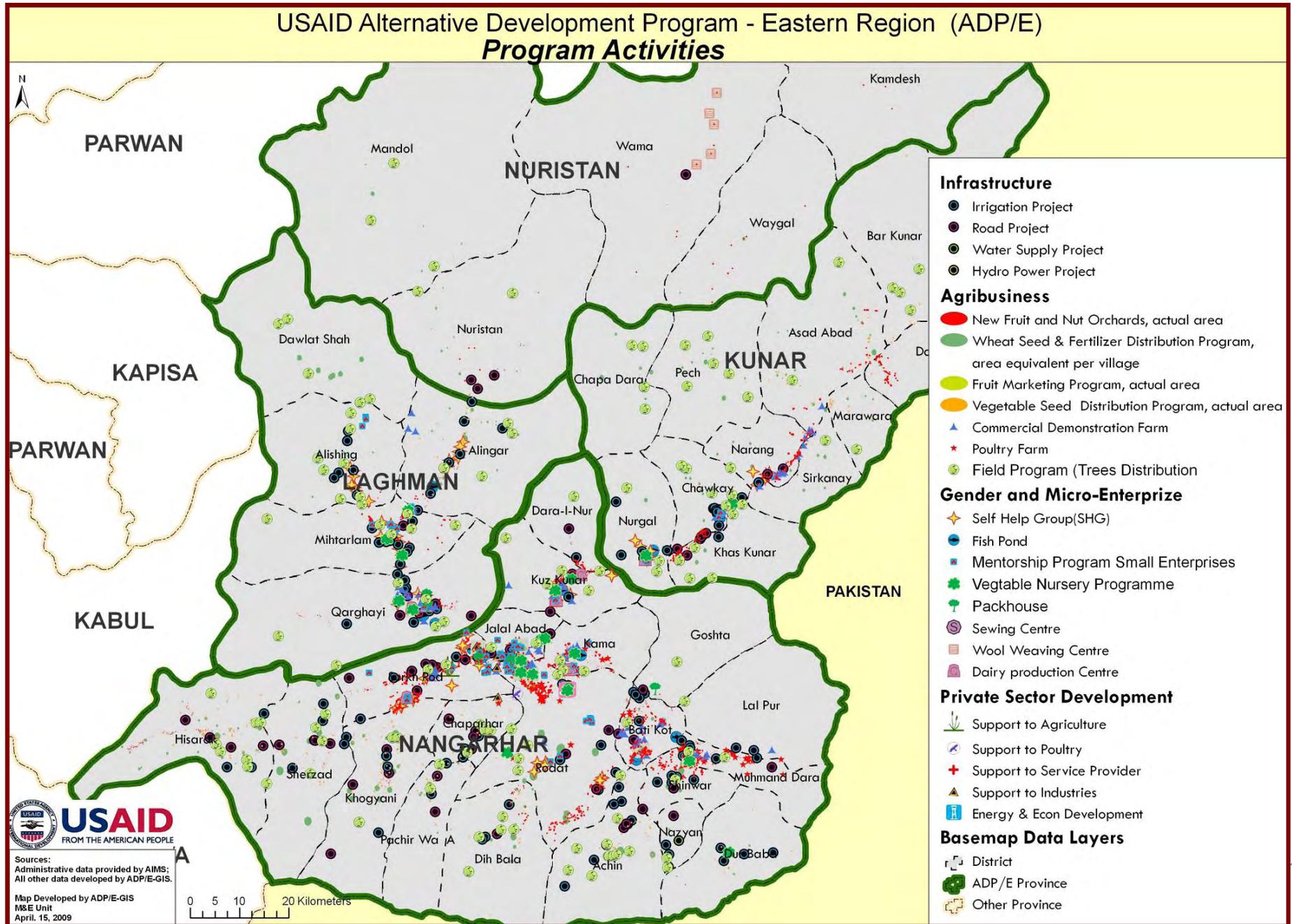
¹ The table shows aggregated figures of both ADP and AINP project

² This figure is a sum of "top number" of persons worked on all CFW projects

+This is an estimate based on percentage completed.

* For accounting purposes, this period is April 1-15, 2009

ANNEX II. ADP/E PROGRAM ACTIVITIES MAP – EASTERN REGION



IV. PROJECT CONTACT INFORMATION

ADP/E CONTACT INFORMATION

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