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# AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

QUARTERLY REPORT – JULY THROUGH SEPTEMBER 2009

Third Quarter 2009

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**QUARTERLY REPORT APRIL THROUGH JUNE 2009**

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**USAID CTO: Zdravko Šami**

**Submitted by: DAI  
7600 Wisconsin Ave., Ste. 200  
Bethesda, MD 20814**

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## **DISCLAIMER**

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# Abbreviations

ABA	Afghan Builder's Association
ACCI	Afghanistan Chamber of Commerce and Industry
ADT	Agribusiness Development Team
AIBM	Afghan Institute of Business Management
AICC	Afghanistan International Chamber of Commerce
AICB	Afghan Innovative Consulting Bureau
AISA	Afghanistan Investment Support Agency
ARFC	Afghanistan Rural Finance Center
AKF	Aga Khan Foundation
ASMED	Afghanistan Small and Medium Enterprise Development
AWBC	Afghan Women's Business Council
AWBF	Afghan Women's Business Federation
BDC	Business Development Center
BDS	Business Development Services
CIDA	
CTCC	Construction Trades Training Center
EPAA	Export Promotion Agency of Afghanistan
HUDO	Hewad United Development Organization
IDEA NEW	
GDA	Global Development Alliance
GoA	Government of Afghanistan
NCDO	New Community Development Organization
MDG	Marketplace Development Grant
MOU	Memorandum of Understanding
NGO	Non-governmental Organization
NSDP	National Skills Development Program
OHW	Organization for Human Welfare
PMP	Performance Monitoring Plan
PRT	Provincial Reconstruction Team
SME	Small and Medium Enterprise
TMF	Turquoise Mountain Foundation
VARA	Volunteer Association for Rehabilitation of Afghanistan
WDOA	Women's Development Organization of Afghanistan

# EXECUTIVE SUMMARY

ASMED's third quarter of 2009 marked the arrival of new Chief of Party, Michelle Morgan, and the expansion of the team following the granting of the project's two year extension and the allocation of supplemental funding for continued programming. With its enhanced team and resources, ASMED continued to expand on its assistance to the development of Afghanistan's private sector.

## COMPONENT 1: IMPROVE MARKET INFORMATION

In the third quarter, ASMED continued to sponsor the successful participation of Afghan SMEs at national and international trade shows including the New York Trade Show, the ASMED-IDEA NEW Dried Fruits Producers and Trade Conference, the Heart Handicraft and Fine Arts Exhibition, as well as preparations for the India International Trade Fair. ASMED continued its support of SMEs and business associations in its completion of assessment of the Northern Region carpet sector, a business mapping survey in Uruzgan and an SME Identification Survey in Maiwand.

## COMPONENT 2: IMPROVE BUSINESS DEVELOPMENT AND MANAGEMENT SKILLS

ASMED furthered its support of Afghanistan's BDS sector this quarter. Working with consultancy firms, local associations, universities and ADTs, the project continued to further develop and expand its trainings in business practices, management, marketing and agribusiness. In Jalalabad, ASMED convened a business matchmaking event in and expanded its Business Development Centre while finalizing its Kandahar Local Business Directory in the south.

## COMPONENT 3: STRENGTHEN BUSINESS ASSOCIATIONS

Associations remain fundamental to ASMED's programming as major conduits for training services, machinery and equipment grants. In the third quarter, ASMED continued its support of national associations such as the AVBF and the ACCI, as well as smaller, locally based business organizations including beekeepers, carpet traders, seed producers, food producers, saffron traders, and the handicrafts and gemstone sector. ASMED conducted a needs assessment of associations in Ghor province, and plans for a Kunar Business Incubator are now underway.

## COMPONENT 4: GLOBAL DEVELOPMENT ALLIANCES AND GRANTS

ASMED's GDA portfolio was consolidated this quarter with the arrival of the GDA Junior Advisor. Conferences were held in both Herat and Mazar-e-sharif to identify GDA opportunities in those regions. Work continued on existing GDAs including the second season of *Dream and Achieve*, the Silk Value Chain, OLPC, WPCO, Afghan Earthworks, and SIPS. New GDAs in food production, affordable power and low cost pharmaceuticals were approved, while concept papers in the key sectors of marble, gemstones, carpets and wool processing are being developed.

## **COMPONENT 5: HUMAN CAPACITY BUILDING**

ASMED's Internship and Mentorship programs continued to expand in this quarter. Courses were successfully completed and new intakes begun. Graduates of both programs continue to enjoy a high level of job offers at host companies.

Progress Towards Indicators - Regional Breakdown											
PMP Ind	PERFORMANCE INDICATOR	Region	Qtr 03 09			Cumulative			PROJECT Totals		
	Indicator <i>(source of information)</i>		July - Sept			2007 - Sept 2009			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			
<b>I. ACCESS TO MARKET INFORMATION</b>											
Sub Intermediate Result: Increase access to and use of market information among private enterprise											
1.1	<b>12 market assessments completed with help from local partners.</b> <i>(Copies of Assessments)</i>	<b>Afghanistan -wide</b>	<b>1</b>	3	450%	<b>12</b>	23	192%	<b>12</b>	<b>23</b>	192%
<b>II. BUSINESS DEVELOPMENT AND MANAGEMENT SERVICES</b>											
Sub Immediate Result: Improve Business Development and Management Services											
2.1	<b>135 Business Development Service Providers operating</b>  <i>(BSP Reg Forms)</i>	<b>TOTAL</b>	<b>12</b>	9	77%	<b>135</b>	178	132%	<b>135</b>	<b>178</b>	132%
		<b>Central</b>	<b>2</b>	7	420%	<b>40</b>	44	110%	<b>40</b>	<b>44</b>	110%
		<b>Eastern</b>	<b>3</b>	0	0%	<b>35</b>	26	74%	<b>35</b>	<b>26</b>	74%
		<b>Western</b>	<b>3</b>	1	30%	<b>30</b>	81	270%	<b>30</b>	<b>81</b>	270%
		<b>Northern</b>	<b>2</b>	0	0%	<b>20</b>	19	95%	<b>20</b>	<b>19</b>	95%
		<b>Southern</b>	<b>2</b>	1	60%	<b>10</b>	8	80%	<b>10</b>	<b>8</b>	80%
2.2	<b>6,000 businesses supported.</b>  <i>(Enterprise and Association Reg forms)</i>	<b>TOTAL</b>	<b>1,033</b>	1,727	167%	<b>6,000</b>	8,091	135%	<b>6,000</b>	<b>8,091</b>	135%
		<b>Central</b>	<b>283</b>	156	55%	<b>1,600</b>	987	62%	<b>1,600</b>	<b>987</b>	62%
		<b>Eastern</b>	<b>250</b>	646	258%	<b>1,450</b>	2,824	195%	<b>1,450</b>	<b>2,824</b>	195%
		<b>Western</b>	<b>250</b>	198	79%	<b>1,450</b>	1,322	91%	<b>1,450</b>	<b>1,322</b>	91%
		<b>Northern</b>	<b>167</b>	659	395%	<b>1,000</b>	2,285	229%	<b>1,000</b>	<b>2,285</b>	229%
		<b>Southern</b>	<b>83</b>	68	82%	<b>500</b>	673	135%	<b>500</b>	<b>673</b>	135%
2.3	<b>800 new SMEs created.</b>  <i>(Enterprise Reg forms)</i>	<b>TOTAL</b>	<b>117</b>	187	160%	<b>800</b>	650	81%	<b>800</b>	<b>650</b>	81%
		<b>Central</b>	<b>25</b>	25	100%	<b>150</b>	82	55%	<b>150</b>	<b>82</b>	55%
		<b>Eastern</b>	<b>25</b>	50	200%	<b>200</b>	96	48%	<b>200</b>	<b>96</b>	48%
		<b>Western</b>	<b>25</b>	106	424%	<b>200</b>	142	71%	<b>200</b>	<b>142</b>	71%
		<b>Northern</b>	<b>25</b>	6	24%	<b>150</b>	317	211%	<b>150</b>	<b>317</b>	211%
		<b>Southern</b>	<b>17</b>	0	0%	<b>100</b>	13	13%	<b>100</b>	<b>13</b>	13%

Progress Towards Indicators - Regional Breakdown											
PMP Ind	PERFORMANCE INDICATOR	Region	Qtr 03 09			Cumulative			PROJECT Totals		
	Indicator <i>(source of information)</i>		July - Sept			2007 - Sept 2009			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			
2.4	<b>30 SMEs accessed bank loans/equity as a result of USG assistance.</b>  <i>(Enterprise Survey DB, Reg. and Survey Forms)</i>	<b>Afghanistan -wide</b>	3	36	1080%	30	100	333%	30	100	333%
<b>III. BUSINESS ASSOCIATION</b>											
Sub Immediate Result: Formalize and strengthen business associations o create economic reform and maintain sustainability											
3.1	<b>100 business associations established</b>  <i>(Association Reg forms)</i>	<b>TOTAL</b>	7	1	15%	100	123	123%	100	123	123%
		<b>Central</b>	2	1	50%	18	9	50%	18	9	50%
		<b>Eastern</b>	1	0	0%	24	41	171%	24	41	171%
		<b>Western</b>	1	0	0%	22	30	136%	22	30	136%
		<b>Northern</b>	1	0	0%	27	34	126%	27	34	126%
		<b>Southern</b>	1	0	0%	9	9	100%	9	9	100%
3.2	<b>225 existing business associations supported</b>  <i>(Association Reg forms)</i>	<b>TOTAL</b>	40	1	3%	225	251	112%	225	251	112%
		<b>Central</b>	8	0	0%	50	81	162%	50	81	162%
		<b>Eastern</b>	8	1	12%	50	99	198%	50	99	198%
		<b>Western</b>	8	0	0%	50	27	54%	50	27	54%
		<b>Northern</b>	10	0	0%	50	35	70%	50	35	70%
		<b>Southern</b>	5	0	0%	25	9	36%	25	9	36%
3.3	<b>4,500 new members in business associations as a result of USG assistance</b>  <i>(Association Survey)</i>	<b>Afghanistan -wide</b>	667	0	0%	4,500	15,296	340%	4,500	15,298	340%

Progress Towards Indicators - Regional Breakdown											
PMP Ind	PERFORMANCE INDICATOR	Region	Qtr 03 09			Cumulative			PROJECT Totals		
	Indicator <i>(source of information)</i>		July - Sept			2007 - Sept 2009			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			

IV. PUBLIC-PRIVATE SECTOR ALLIANCES - GDA											
Sub Immediate Result : Establish private-public sector alliances to strategically invest in enterprises											
4.1	<b>37 private-public partnerships (GDAs) formed as a result of USG Assistance</b>  <i>(GDA Agreements)</i>	<b>TOTAL</b>	<b>6</b>	3	53%	<b>37</b>	19	51%	<b>37</b>	<b>19</b>	51%
		<i>Central</i>	<b>1</b>	0	0%	<b>9</b>	3.2	36%	<b>9</b>	<b>3.2</b>	36%
		<i>Eastern</i>	<b>1</b>	0	0%	<b>9</b>	2.2	24%	<b>9</b>	<b>2.2</b>	24%
		<i>Western</i>	<b>1</b>	0	0%	<b>9</b>	3.2	36%	<b>9</b>	<b>3.2</b>	36%
		<i>Northern</i>	<b>1</b>	3	300%	<b>6</b>	7.2	120%	<b>6</b>	<b>7.2</b>	120%
		<i>Southern</i>	<b>1</b>	0	0%	<b>4</b>	3.2	80%	<b>4</b>	<b>3.2</b>	80%
4.2	<b>\$5.4 million leveraged through Private-Public partnerships (GDAs)</b>  <i>(GDA Agreements)</i>	<b>TOTAL</b>	<b>\$958,333</b>	\$2,520,000	263%	<b>\$5,375,000</b>	\$13,937,797	259%	<b>\$5,375,000</b>	<b>\$13,937,797</b>	259%
		<i>Central</i>	<b>\$250,000</b>	\$0	0%	<b>\$1,375,000</b>	\$1,789,187	130%	<b>\$1,375,000</b>	<b>\$1,789,187</b>	130%
		<i>Eastern</i>	<b>\$250,000</b>	\$0	0%	<b>\$1,375,000</b>	\$1,423,580	104%	<b>\$1,375,000</b>	<b>\$1,423,580</b>	104%
		<i>Western</i>	<b>\$250,000</b>	\$0	0%	<b>\$1,375,000</b>	\$1,827,870	133%	<b>\$1,375,000</b>	<b>\$1,827,870</b>	133%
		<i>Northern</i>	<b>\$125,000</b>	\$2,520,000	2016%	<b>\$750,000</b>	\$6,893,580	919%	<b>\$750,000</b>	<b>\$6,893,580</b>	919%
		<i>Southern</i>	<b>\$83,333</b>	\$0	0%	<b>\$500,000</b>	\$2,003,580	401%	<b>\$500,000</b>	<b>\$2,003,580</b>	401%
V. HUMAN CAPACITY DEVELOPMENT											
Sub Intermediate Result: Build Capacity of Afghan work force to secure greater income through employment and improve performance of their enterprises											
5.1	<b>900 internship opportunities provided</b>	<b>TOTAL</b>	<b>133</b>	40	30%	<b>900</b>	1,065	118%	<b>900</b>	<b>1,065</b>	118%

Progress Towards Indicators - Regional Breakdown											
PMP Ind	PERFORMANCE INDICATOR	Region	Qtr 03 09			Cumulative			PROJECT Totals		
	Indicator <i>(source of information)</i>		July - Sept			2007 - Sept 2009			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			
		<b>Central</b>	<b>27</b>	0	0%	<b>180</b>	302	168%	<b>180</b>	<b>302</b>	168%
		<b>Eastern</b>	<b>27</b>	40	150%	<b>180</b>	304	169%	<b>180</b>	<b>304</b>	169%
		<b>Western</b>	<b>27</b>	0	0%	<b>180</b>	184	102%	<b>180</b>	<b>184</b>	102%
		<b>Northern</b>	<b>27</b>	0	0%	<b>180</b>	155	86%	<b>180</b>	<b>155</b>	86%
	<i>(Internship lists)</i>	<b>Southern</b>	<b>27</b>	0	0%	<b>180</b>	120	67%	<b>180</b>	<b>120</b>	67%
5.2	<b>450 participants in Professional Learning Mentorship Program</b>	<b>TOTAL</b>	<b>67</b>	0	0%	<b>450</b>	521	116%	<b>450</b>	<b>521</b>	116%
		<b>Central</b>	<b>13</b>	0	0%	<b>90</b>	159	177%	<b>90</b>	<b>159</b>	177%
		<b>Eastern</b>	<b>13</b>	0	0%	<b>90</b>	57	63%	<b>90</b>	<b>57</b>	63%
		<b>Western</b>	<b>13</b>	0	0%	<b>90</b>	106	118%	<b>90</b>	<b>106</b>	118%
		<b>Northern</b>	<b>13</b>	0	0%	<b>90</b>	100	111%	<b>90</b>	<b>100</b>	111%
	<i>(Participant lists)</i>	<b>Southern</b>	<b>13</b>	0	0%	<b>90</b>	99	110%	<b>90</b>	<b>99</b>	110%

Progress Towards Indicators - Regional Breakdown											
PMP Ind	PERFORMANCE INDICATOR	Region	Qtr 03 09			Cumulative			PROJECT Totals		
	Indicator <i>(source of information)</i>		July - Sept			2007 - Sept 2009			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			
A		<b>TOTAL</b>	<b>267</b>	0	0%	<b>1,275</b>	1,114	87%	<b>1,275</b>	<b>1,114</b>	87%
	<b>1,275 SMEs that have added value and/or diversified into higher value products and services as a result of USG assistance</b>	<b>Central</b>	<b>67</b>	0	0%	<b>300</b>	145	48%	<b>300</b>	<b>145</b>	48%
		<b>Eastern</b>	<b>75</b>	0	0%	<b>350</b>	212	61%	<b>350</b>	<b>212</b>	61%
		<b>Western</b>	<b>75</b>	0	0%	<b>350</b>	33	9%	<b>350</b>	<b>33</b>	9%
		<b>Northern</b>	<b>33</b>	0	0%	<b>175</b>	679	388%	<b>175</b>	<b>679</b>	388%
<i>(Enterprise Survey DB, Reg and Survey forms)</i>	<b>Southern</b>	<b>17</b>	0	0%	<b>100</b>	45	45%	<b>100</b>	<b>45</b>	45%	
B	<b>95% increase in number of clients of Business Development Service providers</b> <i>(BSP Survey)</i>	<b>Afghanistan -wide</b>	<b>8%</b>	0	0%	<b>95%</b>	38%	40%	<b>95%</b>	<b>38%</b>	40%
C	<b>15,000 full-time equivalent (FTE) jobs created by USG supported activities</b> <i>(Enterprise Survey DB, Reg. and Survey Forms)</i>	<b>Afghanistan -wide</b>	<b>2,667</b>	0	0%	<b>15,000</b>	25,255	168%	<b>15,000</b>	<b>25,255</b>	168%
D	<b>3,500 firms investing in improved technology as a result of USG assistance</b>	<b>Afghanistan -wide</b>	<b>500</b>	0	0%	<b>3,500</b>	1,572	45%	<b>3,500</b>	<b>1,572</b>	45%

Progress Towards Indicators - Regional Breakdown											
PMP Ind	PERFORMANCE INDICATOR	Region	Qtr 03 09			Cumulative			PROJECT Totals		
	Indicator <i>(source of information)</i>		July - Sept			2007 - Sept 2009			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			
	<i>(Enterprise Survey DB, Reg. and Survey Forms)</i>										

## **PROGRAM COMPONENT I:**

# **MARKET INFORMATION**

## **FIELD ACTIVITIES – NATIONAL AND INTERNATIONAL**

### **India International Trade Fair (IITF) 2009**

During this quarter, ASMED began preparations for participation at IITF 2009, the annual business trade fair in India. The project is collaborating with the Export Promotion Agency of Afghanistan (EPAA), the Afghanistan Chamber of Commerce and Industries (ACCI), and the Afghanistan Investment Support Agency (AISA) in order to select vendors and organization participation.

After a discussion with relevant parties, it was decided to focus on Afghan handicraft and fruits for the Indian market. A number of carpet companies will also attend the fair.

### **Trade Fair in New York**

ASMED sponsored the Export Promotion Agency of Afghanistan (EPAA)'s effort to send Khalmohamadi Carpet Company to the New York Trade Show which was held from September 20-22. Mr. Mohammadi, represented the Afghan carpet sector at the "Afghan Allure" exhibit at the New York International Carpet Show to promote business opportunities in the Afghan rug sector. Other Afghan products, including jewelry, lapis bowels, tapestry, and fashion design were also on display in the exhibit, but the main display was devoted to Afghan carpets, and Mr. Mohammadi was able to dialog with importers and retailers interested in Afghan rugs and products, make sales, distribute promotional materials and seek out prospective buyers/investors, and otherwise represent and advance the image of the Afghan carpet industry and deepen relationships with the U.S. rug businesses.

The Afghan Allure exhibit was well received by the general visitors to the booth; the U.S. rug industry provided positive feedback, and some U.S. internal design magazines (Home Décor and Metropolitan Home) are interested in publishing articles on Afghan rugs.

The EPAA is due to submit a final report on its achievements.

### **Radio Channel Concept**

The ASMED project is considering developing a business and economic information flow system in Afghanistan. It is envisaged this system will provide information on business activities in Afghanistan through a live radio channel broadcast around the country. A system such as this is vital and will contribute to the creation of a more efficient business environment and a better Afghan economy.

In the agribusiness sector, for example, various stakeholders such as government, private sector, and donors require information on various opportunities and activities in order to make decisions. This system will serve that purpose.

To date, the following activities have been accomplished:

1. Surveyed media centers in Kabul, and other parts of Afghanistan.
2. Met with the most popular media outlets.
3. Prepared concept paper for this activity

## **FIELD ACTIVITIES – EAST**

### **Establishment of a Market Place for 104 Carpet Producers in Jalalabad City**

The ASMED project is collaborating with various stakeholders to establish a marketplace for carpet producers in the eastern city of Jalalabad in Nangarhar province. This marketplace will provide the opportunity for 1000 Pakistan based Afghan carpet traders and producers to return to Afghanistan. This effort will enable the producers and traders to export directly from Afghanistan and maximize the value chain profit by removing intermediary brokers.

Specific activities carried out during the quarter:

1. Established contacts with the Afghan Carpet Association in Pakistan.
2. Met with the Afghan Carpet Association and some of the carpet traders to realize challenges and problems.
3. Identified the 1000 Afghan carpet trade people in Pakistan.

### **ASMED/IDEA-NEW Dried Fruits Producers and Traders Conference**

ASMED, in conjunction with IDEA-NEW, hosted a Dried Fruits Producers and Trader Conference on August 11. Producers and traders throughout the Eastern Region attended. The goal of the conference was to identify the needs of the industry and to brief local stakeholders the participants of ASMED's role in the development of the region. After the conference, it was determined that the most urgent needs of the industry were better roads to rural producers, and modern packaging and storage facilities to help local producers compete with Pakistani production.

## **FIELD ACTIVITIES – WEST**

### **Handicraft & Fine Arts Exhibition in Herat**

The New Community Development Organization (NCDO) conducted an exhibition of handicraft and fine art in Herat province. Seventy handicraft vendors from the Western Region showcased their products from 8-10 September at the Estiqlal Hotel. The opening ceremony was attended by a number of dignitaries including Mr. Yousuf Nuristani, the Governor of Herat province, the Director for Economy, the Director for Culture, representatives from ACCI and the Industrial Union.

The fifty-three exhibiting booths included vendors from Herat, Farah and Badghis provinces.

Impact of the activity:

- The introduction of handicrafts from the western region
- Identification of potential marketing linkages.
- Attraction of potential donors and stakeholders in the handicraft sector.
- Total sales of \$140 288, and ten business contracts.
- Agreements with the Women's Development Organization of Afghanistan (WDOA) to provide the training for SHGs and with shopkeepers in Herat city to buy saffron.
- Contracts signed with the WDOA, Bano shop and Ahmad Saleem (a Kabul trader)
- WDOA 2 agreements with Badghis Association
- Aider signing 3 contracts with three private schools for the production of school uniforms

## **FIELD ACTIVITIES – NORTH**

### **Carpet Sector Study**

One of the key accomplishments during this quarter was the completion of a study of current carpet production in northern Afghanistan. The study was conducted by Beacon Consulting, a local business service provider in Balkh. Findings included the identification of key players in the carpet sector and their production capacity. In addition, the study helped to gather contact information for producing firms, and recorded the different carpet varieties of the Northern Region.

The study also helped to identify the scale and quantity of carpet production including all steps in the value chain beginning with the production or procurement of wool thread and ending with the marketing of produced carpets in the bazaar. This information will be placed on the website of the Afghan Carpet Exporters Guild so that it is readily available for anybody interested in the sector.

### **Baghlan Cement Factory**

Another key accomplishment was the visit to the Baghlan Cement Factory and identifying their challenges, particularly in marketing. ASMED will help the firm to develop a viable marketing strategy through a BDS company.

## **FIELD ACTIVITIES – SOUTH**

### **Completed Activities:**

#### **SME Identification Survey in Maiwand**

In partnership with the Hewad United Development Organization (HUDO), the ASMED project conducted a survey to identify small and medium enterprises in Maiwand district, Kandahar province. The survey, conducted in July, helped to identify key areas for ASMED interventions. Through guidance from both ASMED and HUDO, the survey focused on bottlenecks, threats, opportunities and solutions for SME development in the district. Opportunities and solutions included information to assist the growth of the private sector in the district and other parts of Kandahar province. The survey has been completed and HUDO submitted its final report to ASMED.

#### **Establishment of Private Sector Development Forum in Kandahar**

With support from ASMED, CIDA, ACCI, and the Afghan Innovative Consulting Bureau, a meeting was held on July 26 to establish a private sector development forum in Kandahar. Participants discussed opportunities for the development of the private sector and to maintain collaboration between the private sector, donor agencies, the GoA and other stakeholders.

Twenty-six representatives of GoA departments, ACCI, business associations and SMEs participated in this event. After thorough discussions, a committee was established to set up a coordination unit in Kandahar.

#### **Business Mapping Survey - Uruzgan**

A Business Mapping Survey was conducted in the month of August in Tirin Kot, Uruzgan, through partnership with the Organization for Human Welfare (OHW). ASMED and OHW provided training to the surveyors on how to conduct the survey and how to identify outputs. The survey had three main functions: meeting with GoA related officials; gathering key SMEs together and collecting information about business; and, identifying key challenges and solutions.

The information about SMEs in Tirin Kot has now been compiled, the problems they face in growing their businesses have been identified, and key recommendations have been provided to ASMED. These include the provision of a storage facility, establishing a local business association, and providing business development and



**Business Mapping Survey in Tirin Kot City - Uruzgan (USAID/ASMED)**



**Business Mapping Survey in Tirin Kot City - Uruzgan (USAID/ASMED)**

technical trainings. ASMED is working with OHW to respond to the needs of the private sector in the area.

## **PLANNED ACTIVITIES:**

### **SME Trade Fair**

In collaboration with ACCI and AISA, the Afghan Innovative Consulting Bureau (AICB) will arrange the first SME Trade Fair in Kandahar, sponsored by ASMED and CIDA. The fair will be held over three days in November. SMEs from industrial processing, agribusiness, and service providers will represent the southern region. ASMED will facilitate and financially support the invitation of 100 SMEs from other regions, as well as providing technical and financial support to AICB in Kandahar. This event had been delayed due to security reasons and the non-availability of pomegranates in Kandahar.

## **PROGRAM COMPONENT 2:**

# **BUSINESS DEVELOPMENT & MANAGEMENT SKILLS**

## **FIELD ACTIVITIES – CENTRAL**

### **ACTIVITIES**

#### **BDS sector survey conducted in Kabul.**

Fadilat Consulting Company has been conducting a BDS sector survey in the Central Region and identified 150 BDS firms operating in Kabul. The purpose of survey is to identify business service providers operating in the region and develop a BDS Directory for all BDS firms operating in Afghanistan.

#### **Turquoise Mountain Training**

The CEFE Entrepreneurship Skills Development Centre (CEFE-ESDC) is implementing BDS training courses for 80 participants who are students of calligraphic, carpentry, art and pottery of the Turquoise Mountain Foundation (TMF). The training program is considered very important to the trainees who have started or intended to start their own business.

The training is for 12 months and will increase skills of business development of the participants and they will be able to start and develop their own businesses successfully. CEFE-ESDC has completed 10 months of training.

#### **MCSE professional training**

ASMED supported 5 employees of national and international firms to become Microsoft Certified System Engineering in order to increase I.T services in Afghanistan. The MCSE training, which started on 4<sup>th</sup> of July 2009, is ongoing. In this quarter, the trainees successfully completed MCSE three following papers:

1. Windows XP Professional 70- 270
2. Windows Server 2003 environment 70- 290
3. Windows Server 2003 Network Infrastructure 70- 291

The trainees are now studying the MCSE 4<sup>th</sup> paper – “Planning and Maintaining Windows Server 2003.” Network Infrastructure 70-293 training began on 10 October 2009. Books for MCSE, CD and other training documents were received by trainees.

#### **FMFB Clients follow up report**

ASMED supported 4 days accounting training for 15 SMEs who are FMFB clients. Following the accounting training, CEFE-ESDC conducted 2 follow ups in order to report changes. The follow up indicates that all the trainees are keeping track of their daily financial records effectively.

#### **Support to AJEER magazine**

The third edition of AJEER Business Magazine was published with ASMED support. AJEER Business Magazine is the first sustainable and profitable business magazine in Afghanistan, with over 4500 copies sold and distributed nationally. The publisher, Mr. Ziarmal, is enthusiastic about expanding his business boundaries through AJEER magazine into targeted national markets such as Mazar Sharif, Herat and Jalalabad Cities, for the purpose of developing business awareness nationally as well as increase in sales.

## Accounting and QuickBooks Training for AWBF

This training, on October 10, developed capacity of Afghan Women Business Federation in the field of financial management, covering the development of standard operating procedures for the finance, procurement and retail store financial management. QuickBooks training was provided to 4 key member of AWBF operating in AWBF financial works.

## FIELD ACTIVITIES – EAST

### General BDC

The Business Development Center (BDC) in Jalalabad is an ASMED-supported office that is home to several different Afghan financial service companies. The business development firms at the BDC have assisted local SMEs to secure loans, win grants, and develop better business practices.

In this quarter, two new firms, Pioneer Business Development Services (PBDS) and Women Capacity Development Center (WCDC), moved into the BDC. With the addition of the two new firms, the BDC is now home to eight local companies.

### BDS-SME Matchmaking Event in Jalalabad

The first of several scheduled Business Development Sector–Small and Medium Enterprise (BDS-SME) matchmaking events took place in Nangarhar in July. Many small businesses in Afghanistan struggle to find lenders willing to provide them with the capital necessary to keep their business profitable. Matchmaking events provide a unique opportunity for small businesses to meet with potential lenders. More than 70 participants including banks, finance companies, and SMEs participated in the event.



BDS/SME Matchmaking Event, Jalalabad  
(USAID/ASMED)

### SME Development Program

In March, ASMED began the SME Development Program. The program aims to provide technical and financial assistance to 35 SMEs located in the Eastern Region. ASMED is implementing the program through the Jalalabad-based CBS consulting firm. CBS's priority is to identify, and eventually find solutions for, bottlenecks in the current business practices of the selected 35 SMEs. CBS will also assist these SMEs in obtaining the capital necessary to expand their businesses. In the first two months of the program, CBS collected market information and business data from the 35 selected SMEs.

This quarter marked the end of the first four months of the program. ASMED is currently waiting for CBS's progress report before beginning the final two months. The program's original aim was to help streamline the business practices of several SMEs in the Eastern Region, thereby increasing their overall profitability. CBS was, however, unable to receive full cooperation with most of the SMEs and as a result the SME Development Program has had little impact on local SME development.

### BBA Teacher Training

On September 3, Khorsan University held a one-day training course for BBA teachers. Eight professors from the Economics Faculty of Nangarhar University attended the training. The training will assist the professors better teach their own BBA courses at Nangarhar University. Specifically, the professors learned how to teach courses on project management and statistics. Overall the course will greatly improve the quality of teaching at Nangarhar University, which in turn will eventually lead to an overall increase in basic business knowledge throughout the province.

## QuickBook Training

In August, ASMED sponsored a QuickBook training course for 20 local SMEs. The training was designed to help local SMEs institute more reliable accounting practices. Twenty students participated in the one-month course, including four instructors from the Economics Faculty of Nangarhar University. The university instructors hope to incorporate some of the QuickBook training they learned into their classes next semester. Most local SMEs rely on outdated accounting practices, which often make it difficult for them to obtain loans. The training will help improve the standard of accounting throughout the province.

## Marketing Training

This quarter the Afghan Women's Business Federation (AWBF) conducted three separate 2-day trainings on market development in Jalalabad. The first was held on July 25 and 26, the second was held on August 25 and August 26, and the final training was held on September 30 and October .

The AWBF is a national organization created to promote the development of women's businesses in Afghanistan. The federation recently opened a regional office in the Jalalabad Business Development Center (BDC). During each training, a different group of fifteen local handicraft makers learned valuable skills from AWBF instructors on how to better market their handicraft products. Despite high demand, many local handicraft makers, especially women, often struggle to sell their products because of the lack of basic marketing knowledge. Trainings such as these will enable local handicraft makers to sell their own products.



AWBF trainings for women-owned SMEs, Jalalabad, Nangarhar Province (USAID/ASMED)

## Customer Care Training

This quarter the Laghman Institute of Management Studies (LEC) conducted a 7-day customer care training in Laghman Province. The training was intended for 25 participants, but LEC managed to train 47 students. The students came from various SMEs located in Laghman. Initially, the instructors broke the students into small groups to teach basic customer care theory. After the theoretical training, the students practiced various skill-building exercises with instructor supervision. Students learned various practical skills such as using body language and dealing with unsatisfied customers.

## Website Development Training

On September 30 and October 1, ASMED helped facilitate a two-day website development training for two ASMED-supported SMEs located in Jalalabad. With the help of the Yoon Network, ASMED trained two SMEs, Season Honey and Masrouh Foods, on how to develop and maintain a website that can be used to advertise and sell their respective products. The enormous marketing value of websites has the potential to dramatically boost sales of the SMEs. ASMED had previously helped purchase equipment for both firms in order to expand production. ASMED's continued assistance with marketing will help these SMEs profit from their increased production.

## Beekeeping Training in Nuristan

A 5-day technical training on beekeeping development was conducted from June 28 – July 2, 2009 in the Nooragram District of Nuristan Province. Twenty-five participants studied beekeeping techniques and learned about the healthcare of honeybees. At the end of the training, each participant received five honeybee boxes to start their own business. Another similar 5-day technical training on beekeeping development was held from July 5 to July 9 in Want District, Nuristan Province for 25 additional participants. The trainings have been very successful at raising employment in rural districts by enabling participants to start their own beekeeping business at the completion of the program.

## **Nursery Management Training in Nangarhar**

On July 22, the Nangarhar Nursery Growers Association provided nursery development and management training to 60 of its members from different districts of Nangarhar Province. Participants learned plant growing techniques and management skills. The trainings have helped increase the production capacity of plant growers which has, in turn, increased the overall plant production of the province.

## **Fish Farming Training in Jalalabad**

On July 27, the Nangarhar Fish Producer Association conducted fishery development training for 100 of its members. Fish producers from all over the province, including Bati Kot, Kama, Behsud, and Surkhrud Districts, attended the training. Participants learned valuable techniques about the healthcare of fish. The trainings have helped boost the production capacity of fish farmers, thus increasing the overall fish production of the province.

## **Joint ASMED – ADT Laghman Agricultural Training**

The newly launched ASMED-Agribusiness Development Team (ADT) agricultural field days marks a unique and significant achievement in USAID collaboration with the DoD, Laghman PRT ADT, and Nangarhar University. On September 24<sup>th</sup>, seventeen students traveled to the Laghman PRT Demonstration Farm to learn about the principles of soil evaluation. The students learned the practical techniques farmers use in order to select the best soil for planting crops. Dean Bawary, the Dean of the Faculty of Agriculture at Nangarhar University, said the training was “very helpful because our students do not get enough hands on training, joined the students.” The Nangarhar University Faculty of Agriculture no longer has access to a demonstration farm and, as a result, most of the students receive little practical training. The joint ADT-ASMED training project thus helps address one of the critical needs of the agribusiness sector in Nangarhar. Such instruction will help the university students become agribusiness leaders in their community and should help increase overall agricultural capacity in the province.



**ASMED-ADT agricultural training, Laghman Province (USAID/ASMED)**

The joint program marks one of the most successful collaborations of ASMED and the US military. Both ASMED and the Laghman ADT strive to improve the economic growth of Afghanistan in different ways. Trainings like one conducted in Laghman show that, when combined, these different efforts have enormous potential. The security situation makes it difficult for members of the US military to freely engage with the local population, thus making finding students for training sessions nearly impossible. Thanks to the efforts of ASMED, however, the ADT instructors were able to share their vast agricultural knowledge and experience with the eager students ASMED selected from Nangarhar University.

The Laghman ADT instructors taught the class with the help of 4 graduates from the Nangarhar University Faculty of Agriculture. ASMED and the Laghman ADT had conducted a similar training session in July. Following the training, the Laghman ADT decided to employ 4 of the graduates of the training as agriculture extension workers. As part of their work, the extension workers were asked to help with future ASMED-ADT trainings. This train-the-trainer approach has greatly benefited the larger Laghman community as it has employed graduates of the training program in addition to helping new students learn valuable farming skills. With the help of the Laghman ADT, the program has resulted in both job creation and an increase in agricultural capacity.

Both the students and instructors are eager for the program to continue. This quarter’s training was the first class of a planned semester long program. Every two weeks, a new ASMED-ADT training session will

be held at the Laghman PRT Demonstration Farm. ASMED hopes to replicate the program at other PRTs throughout the country.

## **FIELD ACTIVITIES – WEST**

### **COMPLETED ACTIVITIES:**

#### **Traffic Counting on Herat to Chishti Sharif Road in Herat Province**

This three-week project was completed during this reporting period. Organized to gather information on truck, bus and car traffic on the route from major marble mines in Chishti Sharif to Herat province, the information collected in this survey will be used to support requests for road upgrades needed for transportation of marble to more than 12 marble cut & polish companies in Herat.

#### **Financial Report & QuickBooks Software Training**

Forty participants attended this July training on business and financial management. The training program also covered Quickbook, the software for financial management. By supporting the business development trainings, the ASMED project aims to build on the capacity of existing enterprises and help them manage their business more professionally and efficiently.

In addition to ASMED's contribution, a notable feature of this training was that the participating firms contributed 30% of the course fee. This is an important step in sustainability as business firms need to be able to pay for training programs without donor support.

#### **Food Processing and Tomato Paste Training In Karukh District of Herat Province**

In this two-week training, implemented by Karukh District Cooperative, one hundred female and male beneficiaries learned tomato paste and food processing.

#### **Media Training for ASMED Partners**

Kabiri & Partners, a business services provider in Herat province, conducted a media training from 13-16 September 2009 in Herat. Participants were selected from locally based SMEs working with ASMED. The training was designed to

- Help partners to develop media strategies
- Develop better relationship with media
- Use of proper communication devices in public events
  - Advanced notice of events
  - Press Releases
  - Invitations to events
- Introduction of USAID and ASMED branding guidelines for sponsored events
- Interview basics (training and filmed role playing interviews)
- Use of Internet for media relations (web site, web blog, e-mail Newsletters, etc.)
- Identifying the role of media in communications.

#### **Green Shade Dried Raisin Processing Workshop**

The ASMED project sponsored a raisin processing training from 5-6 September 2009 in Zeyaratja Village in Herat province. Zeyaratja is one of the leading villages for grape production. In order to protect the grapes from rotting and, instead, convert them to raisins, the ASMED project assisted the Zeyaratja Village Farmers Cooperative in organizing the training workshop. As grapes have a short life span, they lose their freshness in an unprotected environment. Sixty gardeners learned new techniques on drying of grapes and producing raisins.

#### **Tailoring and Design Workshop**

The ASMED project provided a tailoring and design workshop for 50 female tailors from the Fateh Abad Village of Zinda Jan district in Herat province. Participants were introduced to different methods used in designing and sewing cloths. This training will assist participants in improving their businesses, increasing their incomes and transferring new knowledge to the other women tailors in their villages. Participants also received three electronic sewing machines to use in their businesses.

### **Training in Accounting for Construction Contracts**

This 20-day training program began on 30 July and covered basic accountancy as well as inventory and construction contracts. The program was designed to enable construction companies to better control costs and perform financial reporting on contracts for USAID, UN, PRT, GoA and other donors.

### **ONGOING ACTIVITIES:**

#### **Rug Weaving Design and Production**

Asia Support Foundation conducted a 2 month training on Rug Designing for 15 women in Zandajan District of Herat Province. The training taught the women new and marketable designs which will increase the income and sales of their products. The training began on 12 September and will end on 11 November 2009.

### **FUTURE ACTIVITIES:**

#### **Silk Sector Survey**

Silk is one of ASMED's priority sectors, particularly in the Western Region, where it has long history. Many people, particularly women, are involved in different areas of the silk value chain, from seed growing to silken textile production.

In order to build a national strategy for this sector and prepare action plans for future activities, ASMED is proposing a comprehensive silk sector survey to be conducted by RADAA. The survey will provide provincial information on seed production, processing and silk production and will be contracted by September.

#### **Herat Industrial Companies Accounting System Survey**

After conducting a survey of the accounting needs of local industrial companies, ASMED will implement accounting training for 20 persons from different companies for twenty days. Local BDS firm BMDC will start the training on the 27 of September and complete it on 19 of October.

## **FIELD ACTIVITIES – NORTH**

### **Business Training**

The most important accomplishment of this quarter was the successful completion of newly designed training courses. With the assistance of local business firms, ASMED helped in developing a new curriculum for the business training course. Instead of 3-day training courses, it was decided to hold 15 to 50-day training courses on specific subjects. These courses will run for two hours per day, allowing participants time to complete their office commitments. In addition to streamlining the trainings, the new courses are being held in a modern classroom setup with quality training equipment and enough space for all participants.

The recently introduced proposal evaluation process has contributed to the successful evaluation of proposals submitted by the BDS Companies. As a result of this process, two BDS Companies were selected as winners. Under this new process, those companies who have not been selected, receive written justification and feedback on their submitted proposals.

## COMPLETED ACTIVITIES:

- On 11 July, the Azar BDS Company started an 18 day training course on business marketing for SMEs in Pul-i-Khumri city. 25 SMEs from Pul-i-Khumri city participated in the training which ended on July 31, 2009.
- On 3 August, ASMED began a 45 day training on business accounting through Asia International Company in Mazar-e-Sharif city, Balkh. A total of 25 SMEs participated in the trainings, which ended on 29 September.
- On 3 August, the project began an 18 day training on business marketing through Kaweyan BDS Company. Twenty five SMEs participated in Aibak city, Samangan province. The training ended on 25 August, 2009.
- On 3 August, ASMED commenced an 18 day training course on business management through Kaweyan BDS Company. Twenty five SMEs participated in the training in Aibak, Samangan province. The training was completed on 25 August, 2009.
- On 10 August, Balkh BDS Company completed a 26 day business management training in Maimana city, Faryab. The training was organized for 20 different SMEs in Maimana city.
- On 12 August, Balkh BDS Company completed a 52 day business accounting training for 20 SMEs in Mazar-e-Sharif.
- On 29 August, the project opened a 52 day training on business marketing through Ofoq Aria BDS Company. Twenty five SMEs participated in the training in Mazar-e-Sharif which ended on 31 October.
- On 13 September, the project opened an 18 day training on Business Marketing through SINA BDS/College in Khulm district of Balkh province. A total of 25 pomegranate traders and farmers participated in this training which was completed on 6<sup>th</sup> October, 2009.



Business Accounting Training By AIC In Mazar-E-Sharif, Balk Province (USAID/ASMED)



Business Marketing Training for Pomegranate Guardians from Khulm District, Balkh Province

## PLANNED FOR NEXT QUARTER:

- Conducting a BDS sector survey for the northern provinces of Afghanistan.
- Two trainings will be conducted on Business Accounting (39 days) and Business Marketing (26 days) for Jawzjan CCI.
- Two trainings will be organized on Business Accounting (39 days) and Business Marketing (for 26 days) for the Ministry of Women's Affairs in Maimana, Faryab province.
- Plan to conduct a BDS/banks matchmaking event in Mazar city.

## FIELD ACTIVITIES – SOUTH

### COMPLETED ACTIVITIES

#### Three Business Development Trainings for 20-women SMEs in Kandahar City

ASMED conducted three business development trainings for 20 women SMEs in partnership with HUDO in Kandahar city in July 2009. The 20 day training covered SME Accounting, SME Business Management and SME Marketing. Participants came from women-owned tailoring and embroidery SMEs in Kandahar city which provide products to other SMEs and directly to clients in Kandahar. The training covered topics including account keeping, business management and identifying marketing opportunities for women owned and operated businesses in the area.



Business Development Trainings for women SMEs in Kandahar (USAID/ASMED)

#### Three Business Development Trainings for 40-women SMEs in Kandahar city

HUDO completed training in basic business accounting, business management and marketing training for 45 women SMEs in Kandahar city on September 1, 2009. A graduation ceremony was held on September 4 to honor participants and distribute certificates.

The training was held for 2 hours each day over a 20 day period. Evaluations by ASMED and HUDO have found that most of the SMEs have started to use proper accounting, business management and marketing methods learned during the training period. The improved methods will assist in increasing profits, effective management, provide quality products and increased access to more clients.



Business Development Trainings for women SMEs in Kandahar (USAID/ASMED)

#### Afghanistan Information Technology Business Network (AITBN) Training in Kandahar City

With the financial and technical support of ASMED, Paiwastoon arranged AITBN training for 30 male (September 1-6) and 15 female (September 4-6) participants in Kandahar city. Through this training, 45 newly graduated and unemployed young professionals were trained in business, GIMP, JOOMLA and basic networking fields. This training will assist participants in finding employment opportunities and selling services to SMEs in the region. ASMED will arrange a graduation



AITBN Training in Kandahar City (USAID/ASMED)

ceremony to introduce these young professionals to major SMEs in Kandahar.

### **Kandahar Local Business Directory**

Afghan Innovative Consulting Bureau completed the design of the Kandahar Local Business Directory. The directory includes information on 3,000 SMEs and is written in both Pashto and English. ASMED plans to finance the printing of an initial 1,000 copies to be distributed through the ACCI, AISA, the Ministry of Commerce, business associations and other stakeholders in the business community. This directory will assist the growth of SMEs both regionally and nationally.

## **ONGOING ACTIVITIES**

### **BDS Sector Survey in Southern Region**

The Afghan Innovative Consulting Bureau (AICB) is successfully continuing its BDS Sectoral Survey in all major towns and cities of the Southern Region. Despite many security and logistical access problems, more than 250 BDS firms, mostly in Kandahar, have been surveyed. New teams are being sent to those locations where less data has been collected in an effort to gather as much information as possible. After collecting the data, a national directory of all BDS firms will be developed which will support all BSPs both directly and indirectly through technical assistance from various stakeholders and access into new clients.



**BDS Sector Survey in Southern Region  
(USAID/ASMED)**

### **Business Development Training for Women SMEs in Arghandab district**

On September 28, 2009, ASMED, in partnership with HUDO, started business basic accounting, business management and marketing training for 20 women SMEs in Arghandab district. The training is provided to women-headed SMEs working with handicrafts and boutique business in rural areas. This training will directly help participating firms to maintain an accounting system, know periodic profit and loss, improve the quality of their products, increase access to new clients, and find new marketing opportunities. Following the success of this training, many other women-owned SMEs in the area have requested similar business development trainings.



**Business Development Trainings for women in  
Arghandab district (USAID/ASMED)**

## **FUTURE ACTIVITIES:**

### **Business Plan, Proposal and Concept Writing Training in Kandahar city**

ASMED selected CEFE ESDC to conduct training for 25 participants from ACCI, AISA, business associations and BDS firms. Starting on October 14, this training in Kandahar city will last for 24 days.

### **Business English and Computer Trainings**

ASMED received an official request from the Kandahar Industrial Association for business English and computer trainings for 40 key member firms of the association. ASMED will meet with BDS firms and training institutes to develop a new training curriculum for these specific topics.

### **Preparation of Financial Documents and Office Management Training**

ASMED has tasked the AICB with this training. In consultation with the Department of Economics, Finance and AISA, the developing of training materials is now under way. The training will be arranged for 30 construction firms with legal responsibility for reporting to the Department of Economics, the Department of Finance and others. This training will specifically cover areas of financial reporting to these parties and in addition will include effective office management.

### **Three Business Development Trainings in Kandahar**

ASMED was requested to arrange three business development trainings in Business Management, Basic Accounting and Marketing for almost 100 women SMEs in Kandahar city, Dand and Daman districts. This training will cover maintaining accounting systems, periodically knowing profit and loss, effectively managing SMEs and increasing marketing opportunities, specifically women handicrafts business, in the area.

## **PROGRAM COMPONENT 3:**

# **BUSINESS ASOCIATIONS**

## **FIELD ACTIVITIES – CENTRAL**

### **Association Management and Leadership Training to Kabul Carpet Exporters Guild**

ASMED Association Department conducted an assessment of the needs of the Kabul Carpet Exporters Guild to build up their capacity in order to compete in the market and survive. The survey identified the following needs: promotion of the abilities of the Carpet Exporters Guild, the provision of trainings, and plans for the Carpet Exporters Guild entrepreneurs to reach their goals and objectives supporting by international communities.

Pioneers Consulting was tasked by ASMED to conduct an Association Management and Leadership Training Program aimed building the capacity of the Guild. The training was held from 13 – 14 October at the hall provided by Carpet Exporters Guild and sponsored by ASMED.

Twenty five participants from respected Carpet Exporters Guild were present. The participants were well organized and showed sharp interest in the proceedings. Their warm welcome and response was more than organizer's expectations. Participants suggested more training in the future on Carpet Processing Methods, Carpet Marketing, and Business Plan & Proposal Writing.

### **Marble Sector Surveys and Assessments for the Eastern Region and Kabul**

Marble sector surveys were completed in Jalalabad and Kabul, with the aim of assessing the level and quality of operations within the Afghan Marble and Granite Producers Association (AMGPA) and the ACCI. ASMED is currently awaiting the results of the completed surveys. Once received, ASMED will put forward recommendations/strategy for either incorporating regional associations and into one national body or to provide specific support to the individual associations and the Chamber.

## **FIELD ACTIVITIES – EAST**

### **Afghan Carpet Exporter Guild**

The carpet sector is one of the most productive sectors of the Afghan economy employing thousands of people. Because of the many years of conflict, many Afghan carpet weavers and traders relocated in Pakistan. The security situation in Pakistan is, however, no longer stable. ASMED is currently in the process of helping these carpet weavers and traders move their businesses back to Afghanistan. ASMED plans to help pay for transportation costs, temporary storage and the refurbishment of the new Jalalabad Carpet Bazaar in order to ease the transition. The new bazaar will have room for 108 SMEs. The bazaar will have an important impact on the carpet sector throughout the Eastern Region. A modern, secure and centrally located market, exclusively devoted to the sale of Afghan carpets, should greatly increase sales throughout the area.

The grant was submitted to USAID in July and is still awaiting approval. Construction of the building is complete and tenants are ready to move in pending grant approval.

### **Nuristan Gemstone Miners, Producers and Traders Association (NGMPTA)**

A new bazaar for gemstone traders is currently under construction in Jalalabad. A recently approved grant will be used to help the gemstone traders pay their rent for the first six months. When completed, the gemstone bazaar will be the first of its kind in the entire country. This modern, secure and centrally located market completely devoted to the sale of Afghan gemstones will greatly increase sales throughout

the area. An increase in sales will assist not only gemstone traders, but also gemstone producers from rural areas many of which have seen little economic growth in recent years.

Construction of the bazaar was completed in September, and the new tenants are currently moving into the building. The first installment of the grant will be released once the tenants have moved in.

### **Nangarhar Beekeepers Association**

In May, the association, with the help of ASMED, opened the first honey processing and packaging facility in the Eastern Region. The new processing facility has had an immediate impact on the development of the beekeeping sector as it has allowed beekeepers throughout the Eastern Region to sell their unprocessed honey domestically for the first time. The ability to sell processed and packaged honey domestically, as opposed to selling unprocessed honey to Pakistan, has allowed beekeepers in the region to increase their profits by \$0.60 per kilo of processed honey sold. The association has not reported the creation of any new permanent jobs, although the increased profits may attract more people to the market in the future.

The association reports that it has processed and packaged over 9,000 kg of honey this quarter, still short of maximum production. Eventually, the association hopes to produce 18,000 kg of honey per quarter. In addition, the association reports successfully selling all the honey processed this quarter to supermarkets in Kabul. In this quarter, ASMED further assisted the Beekeepers' Association by displaying the processed honey at the Jalalabad PRT. Several members of the PRT expressed interest in buying large quantities of honey from the association.

### **Afghan Women's Agriculture Association (AWAA)**

Last May, ASMED purchased packaging equipment, a freezer and a showcase for the AWAA in order to increase sales. Previously, the association struggled to sell its product because of a lack of proper packaging equipment. Before the installation of the ASMED equipment, AWAA reported selling 800-1000 jars per month. Now, the association routinely sells over 1200 jars per month. Consumers have also benefited from fresh local produce at a decreased price.

The association sold over 4000 jars of pickles this quarter. The increase in sales can be attributed to Ramadan.

### **Nangarhar Seed Producer and Wholesaler Association (SPWA)**

In January 2008, with the support of ASMED, the association installed a seed storage facility in Behsud. Previously the association had to store its seed in insecure and unventilated facilities. As a result, much of the produced seed was lost or spoiled before being sold. The seed store facility has also helped the association attract new buyers as it has made displaying and certifying the association products much easier. As a result, seed production throughout the province has increased, while the importation of Pakistani seed has decreased.

This season the association stored approximately 300 tons of improved wheat seed in the seed storage unit. The association then sold its improved wheat seed to the Ministry of Agriculture, the FAO and several PRTs. The wheat seed season has ended, and the association is currently preparing to plant rice and maize, the seeds of which will then be collected and stored in the storage facility.

### **Nangarhar Craftsmen and Classes Association (NCCA)**

For six months, ASMED supported the publication of a bi-weekly business newsletter. The newsletter was the first of its kind in the region and helped businesses throughout the area circulate information concerning trade fairs, major association events and overall business activity. The paper has greatly increased the communication between local SMEs and has helped many businesses advertise their products.

This quarter, the bi-weekly business newsletter was published for the first time without financial support of ASMED. NCCA was able to finance the publication on their own with money from private advertisers. This marks a significant achievement in the self-sustaining distribution of marketing information.

### **Laghman Association Incubator**

Following the success of the Nangarhar Association Incubator, ASMED is supporting the creation of a new association incubator for Laghman. In August, ASMED signed an MOU with the Directorate of Agriculture for Laghman, allowing ASMED to establish the incubator in one of the Directorate's offices. The association incubator will serve as a central administrative office for several associations in the province. The new office will help the associations attract new members, conduct training sessions, and hold conferences. Currently, the associations, which will eventually have offices in the incubator, have struggled to attract donors as none had offices to host prospective partners. In addition, the associations have, to date, offered few, if any trainings, due to a lack of proper training facilities. The incubator will help solve both problems which will, in turn, put the associations on a path towards self-sustainability. In the long run, the increased activity and prominence of these associations will aid in the overall growth of the Laghman business community.

Construction of the incubator finished in September and a opening ceremony was held on October 11. All of the association directors, as well as the Governor of Laghman, expressed gratitude at ASMED's efforts to foster association development in the province.

### **Kunar Association Incubator**

This quarter ASMED worked on establishing a similar incubator in Kunar. After some initial difficulties in finding a location, ASMED has since come to an agreement with the Governor of Kunar on where to place the future incubator. ASMED hopes to complete the new incubator before the end of the calendar year.

## **FIELD ACTIVITIES – WEST**

### **Ghoryan District Women Saffron Association (GDWSA) , Ghoryan District, Herat**

This quarter, with a grant from ASMED, the GDWSA registered with the government of Afghanistan, and bought packaging, and marketing equipment used by its members to develop their businesses. In addition, the association used part of the grant to establish a functioning office to serve its members. GDWSA also plans to organize further capacity building trainings for its members in the future. The association has already developed a brand for their saffron production (Tork Sorkh), and is selling it to both external and internal markets.

### **Durokshan Carpet Weavers Association (DCWA) of Badghis Province**

The DCWA registered with the Afghan Ministry of Justice. ASMED is working with the association to procure further equipments needed to develop the business of its members in Badghis province.

### **Tahmina Industrial and Cultural Association (TICA) of Herat Province**

ASMED assisted TICA to register with the government of Afghanistan (Ministry of Justice). The project is also working with them to develop marketing materials and a capacity-building training program to assist its members.

### **Western Afghanistan Travel Agents Association of Herat (WATAAH)**

WATAAH organized a roundtable to elect a Board of Directors and a Chairman. It also drafted a set of by-laws in order to register with the government of Afghanistan. ASMED is working with WATAAH to identify possible partnerships for development.

### **Business Associations in Ghor Province**

ASMED organized a follow-up visit to Ghor from 1-5 of September to meet with business associations and identify opportunities for ASMED interventions such as the provision of association grants, opportunities for Market Development Grants (MDGs).

### **Drafting Strategy for IT Sector**

The ASMED team in Herat province is working to develop a strategy to provide support to the Information Technology sector in Afghanistan.

## **FIELD ACTIVITIES – NORTH**

### **KEY ACCOMPLISHMENTS**

#### **Support to Jeweller’s Guild in Kunduz**

ASMED has approved a grant to the Jeweller’s Guild, an independent association and a member of the Federation of Afghanistan Crafters and Traders. This grant will support the establishment of a training center for gemstone operations in Kunduz.

#### **Support to the Mazar Women’s Market**

ASMED is working to support the Mazar Women’s Market. ASMED will work with the Balkh BDS in developing business concept notes for 40 women-owned businesses operating from the marketplace. ASMED is working in close collaboration with the Ministry of Women Affairs in Balkh Province.

A joint team from ASMED and the Ministry will select twenty women entrepreneurs. Balkh BDS Company will then assist the selected participants in establishing a business association which ASMED will support through various association development grants in the future.

#### **Support to Amo Licorice Association**

On 5 September, the ASMED project prepared and submitted a grant application for the Amo Licorice Association. The association requested construction of one storehouse and one cleaning room in Shortepa District of Balkh Province.

#### **Activities planned for next quarter:**

ASMED is working with various associations to develop grant applications and to accomplish further activities. Some of the grants finalized and submitted for next quarter include:

- Grants Application for Firoz Nakhjeer Grape Exporters Association in Samagan province
- Insaf Carpet Weavers Association in Imam Sahib district of Kunduz Province
- Eshkamish Fruit Association in Takhar Province
- Further support to the Mazar Women’s Market.

ASMED will facilitate the establishment of the Women’s Garden in Pulikhumri city. This will take into consideration the lessons learned from the Mazar Women’s Market.

Based on USAID’s Field Program Officers request, the ASMED project will follow up on establishing the Association of Agricultural Cooperatives. The project will also help the association to prepare grant applications, including a request for a cold storage.

### **OBSTACLES**

In general, the security situation is calm in the northern region. However, it is getting more difficult to operate in this area. It’s hoped that the security situation will improve after the results of the Presidential Elections.

## **FIELD ACTIVITIES – SOUTH**

### **ONGOING ACTIVITIES**

#### **Eclat Construction Companies Union (ECCU)**

ECCU will arrange a proposal writing, bidding, management, accounting and report writing trainings for 50 members of various construction firms in the southern region. ECCU released a Request For Proposal to BDS firms in Kandahar and received three proposals. In collaboration with ASMED, ECCU will identify a BDS firm to arrange the trainings.

Two groups will attend the trainings. The first group of twenty-five construction companies will participate in the initial course. A second group of twenty-five firms will attend the second phase. The business development section at ASMED project will monitor the training and its achievements.

#### **Afghanistan Chamber of Commerce and Industries – Kandahar**

The Kandahar office of ACCI was damaged in a recent security incident. Damage included office equipment and furniture. As a key partner for ASMED's effort in the region, the project is reviewing ACCI Kandahar's request for a grant to procure new office equipment, furniture, and to organize trainings for the ACCI members in the region.

## PROGRAM COMPONENT 4:

# GLOBAL DEVELOPMENT ALLIANCES AND GRANTS

## FIELD ACTIVITIES – NATIONWIDE

The third quarter has been productive with an emphasis on supporting the implementation of existing and new GDAs approved from June to September. In addition, the GDA Junior Advisor was hired. She is in the process of taking the lead on new GDAs.

The GDA conference in Mazar was a major activity in this quarter. As a result of the gathering, a number of concept papers were developed and are now in the pipeline for approval. Among the concept papers, the Tomato Production and Candy Production GDAs were approved.

A similar conference took place in Herat to discuss GDA opportunities in the western region. The focus in that region is to identify GDA opportunities. A wool processing and reprocessing GDA was already identified and approved. Rahim Walizade, the private sector partner, has ordered equipment to move forward with the project.

Several other GDAs such as Light Up Jalalabad, Tajaran Jawan, and Low Cost Pharmaceutical have been approved and are being contracted. Environmental assessments for pending GDAs are in the process for Chesht Marble Processing, Equity Capital Mining, Jalalabad Wool Washing, Improved Techniques for Gemstone Sector, and Marble Mining Merkahal, and Wool Dyeing and Spinning.

## HIGHLIGHTS

### **Tolo TV Entrepreneur Series *Dream and Achieve* GDA #102.8**

The second series of the *Dream and Achieve* program has built on the success of the first series aired in 2008. In addition to its entertainment value, the program educates viewers on business and entrepreneurship. Young entrepreneurs present their ideas to a panel who judge their business concepts for clarity and practicality. The judges provide feedback and help in choosing finalists for the program. The finalists receive support in the form of cash and technical business consulting in order to further develop their ideas.

The 24 top candidates have been selected for the finals. In September 2009, the judges will choose top eight and an eventual winner named in October.

### **Silk Value Chain improvements GDA # 102.12**

ASMED is working on improving the value chain profits in the silk production business. The project is working closely with Zarif Designs, Saleh Fine Silk, Azana and TMF to improve production and access for these products to national or international markets. These companies are pioneer businesses in the silk made productions in Afghanistan. In supporting this sector, ASMED is re-establishing the Afghan silk brand in the international marketplace, and preserving and eventually expanding human and natural resources necessary for a functioning, efficient silk sector in Afghanistan.

ASMED is working with Zarif Design to help the firm expand its production capacity by helping it connect to more markets. The grant ended during the reporting period and Zarif has given a final report on its accomplishments.

ASMED is supporting the Saleh Fine Silk to procure equipment for a multiple-ply silk thread spinning facility. The equipment was purchased during the reporting period and a final report has been submitted to ASMED.

ASMED supports Azana in expanding existing capacity, and in building relations with different markets. As a result of the partnership, Azana participated in trade fairs in New York City and in the Premium Munich exhibition. AZANA has successfully established a sales partnership with Global Girlfriend, a major online retailer for ethically sourced products. ASMED expects to see an order volume of 400 scarves in 2009 from the Greater Good Network alone.

AZANA entered a highly successful distribution relationship with Creative Women (CW). CW will exhibit their scarves at the next New York Gift Show in New York City. This is a tremendous success. Azana is probably one of the few producers from Afghanistan to exhibit at the New York Gift Show without any sponsorship. Azana conservatively estimates the exhibition will produce orders of around 600-800 scarves.

### **Roshan WPCO GDA #102.6**

Under the WPCO public private partnership, ASMED's goal was to establish 500 WPCOs. Until the reporting period, sixty-nine WPCOs had been established. The expansion effort is slow because there are a number of challenges facing the program including banks not prepared or willing to provide loans to women without proper identification documentation. Many women unfortunately do not have credible documents to present for this purpose.

### **One Laptop OLPC GDA #102.9**

The goal of this GDA was to localize the software and support the Ministry of Education's effort to deploy 5000 laptops donated by OLPC Foundation. During the reporting period, 515 computers with localized software and in the Dari and Pashto languages were distributed in Herat at Shahar Bano Girls School

### **Micro hydro Development Project GDA #102.14:**

This GDA aims to support the creation of a Kaplan style turbine manufactured locally in Afghanistan which SMEs can use for their power needs. A Kaplan turbine generates electricity from slower rivers. RHL is in the final phase of producing the first proto type design and has selected Istalif to install the proto type.

### **SIPs Cold Storage Project GDA # 102.13**

The objective of this GDA was to meet the growing need for the local production of durable refrigeration panels Sandwich Insulation Panels (SIPs). This month, magnesium boards were cleared and are now on the site. ASMED foresees production beginning by the end of September

### **Afghan Earth Work (AEW) or Affordable Housing GDA # 102.15**

The objective of Afghan Earth Work is to develop and promote a better, safer housing type that can be built for less money. Prototypes for AEW's new improved house have been built in a settlement area near Jalalabad. They are earthquake safe, popular, and economical. The next stage is to refine the designs to reduce costs while increasing the speed of construction. The goal of Afghan Earth Works will then be to establish several successful small enterprises to build the new design in large numbers, employing hundreds of people from the refugee communities. AEW has encountered some security problems. The GDA department will meet the partner in September to discuss further developments and constraints.

### **Licorice Root Processing GDA # 102.11**

Licorice root is relatively scarce high-value resource worldwide that grows as a wild, natural-occurring plant in northern Afghanistan. This GDA will support processing of the licorice root. Last season, the company could not start production due to technical problems. The GDA is extended until December 2010 and it is hoped that Krystal Corporation will process licorice roots soon.

## FIELD ACTIVITIES – EAST

### MDGs UPDATE

MDG Construction Completed This Quarter:

- Watapoor (Kunar Province)
- Wama (Nuristan Province)
- Sherzad (flourmill) (Nangarhar Province)
- Doab (Nuristan Province)

MDGs Under Construction:

- Qala-e-Najil (Laghman Province) – construction currently stopped due to insecurity
- Dari Noor (MHP) (Nangarhar Province)
- Nurgram (Nuristan Province)
- Noorgul (Kunar Province)
- Kama (Nangarhar Province)
- Behsud (Nangarhar Province)

MDGs Awaiting Approval From USAID:

- Mohmandara (Nangarhar Province)
- Achin (Nangarhar Province)
- Sherzad (MHP) (Nangarhar Province)
- Dehbala (MHP) (Nangarhar Province)
- Ghanikhail (Nangarhar Province)- site surveyed, location selected
- Dehbala (flourmill) (Nangarhar Province)

Note:

Three MDGs (marked “MHP” above) will have access to micro-hydro power. ASMED is committed to developing businesses and marketplaces around areas where mid/large size MHP have already been built as it the most effective way to stimulate the local economy. Creating marketplaces with access to MHP power will allow shop owners to expand their product line up and will permit the sale of perishable food items. The project will also add an incentive to local shuras to keep the MHP maintained.

The two MDGs marked “flourmill” are proposals to establish flourmills in the center of the town market. Many rural villages do not have flourmills, and farmers have to walk long distances on foot to sell their flour. In addition, farmers usually have to give the owner of the flourmill one kilo of their wheat for every seven kilos they have milled. Under the new arraignment, the flourmill built by ASMED will be required to charge no more than 500 grams of wheat for every seven kilos milled. The project will both increase the profits of wheat farmers as well as increase the availability of flour in the area for consumers. The project will also add an incentive to the shura to maintain the MHP as the flourmill will require electricity to operate.

### SME UPDATE

#### The Afghan Craft Carpets Weaving and Processing Company (ACCW)

Last year, ACCW installed two carpet-drying machines and one carpet-washing machine that have greatly increased the firm’s processing capacity. Previously the firm only processed 500m<sup>2</sup> of carpet per month as all carpet washing was done by hand. Now the firm routinely processes 4000m<sup>2</sup> of carpet per month. The vast increase in processing has lead to an increase in profits and has had greatly benefited the overall Afghan carpet sector. Previously, Afghan carpet producers had to ship their carpets to Pakistan for

processing (cutting and washing). The decrease in transportation costs, combined with the elimination of import taxes, has resulted in an estimated \$100,000 per month gain for the industry as a whole.

Processing was slow this quarter as a result of Ramadan. ACCW, however, started a night shift that has allowed the firm to produce at close to normal capacity even during the holiday. In addition, Mr. Zia, the firm's owner, is currently in the process of obtaining a visa to attend a South Asian marketing fair to be held in Washington DC on October 18<sup>th</sup>. A former congressman invited Mr. Zia to the event earlier this year, after the congressman visited Mr. Zia's facility. The event will allow the firm to find new buyers and could lead to an overall increase in Afghan carpet exports.

### **Sahil Marble**

In July, ASMED contributed block-cutting machinery to Sahil Marble. Previously, Sahil Marble relied on blasting equipment, which, in comparison to block cutting equipment, is extremely inefficient as it damages much of the extracted marble. The more efficient equipment has already greatly increased Sahil Marble's overall sales. Before the installation of the blasting equipment, Sahil Marble lost 40% of the marble it extracted in the blasting process. As a result, Sahil only extracted 300 tons of marble per month. The firm now regularly extracts over 500 tons of marble every month.

This quarter, Sahil extracted around 1500 tons of marble. Most of the extracted marble was transferred from the Merkekhel quarry to the factory in Jalalabad for further processing. However, the new processing equipment that the firm itself bought has yet to arrive.

The diamond-saw block-cutting equipment that ASMED gave to Sahil has attracted great interest from international buyers all over the world. Sahil reported selling marble samples to buyers in Dubai, Pakistan and Italy. Initial reports suggest that Sahil's marble is of a high enough quality to be sold on the world market. Eventually, Sahil Marble, as well as other marble firms throughout Afghanistan, will be able to routinely sell their marble to international buyers.

It is for this reason that four consultants from the American-based consulting firm McKinsey visited Sahil Marble in September. The four consultants were sent to Jalalabad on behalf of Paul Brinkley, the Undersecretary of Defense for Business Transformation, to identify future private investment opportunities. The consultants and the USAID FPO based at the Nangarhar PRT, visited the ASMED supported Sahil Marble Factory on September 21. Both the consultants and the FPOs praised the marble factory for its high quality marble.

Overall, the new block-cutting equipment installed by Sahil this quarter has been an enormous success and demonstrated the potential benefit of further development of the marble sector.

### **Sabawoon Poultry Feed Mill**

In October 2007, Sabawoon Poultry Feed Mill started production in Jalalabad. The firm was started by ASMED, after ASMED purchased a feed mill unit and generator. Establishment of the feed mill created 80 new jobs in the area and provided an immediate benefit to over 450 poultry farmers in the area who were able to buy cheaper poultry feed. The mill has also benefited wheat and corn farmers throughout the province, as the mill requires their products as inputs.



Workers use the ASMED supplied wire diamond cutters to extract marble from Sahil's quarry in Merkekhel, Nangarhar Province (USAID/ASMED)



Extracted marble from Sahil's quarry in Merkekhel, Nangarhar Province (USAID/ASMED)

This quarter, Sabawoon continued normal production of poultry feed despite the start of Ramadan. The firm reports producing 300 tons of poultry feed during the third quarter. In addition, the firm was able to find many new buyers of its feed in Jalalabad.

### **Shahryar Plastic Recycling Factory**

This factory was non operational for the entire 3<sup>rd</sup> quarter. The owner of the firm is in Peshawar and claims unreliable city power makes plastic bead production unprofitable. Several bags of plastic beads remained at the factory unsold.

### **A Sail Food Products Company (ASFPC)**

In August, A Sail finished installing the potato chip production equipment purchased by ASMED. Previously, A Sail had been producing and selling snack products made from corn flour for over two years. The equipment has allowed the firm to diversify its product line up and has increased overall profits for the company. In addition, the production of potato chips has helped support potato farmers throughout the province by providing a local buyer. Before A Sail started production, there were no domestic producers of potato chips in the country. The local production of potato chips has therefore had a benefit to consumers throughout the region as, until recently, consumers had to pay for more expensive imported potato chips.

### **Gulestan Essential Oil Company**

Earlier this year, ASMED secured a grant to purchase rose distillation equipment for Gulestan Oil. The company is currently already distilling rose oil, but the new equipment will help the company expand its production. Rose oil is a high value product, and an excellent substitute for poppy. The expanded production will not only greatly increase Gulestan's profits, but will also help support over 250 rose farmers in Nangarhar Province.

The rose oil distillation season ended in July. In August, Gulestan sold dried roses to traders in Nangarhar and Kabul. Sale of the dried roses, however, was slow due to the owner's participation in the Nangarhar Provincial Council Election.

In September, the firm began site preparation for the installation of the new distillation equipment scheduled to arrive in Jalalabad shortly.

### **Masroor Foods**

A grant was recently approved for the purchase of new food processing equipment. The company is currently producing only fruit juice. The new equipment will allow the company to diversify its product line up. The company intends to produce jams, squashes and tomato paste with the new equipment.

In August, ASMED finalized an agreement of payment with the grantee and released the first installment. The new processing equipment is schedule to arrive soon.

### **Tarsian and Binkley**

A new grant was recently approved for the purchase of sewing equipment. The company currently operates a factory in Kabul, which supplies the Afghan National Army and Police with uniforms. The new equipment will enable the company to open a similar factory in Jalalabad.

This quarter, the grant for the sewing equipment was approved and the first installment was released. The equipment has been shipped and will arrive shortly.

### **Shinwari Brothers Industrial Engineering Company**

A new grant was recently approved for the purchase of a cogwheel machine. Shinwari currently manufactures several different types of industrial equipment. The new machine will allow the company to manufacture cogwheels that can be sold to other manufacturing companies in the area, boosting industrial production throughout the Eastern Region.

This quarter ASMED finalized an agreement of payment with the grantee and released the first installment of the grant to the vendor. The equipment will soon be shipped. ASMED hopes the new machines will be installed and fully operational by the end of November.

### **Ziar Confectionary Company**

This is a new grant approved for the purchase of modern processing equipment. The Ziar Confectionary Company currently produces several baked goods. The new equipment will allow the company to produce tea biscuits for which there is a huge market in Afghanistan.

In October, ASMED selected a vendor-finalized agreement of payment with the grantee. The new equipment should be installed and operational before the end of the calendar year.

## **GRANTS CURRENTLY AWAITING APPROVAL**

### **Ibrahim Malikzai Foods and Beverages Company**

A new grant for the fruit juice company submitted to USAID. The grant will enable the company to purchase an automatic filling machine and packaging equipment. The company currently produces fruit juice in a limited capacity. The new equipment will help the company greatly expand its production.

In July, ASMED submitted a grant to USAID, which is still pending approval.

## **CURRENTS CURRENTLY UNDER PROCESS**

### **Saboor Alokozai Textile Manufacturing Factory**

A new grant for the purchase of modern textile manufacturing is currently being processed. The grant will allow the Saboor Factory located in Shirzad to expand its textile production by over 300%. While the recently opened factory's current production capacity is still limited, the factory has enormous potential as it located next to an ADP/E-built MHP. This quarter ASMED started processing a grant, which will be submitted to USAID for approval shortly.

## **GDA's UPDATE**

### **Wool Washing**

ASMED is currently in the process of helping Uddin Wool Washing establish the first industrial scale wool washing facility in Afghanistan. Raw wool contains significant amount of impurities including wool-grease, mineral dirt, vegetable matter and dags, which have to be washed before spinning and weaving. At present, major wool, traders and spinners (especially carpet producers) take their locally purchased or imported wool to Pakistan for machine washing or rely on river washing which leaves many impurities in the wool. The Uddin Wool Washing facility will provide a greatly needed machine wool washing service to local wool traders and spinners and should provide a major boost to the carpet sector. In August, ASMED started the preliminary survey of the construction sight and initiated the procurement process.

In August, the regional manager visited China in order to obtain quotes from several possible vendors. The GDA has been submitted to USAID and is pending approval.

## FIELD ACTIVITIES – WEST

### APPROVED AND ONGOING GRANTS OR GDAS

#### Tor Gondi Market Grant

The MDG is ongoing.

#### WPCO Program

ASMED introduced fifty interested women from different parts of Herat province to THE Roshan Company for participation in the WPCO program. The women will also apply to FMFB for small business loans. ASMED extended its contract with Roshan, which enabled more women to be registered into the program.

## GRANTS

#### Grant No: 002-053

Grantee: Afghan Women's Business Federation

Location: Kabul City, Afghanistan

Grant Amount: \$216,000

Grant Type: Association Development Grant

Approved: August 12, 2009

AWBF has committed to and carried out major association reforms over the last year. They have agreed to change their membership structure to include individual members. AWBF has trimmed staff, reduced salaries, and changed their overhead/program cost ratio. They have established a strategic plan and a work plan, and now report progress against those plans on a monthly basis. They have also increased the number of revenue generating member services they provide, as well as generating additional revenues by providing services such as training to other organizations.

ASMED will finance their operation cost for Kabul Main office with sub-branches in the regions. In addition, the project will continue to finance business management, public advocacy roundtables, publications and networking events conducted by the federation.

#### Grant No: 001-076

Grantee: Tahmina Industrial & Cultural Association

Location: Herat Province, Afghanistan

Grant Amount: \$8,600

Grant Type: Association Development Grant

Approved: August 12, 2009

The Tahmina Industrial & Cultural Association, formed in 2008, is an independent, non-political and non-governmental organization whose mission is to train qualified women in industrial fields, production factories, handicrafts and in other productive activities that increase family incomes. The Association provides training and marketing services for its members. The effort supported by ASMED is to develop programs which the members can use to obtain better income. The association also requests support for registration with Ministry of Justice. Through the ASMED grant, the association will be able to conduct carpet design and quality improvement training, and procure, design and printing marketing material.

The measurable outcomes will be:

- Increase in number of members
- Increase in services provided to members
- Increase in members' income paid by the association, derived from association supported activities
- Increase in income from member purchases of inputs
- Increase in fee for service income from non-members

Direct beneficiaries will be 105 men and 395 women. More than 2500 families will benefit indirectly.

**Grant No: 002-068**

Grantee: Noorgul District Market

Location: District Central Noorgul, Kunar Afghanistan

Grant Amount: \$14,840

Grant Type: Marketplace Development Grant

Approved: August 15, 2009

A market stall will be constructed next to the district center. This market will have twelve individual stalls. The shops will be constructed in two rows, each row consisting of six stalls with both rows facing each other and a back wall for security purposes. The land, security and maintenance for this market will be provided by the Noorgul district administration.

The construction of this market will address the following bottlenecks in local commerce:

- Improve the business environment through the upgrading of marketplace infrastructure
- The lack of proper infrastructure for small businesses in the area
- Creation of job opportunities for the local people
- Encouragement for the people to start new businesses or expand the existing ones
- More government presence and accountability in the district
- Good source of revenue for the municipality

The construction of this market will provide to the local people a very good source of short and long-term jobs. Approximately 25-30 temporary jobs will be created during the construction of the market in the form of skilled and unskilled laborers. 20-30 jobs will be created permanently as the shopkeepers and the suppliers. Direct beneficiaries will be 1200 men and 800 women.

**Grant Nr: 001/022**

Grantee: Provincial Council of Crafter Traders National Union of Kunduz (PCCTNUK)

Location: Cemina Nasher- In front of Kunduz National TV & Radio- Kunduz- Afghanistan.

Grant amount: \$18,180

Type of Grant: Association Development Grant

Approved Date: 3 August 2008

PCCTNUK is part of the Central Council of Crafters/Traders National Union of Afghanistan (CCCTUNA), which is a membership union with 20 years background in the field of Advocacy, Service Delivery, and Business Facilities. The Kunduz branch currently has 4,200 members from Kunduz city and one nearby district. Members come from producers, repairing and sales/trading operations.

In the past, the union was a contact point, used by traders and businesses in order to provide fuel and second hand sales to business and traders from government agencies. This ended with government policy changes and PCCTNUK became an institution collecting membership fees, but offering few services for its members.

However, in recent years, PCCTNUK began to offer business support and advocacy services for its members. This grant was developed to enable the association to increase services to its members and to provide equipment for a professional service delivery office. In addition, this is to generate non-fee revenue. Increasing services will also increase the number of paying members, another step towards sustainability.

Grant Status: The grant ended during the reporting period.

**Grant Nr: 001/052**

Grantee: Faryab Fruit Processing and Exporting Association

Location: Ankodhoi city, Faryab Province

Grant amount: \$9,850

Type of Grant: Association Seed Grant

The grant bought office supplies for the associations such as computer, printer, photocopy machine, desks, chair, cartons, scanner, file cupboard, empty bag 3000 bags, empty carton 4000 pcs, and big tonnage scales 3 pcs.

Grant Status: 86% of grant activities have been completed, the last payment documentation is under processing.

**Grant Nr: 001/054**

Grantee: Faryab Leather Producers Association

Location: Taqi zafar Faryab City

Grant amount: \$10,000

Type of Grant: Association Development Grant

Faryab is one of the most undeveloped provinces of Afghanistan. The annual rainfall is very low, and water shortages are always felt in the region. During rainy season, a small amount of water flows in the rivers and is collected by members of the Faryab Leather Producers Association. This water is transferred to the processing ponds and is used for leather processing. The ASMED grant will change the life of the members. The deep well will be used by all members, providing clean water for their leather processing and drinking.

The Faryab Leather Producers Association has received permission from the Power and Water Department of Faryab for this project. The experts in that department believe that there will be no impact of such a project on the water table, unless the well is used for agricultural irrigation purposes. Since the well is going to be used by the leather producers and for drinking water, there will be no negative impact on the environment. ASMED has also consulted with its engineering staff who concurred with this assessment.

The water table in Faryab is about 40 meters below the surface and people have a lot of problems to obtain and use clean water for their daily uses. A 70 meter deep well was needed for the association members to obtain water for leather processing. Twice a week the members will obtain clean water for leather processing in their ponds.

Using the grant, the association registered with the Ministry of Justice. It also dug a 75 meter deep well, and purchased 70 meters of PVC pipes, a water pump machine, a generator and water pipes. Improved facilities will enable the association to process raw leather within Afghanistan and to eliminate the need to export to Pakistan or Iran.

Grant Status: 50% of grant activities completed during the reporting period. The next installment requires construction work currently under estimation by ASMED's Mazar engineer.

**Grant Nr: 001/049**

Grantee: Aqcha Carpet Knotting/Weaving and Exporting Association

Location: Aqcha district, Jawzjan Province

Grant amount: \$49,950

Type of Grant: Association Development Grant

Construction of a cut and wash facility to serve the members of the Afghan Carpet Knotting / Weaving and Export Association.

Grant status: 80% Grant Activities completed.

**Grant Nr: 001/061**

Grantee: Afghan Carpet Exporters Guild (ACEG), Mazar Branch

Location: 3<sup>rd</sup> floor of Babur hotel, east of Shrine, Mazar-e-Sharif City, Balkh Province

Grant amount: \$21,410

Type of Grant: Association Development Grant

ACEG facilitated in exporting 2,000,000 m2 carpets and gilems of the Northern Region in 2007. All above mentioned carpet and gilem were sent to Pakistan and further exported to other countries with a “Made in Pakistan” label.

The ACEG has not had the technical capacity to operate as a coordination agency for carpet producers and traders in the Northern Region. There is a great opportunity to create a business information center with the ACEG Mazar office. With ASMED’s technical support, the ACEG will play a vital role as the business information center for the carpet industry by providing informational support and promotion of member products.

The creation of a carpet industry business information center will allow the services provided by ACEG to members to move to a new level. Furthermore, the ACEG will put additional effort into verifying market information for members regarding direct export opportunities and further increasing revenues of carpet producers. The ACEG would also like to take a lead in assisting members in proper production and packaging.

Grant Status: 23% of grant activities completed so far. The project is waiting for the technical department and the procurement team to help in preparing a proper design for the association’s website and design for publications.

**Grant Nr: 002/057**

Grantee: Etifaq Market MDG

Location: Sheberghan city, Jawzjan Province

Grant amount: \$9,950

Type of Grant: MDG

Following a request from the shopkeepers at Atifaq market in Sheberghan, Jawzjan province, ASMED agreed to concrete the surface of the market, one of the region’s most important hubs for Afghan knotted carpets and carpet weaving materials. Rain and snow during the winter, and the dual problems of wind and dust in the summer had made conditions unhygienic for the 300 shopkeepers and the 1,000 shoppers who visit the market every day.

Working with a local construction company, ASMED refurbished the market by initialing gravelling and then paving the surface of the bazaar.

Grant status: 100% of the grant activities are completed. The construction company is waiting for last payments.

**Grant Nr: 001/055**

Grantee: Aimer Beekeeping Association Unit

Location: Baghlan city, Baghlan Province

Grant amount: \$17,714

Type of Grant: Association Development Grant

Ajmeer Beekeeping Association was established in 2007 in Baghlan Province by 52 progressive farmers who were interested in beekeeping and maintaining 200 beehives. It is the only beekeeping association that provides services to its members in the province. The association works to control diseases from entering the area, by ensuring that all imported bees have the disease free certification. It also provides expertise on quality of production and training on beekeeping to its members. ABA has made a commitment to encouraging the farmers to re-start the beekeeping business because there is a string demand in the local market. ABA is marketing the production to Kabul and other cities, where current honey supply is from Iran, the UAE and Pakistan.



Honey production, Baghlan city, Baghlan Province (USAID/ASMED)

The association is planning to increase and improve honey production with ASMED's technical support. Current market demand exceeds the production capacity of the association's members. The association is in need of new equipment for beekeeping. This equipment, owned by the association, will be distributed to members in order to increase their production. By providing new equipment to members, the association supports them to improve the quality of their product and increase production capacity. In turn, members' increased business will ensure the association's financial sustainability. The support provided to one member will have a positive effect on the whole family. The association is covering their expenses by providing services to members such as supplying raw materials, sales of goods and through membership fees.

All funds requested from ASMED will be spent on equipment to increase production and on training of association members in new techniques.

Supported Activities: The procurement of honey extractor machine, unit, hive box, wax printing machine, hat, gloves, knife for removal wax, comb for removal wax, fodder, smoke sprayer, and brushes for cleaning hives bees firm,

Grant Status: 38% of Grant Activities have been done; documentation for third installment is under processing.

#### **Grant Nr: 004/027**

Grantee: Ikhlas Wool Spinning Company (IWSC)

Location: Kamarband Balkh, Mazar city, Balkh province

Grant amount: \$ 60,000

Type of Grant: Value Chain Improvement Grant

The Ikhlas Wool Spinning Company was incorporated and established in February 2007 and is licensed under AISA. The IWSC requested \$60,000 as a Grant from ASMED for the construction of a storehouse and the procurement of electrical equipment for the factory's infrastructure. The IWSC's office is located on the second floor of Bakhruddin-Bye Market in Mazar-e-sharif. The company's current focus is the distribution of woollen thread in the Northern Region.



New facilities will allow the company to save time and money, because the raw materials are available at a good price in the north. The beneficiaries will be carpet and rug weavers who can get these quality materials at good prices. The company will charge lower prices than imported products. The average cost will be very low as compared to imported wool thread.

The factory will be semi-automatic and operated on electrical power. Initially, the final production will be distributed to the local market in Mazar-e-sharif and then to the closest provinces. The IWSC plans to open warehouses and distribution centres in other provinces and will recruit around 45 employees to alleviate a critical bottleneck in the wool/carpet value chain.

Grant Status: Eighty-three percent of the grant activities completed. Final payments will be released after the submission of final reports.

#### **Grant Nr: 004/025**

Grantee: Mawj Packages Factory

Location: Mustofyat Street, Mazar city, Balkh province

Grant amount: \$ 35,000

Type of Grant: Value Chain Improvement Grant

The Mawj Packages Factory was created in 2004. The company's objective is to take an active part in the social and economic development of Afghanistan through



providing high quality and low price packaging products to private companies and farmers.

With ASMED's technical support, Mawj Packaging Company is planning to expand and extend its services in providing the packaging material to companies in the Northern Region. It will be the only company that provides such services in the area and will provide an estimated 26 job opportunities in the initial start-up phase which will increase to 38 by the end of the first year when the demand for services will be higher. New packaging will support a gradual replacement of imported packaging materials from other countries.

Grant Status: First installment of grant was released. The association is waiting for the delivery of machineries from Pakistan. Final payments will be released after the delivery.



EDequipment at the Mawj Packages Factory, Mazar-e-sharif, Balkh Province (USAID/ASMED)

**Grant Nr: 002/059**

Grantee: Kaldar Marketplace Graveling  
Location: Kaldar District, Balkh Province  
Grant amount: \$ 10,000  
Type of Grant: MDG

The market, which comprises 350 shops, serving approximately 1,000 visitors daily, was refurbished under ASMED's Marketplace Development Grant program. The improved facilities will enable shopkeepers to extend their opening hours and better serve the needs of the 140 local villages who rely on the market to buy and sell their produce.

Grant Status: A 100% of the grant activities completed during the reporting period.

**Grant Nr: 002/054**

Grantee: Charbolak District Marketplace graveling and digging a well  
Location: Charbolak district, Balkh Province  
Grant Amount: \$ 10,198  
Type of Grant: MDG

With an ASMED Marketplace Development Grant, a construction company has built one deep well in the center of the district bazaar. Additionally, the bazaar has been graveled. The idea of the wool market refurbishment came from the shopkeepers in the bazaar and was approved by the Mayor. The construction of the well and gravelling of the road will allow shopkeepers and customers to stay longer in the market in all seasons of the year and will increase commercial activities subsequently creating job opportunities for the local people. The market is located in the centre of the city and there are no proper sanitation systems close by.

Grant Status: As per the construction company and the grantee final reporting, the grant activities are a 100% complete.

**Grant Nr: 001/067**

Grantee: Pulikhumri Carpentry Association, Baghlan Province  
Location: Polikhumry district, Baghlan province  
Grant Amount: \$ 19,880  
Type of Grant: Association Development Grant

The association, with ASMED's technical support, has procured five types of operating machines, small size electrical drills, woodcutter machine, medium size electrical drill, electrical medium size saws, electrical hand machines for designing carpentry products, and electrical small size handsaws. There is a strong demand and good market for the association's products at a provincial level. However, there has not been enough equipment to satisfy demand. The association was in need of new equipment for improving the quality of its furniture.

Part of the grant was used to provide professional training to 60 members of the association for 6 days in using new models of carpentry equipment.

Grant Status: 100% of grant activities completed during the reporting period.

**Grant Nr: 001/065**

Grantee: Qataghan Seed Production

Location: Baghlan Province

Grant Amount: \$ 16,950

Type of Grant: Association Development Grant

The association, with ASMED's technical support, is increasing and improving the quality of seeds supplied to local farmers. There is a high demand for improved seeds among farmers but there is not enough equipment to satisfy demand. The association is in need of new equipment for seed cleaning, processing and packaging. All members of the association will use this equip[ment which will be woned by the association. By providing new equipment to members, the association expects to improve the quality of seeds, which ensures the association's financial sustainability.

Supported Activities: Procurement of a 5 KW generator, bag-stitching machines, and seed cleaner machine. The grant was also used for training in seed treatment, and methods for processing. Four training sessions to build the capacity of members were also organized. The association organized an exhibition to improve seeds.

Grant Status: 59% of grant activities have been done.

**Grant Nr: 001/060**

Grantee: Wahdat e Sarepul Dry & Fresh fruits Association

Location: Dara-Zenjaj, Angot Afghanea village, Sarepul province

Grant Amount: \$ 8,630

Type of Grant: Association Seed Grant

The association was established in 2008 by the Balkh BDS company with technical assistance from ASMED. Prior to that, all fruit traders and gardeners were conducting their businesses individually. There has been a rapid increase in membership because the association implements proper dissemination and advocacy procedures that greatly encourage gardeners, farmers, entrepreneurs and others business people to join.

Supported Activities: Registration of the association with the Ministry of Justice, procurement of office equipments (computer, printer, scanner & copier), and organization of roundtable meetings.

Grant Status: Final payments are being processed.

**Grant Nr: 002/055**

Grantee: Market Place Graveling

Location: Aqcha City, Jawzjan Province

Grant amount: \$9,915

Type of Grant: MDG

Supported Activities: With an ASMED Marketplace Development Grant, a construction company graveled the central market in Aqcha District. The idea of gravelling of market place came from the shopkeepers of

the market and was approved by the Mayor of Aqcha. The shopkeepers contributed to the improvement of sanitary system at the market.

Grant Status: Grant activities are a 100% completed.

**Grant Nr: 004/029**

Grantee: Medical plaster production

Location: Seh Darak, Kunduz city, Kunduz Province

Grant amount: \$ 37,000

Type of Grant: Value Chain Improvement Grant

At the moment, the company produces plaster quality gypsum, supplying to four provinces in the North East. Due to the nature of gypsum usage, the production cycle is not seasonal so a sales volume is relatively stable. Current facilities include land, buildings and vehicles as the factory's current product is mainly used for construction purposes. Currently, the company sells gypsum extracted at the quarry located in Chardara district of Kunduz province.

With the help of an ASMED grant, the company will be able to break an importers' monopoly in the production of gypsum plaster, since it is currently only imported from neighbouring countries. The availability of relatively cheap raw material, already functioning production facilities and low cost workers are strategic keys to the successful launch of gypsum plaster production at the factory.

The ASMED grant will be used to purchase machinery for the company. ASMED and company representatives will participate in the purchase and the supplier will be responsible for the installation of the equipment.

Grant Status: Grant proposal have been approved so far.

**Grant Nr: 002/065**

Grantee: Construction of 10 new shops on Almar District

Location: Almar district, Faryab province

Grant amount: \$9,955

Type of Grant: MDG

With the support of an ASMED MDG, the construction company will build 10 new shops at the Almar district market in Faryab province. The request was received through the district governor and the municipality of Almar is taking part in the construction and co-financing the work. Shopkeepers are contributing to the operation and will maintain the sanitary system.

The project implementation will directly support development of commercial activity as the bazaar is the only centralized marketplace for the procurement of foodstuffs and clothing in the district. The project will help ASMED's Mazar office to spread information on MDG projects in Faryab province and establish a working relationship with the local government and business community.

Grant status: A construction company has done 80% of the grant activities.

**Grant Nr: 001/071**

Grantee: Gemstone Training Center at the Jewelers Guild of Kunduz

Location: Kunduz city, Kunduz Province

Grant amount: \$30,260

Type of Grant: Association Development Grant

A training center will be set up for gemstone processing and jewellery making. Semi-precious stones are available from several different locations in Afghanistan (emeralds, rubies, lapis lazuli, aquamarine, tourmaline and kunzite). Kunduz shop owners have a high awareness of such stones and know where to source them but most are exported either unprocessed or semi-processed. They are made into

gemstones, larger polished stones or jewellery by the many Afghan-Pakistani firms operating around Peshawar and other jewellery centers in Pakistan. There is now a Gemstone Institute in Peshawar.

ASMED will provide furniture for a training center (benches, stools, cupboards), a generator for lighting and cooling purposes, a generator for operating electrical equipment and other office furniture for administration of the training center.

To date. The grant from ASMED has been used to purchase tools and equipment, and conduct skills training for members and non-members in gemstone cutting, polishing and jeweler manufacturing. Participants in these training will pay fees, which will increase the income of the Guild. The training aims to improve their business opportunities and provide job opportunities for these family businesses and young people who enter this profession.

Grant Status: Grant first installment delivered to the grantee for registration of association with the Ministry of Justice.

### **OBSTACLES**

- Lack of capacity of associations in writing a grant proposal and reporting the project progress and finalization.
- Environmental issues with grant implementation on latrines, carpet cut and wash facility, leather processing.

### **PLANNED ACTIVITIES**

- To increase grant proposals on MDG by close cooperation with district leaders, PRTs and local municipalities, at least 4 in total.
- To identify and submit grant proposals on Value Chain Project, at least 2.
- To identify and submit grant proposals on Association Grants, at least 5.

### **GRANTS PIPELINE (Submitted to the Grant Committee):**

The project has finalized the following grant proposals and submitted them to Kabul:

#### **Proposal Nr. 002-055**

Grantee: Rehabilitation of 20 shops in the women market, Mazar city

Location: Mazar city, Balkh Province

Grant amount: \$9,148

Type of Grant: MDG

Supported Activities: With an ASMED Marketplace Development Grant, a construction company will build 20 shops at the Women's Market in Mazar-e-sharif. The request was received through the Ministry of Women Affairs in Mazar-e-Sharif which plans to start the operation of the Women's Market.

#### **Proposal Nr. 004-025**

Grantee: Sadat Tomato Paste Company

Location: Mazar city, Balkh Province

Grant amount: \$95,000

Type of Grant: VCIG

Supported Activities: The grant funds requested for construction of cool storage, marketing the product (publication of posters, brochures, boards stands, broadcasting on national TV and radio, etc), developing the marketing strategy, and installation of financial management system.

**Proposal Nr. 004-026**

Grantee: Takht-i-Rustam Marble Production

Location: Mazar city, Balkh Province

Grant amount: \$50,000

Type of Grant: VCIG

Supported Activities: The grant is requested for the professional extraction of marble from a local quarry way using a mine-cutting machine. Currently, the company extracts the marble by blasting.

**Proposal Nr. 001-077**

Grantee: Mazar-Balkh Dry Fruits processing and Exporter Association

Location: Mazar city, Balkh Province

Grant amount: \$26,632

Type of Grant: Association Development Grant

Supported Activities: With ASMED's technical support, the association is planning to build a warehouse for storing the dry fruits at the dry fruit market. The warehouse will increase the quantity of dry fruits to be purchased from local farmers and thereby raising their income. The association is also requesting funds for registration at the Ministry of Justice of Afghanistan.

**Proposal Nr. 004-027**

Grantee: Qadari Plastic Recycling Company

Location: Dash Shoor, Mazar, Balkh Province, Afghanistan.

Grant amount: \$55,000

Type of Grant: VCIG

Supported Activities: Old plastic recycling

**Proposal Nr. 001-078**

Grantee: Amo Licorice

Location: Azar Toaqy Village, Shortepa District, and Balkh Province.

Grant amount: \$27,685

Type of Grant: Association Development Grant

Supported Activities: Building two storehouses, mobilizing association office, procuring tools for value added operations, procuring generator for running electric machines.

## **FIELD ACTIVITIES – SOUTH**

### **APPROVED OR ONGOING GRANTS OR GDAS**

#### **Construction of Jam-e-Omar Market Latrines**

An MDG was approved for construction of 15 latrines in Jama-e-Omar Market of Kandahar city in collaboration with Kandahar municipality.

#### **Installing Metal Awnings to 4 markets in Qalat City**

ASMED hired a local construction company to install metal awnings for 80 shops in four markets in Qalat city, which are newly constructed by private sector businessmen. The project will install the shelters for food shops in these markets.

### **Construction of Shah Joy District Market**

ASMED, in collaboration with the local Shura, started the construction of a small market in Shah Joy district center through a local construction company. The market will include eight shops, surrounding walls and main gate. This market is specially built for food and agricultural products of the area and will create both temporary and permanent jobs for the local population.

### **New Sardar Afghan Import Export Company (NSAIEC)**

The grant is used for packaging dry fruits and nuts of NSAIEC exports to international markets. NSAIEC will collect dry fruits and nuts from farmers, and sort, package and send them on to the international market. Under the grant, the association needs to purchase three types of machineries for packaging 250 to 500 grams fruits and nuts in plastic packing corrugated boxes and sealing them. As a result, 200 permanent jobs will be created for local population as well. The quotations have been collected and purchasing will be done soon.

## **PLANNED FOR NEXT QUARTER**

### **Construction of Women Market in Qalat City**

ASMED received an MDG grant application from Qalat city municipality for constructing a women's market in Qalat, Uruzgan province. This will include 10 shops, one guard room, one office room, three latrines and a boundary wall with metal gate.

### **Construction of Maruf District Market**

ASMED received an MDG grant application from Maruf District Governor for constructing five market stalls in the district center. The grant application with required documents has been sent to Kabul.

## PROGRAM COMPONENT 5:

# CAPACITY BUILDING

## FIELD ACTIVITIES – CENTRAL

### Internship at Kabul University

On 3 June 2009, Oriental Consulting gave a qualifying test to 350 students of Kabul University for the next phase of the internship program. These students are in their senior year in the Faculties of Economics, Computer Science, Agriculture and Journalism. One hundred and forty students (including 48 females) qualified for program.

The theoretical training portion of this internship program started on 21 June 2009. In July, seventy of the interns (including 20 females) started basic accounting and book keeping training. After the end of the training phase, the interns work with various host SMEs in Kabul province for practical work experience.

Following is a list that shows interns placed at various firms for their practical internship period.

No	Host Companies /Organization	Number of Interns Accepted
1	Afghanistan Chamber of Commerce and Industry	6
2	Roshan Telecommunication Company	14
3	Azizi Bank	5
4	Tolo TV	1
5	Pashtany Bank	3
6	Harakat	3
7	EPAA(Export Promotion Agency of Afghanistan)	5
8	BRAC Bank	2
10	Ajeer Institute of Business Management	6
11	Parwan Construction Company	2
12	ASAP/USAID	2
13	HLP/USAID	2
14	Afghan eQuality Alliance	3
15	Care International	1
16	Insight consulting	1
17	MEDA	6
18	Global Partnership for Afghanistan	1
19	Oriental consulting	1
20	Mercycorps	1

<b>Total</b>		<b>65</b>
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## ONGOING ACTIVITIES

### Internship Program

The theoretical phase of the internship program is ongoing in Khost, Paktia, Kuduz and Bamyan Provinces. The theoretical training on modern accounting, management and marketing will be followed by three months of practical training with private sector organizations based in these provinces.

### Mentorship Program

On July 12, 2009, ACCI-ASMED's sixth month mentorship seminar took place at the ACCI conference hall in Kabul. Forty-five young professionals (including 17 females) participated in the seminar on starting a successful small business. The seminar was facilitated by two mentors, Mr. Ziarmal and Mr. Yadga Yadgari.

On July 19, the ACCI-ASMED mentorship program ended successfully. A graduation ceremony took place at ACCI in Kabul in which certificates were distributed.



ACCI-ASMED mentorship seminar, Kabul  
(USAID/ASMED)

## FIELD ACTIVITIES – EAST

### Internship Program

This quarter saw the conclusion of the fourth class of the ASMED internship program. After completing the three-month long theoretical course, the eighty students from the fourth class trained with various SMEs throughout the province for an additional three months. All of the interns received a starting salary paid for by ASMED. Around 60% of the students received full employment opportunities with various SMEs, NGOs and government agencies.

ASMED expects similar results from the recently completed fourth class. ASMED will hold a graduation ceremony after Ramadan.

In addition, 80 students from the fifth class of the ASMED internship program completed their theoretical courses held at the Education Faculty of Nangarhar University. During the theoretical portion of the training students studied basic management, accounting, marketing, and banking skills.



Internship graduation ceremony, Jalalabad, Nangarhar  
Province (USAID/ASMED)

## **FIELD ACTIVITIES – WEST**

### **Mentorship Program**

The six-month mentorship program for 50 mentees ended on 18 July. 19 women and 31 men took part in this program which began on 10 February.

#### **Impact:**

- Young professionals attended six mentorship sessions
- Fifty young male mentees took part in business rights, business plan preparation, proposal writing, time management and marketing subjects.
- Support Afghanistan's private sector through building capacity of the participating mentees.
- Exposure visits to active and successful industrial companies.

### **Internship Program**

The graduation ceremony for 120 interns from Herat University took place at the Herat Five Star Hotel on June 17. Most of the interns have placed with local SMEs.

#### **Herat University Internship**

On 12<sup>th</sup> of July 2009, ASMED, in partnership with Herat University and implementing partner BAMS (Business and Marketing Services Agency of Afghanistan), conducted a qualifying internship test to 500 students at Herat University. One hundred-forty students (including 50 female) qualified for the ASMED professional internship program. The theoretical training portion of the first batch of 70 interns including 31 female interns started on 25 July, 2009. These interns will be trained in accounting, marketing, business management and supervision for a three month period followed by three months practical work with SMEs in Herat.

On 20<sup>th</sup> September, 2009, ASMED arranged a study tour for 70 interns of the first batch to a Tomato Paste Production Company in Herat. The Director, Mr. Taraky, provided detailed information about his company's marketing methods to interns.

On 29<sup>th</sup> September, 2009 another study tour was arranged by ASMED for 70 interns from Herat University. The students visited Nagin Industrial and Production Company in Herat.

## **FUTURE ACTIVITIES**

ASMED plans to give a qualifying test to more candidates for the internship program on in mid July. Over 350 applicants have expressed interest in the 140 positions.

## **ONGOING ACTIVITIES**

The Herat based BDS firm BaMSA was selected from an open competition to carry out the new internship program. A qualifying exam for 400 students of various faculties of Herat University was conducted on July 12. An additional round of tests was conducted in the first week of August for an additional 50 women. The training phase for the first 70 students (35 interns in each class) will start in early August. Both female and male classes have commenced.

### **Mentorship**

ACCI-ASMED's sixth month mentorship seminar took place on July 18 in Herat province. Forty-six young professionals including 19 females participated in the seminar on management skills. After the sixth seminar, young professionals, accompanied by mentors, attended the third study tour. The mentees visited the Super Rehan Production Company and learned about the production process, storage and distribution methods.

## FIELD ACTIVITIES – NORTH

### KEY ACCOMPLISHMENTS

The project facilitated the smooth implementation of the internship and mentorship program, with the second year program successfully concluded. The program was implemented by Balkh ACCI and covered 50 young professionals from different SMEs. The second year internship program started in Balkh University for 140 students from the Economy, Law, Agriculture and Journalism faculties of Balkh University.

#### Mentorship Program

ACCI-ASMED conducted a mentorship seminar on July 12 2009. Forty-five young professionals including 8 female participated in the seminar which was facilitated by two senior business people, Professor Fida and Professor Wahed. Topics included accounting and management.

The graduation ceremony was held on July 19. Both mentors and mentees expressed their satisfaction with the program, and suggested ways in which the program could be improved.



ACCI-ASMED mentorship seminar, Mazar-e-sharif, Balkh Province (USAID/ASMED)

### OTHER ACTIVITIES

- On July 16, a study tour was conducted to the Sayed Jamal Food Production facility in Mazar-e- Sharif.
- On 22 July 2009, the mentorship graduation ceremony was conducted in ACCI office Mazar. Fifty participants (42 males and 8 females) received graduation certificates.
- On 2 August 09, ASMED met with the chancellor of Balkh University. The project discussed the current internship program as well as opportunities such as the BBA program with Balkh University.
- On 6 August, the first batch of the second year internship program with participation of 70 students in two classes started in Balkh University. The project was implemented in partnership with Balkh BDS.
- On August 10, the project met with USAID's Deputy Field Program Officer in Baghlan to discuss the possible implementation of ASMED's internship program for Baghlan University. A BDS company has been selected to implement this program starting in mid-October.

### PLANNED ACTIVITIES

Placement of graduate interns with private companies

- Starting second batch of internship in Balkh University
- The internship program will start in Baghlan University

## **FIELD ACTIVITIES – SOUTH**

### **Internship Program**

#### **Helmand, Zabul and Uruzgan Provinces**

The registration process for 150 interns (50 interns in each province) started in the last week of September 2009. A qualifying exam will be conducted on October 3, 2009 in each province. These interns will be selected from high schools in Lashkargah, Qalat and Uruzgan cities. The internship program takes six months. The first three months will cover theoretical training on accounting, advanced business consulting, marketing and management. A three-month practical training with SMEs and private sector organizations will follow.

#### **Placement of 59 Interns in SMEs in Kandahar**

ASMED Regional Office placed 59 interns with various SMEs in Kandahar. These interns benefited from practical work experience at these host firms for three months from June 20 to September 19. The participants are from the agriculture, education and engineering faculties at Kandahar University. Fifty percent of the interns received permanent jobs with their host firms.

#### **Sixth Mentorship Seminar/Study Tour:**

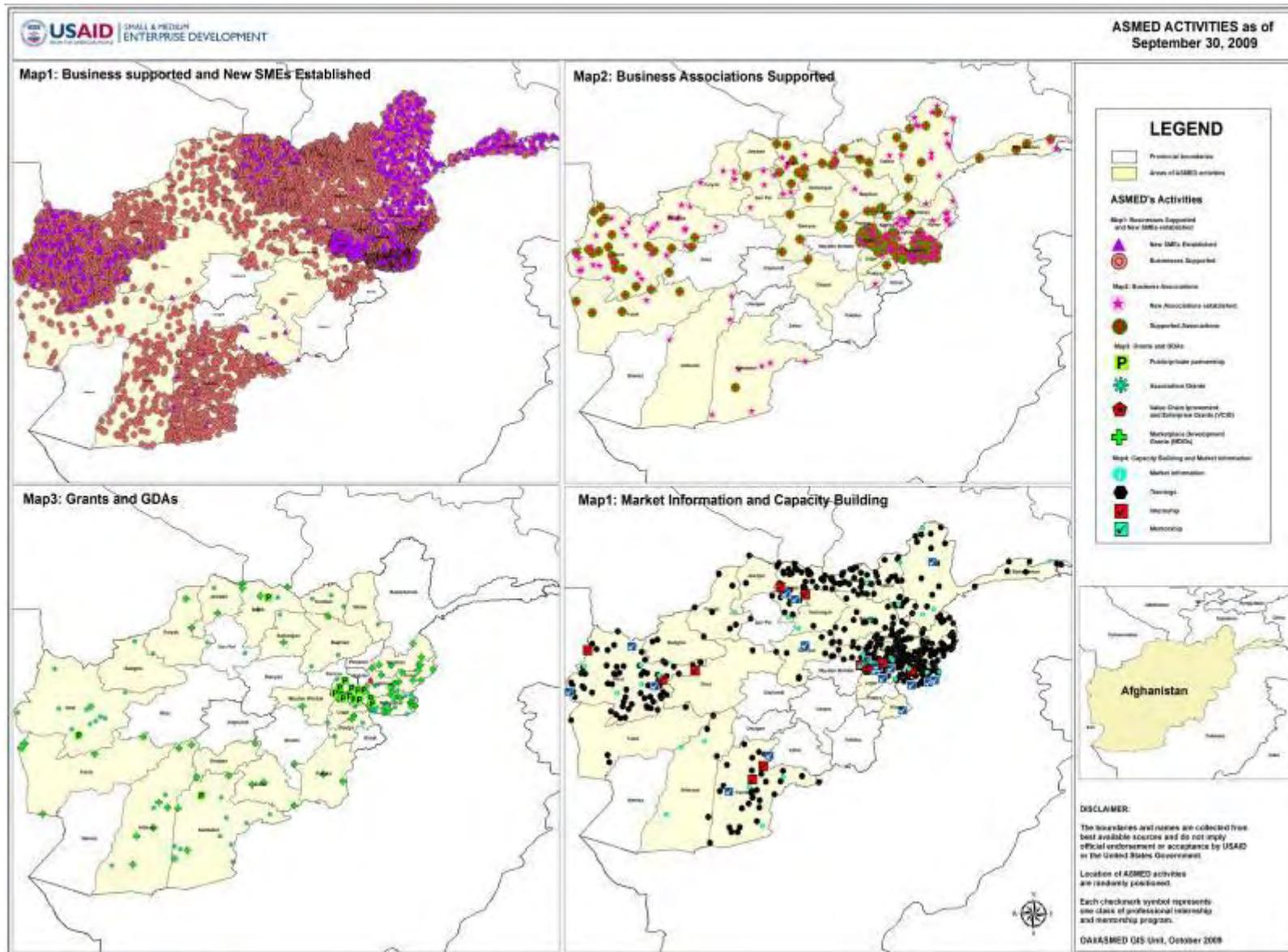
ACCI Kandahar arranged the sixth mentorship seminar which took place on July 11. The seminar included a study tour and lectures on business management and business health issues. Forty-six mentees and mentors participated, visiting a major food and beverage producing facility in Kandahar and attending a brief presentation by the assistant manager of the plant.



**ACCI seminar/study tour, Kandahar.  
(USAID/ASMED)**



# ACTIVITY MAP I: PROJECT TO DATE



# ACTIVITY MAP 2: THIRD QUARTER 2009

